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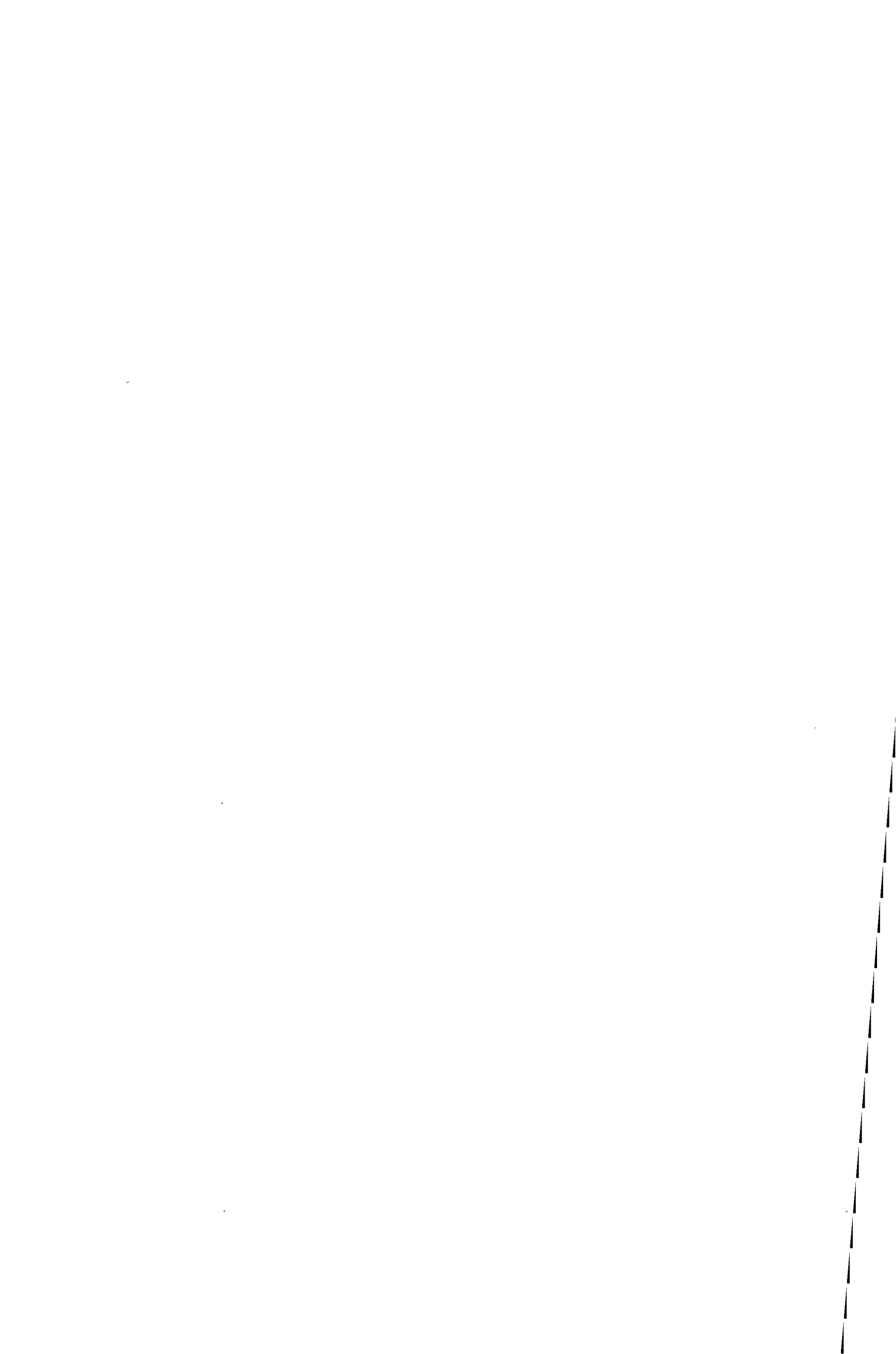
REPORT

drawn up on behalf of the Committee on Agriculture on the proposals from the Commission of the European Communities to the Council (doc.1-314/80) for

- I. a regulation for the stimulation of agricultural development in the less-favoured areas of Northern Ireland
- II. a regulation on a common measure to improve the conditions under which agricultural products in the eggs, poultrymeat, cereals and cattlefeed sectors in Northern Ireland are processed and marketed
- III. an amendment to the latter proposal for a regulation

Rapporteur: Mrs C. BARBARELLA

PE 66.249/def.



