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EUROPEAN PARLIAMENT

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13 December 1978

DOCUMENT 522/78

REPORT

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 407/78) for a regulation on the granting of aid by the European Agricultural Guidance and Guarantee Fund, Guidance Section, in 1978 and 1979 pursuant to Regulation No. 17/64/EEC and to Council Directive 77/391/EEC

Rapporteur: Mr P. JOXE

1.2.1



By letter of 12 October 1978 the President of the Council of the European Communities consulted the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation on the granting of aid by the European Agricultural Guidance and Guarantee Fund, Guidance Section, in 1978 and 1979 pursuant to Regulation No. 17/64/EEC and to Council Directive 77/391/EEC.

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 Joxe rapporteur.

It considered the proposal at its meeting of 30 November/1 December 1978.

At its meeting of 13 December 1978 the committee adopted the motion for a resolution by 9 votes in favour with 3 abstentions.

Present: Mr Caillavet, chairman; Mr Liogier and Mr Ligios, vice-chairmen; Mr Hughes, vice-chairman, deputizing for the rapporteur, Mr Joxe; Mr Andersen, Mr Corrie, Mr Früh, Mr Halvgaard, Klinker, Mr W. Müller, Mr Scott-Hopkins and Mr Tolman.

The opinion of the Committee on Budgets is attached to this report.

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A

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 from the Commission of the European Communities to the Council for a regulation on the granting of aid by the European Agricultural Guidance and Guarantee Fund, Guidance Section, in 1978 and 1979 pursuant to Regulation No. 17/64/EEC and to Council Directive 77/391/EEC

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. 407/78),
  - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 522/78),
1. Requests that EAGGF Guidance Section aid be tailored to the specific needs of the Benelux countries in view of their particular economic situation;
  2. Invites the Commission, after the needs of the Benelux countries have been met, to concentrate EAGGF Guidance Section aid on those regions of the Community which have the greatest need to develop their agricultural infrastructures;
  3. Considers that the derogation from Article 7(2) of Directive No. 77/391/EEC in favour of the Benelux Member States should be extended to the other regions of the Community most affected by bovine diseases in order to safeguard the health of Community livestock;
  4. Approves the Commission proposal on these conditions.

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<sup>1</sup> O.J. No. C 264 of 8.11.1978, p. 4

EXPLANATORY STATEMENTI. INTRODUCTION

1. At its 516th session (8 - 12 May 1978), the Council invited the Commission to make the necessary arrangements for the financing of individual projects to improve production structures. To this end it was stipulated that the funds to finance these individual projects should not exceed 70 m EUA and that financing should be effected, by derogation from Article 6 of Regulation (EEC) No 729/70<sup>1</sup>, by drawing on the reserves entered in Chapter 88 of the budget (Mansholt reserve).

2. At the same meeting, the Council noted the Commission's intention to propose for the Benelux countries measures complementary to those laid down in Regulation (EEC) No 355/77<sup>2</sup> on common measures to improve the conditions under which agricultural products are processed and marketed. In fact, although these countries' currencies belong to the 'snake', they also suffer from a relatively high rate of inflation, and their farmers are thus penalized twice, in the adjustment of the representative exchange rates and in actual purchasing power.

3. In response to this exceptional situation the Commission hopes that the Benelux countries, which gained little from the 1978/1979 price review, might receive aid for structural measures to improve their agriculture.

However, it should be emphasized that while the Benelux countries should receive preferential treatment, the other Member States of the Community are also entitled to part of the 70 m EUA set aside for financing individual products.

II. THE COMMISSION PROPOSAL

4. Article 1(1) of the proposed regulation provides for the financing of individual projects in all the Member States or of projects in the coastal fishing sector which could not be financed under Regulation (EEC) No. 1852/78<sup>3</sup> for lack of funds. The latter would be of special benefit to the United Kingdom.

5. 850 projects are currently in abeyance for lack of funds, since the maximum of 325 m EUA stipulated in Regulation (EEC) No. 729/70 has already been used up simply by the financing of joint schemes. In the last two years the said maximum has therefore had to be exceeded by drawing on the Mansholt reserve. These individual projects, representing a total of 220 m EUA, are distributed as follows:

<sup>1</sup>OJ No L 94 of 28.4.1970, p.13

<sup>2</sup>OJ No L 51 of 23.2.1977, p.1

<sup>3</sup>OJ No L 211 of 1.8.1978, p. 30

Germany	:	approx.	61 m EUA
Belgium	:	"	23 m EUA
Denmark	:	"	18 m EUA
France	:	"	11 m EUA
Ireland	:	"	12 m EUA
Italy	:	"	61 m EUA
Luxembourg	:	"	2.1 m EUA
Netherlands	:	"	11 m EUA
United Kingdom	:	"	19 m EUA.

