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In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

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# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 611 final

Brussels, 17 November 1978

## DRAFT COUNCIL REGULATION (EEC)

OPENING, ALLOCATING, PROVIDING FOR THE ADMINISTRATION  
OF A COMMUNITY TARIFF QUOTA FOR RAW SILK (NOT THROWN)  
FALLING WITHIN THE HEADING N° 50.02 OF THE COMMON  
CUSTOMS TARIFF FOR 1979

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## DRAFT COUNCIL REGULATION (EEC)

OPENING, ALLOCATING AND PROVIDING FOR THE ADMINISTRATION  
OF A COMMUNITY TARIFF QUOTA FOR YARN, ENTIRELY OF SILK,  
OTHER THAN YARN OF NOIL OR OTHER WASTE SILK, NOT PUT UP  
FOR RETAIL SALE, FALLING WITHIN THE HEADING N° EX 50.04  
OF THE COMMON CUSTOMS TARIFF FOR 1979

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## DRAFT COUNCIL REGULATION (EEC)

OPENING, ALLOCATING AND PROVIDING FOR THE ADMINISTRATION  
OF A COMMUNITY TARIFF QUOTA FOR YARN SPUN ENTIRELY FROM  
SILK WASTE OTHER THAN NOIL, NOT PUT UP FOR RETAIL SALE,  
FALLING WITHIN SUBHEADING ex. 50.05 A OF THE COMMON  
CUSTOMS TARIFF FOR 1979.

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(Submitted by the Commission to the Council)

EXPLANATORY MEMORANDUM

A further study of the situation as regards raw silk (not thrown), yarn entirely of silk, other than yarn of noil or other waste silk, and yarn spun entirely from silk waste other than noil was carried out by Commission departments with experts of the Member States at two meetings of the Working Party on Tariff Economy held in April and in September 1978 under aegis of the Commission.

As in previous years, general opinion was in favour of maintaining the status quo.

The discussion produced the following information :

(1) As regards raw silk (not thrown)

For a number of years, Community production has been at very low levels and only takes place in certain regions in Italy.

This reduction in production was due to several factors, in particular the fact that production was organized on the basis of small undertakings inadequately rationalized or modernized and also the fact that competition from some non-member countries, in particular the People's Republic of China, brought a huge quantity of high-quality goods at very advantageous prices on to the Community market.

The Community had at the time focussed attention on the importance to the EEC of maintaining Community production of raw silk. Because of this policy, efforts were made in Italy to modernize and rationalize activity through investments of the order of billions of Italian lire, with assistance from the Community (EAGGF) or from the State, the regions, the Cassa del Mezzogiorno and individual farmers. The purpose of these efforts was to ensure a gradual increase in production in the future.

In view of this situation, it appears that an extension of the term of validity of the tariff quota scheme now in force would guarantee Community supplies and enable the development of Community production to be kept track of without prejudicing its future prospects.

According to present estimates, the level of Community production in 1979 will be similar to that of 1978, which totalled 40 tonnes approximately.

Furthermore, Member States' estimates show that their import requirements will be in the region of a total of 4.200 tonnes. This figure was therefore adopted as the initial quota volume in the attached draft regulation. It does not however exclude the possibility of future adjustments in the course of the year.

(2) As regards yarn entirely of silk or silk waste :

The yarn in question is of certain very specific qualities, which are classified under tariff heading No x50.04 / <sup>and subheading</sup> 50.05 A, but for which there are no statistical subdivisions. In the absence of statistics on this yarn it has been necessary, for the purpose of determining the amounts of the quotas, to make use of the estimates concerning import requirements submitted by the Member States. Total requirements for 1979 amount to 60 tonnes of silk yarn and 200 tonnes of yarn spun from silk waste other than noil. These figures have been adopted for the tariff quotas in the draft regulations attached to this document.