By letter of 8 July 1980 the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposals from the Commission of the European Communities to the Council

- a regulation for the stimulation of agricultural development in the less-favoured areas of Northern Ireland;
- a regulation on a common measure to improve the conditions under which agricultural products in the eggs, poultrymeat, cereals and cattlefeed sectors in Northern Ireland are processed and marketed;
- an amendment to the latter proposal for a regulation.

The President of the European Parliament referred these proposals to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

At its meeting of 23-25 September 1980 the Committee on Agriculture appointed Mrs BARBARELLA rapporteur.

By letter of 29 September 1980, the Council requested the European Parliament to apply urgent procedure, pursuant to Rule 14 of the Rules of Procedure.

The Committee on Agriculture considered these proposals at its meetings of 23-25 September and 14 October 1980.

At its meeting of 14 October the committee adopted the motion for a resolution by 28 votes with 6 abstentions.

Present: Sir Henry Plumb, chairman; Mr Früh, Mr Ligios and Mr Caillavet, vice-chairmen; Mrs Barbarella, rapporteur; Mr Battersby, Mr Bocklett, Mrs Castle, Mr Clinton, Mrs Cresson, Mr Curry, Mr Dalsass, Mr Davern, Mr De Keersmaeker (deputizing for Mr Colleselli), Mrs Diana, Mr Fanton, Mr Gatto, Mr Giammusso, Mr Hennrich, Mr Hold, Mr Josselin (deputizing for Mr Gatto), Mr Kirk, Mr Lynge, Mr Maffre-Baugé, Mr Maher, Mr Martin (deputizing for Mr Pranchère), Mr d'Ormesson, Mr Provan, Miss Quin, Mr Sutra, Mr Tolman, Mr Vernimmen, Mr Vitale and Mr Woltjer.

The opinion of the Committee on Budgets 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 the proposals from the Commission of the European Communities to the Council for:

- I. a regulation for the stimulation of agricultural development in the less-favoured areas of Northern Ireland.
- II. a regulation on a common measure to improve the conditions under which agricultural products in the eggs, poultrymeat, cereals and cattlefeed sectors in Northern Ireland are processed and marketed
- III. an amendment to the latter proposal for a regulation The European Parliament,
 - having regard to the proposals from the Commission of the European Communities to the Council¹,
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 1-314/80),
 - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 1-492/80),
 - having regard to the particular situation and the unfavourable environmental conditions for agriculture in Northern Ireland,
 - whereas the various measures proposed supplement similar provisions already operating in western Ireland;
 1. Views favourably the Commission's desire, expressed in its proposal for special measures in Northern Ireland, for the continuation of regional action;
 2. Considers, however, that in the less-favoured areas it will only be possible to facilitate growth in the agricultural sector and, indeed, in many cases to achieve any such growth at all, through the support of intersectorial development programmes;
 3. Believes therefore that it would have been more appropriate to propose an integrated development plan aimed at stimulating economic activity in general and not just in agriculture;
 4. Considers that a general action plan would have permitted a greater degree of cohesion, also between the proposed measures, thus making them more incisive;

¹OJ No. C 176 of 15 July 1980, p.6
OJ No. C 179 of 17 July 1980, p.5

5. Considers that, although the measure for improving the conditions under which certain agricultural products are processed and marketed is necessary, it ought to have been embodied within Regulation 355/77 so as to prevent the issuing of special rules without sufficient justification;
6. Considers that, had this been done, it would have been necessary to increase the financial contribution provided for under Regulation 355/77, as was done in the case of the action taken in western Ireland, thereby avoiding the possibility of any discrimination;
7. Urges the Council to adopt, at the earliest possible date not only the special measures for Northern Ireland but also the whole package of structural reforms, for the immediate adoption of which Parliament has been pressing for some considerable time.