The Benelux countries thus need 36.1 mEUA. By this article the Commission hopes to aid projects to develop infrastructures in rural areas (roads, water supplies etc.....).

6. Article 1(2) of the proposed regulation lays down special measures to help the Benelux countries.

For example, Belgium would like the Community to contribute to the financing of its programme for the improvement of rural housing which would enable young farmers to acquire houses of their own; it would also like the Community to promote the activities of the mutual aid centres and farm administration centres, and to give general help to young farmers.

Luxembourg, for its part, would like the EAGGF to encourage the keeping of accounts on farms, to help improve the quality of agricultural produce and improve breeding stock.

7. Finally, Article 2 of the proposed regulation provides for a derogation in favour of Belgium from Directive No 77/391/EEC<sup>1</sup> instituting Community measures for the eradication of brucellosis, tuberculosis, and leucosis in cattle.

Belgium has to combat brucellosis which is affecting its herds. For this purpose, and to allow it to intensify its effort against this disease, the Commission proposes to double the slaughter premiums laid down in the directive, 60 u.a. per cow and 30 u.a. per bovine animal other than cows.

Your rapporteur regrets that this derogation from Directive 77/391/EEC does not apply to other Community regions particularly affected by bovine diseases.

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<sup>1</sup> OJ No. L 145, 13.6.1977, p. 44

### III. CONCLUSIONS

8. The Committee on Agriculture, aware of the need to improve the Community's agricultural infrastructure, wishing to help the Benelux countries solve the special problems they face as a result of their exceptional economic situation, and concerned that the Member States should successfully pursue their campaign against livestock diseases, approves the Commission's proposal.

9. However, the Committee on Agriculture asks the Commission to concentrate its aid

(a) on individual projects best able to solve the problems of certain regions in the Community and which might give the lead to other economic activities;

(b) apart from the special case of the Benelux countries, on the most needy regions of the Community, so that aid is not diminished in efficacy by being spread too thinly.

10. The Committee on Agriculture also considers that other regions of the Community particularly affected by bovine diseases should be able to benefit from the doubling of premiums provided for under Directive No. 77/391/EEC.

11. The Committee on Agriculture also considers that the Commission should perhaps revise the date mentioned in Article 1(3) of its proposal since this has been overtaken.

12. The proposal by the Commission should not involve additional expenditure from the Community budget since measures taken under Regulation No. 17/64/EEC will be covered by transfers of appropriations between chapters within Title 8 of the 1978 budget and the doubling of slaughter premiums under Directive No. 77/391/EEC will not necessitate an increase in the appropriations provided for in Article 837 of the 1978 budget.

13. The Committee on Agriculture emphasizes that this proposal, the outcome of negotiations between the Member States at the 516th session of the Council in the course of which the farm prices for the 1978-79 season were fixed, is being submitted to the European Parliament simply for confirmation, the decision in principle having already been taken by the Council at the above session. Once that institution has received the opinion of the European Parliament, it will be able to proceed with the formal adoption of the regulation which is the subject of this report.



OPINION OF THE COMMITTEE ON BUDGETS

Letter from the acting chairman of the committee to Mr CAILLAVET,  
chairman of the Committee on Agriculture

Luxembourg, 1.12.1978

Dear Mr Chairman,

Subject: Opinion of the Committee on Budgets on the proposal for a Council Regulation (EEC) on the granting of aid by the European Agricultural Guidance and Guarantee Fund, Guidance Section, in 1978 and 1979 pursuant to Regulation No. 17/64/EEC and to Council Directive 77/391/EEC (Doc. 407/78)

The Committee on Budgets considered the above proposal for a regulation at its meeting of 30 November 1978.

The proposed measures can be covered in their entirety from the budgetary appropriations entered under Title 8 for the financial year 1978.

The additional expenditure under Article 800, pursuant to Regulation No. 17/64/EEC, will be covered by transfers between chapters within Title 8 for 1978. The amount of 70 m EUA is apparently the result of an agreement reached by the Council of the European Communities at its 516th meeting of 8-12 May 1978.

The doubling of the slaughter premiums pursuant to Directive 77/391/EEC does not necessitate any increase in the appropriations entered under Article 837 since benefit from this measure is confined to certain Benelux regions particularly hard-hit by the diseases concerned and the initial estimate of the number of animals to be slaughtered was too high.

Under these circumstances the Committee on Budgets is able to give a favourable opinion on this proposal.

(sgd.) Martin BANGEMANN  
Acting Chairman

Present: Mr Bangemann, vice-chairman and acting chairman; Mr Croze, Mrs Dahlerup, Mr Dalyell, Mr Dankert, Mr Hamilton, Mr Nielsen, Mr Radoux, Mr Schreiber, Mr Scott-Hopkins, Mr Shaw and Mr Würtz.