As regards quota duties, the Commission has no information that would lead it to alter the 1978 rates, i.e., 2.5% for silk yarn and 1% for yarn spun from silk waste other than noil; exemption from the duty on raw silk is again proposed for 1979.

DRAFT

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a Community tariff quota for raw silk (not thrown) falling within heading No 50.02 of the Common Customs Tariff (1979)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof,

Having regard to the draft Regulation submitted by the Commission,

Whereas Community production of raw silk (not thrown) falling within heading No 50.02 of the Common Customs Tariff does not cover the needs of the user industries; whereas the supply of the latter therefore depends to a great extent on imports from non-member countries; whereas it is in the interests of the Community to suspend totally the Common Customs Tariff duty on the product in question, within the limits of a Community tariff quota, the volume of which could be set provisionally at 4 200 tonnes for 1979;

Whereas it is desirable at the present time to avoid final measures that could lead to the halting of action taken in the sector over a number of years to increase Community production; whereas, under such conditions, it is advisable to extend the system in force in 1978;

tariff

Whereas Community production does not appear to have changed considerably when compared with 1978; whereas, taking account of this production and of the forecasts for 1979, the imports needed to satisfy consumption within the Community can be estimated at 4 200 tonnes; whereas the fixing of the quota amount at this level does not preclude an adjustment within the quota period;

Whereas equal and continuous access to the quota should be ensured for all Community importers and the rate laid down for the tariff quota should be applied consistently to all imports of the product in question until the quota is used up; whereas a system of utilization of the Community tariff quota, based on an allocation between the Member States concerned, would, in the light of the principles outlined above, appear consistent with the Community nature of the quota;

Whereas, in view of these factors, the initial percentage shares in the quota volume for 1979 can be expressed approximately as follows:

Benelux	0.15
Denmark	0.15
Germany	5.90
France	29.45
Ireland	0.15
Italy	58.90
United Kingdom	5.30

Whereas, to take account of future trends in imports of the product in question in all the Member States, the quota should be divided into two tranches, the first being distributed among the Member States and the second to form a reserve intended to cover any subsequent requirements of Member States who have used up their initial shares; whereas, in order to ensure a certain degree of security for importers of each Member State, the first tranche should in this case be fixed at 81 % of the total quota;

Whereas the initial shares may be used up at different rates; whereas, to provide for this eventuality and to avoid disruption of supplies, any Member State which has almost used up its initial share should draw an additional share from the reserve; whereas this should be done by each Member State when each of its additional shares has been almost used up, and so on as many times as the reserve allows; whereas the initial and additional shares should be valid until the end of the quota period; whereas this form of administration requires close collaboration between Member States and the Commission, which latter must, in particular, be able to keep a record of the extent to which the quota has been used up and to inform the Member States accordingly;

tariff

Whereas if, at a given date in the quota period, a considerable quantity of the initial share is left over in a Member State, it is essential that that Member State should return a significant proportion to the reserve, so as to avoid a part of the quota remaining unused in one Member State when it could be used in others;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united within and jointly represented by the Benelux Economic Union, any measure concerning the administration of the shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

From 1 January to 31 December 1979, the autonomous duty of the Common Customs Tariff for raw silk (not thrown) falling within heading No 50.02, shall be totally suspended within a Community tariff quota of 4200 tonnes.

*Article 2*

1. A first tranche of 3395 tonnes of this Community tariff quota shall be allocated among the Member States. Member States' shares, which, subject to Article 5, shall be valid until 31 December 1979, shall be as follows:

	(tonnes)
Benelux	5
Denmark	5
Germany	200
France	1 000
Ireland	5
Italy	2 000
United Kingdom	180

2. The second tranche of 805 tonnes shall constitute the reserve.

*Article 3*

1. If 90 % or more of a Member State's initial share as fixed in Article 2(1), or of that share minus any portion returned to the reserve where Article 5 has been applied, has been used up, that Member State shall forthwith, by notifying the Commission, draw a second share, to the extent that the reserve so permits, equal to 10 % of its initial share, rounded up as necessary to the next whole number.

