II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 17 August 1973

authorizing the Kingdom of Belgium, the Grand Duchy of Luxembourg and the Kingdom of the Netherlands not to apply Community treatment to men's cotton shirts falling within heading No ex 61.03 of the Common Customs Tariff which originate in Hungary and are put into free circulation in the Federal Republic of Germany

(Only the French and Dutch texts are authentic)

(73/288/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first paragraph of Article 115 thereof;

Having regard to the application under the first paragraph of Article 115 of the Treaty made on 6 August 1973 by the Netherlands Government, in agreement with the Belgian and Luxembourg Governments, to the Commission by telex from the office of its Permanent Representative to the European Communities, that the Member States of the Benelux be authorized not to apply Community treatment to men's cotton shirts falling within heading No ex 61.03 of the Common Customs Tariff which originate in Hungary and are put into free circulation in the Federal Republic of Germany;

Whereas in support of its application the Netherlands Government asserted that for the Member States of the Benelux this is a sensitive product, imports whereof from Eastern Europe are for economic reasons subject to a global quota; whereas the global quota was exceeded by almost 50 % by the importation of products originating in these countries and put into free circulation in the other Member States;

Whereas the 1973 quota for this product opened under the Trade Agreement of 23 November 1971 for trade between Hungary and the Benelux has also been exhausted and whereas, in addition to this quota, imports of the same products in free circulation in the other Member States have already been authorized to an amount of nearly one-third of the quota;

Whereas the request for an import licence to which the application relates is for an amount of about 13 % of the quota whilst the price of the products concerned is 25 % less than the price on the Benelux markets; whereas this situation endangers the relevant industries of the Benelux;

Whereas on 14 August 1973 the Netherlands Government, in a telex from the office of its Permanent Representative, furnished additional information in support of its application showing that in recent years the production of cotton shirts, the number of workers and undertakings in this sector has greatly decreased; whereas the prices of imports originating in Eastern Europe are generally about 50 % lower than comparable prices on the Benelux markets; whereas the Member States of the Benelux pursuant to the price clauses in their Trade Agreement with the countries of Eastern Europe can take action against direct imports at prices which are too low; whereas prices are considered too low when they are at least 10 % below internal prices; whereas, if no protective measures exist, imports of these products by reason of their free circulation in the other Member States will seriously threaten the Benelux industry and will cause production to decrease even more together with the resultant social consequences;

Whereas the request for an import licence to which the application relates is for men's cotton shirts originating in Hungary and put into free circulation in the Federal Republic of Germany; whereas imports of these products into the Federal Republic of Germany are admitted within the limits of the quantitative quota provided for by the 1973 Trade Protocol

between the Federal Republic of Germany and Hungary; whereas that quota, which is considerably larger than that provided for by the 1972 Protocol, was negotiated in accordance with the conclusions obtained from the prior consultation provided for in Title III of the Council Decision (1) of 16 December 1969 and adopted as a guide line for negotiations by the Council Decision of 14 March 1973; whereas under Article 10 of the aforementioned Decision, this consultation involves such coordination as will ensure the proper functioning and the strengthening of the Common Market, as regards both imports and the growth of exports and will contribute towards the establishment of uniform principles of common commercial policy in relation to the country in question;

Whereas it can therefore be presumed that imports by the Federal Republic of Germany under the quota in question will not be likely to prevent the Member States from applying, in accordance with the Treaty, commercial policy measures to the same products in relation to the same third country or to cause economic difficulties in the other Member States;

Whereas, however, from the information supplied by the Governments concerned it appears that certain economic difficulties do exist as the result of a sizeable reduction in production, and in the numbers of persons employed and of undertakings in the shirt industry; whereas low-priced imports of the products in question originating in Hungary and put into free circulation in the Federal Republic of Germany could give rise to further economic difficulties and have social consequences;

Whereas such economic difficulties are due to the differences between measures of commercial policy, in particular as regards prices, which are applied by the Member States of the Benelux on the one hand and the Federal Republic of Germany on the other to imports of the products in question originating in and coming from Hungary; whereas, however, these economic difficulties do not appear to be due to imports from Member States other than the Federal Republic of Germany, and the Governments concerned have not claimed that such is the case;

Whereas it is impossible to ensure that, in the near future, other Member States and in particular the Federal Republic of Germany will cooperate in the manner desired — where appropriate, over prices — in order to overcome these economic difficulties;

Whereas in these circumstances it is necessary to authorize the Member States of the Benelux to take temporary protective measures for a limited period to enable the Commission, in consultation with the Member States concerned, to examine developments in the shirt industry and what other remedial measures might be taken by the Community or the Member States to improve the situation; whereas such protective measures should consist in not applying Community treatment to imports whose price is at least 10 % lower than the prices on the internal market;

Whereas the request for an import licence to which the application relates is for too limited an amount, compared with the total production and consumption of these products in the Benelux, for this import alone to affect the market price in the Benelux; whereas therefore there is insufficient justification for such authorization also to apply to this import; whereas, according to information supplied to the Commission, there are no other outstanding applications for import licences for the same products lodged with the authorities of the applicant Member States; whereas the protective measures should be authorized only for products in respect of which an application for an import licence is lodged after 16 August 1973;

HAS ADOPTED THIS DECISION:

Article 1

The Kingdom of Belgium, The Grand Duchy of Luxembourg and the Kingdom of the Netherlands are authorized not to apply Community treatment to imports of men's cotton shirts falling within heading No ex 61.03 of the Common Customs Tariff where they originate in Hungary and are in free circulation in the Federal Republic of Germany, with the exception of products for which the price charged to the consumer is not at least 10 % higher than the price for similar products on the market of these Member States.

This authorization applies to imports in respect of which applications for import licences were lodged after 16 August 1973.

Article 2

This Decision shall apply until 31 October 1973.

Article 3

This Decision is addressed to the Kingdom of Belgium, the Grand Duchy of Luxembourg and the Kingdom of the Netherlands.

Done at Brussels, 17 August 1973.

For the Commission

The President

François-Xavier ORTOLI

(1) OJ No L 326, 29. 12. 1969, p. 39.