

## EUROPEAN PARLIAMENT

# Working Documents

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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. 369/74) for a regulation on the opening, allocation and administration of the Community tariff quota for frozen beef and veal falling within sub-heading No. 02.01 A II a) 2 of the Common Customs Tariff (1975)

Rapporteur: Mr M. VETRONE



By letter of 21 November 1974 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within sub-heading No. 02.01 A II (a) 2 of the Common Customs Tariff (1975).

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 M. Vetrone rapporteur.

It considered this proposal at its meeting of 28/29 November 1974.

At the same meeting the committee adopted the motion for a resolution and the explanatory statement by 13 votes in favour with 1 abstention.

Present: Mr Houdet, chairman, Mr Laban, vice-chairman; Mr Vetrone, vice-chairman and rapporteur, Mr Brugger, Mr Cifarelli, Mr de Koning, Mr Frehsee, Mr Schwabe (deputizing for Mr Hansen), Mr Fröh, Mr Howell, Mr Ligios, Mrs Orth, Mr Scott-Hopkins and Lord St. Oswald.

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

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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 on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within sub-heading No O2.01 A II (a)2 of the Common Customs Tariff (1975).

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(74) 1822 final)<sup>1</sup>,
  - having been consulted by the Council pursuant to Article 43 (2) of the EEC Treaty (Doc. 369/74),
  - having regard to the report of the Committee on Agriculture and the opinion of the Committee on External Economic Relations (Doc. 395/74),
1. Taking account of the fact that the obligation to open an annual quota for frozen beef and veal arises from undertakings given in the context of GATT, approves the proposal of the Commission of the European Communities;
  2. Nonetheless, requests the Council and Commission of the European Communities to implement the protective measures laid down in Article 19 of GATT should the said importations cause or threaten to cause disturbances on the Community market;
  3. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities.

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<sup>1</sup> OJ No. C 151, 30 November 1974, p. 4

EXPLANATORY STATEMENT

1. To meet its obligations entered into during the multinational GATT negotiations the Community has opened an annual quota for frozen beef and veal, and the European Parliament has been consulted on the relevant proposals in the normal way.

It should be recalled that to the first commitment to import 22,000 metric tons of meat annually at 20% duty was added an agreement concluded with Argentina in 1971, which enabled the Community - on a unilateral basis - to open a supplementary annual tariff quota subject to the same conditions.

As a result, the Community quota for 1973 and 1974 amounted to a total of 34,000 metric tons.

2. The proposal relating to the opening of the 1975 quota contains certain new elements when compared with the proposal for the 1974 quota (COM(73) 1780 final). The first of these concerns the total volume which, according to the proposal, is to be fixed at 38,500 metric tons, while Council Regulation No 16/74<sup>1</sup> set the quota for 1974 at a total volume of 34,000 metric tons.

This increase in volume was decided on in the course of negotiations within the framework of Article XXIV(6) of GATT following the enlargement of the Community.

In the second place, the proposal under consideration provides that, for 16,500 metric tons of the quota volume, the system of monetary compensatory amounts to offset fluctuating exchange rates should be applied. The possibility of applying a compensatory rate cannot be extended to the entire quota, since the GATT rate must be applied to the 22,000 metric tons originally agreed to.

3. As regards the proposal to set aside 10% of the quota volume as a Community reserve to enable Member States which have imported the full quota assigned to them to continue importations, within the limits of the reserve itself, it should be recalled that the proposal for the quota year 1974 also provided for the setting up of a Community reserve, but that the Council, in the regulation mentioned above, did in fact allocate the entire quota among the Member States.

<sup>1</sup> See OJ No L 20, 24 January 1974

4. The explanatory memorandum to the proposal contains no details of the pattern of imports during 1974, but the information supplied by the Commission shows that 12,500 metric tons were imported up to September/October. This should be seen in relation to the fact that the situation on the Community meat market in 1974 has been such as to require a series of exceptional measures at Community level, the multiplicity of which clearly indicates the gravity of the situation.

Although examination of the proposal is centred on a limited quantity of meat imports, it does appear necessary to take into consideration the present situation with a view to estimating on the basis of the forecasts for 1974 whether the importation of frozen meat in the framework of this quota could not have repercussions on Community production and on the markets in the Community or on those of one of its regions.

The question is whether Community production, and particularly meat being held by the intervention organizations, is not likely to encounter difficulties, both as regards marketing and transformation, as a result of these imports from third countries.

5. In view of the difficulty in making precise estimates for 1975, especially for the second half of the year, and in assessing the results of measures adopted or to be adopted within the Community with a view to putting the beef and veal sector back on a sound economic basis, the Committee on Agriculture, while approving the proposal, calls upon the Commission and the Council to make use, if necessary, of the protective measures provided for in Article 19 of GATT, under which imports may be suspended in the event of disturbances on the Community market.

OPINION OF THE COMMITTEE ON EXTERNAL ECONOMIC RELATIONS

Draftsman : Sir Douglas DODDS-PARKER

On 3 December 1974 the Committee on External Economic Relations appointed Sir Douglas DODDS-PARKER draftsman, and at the same meeting adopted the draft opinion by 9 votes to 6.

Present: Mr de la Malène, chairman; Mr Thomsen, vice-chairman; Sir Douglas Dodds-Parker, draftsman; Mr Baas, Mr Brewis, Mr De Clercq, Mr Dunne, Mr Herbert, Mr Kaspereit, Mr Klepsch, Mr de Koning, Mr Lange, Mr Patijn, Mr Pintat, Mr Vetrone.



1. During the last multilateral GATT negotiations the European Community undertook to open an annual quota of frozen beef and veal. Consequently, to meet this obligation, a regulation should be adopted before 1 January 1975 on the opening, allocation and administration of the Community tariff quota, which should amount to 38,500 metric tons during the coming year.
2. Attention is drawn to the fact that the Commission has split the total quota of 38,500 metric tons into two parts, one of 22,000 metric tons and the other of 16,500 metric tons; this has been done to permit the application of the system of monetary compensatory amounts to the volume of 16,500 metric tons.
3. Thus subdivided, the volume of frozen beef and veal to be imported into the Community in 1975 will be allocated among all the Member States in the usual way.
4. Attention is drawn to the fact that a substantial quantity of unused frozen beef and veal is at present in storage in the EEC; the committee consequently feels that the implementation of this proposal authorizing further imports of this merchandise would contribute to a further aggravation of the existing crisis. It considers, moreover, that in implementing the proposal account should be taken of the difficulties at present affecting the internal EEC market and that careful consideration should be given to the period of time during which further imports to the EEC can be justified.
5. The committee also feels that due consideration should be given to the interests of beef and veal producers in third countries. It is therefore prepared in principle to approve the proposal on condition that the Commission and the national authorities exercise strict control over imports with a view to preventing disturbances on the Community market and that they authorize imports only to satisfy immediate requirements.
6. It furthermore considers that, in the event of disturbances on the Community market, the Commission and Council should make timely use of the safeguard measures provided for in the GATT.