2. If, after its initial share has been used up, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall forthwith, in the manner and to the extent provided in paragraph 1, draw a third share equal to 5 % of its initial share.

3. If, after its second share has been used up, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall forthwith, in accordance with the same conditions, draw a fourth share equal to the third.

This procedure shall apply until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, Member States may draw lesser shares than those specified therein if there are grounds for believing that those specified may not be used in full. They shall inform the Commission of their reasons for applying this paragraph.

*Article 4*

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1979.

*Article 5*

Member States shall return to the reserve, not later than 1 October 1979, the unused portions of their initial shares which, on 15 September 1979, are in excess of 20 % of the initial amounts. They may return a greater portion if there are grounds for believing that such portion may not be used up.

Member States shall notify the Commission, not later than 1 October 1979, of the total quantities of the raw silk imported up to and including 15 September 1979 and charged against the Community quota and of any portion of their initial shares returned to the reserve.

*Article 6*

The Commission shall keep an account of the shares opened by the Member States pursuant to Articles 2 and 3 and, as soon as it has been notified, shall inform each State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 October 1979, of the reserve position after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which exhausts the reserve does not exceed the balance available, and to this end shall notify the amount of that balance to the Member State making the last drawing.

*Article 7*

1. Member States shall take all appropriate measures to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their aggregate shares of the Community quota.

2. Member States shall ensure that importers of the product in question established in their territory have free access to the shares allocated to them.

3. Member States shall charge imports of the product in question against their shares as the product is entered with the customs authorities for home use.

4. The extent to which a Member State has used up its share shall be determined according to the conditions in paragraph 3.

*Article 8*

At the Commission's request, Member States shall inform it of the imports actually charged against their shares.

*Article 9*

Member States and the Commission shall cooperate closely to ensure that this Regulation is complied with.

*Article 10*

This Regulation shall enter into force on 1 January 1979.

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

Done at Brussels,

*For the Council*

*The President*

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DRAFT

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a Community tariff quota for yarn, entirely of silk, other than yarn of noil or other waste silk, not put up for retail sale, falling within heading No ex 50.04 of the Common Customs Tariff (1979)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof,

Having regard to the draft Regulation submitted by the Commission,

Whereas silk yarn is produced in the Community; whereas, although that production could cover all the Community requirements by reason of its overall volume, this does not apply with regard to yarn entirely spun from silk; whereas there is, as a result, an insufficient supply in the Community;

Whereas, consequently, Community supply for those qualities of yarn depends to a considerable extent on imports; whereas full application of the Common Customs Tariff duty would result in those products being subjected to a considerable customs charge while products manufactured from silk yarn face powerful competition from similar products manufactured from other material; whereas an insufficient supply, added to competition at finished product level, might have adverse effects for the Community's processing industries;

Whereas the Common Customs Tariff duty applicable to imports of the silk yarn in question is 7%; whereas, when fixing the quota duty, it is appropriate to take into account, on the one hand, the situation of the Community silk yarn producing industry and, on the other, that of the silk yarn processing industries with regard to their supplies on favourable terms; whereas a quota duty of 2.5% could best meet the abovementioned requirements;

Whereas the trends in imports in recent years suggest that the import requirements for the yarns in question might be in the region of 60 tonnes for 1979; whereas the opening of a Community tariff quota of that volume is unlikely to harm Community production;

Whereas equal and continuous access to the quota should be ensured for all importers and the rate laid

down for the tariff quota should be applied consistently to all imports of the product in question until the quota is used up; whereas a system of utilization of the Community tariff quota, based on an allocation between the Member States concerned, would, in the light of the principles outlined above, appear consistent with the Community nature of the quota; whereas, to represent as closely as possible the actual market trends in the product in question, the allocation should be proportionate to the requirements of the Member States calculated with reference to statistical data on imports during a representative reference period and to the economic prospects for the quota period in question;

ex

Whereas the imports of the products falling within heading No 50.04 of each of the Member States concerned during the last three years for which complete statistics are available represent the following percentages of total Community imports of these products:

