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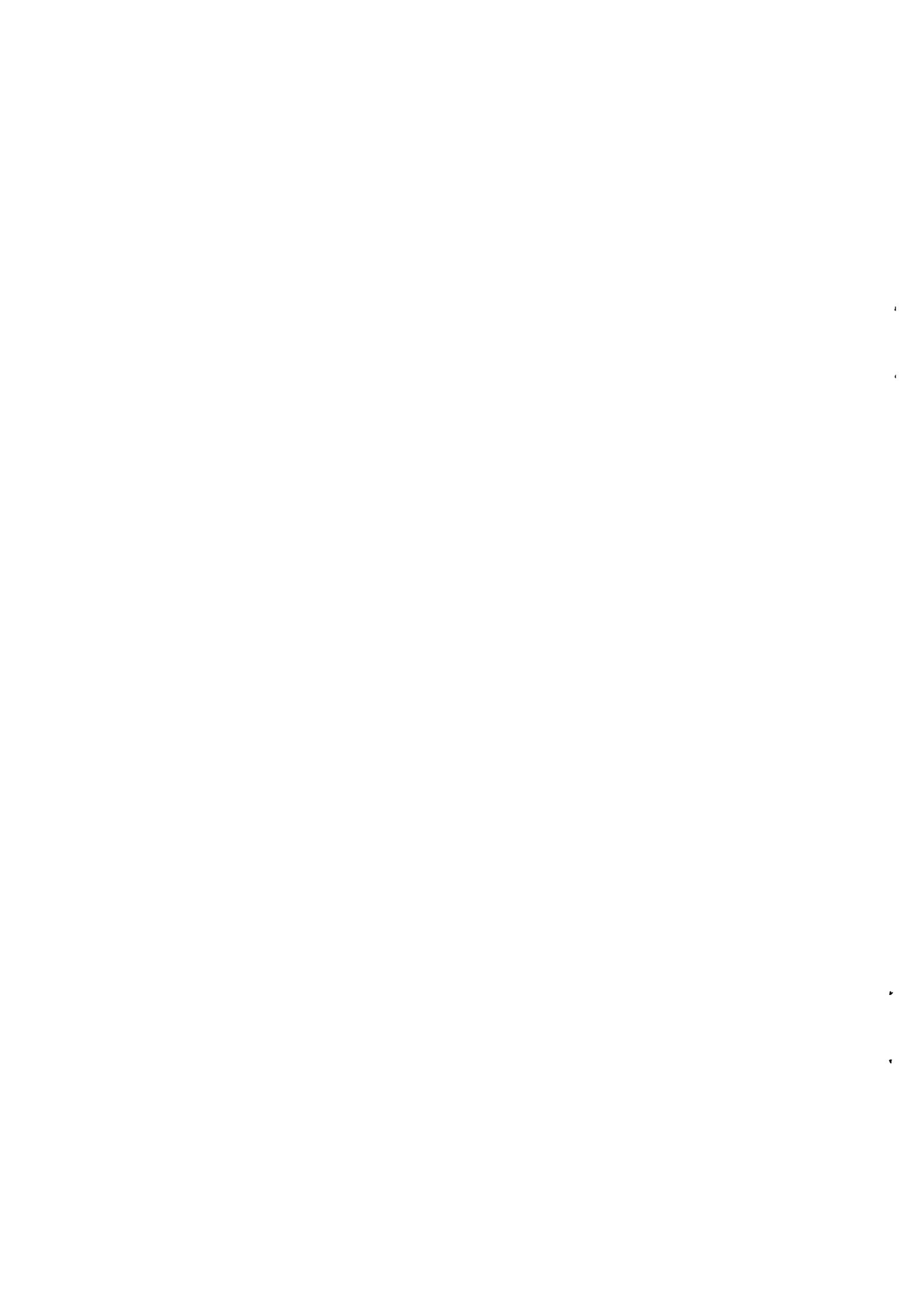
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Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 48/75) for a Regulation temporarily/suspending the autonomous common customs tariff duties on certain agricultural products

Rapporteur : Mr F. HANSEN



Pursuant to Article 43 of the EEC Treaty, the President of the Council of the European Communities consulted the European Parliament on the proposal from the Commission of the European Communities to the Council for a Regulation temporarily suspending the autonomous common customs tariff duties on certain agricultural products.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on External Economic Relations for its opinion.

The Committee on Agriculture appointed Mr Hansen rapporteur on 17 April 1975.

It considered this proposal at its meeting of 22 April 1975 and on the same day adopted the motion for a resolution by 6 votes with 4 abstentions.

The following were present: Mr Houdet, chairman; Mr Laban, vice-chairman (deputizing for Mr Hansen, rapporteur); Mr Boano, Mr Brégégère, Mr Frehsee, Mr Früh, Mr Martens, Mr Noè (deputizing for Mr Ligios), Lord St. Oswald, Mr Scott-Hopkins.

The opinion of the Committee on External Economic Relations is attached to this report.

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A

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation temporarily suspending the autonomous common customs tariff duties on certain agricultural products

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(75) 153 final),
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 48/75),
- having regard to the report of the Committee on Agriculture and the opinion of the Committee on External Economic Relations (Doc. 56/75),

1. Approves the aim of this proposal;
2. Stresses the need to compile Community statistics on the subject to enable the Commission to assess more accurately developments in the market for the agricultural products concerned;
3. Invites the Commission, with a view to bringing about a much-needed increase in the supply of certain agricultural products little produced within the Community, from now on to employ in the first place the instrument of generalized preferences and negotiations within the framework of GATT with regard to exports of these products from developing countries, and also to take account of the interests of the processing industry in those countries;
4. Reiterates its view that it would be advisable to abolish, in due course, autonomous duties on products produced in insignificant quantity within the Community.

