

# European Communities

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EUROPEAN PARLIAMENT

## Working Documents

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11 March 1974

DOCUMENT 401/73

### Report

drawn up on behalf of the Committee on External Economic Relations

on the proposal from the Commission of the European Communities to the Council (Doc. 345/73) for a regulation concerning the system of trade with third countries in the market in products processed from fruit and vegetables

Rapporteur: Mr J. BAAS



By letter of 25 January 1974 from the President-in-Office of the Council, the European Parliament was consulted on a proposal for a regulation concerning the system of trade with third countries in the market in products processed from fruit and vegetables.

On 11 February 1974, Parliament referred this proposal to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture for its opinion.

The Committee on External Economic Relations appointed Mr Baas rapporteur at its meeting of 5 February 1974.

It considered this proposal at its meetings of 19 February and 5 March 1974.

At its meeting of 5 March 1974 the committee unanimously adopted the motion for a resolution.

The following were present: Mr Boano, vice-chairman and acting chairman; Mr Thomsen, vice-chairman; Mr De Koning (deputy rapporteur), Sir Tufton Beamish, Mr Lange, Mr Ligios, Lord Lothian, Mr Emile Müller, Sir John Peel, Mr Sandri, Mr Scholten.

The opinion of the Committee on Agriculture is attached to the resolution.

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

MOTION FOR A RESOLUTION

on the proposal from the Commission of the European Communities to the Council for a regulation concerning the system of trade with third countries in the market in products processed from fruit and vegetables

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council<sup>1</sup>,
  - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 345/73),
  - having regard to the report of the Committee on External Economic Relations and the opinion of the Committee on Agriculture (Doc. 401/73 ),
1. Notes that this proposal provides for the possible replacement of national quantitative import restrictions by import floor prices in the final agricultural sector, namely that of preserved fruit and vegetables;
  2. Points out that this measure of liberalization has considerable economic implications and has necessitated long and complicated preparations and therefore requested the European Commission to draw up annual reports in future on the working of the system with a view to determining whether adaptations are desirable;
  3. Approves the Commission's proposal;
  4. Instructs its President to forward this resolution to the Council and Commission of the European Communities.

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<sup>1</sup> OJ No. C 13, 12.2.1974, page 9



EXPLANATORY STATEMENT

see the Opinion of the Committee on Agriculture.

Opinion of the Committee on Agriculture

Draftsman : Mr De Koning

By letter of 25 January 1974 the President-in-Office of the Council requested the European Parliament to deliver an opinion on a proposal for a regulation concerning the system of trade with third countries in the market in products processed from fruit and vegetables.

On 11 February 1974 Parliament referred this proposal to the Committee on External Economic Relations as the committee responsible and the Committee on Agriculture for its opinion.

The Committee on Agriculture appointed Mr De Koning draftsman at its meeting of 4 February 1974.

It considered this opinion at its meeting of 28 February 1974 and at the same meeting unanimously adopted the opinion, with three abstentions.

The following were present: Mr Vetrone, vice-chairman and acting chairman; Mr De Koning, draftsman; Mr Berthoin (deputizing for Mr Durieux), Mr Bourdellès (deputizing for Mr Baas), Mr Brégégère (deputizing for Mr Kavanagh), Mr Della Briotta (deputizing for Mr Cifarelli), Mr Fröh, Mr Gibbons, Mr Héger, Mr Lefèbvre, Mr Lemoine, Mr Ligios, Mr Martens, Mr Nielsen (deputizing for Mr Houdet), Mrs Orth, Lord St. Oswald.



1. The arrangements for the market and trade in products processed from fruit and vegetables were put together very slowly and in piecemeal fashion. The last piece is now being submitted by the Commission.

This differentiates this market from markets in other processed agricultural products (and in other basic agricultural products) which have been in operation for some years<sup>1</sup>.

The arrangements still did not include abolition of quantitative import restrictions. A regulation to this effect was actually part of the first proposal of 1968<sup>2</sup>, yet the resultant regulation No. 865/68 deferred the abolition of import quotas until 1 July 1969. A further Commission proposal<sup>3</sup> on this matter was not adopted by the Council. Not until the Council meeting of 19 June 1973 was a regulation adopted in the framework of the agricultural section of the mandate for negotiations with the Mediterranean countries<sup>4</sup>.