EXPLANATORY STATEMENT

1. The two Commission proposals, combined with the amendment submitted at the beginning of July, relate to Community actions in Northern Ireland.
2. The first of these, for the less favoured areas of Northern Ireland, seeks to improve agricultural structures through measures to revitalize rural areas, improve the land (field drainage, land reclamation, fencing, pasture improvement etc.), plan farm production and encourage beef cattle and sheep raising through a special annual premium of 40 ECU per head. A ten-year period is envisaged for the action, which is to be partly financed through a contribution of approximately 55.5 million ECU from the Guidance Section of the EAGGF.
3. The second action provides for financing projects for developing and rationalizing undertakings in Northern Ireland that process and market eggs, poultrymeat, cereals and animal feedstuffs. The amendment submitted on 3 July 1980 (COM(80) 378 final) extends the area of application of the proposal to the pigmeat sector. The financial contribution of the beneficiary must be at least 25%, that of the Member State not less than 10%, and that from the Guidance Section of the EAGGF not more than 50%. The total cost of the action, which is to last four years, is approximately 12.3 million ECU.
4. These two actions for Northern Ireland are part of the package of structural measures previously announced by the Commission when it adopted the new farm prices for the 1980-81 marketing year. We shall restrict ourselves here to a few brief comments on the proposals from the point of view of their effectiveness and their impact on the present situation in the region concerned.
5. There is no need to dwell on the situation since the working document drawn up by Mrs Dekker on behalf of the Social Committee (PE 65.919 of 13 June 1980) highlights the various aspects of the serious economic and social decline of the region. Suffice to say that Northern Ireland has one of the highest levels of unemployment in Europe, that there is a high rate of emigration and that the traditional production sectors (textiles and shipbuilding) are going through a severe crisis, while continuing violence greatly aggravates the problems of the region. On the land, farmers are unable to obtain a sufficient income owing to poor soil, drainage problems and inadequate structures.
6. Thus the need for a Community action to improve the agricultural structures and to contribute to the economic revival of the region is beyond question.

A similar Community action has recently been approved¹ for the less favoured areas of the western part of Ireland which, as regards agriculture, has much in common with Northern Ireland. The action, which seeks to stimulate agricultural development, in particular provides for Community contributions of 224 million European units of account over a period of ten years to finance operations for the improvement of rural infrastructure (electricity, drinking-water supplies, farm roads) and for land improvement, the planning of farm production, the improvement of structures in the processing and marketing of farm products, forestry development, and training facilities and specialized support services.

Other specific measures relating to drainage have already been implemented in the less favoured regions of the western part of Ireland² and in the border regions between the Irish Republic and Northern Ireland³.

7. Consequently the Committee on Agriculture ought to approve the two measures now submitted for its consideration in view of the special situation of Northern Ireland and of the fact that similar measures have already been implemented in the western part of Ireland, a region with much the same characteristics.

8. There are, however, a few observations to be made on the instruments chosen by the Commission for implementing the joint action in favour of Northern Ireland.

First, the proposal relating to the stimulation of agricultural development in the region provides, among other things, for investment aids for farms which are unable to attain the level of returns laid down in the structural directive 72/159 on the modernization of farms. However, notwithstanding the directive, the proposal also exempts farmers from the compulsory submission of a plan for the development of the farm business which would make it possible to attain the 'comparable income'. Provision for these exemptions had also been made in the regulation relating to the less favoured areas of the western part of Ireland. It should be suggested to the Commission that these exemptions be extended to all the less favoured areas of the Community, which frequently find themselves in similar circumstances, instead of providing occasional exemptions for individual regions, which can cause discrimination and discontent.

9. Secondly, Regulation 355/77⁴ on common measures to improve the conditions under which agricultural products are processed and marketed already applies

¹ See OJ No. L 180, 14.7.1980

² Directive 78/628 of 19 June 1978, OJ No. L 206, 29.7.1978

³ Directive 79/197, OJ No. L 43, 20.2.1979

⁴ OJ No. L 51, 23.2.1977

to the Community as a whole, and there is no need of a specific regulation for Northern Ireland in any of the sectors. But here too it would perhaps have been better to have increased the Community contribution from the current level of 25% to 50% for all the less favoured areas of the Community, as is already the case for Southern Italy and the western part of Ireland.