EXPLANATORY STATEMENT

1. The purpose of this proposal is to effect a reduction or a total suspension of common customs tariff duties on a certain number of agricultural products whose production within the Community is insufficient to meet demand.

These measures are proposed following requests made by the Member States which, to meet their own requirements are partially or totally dependent on imports from third countries.

The Commission believes that if such measures were not taken, imports of products from these countries might damage the competitiveness of the processing industry in the Community; the latter would be obliged to sell at prices that were less competitive than those of the suppliers of these products in third countries.

According to the Commission, this measure could also help to maintain a satisfactory level of employment in regions where the industries are located, and would contribute at the same time to the fight against inflation, by enabling possible price increases to be held down as far as possible.

2. The duration of the partial or total suspension of autonomous common customs tariff duties varies, according to the category of product, between seven and twelve months. For many of these products it would be a prolongation of tariffs now in force and due to expire on 30 June 1975.

The suspensions largely involve fishery products.

The reasons for the Community deficit in this sector have been outlined in a report submitted by the Commission to the European Parliament at the latter's request¹.

3. Although the Committee on Agriculture feels that it can approve the principle of suspending common customs tariff duties on the products in question if the Community has a supply deficit, it wishes nevertheless to make certain observations.

¹Report to the European Parliament on the deficit in the trade balance for fishery products in the Member States (PE 39.985).

It seems first of all that the list of suspensions has been largely inspired by data provided by the national authorities. Since this data is often incomplete or not up to date, and leaves room for uncertainty as to future trends in requirements for imported goods, it is no easy matter to judge this proposal.

4. The Committee on Agriculture cannot emphasize strongly enough that the Commission must have its own statistics, which would enable it to assess regularly the production and requirements of the products concerned.

Although in this case the products involved are uncommon and very specialized and items in which the Community has a deficit, it is nevertheless important to keep the market under supervision on account of possible variations in Community production of these products or of their substitutes.

5. The Commission feels that these suspension measures should only be temporary, and should be maintained only as long as it is in the interest of Community production to do so.

A suspension of duties on these products would thus seem to be a mechanism which can be easily adapted to the quantity of Community supplies.

As the Committee on Agriculture has already underlined in Mr Howell's report¹, it seems advisable to consider the definitive abolition of duties on products which certain Member States obtain exclusively or very largely from third countries. The Commission of the European Communities thus proposes the regular renewal of the total suspension of duties on dried haricot beans, used for the production of tinned 'baked beans' in the United Kingdom. This country has to import from third countries, particularly the USA and Canada, to meet its requirement for vegetables, which amounted to 82,000 tons in 1974. The same situation exists for obtaining supplies of fresh or dried dates and ground paprika; all the Community's requirements have to be met by imports from third countries.

The Committee on Agriculture feels that customs tariffs are not indispensable for products produced in insignificant quantity within the Community, and that the abolition of duties should be considered within the appropriate framework, like that of generalized preferences in the case of processed products, and that of GATT.

For products coming from the Mediterranean basin, this question falls within the sphere of the overall approach to relations with countries of this area.

¹Doc. 392/74

6. The Committee on Agriculture feels it necessary to make known its view that, as far as the developing countries are concerned, everything should be done to encourage the processing of products within those countries.

It therefore seems desirable to make this a principle of the Community's development policy towards those countries and to establish which products are imported from developing countries and their significance to the Community's processing industries.

It is difficult to determine the importance of the products concerned by the proposal in relation to Community agricultural production in general: they are very specialized, and the Commission has to rely on figures provided by national authorities which are often incomplete. This is particularly true for products such as Christmas trees imported from Denmark to Germany, for which the Commission proposes a suspension of duties of 10% for the period from 15 October 1975 to 31 December 1975. The Committee on Agriculture fails to see how this proposal is in the interest of the common agricultural policy.

7. While it would like the Commission to clarify these points, and subject to the reservations expressed above, the Committee on Agriculture approves the aim of this proposal.

OPINION

OF THE COMMITTEE ON EXTERNAL ECONOMIC RELATIONS

Letter from Mr KASPEREIT, Chairman of the Committee on External Economic Relations, to Mr HOUDET, Chairman of the Committee on Agriculture

Brussels, 17 April 1975

Dear Mr Chairman,

On 17 April 1975 the Committee on External Economic Relations considered the proposal from the Commission of the European Communities to the Council for a regulation temporarily suspending the autonomous duties under the Common Customs Tariff on a number of agricultural products (COM (75) 153).

This proposal for a regulation concerns the suspension of CCT duties on certain agricultural products for which Community production is insufficient to meet demand.

Since the experts have declared themselves in favour of the suspension of CCT duties and given that Community competitiveness would be increased as a result, the proposal for a regulation under consideration would seem to merit a favourable opinion.

The Committee on External Economic Relations, however, support the proposal made in the last report of the Committee on Agriculture on this subject (doc. 392/74) that autonomous tariffs should be abolished at a suitable time for those products of which there is no significant Community production.

(sgd.) G. KASPEREIT

The following were present: Mr Kaspereit, chairman and draftsman; Lord Bethell, Mr Didier, Mr Dunne, Mr Klepsch, Mr Pintat, Mr Schwabe (deputizing for Mr Fellermaier), Mr Spicer, Mr Thornley and Mr Vandewiele.