	1975	1976	1977
Benelux	0	0	0
Denmark	0	0.7	0
Germany	43.15	7.0	91.565
France	25.16	10.4	0
Ireland	0.05	0.4	0.332
Italy	21.58	76.0	1.236
United Kingdom	10.06	5.5	6.867

Whereas, in view of these factors and of the forecasts which it is possible to make, the initial percentage shares in the quota volume can be expressed approximately as follows:

Benelux	2.5
Denmark	2.5
Germany	25.0
France	30.0
Ireland	2.5
Italy	27.5
United Kingdom	10.0

Whereas, to take account of future trends in imports of the product in question, in the various Member States, the quota should be divided into two tranches, the first being distributed among the Member States and the second to form a reserve intended to cover any subsequent requirements of Member States who have used up their initial shares; whereas in order to ensure a certain degree of security for importers of each Member State the first tranche should in this case be 67 % of the total quota;

Whereas the initial shares may be used up at different rates; whereas, to provide for this eventuality and to avoid disruption of supplies, any Member State which has almost used up its initial share should draw an additional share from the reserve; whereas this should be done by each Member State when each of its additional shares has been almost used up, and so on as many times as the reserve allows; whereas the initial and additional shares should be valid until the end of the quota period; whereas this form of administration requires close collaboration between Member States and the Commission, which latter must, in particular, be able to keep a record of the extent to which the tariff quota has been used up and to inform the Member States accordingly;

Whereas if, at a given date in the quota period, a considerable quantity of the initial share is left over in a Member State, it is essential that that Member State should return a significant proportion to the reserve, so as to avoid a part of the quota remaining unused in one Member State when it could be used in others;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united within and jointly represented by the Benelux Economic Union, any measure concerning the administration of the shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

From 1 January to 31 December 1979 the autonomous duty of the Common Customs Tariff for yarn entirely of silk, other than yarn of noil or other waste silk, not put up for retail sale, falling within heading No ex 50.04, shall be suspended at 2.5 % within a Community tariff quota of 60 tonnes.

#### Article 2

1. A first tranche of 40 tonnes of this Community tariff quota shall be allocated among the Member

States. Member States' shares which, subject to Article 5, shall be valid until 31 December 1979, shall be as follows:

	(tonnes)
Benelux	1
Denmark	1
Germany	10
France	12
Ireland	1
Italy	11
United Kingdom	4

2. The second tranche of 20 tonnes shall constitute the reserve.

#### Article 3

1. If 90 % or more of a Member State's initial share as fixed in Article 2 (1), or of that share minus any portion returned to the reserve where Article 5 has been applied, has been used up, that Member State shall forthwith, by notifying the Commission, draw a second share, to the extent that the reserve so permits, equal to 10 % of its initial share, rounded up as necessary to the next whole number.

2. If, after its initial share has been used up, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall forthwith, in the manner and to the extent provided in paragraph 1, draw a third share equal to 5 % of its initial share.

3. If, after its second share has been used up, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall forthwith, in accordance with the same conditions, draw a fourth share equal to the third.

This procedure shall apply until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, Member States may draw lesser shares than those specified therein if there are grounds for believing that those specified may not be used in full. They shall inform the Commission of their reasons for applying this paragraph.

#### Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1979.

*Article 5*

Member States shall return to the reserve, not later than 1 October 1979, the unused portions of their initial shares which, on 15 September 1979, are in excess of 20 % of the initial amounts. They may return a greater portion if there are grounds for believing that such portion may not be used up.

Member States shall notify the Commission, not later than 1 October 1979, of the total quantities of silk yarn imported up to and including 15 September 1979 and charged against the Community quota and of any portion of their initial shares returned to the reserve.