10. Finally, an integrated development programme for the more depressed areas of Northern Ireland would probably have been more effective. The Commission has already submitted such programmes for certain regions of the Community which provide for intervention not only by the Guidance Section of the EAGGF but also by all the other financial instruments of the Community (Regional Fund, Social Fund, EIB), so as to create a whole range of possibilities from craft industries to local processing of farm products, from improvement of infrastructures to professional retraining of the workforce. The Commission should examine the real possibility of implementing a similar programme.

11. The foregoing observations are intended not as criticisms of the Commission proposals but as a basis for a useful discussion in the Committee on Agriculture which, like the Commission, is trying to make the most effective use of the financial intervention of the Community in one of its least favoured areas.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the chairman of the committee to Sir Henry PLUMB,
chairman of the Committee on Agriculture

Dear Sir Henry,

At its meeting on 11 September 1980, the Committee on Budgets considered proposals (COM (80) 327, 328, and 378 final) from the Commission for Regulations for the stimulation of agricultural development in the less favoured areas of Northern Ireland and to improve the conditions under which certain agricultural products are processed and marketed in that area and which are contained in Doc 1-314/80.

The Committee noted that the proposals have social and economic aspects, being intended

- (a) to help alleviate the structural problems which obtain in this peripheral region of the Community,
- (b) to stimulate the development of non-dairying farm enterprises,
- (c) to improve roads, and
- (d) to redirect production, techniques and practices so as to ensure that resources are used to maximum advantage and in a coordinated fashion.

It is proposed by the Commission in COM (80) 327 final that, in view of the serious structural problems in Northern Ireland and because it is urgently necessary to stimulate development in the area, a 50% rate of Community subvention be applied. The financial statement accompanying the proposal shows that the estimated cost to the Community budget over a period of ten years will total 57 million EUA beginning with 6.6 million EUA in 1982.

The measures to be decided by the Commission within the framework of this proposed regulation are essentially financial and budgetary in nature; it is for this reason that the Committee considered that the terms of Article 17(3) of the draft Council regulation represent

- (a) an erosion of the Commission's responsibility in regard to the implementation of the budget conferred on it by Article 205 of the Treaty,
- (b) an unduly cumbersome procedure having regard to the relatively modest sums in question, and
- (c) an unwarranted breach of the powers of the budgetary authority.

The view of Parliament is that committees such as the Standing Committee on Agricultural Structures should have a purely advisory rôle and should not impede the Commission in the exercise of its decision-making powers. Therefore, the Committee on Budgets calls on the Committee on Agriculture to include in its report the following amendment to Article 17(3)

'Replace Article 17(3) by the following:

Having noted the opinion of the Standing Committee on Agricultural Structures, the Commission shall adopt the measures, which shall be immediately applicable.'

Subject to the making of this amendment, the Committee on Budgets pronounced a positive opinion on the proposal.

In its text COM (80) 328 final, as amended by COM (80) 378 final, the Commission proposes that Community aid be granted, in accordance with the principles of the Treaty, for projects which improve the processing and marketing of pigmeat, eggs and poultry, cereals and cattlefeed in Northern Ireland. The amount of outlay involved out of the EAGGF is estimated at 12 million EUA for the period 1 January 1981 to 31 December 1984.

While approving the proposal, the Committee on Budgets asked that the following two amendments to the draft regulation COM (80) 328 final be included by the Committee on Agriculture in its draft report.

1. 'That article 8(2) be amended to read as follows:

The total contribution by the Fund to the cost of the common measure is estimated at 12 million EUA.
These figures are of an indicative nature only.

2. 'That Article 14(3) be amended to read as follows:

Having noted the opinion of the Standing Committee on Agricultural Structures, the Commission shall adopt the measures which shall be immediately applicable.'

In conclusion, however, the Committee wishes to draw attention to the fact that the Commission is well aware of Parliament's view on the advisory rôle of committees attached to the Council and the Commission and therefore asks that it be brought clearly to the attention of the Commission, once and for all, that, henceforth, proposals for draft regulations should not include provisions that give any undue powers to such standing committees.

Yours sincerely,

Erwin LANGE