

EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 289/75

Report

drawn up on behalf of the Committee on Agriculture

on a proposal from the Commission of the European Communities to the Council (Doc. 205/75) for a regulation on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading No. 02.01 A II a) 2 of the Common Customs Tariff (1976)

Rapporteur: Mr Mario VETRONE

PE 41.617/fin.

By letter of 1 August 1975 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 subheading No. 02.01 A II a) 2 of the Common Customs Tariff (1976).

By letter of 29 August 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 Vetrone rapporteur.

It considered this proposal at its meeting of 2-3 October 1975 and adopted the motion for a resolution by 12 votes to 4 with one abstention.

Present: Mr Houdet, chairman; Mr Vetrone, vice-chairman and rapporteur; Mr Laban, vice-chairman; Mr Baas, Mr Boano, Mr Della Briotta, Mrs Dunwoody, Mr Frehsee, Mr Früh, Mr Gibbons, Mr Hansen, Mr Howell, Mr Hughes, Mr Kofoed, Mr Liogier, Mr Martens, Mrs Orth 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 a 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 subheading No. 02.01 A II a) 2 of the Common Customs Tariff (1976)

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council,¹
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc.205/75),
- having regard to the report of the Committee on Agriculture and the opinion of the Committee on External Economic Relations (Doc.289/75),

Approves the Commission's proposal.

¹OJ No. C 197, 28 August 1975, p.3

EXPLANATORY STATEMENT

1. In connection with the obligations the Community has undertaken under the GATT, a Community tariff quota for frozen beef and veal is opened each year.

Parliament is consulted on the regulations providing for the opening allocation and administration of this tariff quota.

It is proposed to fix the new quota, as last year, at 38,500 metric tons at a duty of 20%. Monetary compensatory amounts to offset fluctuations in exchange rates are to be applied in respect of 16,500 metric tons of that total.

It is impossible to apply the compensatory amounts to the whole quota, since the rate of duty on a 22,000 metric ton portion, on which the original obligation to open a tariff quota was undertaken, is determined by GATT.

The allocation of the quota is made by the usual method, and there is also provision for the formation of a reserve amounting to 10% of the quota, which can be used if the original quota shares are used up.

2. Since last year the Committee on Agriculture delivered a favourable opinion on a similar proposal¹, it can confine itself to a few observations.

In the first place, your committee draws attention to the continuing difficulties in cattle-raising in the Community.

Although forecasts for 1976 indicate a slight fall in the cattle population, in the opinion of the Committee on Agriculture it is not possible simply to extrapolate from this development a slower growth in beef and veal production.

Beef and veal production capacity is still at a high level. The interests of producers inside and outside the Community must therefore be very carefully weighed against each other.

As last year, the Committee on Agriculture favours this proposal, but it wondered if it might not be appropriate to ask the Commission and the Council to invoke in good time, if necessary, the safeguard clause provided for in Article 19 of GATT, when there is a threat of disturbance to the internal market by imports from third countries. However, there is some dispute as to whether this clause may be invoked in the case of consolidated tariff quotas, and the Commission's representatives excluded this possibility. The Committee on Agriculture decided, therefore, by a majority not to include this request in the motion for a resolution.

¹Report by Mr VETRONE Doc.395/74

OPINION OF THE COMMITTEE ON EXTERNAL ECONOMIC RELATIONS

Draftsman: Mr J. SCOTT-HOPKINS

The Committee on External Economic Relations appointed Mr Scott-Hopkins draftsman for the opinion on 17 September 1975.

At its meeting of 30 September 1975 it considered the draft opinion and adopted it with 11 votes in favour and four abstentions.

Present: Mr Kaspereit, chairman; Mr Scott-Hopkins, vice-chairman and rapporteur; Mr Brégégère, Mr Bourdellès (deputizing for Mr Baas), Mr Cipolla, Mr D'Angelosante, Mr Dunne, Mr Dykes, Mr Fellermaier, Mr Klepsch, Mr De Koning, Mr Emile Muller, Mr Pintat, Mr Schulz and Mr Thornley.

1. During the latest multilateral GATT negotiations the European Economic Community undertook to open an annual Community tariff quota of 38,500 metric tons of frozen beef and veal, expressed as boneless meat, falling within sub-heading No. 02.01 A II (a) 2 of the Common Customs Tariff at 20% duty. Countervailing charges introduced in connection with fluctuations in exchange rates are to be levied on 16,500 metric tons of this quota.
2. Consequently, to meet the Community's obligations, a regulation should be adopted before 1 January 1976 on the opening, allocation and administration of the Community tariff quota in question.
3. It should be recalled that the European Parliament declared itself in favour of such a measure last year¹. The situation on the market is still serious. There remain considerable stocks within the Community, in both the public and private sectors. Any increase in reserves of frozen beef should be strictly controlled. Nevertheless, in the view of the Committee on External Economic Relations, the Community should fulfil its international commitments made in GATT. For this reason, the Committee on External Economic Relations approves the Commission's proposal.
4. The Commission should keep a close watch over trade developments in this type of situation and, if necessary, take steps to ensure the respect of the clauses contained in Article 9 of GATT, concerning safeguard measures.

¹Report of the Committee on Agriculture by Mr VETRONE (Doc. 395/74).