

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 21 May 1975

Proposal for a
REGULATION (EEC)

increasing the amounts of the Community tariff quotas opened for 1975 by Regulation (EEC) No 3110/74 for certain handwoven fabrics, pile and chenille made from silk or cotton, and amending the list of textile products entitled to be admitted under such quotas

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. On 2 December 1974 the Council adopted Regulation (EEC) No 3110/74 on the opening of Community tariff quotas for 1975 for certain handwoven fabrics made from silk and cotton. The opening of tariff quotas for such products, which has continued for several years, forms part of Community policy with regard to certain countries to specifically encourage small-scale craft productions. Products from several countries, including India and Pakistan, are currently admitted under such quotas.

2. It must be borne in mind, that the proposal submitted by the Commission to the Council at the end of 1974 on the opening of the tariff quotas for 1975 provided for an increase in both of the quota amounts from 2 to 3 million u.a. Although the other proposal, which would allow several other handmade products to be admitted under such quotas, had been incorporated, the increase referred to above had not. The Commission considered that the matter must be re-examined. This re-examination concerns the course followed by the Community in carrying out its trade policy vis-à-vis developing countries, and in particular undertakings made to implement the October 1973 declaration of intent on trade relations with certain Asiatic countries following the accession of the new Member States.

3. The Indian delegation, at the second meeting of the Joint Commission EEC/India, held in December 1974, expressed its intense disappointment that quotas would not be increased in 1975. It pointed out the socio-economic importance of this branch of craftwork, on which hundreds of thousands of workers depended for their livelihood (1). Although India remained the main

(1) See also: "Summary Record of the results of the second session of the Joint Commission EEC/India (Doc.P2, (iii)(a) and "Minutes of the second session of the Joint Commission EEC/India" (Doc.p 5(D)).

beneficiary of the "handloom" system, it stressed that the advantages which it enjoyed originally, had for the most part dwindled on account of the number of participating countries and through the inflated costs of production and of transport. This delegation had also requested that, in order to redress the situation, the contribution of each of the "handloom" quotas should be raised to 5 million u.a.

4. The increase which is the subject of this proposal also provides an opportunity to maintain the traditional pattern of imports of such products from India and Pakistan in particular which, prior to its accession, were imported into the United Kingdom duty-free; the British authorities had requested, both before and during the discussion on the quotas to be opened for 1975, that this situation should be taken into account when fixing amounts of these quotas.
5. With regard to the quotas concerned, and in particular to the reasons which led to their being established, it should be borne in mind, that
 - the products to be admitted under quotas are handwoven fabrics which have certain specific characteristics which prevent their being used for industrial purposes, even as subsidiary components, because of their limited widths, lack of finishing, etc.;
 - moreover, manufacturing certificates issued by bodies authorized by the respective governments of the countries allocated quotas, and recognized by the Community authorities, guarantee that manufacture is controlled;
 - these quotas, which were opened for the first time in 1969, were to comply in particular with a request by India (they amounted to 1 million u.a. for each category of fabric: silk and cotton);
 - following the accession of the new Member States, in 1974 the quota amounts were increased to 2 million u.a.;
 - such quotas, which were opened unilaterally and erga omnes, were meanwhile extended to other countries without an increase in the amounts;

.../...

- in 1975, two new countries became entitled to have goods admitted under such quotas, and two new products were added, without any adjustment in the amounts;
- the currently available data shows that in 1974 the quotas were to a large extent used up for silk fabrics, and almost completely for cotton fabrics.
- the majority of countries benefiting from these quotas are amongst those most seriously affected by the current crisis.

6. In view of the various matters raised, the Commission considers it necessary to adjust the quota amounts for 1975 by increasing them to 3 million u.a. for each category of product by means of an increase of 1 million u.a. in the Community reserves provided for. It therefore proposes that the Council adopt the Regulation annexed hereto.

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A discrepancy was discovered in the text of Regulation (EEC) No 3310/74 on the opening, allocation and administration of tariff quotas for 1975, between on the one hand Article 1(1) providing that "handwoven pile fabrics and chenille fabrics of cotton, other than terry towelling or similar terry fabrics of cotton falling within heading No 55.08 and fabrics falling within heading No 58.05" (heading ex 58.04 of the CCF) be entitled to be admitted under the quota opened for the products described under category (b), irrespective of the textile used, and on the other hand the specimen certificates set out in the Annexes, in which the quota applies to silk and cotton fabrics.

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In view of the fact that the scope of the quotas originally extended only to silk and cotton fabrics, and of the intentions stated when this tariff heading was included in the list of products to be admitted under such quotas, it is clear that the tariff preference should extend only to cotton products as regards that CCT heading.

An amendment to the wording of heading ex 58.04 in Article 1(1) is therefore necessary. The words "of cotton" are added thereby.

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Regulation (EEC) No/75
of

increasing the amounts of the Community tariff quotas opened for 1975 by Regulation (EEC) No 3110/74 for certain handwoven fabrics, pile and chenille made from silk or cotton, and amending the list of textile products entitled to be admitted under such quotas

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof;

Having regard to the proposal from the Commission;

Whereas the Council adopted Regulation (EEC) No 3110/74⁽¹⁾ of 2 December 1974 opening and allocating Community tariff quotas among the Member States for 1975 for certain handwoven fabrics, pile and chenille made from silk or cotton, amounting to 2 000 000 units of account for products falling within heading Nos ex 50.09 and ex 50.10 of the Common Customs Tariff, and amounting to the same figure for products falling within heading Nos ex 55.07, ex 55.09 and ex 58.04 of the Common Customs Tariff;

Whereas, in order to implement the declaration of intent on commercial relations with certain Asiatic countries, the quota amount in respect of these categories of fabric must be increased from 2 to 3 million units of account by means of a corresponding increase in the Community reserves provided for;

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(1) OJ No L 337, 16 December 1974, p. 1.

whereas, moreover, admission under the tariff quotas provided for in respect of products falling within heading No 58.04 of the Common Customs Tariff must be limited solely to products made from cotton,

HAS ADOPTED THIS REGULATION:

Article 1

1. The Community tariff quotas opened in Regulation (EEC) No 3310/74 for certain handwoven fabrics, pile and chenille, falling (i) within heading Nos ex 50.09 and ex 50.10 and (ii) within heading Nos ex 55.07, ex 55.09 and ex 58.04 of the Common Customs Tariff, shall be increased from 2 to 3 million units of account.

2. This increase of a million units of account involving both categories of product shall be carried out in respect of the Community reserves provided for in Article 2(2) of the Regulation referred to above, which shall thus be increased
 - from 800,000 u.a. to 1,800,000 u.a. for silk fabrics, and
 - from 216,000 u.a. to 1,216,000 u.a. for cotton textile products.

Article 2

The wording of heading No ex 58.04 in the Table set out in Article 1 (1) of Regulation (EEC) No 3310/74 is amended as follows:

"Handwoven pile fabrics and chenillegewebe of cotton (other than terry towelling or similar terry products of cotton, falling within heading No 55.08 and fabrics falling within heading No 58.05)"

.../...

This Regulation shall enter into force on the seventh day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council,

The President