*Article 6*

The Commission shall keep an account of the shares opened by the Member States pursuant to Articles 2 and 3 and, as soon as it has been notified, shall inform each State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 October 1979, of the reserve position after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which exhausts the reserve does not exceed the balance available, and to this end shall notify the amount of that balance to the Member State making the last drawing.

*Article 7*

1. Member States shall take all appropriate measures to ensure that additional shares drawn

pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their aggregate shares of the Community quota.

2. Member States shall ensure that importers of the product in question established in their territory have free access to the shares allocated to them.

3. Member States shall charge against their shares imports of the product in question as and when the product is entered with the customs authorities for home use.

4. The extent to which a Member State has used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

*Article 8*

At the Commission's request, Member States shall inform it of the imports actually charged against their shares.

*Article 9*

Member States and the Commission shall cooperate closely to ensure that this Regulation is complied with.

*Article 10*

This Regulation shall enter into force on 1 January 1979.

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

Done at Brussels,

*For the Council*

*The President*

DRAFT

COUNCIL REGULATION (EEC) \_\_\_\_\_

opening, allocating and providing for the administration of a Community tariff quota for yarn, spun entirely from silk waste other than noil, not put up for retail sale, falling within subheading 50.05 A of the Common Customs Tariff (1979)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof,

Having regard to the draft Regulation submitted by the Commission,

Whereas yarn spun from waste silk is produced in the Community; whereas, although that production should cover all the Community requirements by reason of its overall volume, this does not apply with regard to yarn entirely spun from waste silk; whereas there is, as a result, an insufficient supply in the Community;

Whereas, consequently, Community supplies of those qualities of yarn depend to a considerable extent on imports; whereas full application of the Common Customs Tariff duty would result in those products being subjected to a considerable customs charge while products manufactured from silk yarn face powerful competition from similar products manufactured from other material; whereas an insufficient supply, added to competition at finished product level, might have adverse effects on the processing industries;

Whereas the Common Customs Tariff duty applicable to imports of the yarn spun from waste silk in question is 3.5 %; whereas, when fixing the quota duty, it is appropriate to take into account, on the one hand, the situation of the Community industry producing yarn spun from waste silk and, on the other, that of the industries processing yarn spun from waste silk with regard to their supplies on favourable terms; whereas a quota duty of 1 % could best meet the abovementioned requirements;

Whereas the trends in imports in recent years suggest that Community import requirements for the yarns in question might be in the region of 200 tonnes for 1979; whereas the opening of a Community tariff quota of that volume is unlikely to harm Community production;

Whereas equal and continuous access to the quota should be ensured for all importers and the rate laid down for the tariff quota should be applied consistently to all imports of the product in question until the quota is used up; whereas a system of utilization of the Community tariff quota, based on an allocation between the Member States concerned, would, in the light of the principles outlined above, appear consistent with the Community nature of the quota; whereas, to represent as closely as possible the actual market trends in the product in question, the allocation should be proportionate to the requirements of the Member States calculated with reference to statistical data on imports during a representative reference period and to the economic prospects for the quota period in question;

Whereas the imports of the products falling within sub-heading No 50.05A of each of the Member States concerned during the last three years for which complete statistics are available, represent the following percentages of total Community imports of these products:

	1975	1976	1977
Benelux	0	0	0
Denmark	0	0	0
Germany	56.6	1.16	52.298
France	18.5	11.54	0
Ireland	0	0	0
Italy	14.9	62.15	0.261
United Kingdom	10	25.15	47.441

Whereas, in view of these factors and of the forecasts which it is possible to make, the initial percentage shares in the quota volume can be expressed approximately as follows:

Benelux	0.613
Denmark	0.613
Germany	24.540
France	12.271
Ireland	0.613
Italy	30.675
United Kingdom	30.675

Whereas, to take account of future trends in imports of the product in question in the various Member States, the quota should be divided into two tranches, the first being distributed among the Member States and the second to form a reserve intended to cover any subsequent requirements of Member States who have used up their initial shares; whereas in order to ensure a certain degree of security for importers of each Member State, the first tranche should be fixed at 82 % of the total quota;