2. Nevertheless, the 1968 proposal already included a system of import quotas (Art. 3 ff.), i.e.:

- (i) a levy on sugar content
- (ii) CCT duty (20%-25% ad valorem),
- (iii) an import certificate,
- (iv) a safeguard clause,

in addition, for a limited number of sensitive products

- (v) a system of floor prices (minimum import prices),
- (vi) a system of import certificates and securities,
- (vii) application of Regulation No. 109/70 to the import of these products from state-trading countries.

Points (iv) to (vi) have not yet been adopted; they are the subject of the present proposal for a supplementary regulation.

3. The present proposal differs basically from the 1968 and 1969 proposals in that now two import price systems are proposed instead of one, namely a general one for the six sensitive products listed in the annex and a separate one for tomato concentrates. In establishing the 'minimum import price' for tomato concentrates, in addition to those elements governing the floor price as outlined in Article 2 of the proposal, account is also to be taken of the average increase in cost price in the Community (Article 3).

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<sup>1</sup> Grain, rice, dairy, sugar and other products containing olive-oil, fish preserves, mixed foods and products not falling under Annex II of the EEC Treaty.

<sup>2</sup> Resolution of the European Parliament, dated 18.6.1968, ref. MAUK Report, Doc. 67/68-69.

<sup>3</sup> Resolution of the European Parliament, dated 10.3.1970, ref. MAUK Report, Doc. 188/69-70.

<sup>4</sup> Not officially published, see Agence Europe, dated 20/21.6.1973.

4. The figures listed in the annex give a picture of the relation between imports and Community production. As far as sensitive products are concerned, Community production exceeds imports, by about 30%. Community products therefore have a larger share of the market than those from third countries. Again, it can be seen that, of those imports, about 30% are either from the AASM and the OCT or from countries with which trade agreements have been concluded.

This, added to the GATT obligation to abolish quantitative import restrictions, means that the repeated attempts to abolish these restrictions should at last be accepted and implemented by the Council.

5. It should also be pointed out that certain amendments proposed by the European Parliament in 1968 (and repeated in 1970) relating to the criteria for establishing a floor price have been included in the present proposal<sup>1</sup>.

It could also be pointed out that the committee procedure mentioned in Regulation No. 865/68 and incorporated in this proposal (Art. 6) is of the original type, which has Parliament's preference, rather than the later type which gives almost all the weight to the Council.

6. Your committee is consequently in agreement with the present proposal. A particular argument in favour is that quantitative restrictions would be completely abolished on agricultural imports and be replaced by minimum import prices which have already existed for some time in the fresh citrus fruit market for example and which have been accepted by both the exporting countries and the Community producers despite initial difficulties.

What we are dealing with here is the abolition of quotas and not the introduction of completely free trade.

As the matter in hand is not a simple one, the committee urges the Commission and the Council that, in future, when the former draws up its annual report on the agricultural situation, it should report on the working of the system in such a way as to show whether any amendments are required.

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<sup>1</sup> Doc. 67/68-69, page 12; Doc. 188/69-70, page 5.

## ANNEX

Annual imports of preserves into the EEC (9) (1000 tons)

(round figures for 1971-1972)

Product	(1)	(2)	(3)	(4)	(5)	(6)
<u>Preserves</u>						
Tomato concentrate	-	123	15	10	148	130
Peeled tomatoes	-	-	-	-	-	560
Mushrooms	-	-	1	19	20	150
Peaches	-	35	3	153	190	40
Apricots	-	22	-	47	68	15
Pineapples	43	-	6	133	182	8
<u>Concentrated juices</u>						
Orange	-	34	-	68	102	50
Grapefruit	-	-	-	17	17	-
	<u>43</u>	<u>214</u>	<u>25</u>	<u>447</u>	<u>727</u>	<u>953</u>

- (1) AASM  
(2) Countries with which trade agreements have been concluded.  
(3) State-trading countries.  
(4) Other third countries.  
(5) Total imports.  
(6) EEC production.
- Source: European Commission, DG VI.

