European Communities

# EUROPEAN PARLIAMENT

# Working Documents

1975-1976

4 November 1975 DOCUMENT 340/75

# Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 292/75) for a regulation amending Council Regulation (EEC) No. 464/75 of 27 February 1975 establishing systems of premiums for producers of bovine animals

Rapporteur: Mr P. BOURDELLES

PE 42.120/fin.



English Edition

By letter of 2 October 1975 the President of the Council of the European Communities consulted the European Parliament, pursuant to Articles 43 and 209 of the EEC Treaty on the proposal from the Commission of the European Communities to the Council for a regulation amending Council Regulation (EEC) No. 464/75 of 27 February 1975 establishing systems of premiums for producers of bovine animals.

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

The Committee on Agriculture appointed Mr BOURDELLES rapporteur.

It considered this proposal at its meeting of 23-24 October and adopted the motion for a resolution unanimously with one abstention.

Present: Mr Houdet, chairman; Mr Laban, vice-chairman; Mr Bourdellès, rapporteur; Mrs Dunwoody, Mr Gibbons, Mr Hansen, Mr Hughes, Mr Kofoed, Mr Ligios, Mr Liogier, Mr Nolan (deputizing for Mr Hunault), Mrs Orth and Mr Scott-Hopkins.

C O N T E N T S

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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 proposal of the Commission of the European Communities to the Council for a regulation amending Council Regulation (EEC) No. 464/75 of 27 February 1975 establishing systems of premiums for producers of bovine animals

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council [1],

- having been consulted by the Council pursuant to Articles 43 and 209 of the EEC Treaty (Doc. 292/75),

- having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 340/75),

rejects the Commission's proposal.

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[1] OJ No. C 238, 18.10.1975, p. 10

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## EXPLANATORY STATEMENT

1. On 27 February 1975, the Council, as part of its review of the Commission's proposals for fixing prices for the 1975/76 marketing year, adopted Regulation No. 464/75[1] establishing systems of premiums for producers of bovine animals.

Article 4 of the said Regulation provides for the introduction of:

- a premium for the retention of cows on holdings;
- a premium for the birth of calves.

2. The question then arose of whether the financing of these premiums should be charged to the Guarantee Section (rapid and direct improvement of breeders incomes) or to the Guidance Section (structural guidance) of the EAGGF.

The first alternative was adopted, as it was felt that the premiums were primarily instrumental in securing an improvement in breeders' incomes in the short term and accordingly came within the purview of the EAGGF's Guarantee Section.

3. However, in the document now under consideration the Commission proposes to amend the abovementioned Regulation of 27 February 1975 to allow joint financing by the Guidance Section and the Guarantee Section of the EAGGF, each Section contributing 50%.

4. This amendment is justified, according to the Commission, by the fact that the premiums in question present certain intervention characteristics designed both to regulate the markets and to guide production in the long term. The Commission then quotes a number of arguments purporting to show that these premiums help to achieve structural objectives such as increasing the production capacity of calves and improving the genetic quality of the herds.

5. The Committee on Agriculture does not share the Commission's assumptions.

It cannot believe that in the few months that have elapsed since the entry into force of Regulation No. 464/75, sufficiently important developments have taken place to justify such a radical change of the original decision, approved at the time by Parliament and the Council, that all premiums for producers of bovine animals should come within the purview of the EAGGF's Guarantee Section.

The simultaneous presentation of the third draft supplementary and amending budget is clear proof that this proposal for a regulation is merely a financial expedient in an attempt to find the 125 million u.a. needed in 1975 for the premiums concerned, half of which (62.5 million u.a.) has now been entered under the Guidance Section.

[1] OJ N. L 52, 28.2.1975, p.5

6. The Committee on Agriculture has always been opposed to charging to the Guidance Section items of expenditure which have no bearing on the aims of that Section. It has always maintained that the 325 million u.a. annual endowment of the Section should be destined primarily for the financing of common actions provided for in Article 6 of Regulation 729/70 concerning the financing of the common agricultural policy. These are actions decided on by the Council to achieve the objectives laid down in Article 39 of the Treaty and the structural changes necessary to the proper functioning of the Common Market. Since the Member States have not yet succeeded in initiating a sufficient number of joint actions, the Committee on Agriculture feels that the funds set aside for the Guidance Section should be used to finance individual projects in the structural sector, and certainly not to further strengthen the Guarantee Section by financing a system of premiums.

7. For these reasons, therefore, the Committee on Agriculture rejected the Commission's proposal unanimously with one abstention.