Whereas the initial shares may be used up at different rates; whereas, to provide for this eventuality and to avoid disruption of supplies, any Member State which has almost used up its initial share should draw an additional share from the reserve; whereas this should be done by each Member State when each of its additional shares has been almost used up, and so on as many times as the reserve allows; whereas the initial and additional shares should be valid until the end of the quota period; whereas this form of administration requires close collaboration between Member States and the Commission, which latter must be able to keep a record of the extent to which the quota has been used up and to inform the Member States accordingly;

Whereas if, at a given date in the quota period, a considerable quantity of the initial share is left over in a Member State, it is essential that that Member State should return a significant proportion to the reserve, so as to avoid a part of the quota remaining unused in one Member State when it could be used in others;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united within and jointly represented by the Benelux Economic Union, any measure concerning the administration of the shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

#### Article 1

From 1 January to 31 December 1979, the autonomous duty of the Common Customs Tariff for yarn, spun entirely from silk waste other than noil, not put for retail sale, falling within subheading 50.05 A, shall be suspended at 1 % within a Community tariff quota of 200 tonnes.

#### Article 2

1. A first tranche of 163 tonnes of this Community tariff quota shall be allocated among the Member

States. Member States' shares which, subject to Article 5, shall be valid until 31 December 1979, shall be as follows:

	(tonnes)
Benelux	1
Denmark	1
Germany	40
France	20
Ireland	1
Italy	50
United Kingdom	50

2. The second tranche of 37 tonnes shall constitute the reserve.

#### Article 3

1. If 90 % or more of a Member State's initial share as fixed in Article 2 (1), or of that share minus any portion returned to the reserve where Article 5 has been applied, has been used up, that Member State shall forthwith, by notifying the Commission, draw a second share, to the extent that the reserve so permits, equal to 10 % of its initial share, rounded up as necessary to the next whole number.

2. If, after its initial share has been used up, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall forthwith, in the manner and to the extent provided in paragraph 1, draw a third share equal to 5 % of its initial share.

3. If, after its second share has been used up, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall forthwith, in accordance with the same conditions, draw a fourth share equal to the third.

This procedure shall apply until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, Member States may draw lesser shares than those specified therein if there are grounds for believing that those specified may not be used in full. They shall inform the Commission of their reasons for applying this paragraph.

#### Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1979.

*Article 5*

Member States shall return to the reserve, not later than 1 October 1979, the unused portions of their initial shares which, on 15 September 1979, are in excess of 20 % of the initial amounts. They may return a greater portion if there are grounds for believing that such portion may not be used up.

Member States shall notify the Commission, not later than 1 October 1979, of the total quantities of yarn spun entirely from silk waste imported up to and including 15 September 1979 and charged against the Community quota and of any portions of their initial shares returned to the reserve.

*Article 6*

The Commission shall keep an account of the shares opened by the Member States pursuant to Articles 2 and 3 and, as soon as it has been notified, shall inform each State of the extent to which the reserve has been used up.

It shall inform the Member States, no later than 5 October 1979, of the reserve position after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which exhausts the reserve does not exceed the balance available, and to this end shall notify the amount of that balance to the Member State making the last drawing.

*Article 7*

1. Member States shall take all appropriate measures to ensure that additional shares drawn

pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their aggregate shares of the Community quota.

2. Member States shall ensure that importers of the product in question established in their territory have free access to the shares allocated to them.

3. Member States shall charge against their shares imports of the product in question as and when the product is entered with the customs authorities for home use.

4. The extent to which a Member State has used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

*Article 8*

At the Commission's request, Member States shall inform it of the imports actually charged against their shares.

*Article 9*

Member States and the Commission shall cooperate closely to ensure that this Regulation is complied with.

*Article 10*

This Regulation shall enter into force on 1 January 1979.

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

Done at Brussels,

*For the Council*

*The President*