European Communities

EUROPEAN PARLIAMENT

Working Documents

1974-1975

5 July 1974

DOCUMENT 169/74

Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 6/74) for a directive concerning/forestry measures

Rapporteur: Mr Giosué LIGIOS

Ì,

English Edition

By letter of 12 March 1974 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a directive concerning forestry measures.

On 14 March 1974 the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and the Committee on Budgets and the Committee on Regional Policy and Transport as the committee asked for their opinions.

The Committee on Agriculture appointed Sen. Ligios rapporteur on 28 March 1974.

It considered this proposal at its meetings of 18-19 April, 2-3 May, 5-6 June and 20-21 June 1974.

At its meeting of 20-21 June 1974 the committee unanimously adopted the motion for a resolution and the explanatory statement with 1 abstention.

The following were present: Mr Vetrone, vice-chairman, acting chairman; Mr Laban, vice-chairman; Mr Ligios, rapporteur; Mr Baas, Mr Brugger, Mr Cifarelli, Mr Dalsager, Mr D'Angelosante (deputizing for Mr Lemoine), Mr Früh and Mr John Hill.

The opinions of the Committee on Budgets and the Committee on Regional Policy and Transport are attached.

- 3 -

CONTENTS

		Page
A	MOTION FOR A RESOLUTION	5
В	EXPLANATORY STATEMENT	12
AN	NEXES:	
	Table I - Areas	28
	Table II - Woodland area in the Member States and breakdown of woodland by types of property	29
	Table III- Number of woodland holdings and woodland areas by the type of owner and size of holding	30
	Table IV - Breakdown of woodland area according to forestry method	31
	Tables V/VI - Forest fires	32
Oŗ	pinion of the Committee on Budgets	35
Or	oinion of the Committee on Regional Policy and Transport	45

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 directive concerning forestry measures

The European Parliament,

- having regard to the proposal 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. 6/74);
- having regard to the report of the Committee on Agriculture and the opinions of the Committee on Budgets and the Committee on Regional Policy and Transport (Doc. 169/74);
- recalling that on several occasions in the past² it has recognized the need for Community forestry measures in view of the fact that the balance between agricultural, forest, and pasture land is one of the objectives of the structural policy;
- aware that an increase in forest land on the territory of the Community would contribute to the protection and growth of the productivity of the soil and bring with it ecological advantages in the interests of the entire population;
- convinced that measures providing incentives to forestry activity will promote economic development and employment and further the growth of the Community's forestry resources, which are at present insufficient to meet the ever-growing demand for wood;
- 1. Notes with satisfaction the proposal by the Commission of the European Communities to provide for the financial participation by the EAGGF in the specific actions to be carried out by the Member States and hopes that the Council will take a decision on this directive without delay since the measures contained in it will only be felt in the medium term;

- 5 -

1 March 1971 p. 26;
(b) Resolution adopted on 10 May , on the basis of the report of the Committee on Agriculture (Doc. 11 /73), relating to the proposals on agriculture in mountain areas and in certain other poorer farming areas, OJ No. C 37 of 4 June 1973 p. 56.

А

PE 36.701/fin.

^IOJ No. C44 of 19 April 1974, p.14.

²see: (a) Resolution adopted on 11 February 1971, on the basis of the provisional report of the Committee on Agriculture (Doc. 253/70), relating to proposals on the reform of agriculture, OJ No. C 19 of 1 March 1971 p. 26;

- Approves in broad outline this proposal for a directive and calls upon the Commission of the European Communities, pursuant to Article 149, second paragraph, of the EEC Treaty, to make the following amendments;
- 3. Wonders, moreover, whether provision should not be made for a revision of the terms of the directive, after a period of three years following its entry into force, to determine, in the light of experience gained, whether the scope of certain of the measures should not be extended with a view to making the use of land for forestry purposes and forestry in general more attractive;
- 4. Considers it essential that provision be made for financial help by the Community for all those occasionally costly but indispensable activities and investments concerned with preventing and fighting fire and, furthermore, urges the Commission to use every means at its disposal to combat this serious problem;
- 5. Also calls upon the Commission to promote research and experimentation in the forestry sector, to work towards effective cooperation at Community or international level and to organize the sharing of the results for the benefit of interested sectors;
- 6. Requests the Commission and the Council, when a decision is taken on these proposals, to adjust the maximum amounts provided for in Article 11(4) in respect of the Community's financial contribution in order to take account of foreseeable increases in costs likely to obtain on the date of the directive's entry into force in the Member States;
- 7. Instructs its President to forward this resolution to the Council and the Commission of the European Communities.

- 6 -

TEXT PROPOSED BY THE COMMISSION OF THE EUROPEAN COMMUNITIES 1

MENDED HAF

Proposal for a directive concerning forestry measures

Preamble, recitals and Article 1

unchanged

Article 2

 The system of encouragement referred to in Article 1(1) shall relate to the following measures:

- (a) the afforestation of areas under agriculture and of uncultivated areas;
- (b) the conversion of unproductive or low-production woodlands into productive woodlands;
- (c) the establishment and improvement of shelter belts in the interests of agriculture and the environment;
- (d) additionally the creation of recreational facilities subject to paragraph 4.
- 2. The following shall be included in the measures mentioned in Paragraph 1 (a) (b) (c):
- (a) preparation of the site;

1

- (b) supply of plants and seeds and cost of planting or sowing;
- (c) for a period not exceeding four years from date of planting or sowing :
 - any necessary replacements,
 - maintenance work and protective measures such as the creation of fences and the formation of firebreaks.

1. unchanged

Article 2

(a) unchanged

(b) unchanged

(c) the establishment and improvement of shelter belts, <u>fire prevention</u> <u>and fire-fighting facilities</u>, in the interests of agriculture and the environment;

(d) unchanged

2. unchanged

- (a) unchanged
- (b) unchanged
- (c) for a period not exceeding four years from date of planting or sowing:

- any necessary replacements

 maintenance work and protective measures, such as <u>fire preven-</u> <u>tion and fire-fighting facili-</u> <u>ties</u>, the creation of fences and the formation of firebreaks.

For complete text see OJ No. C 44 of 19 April 1974, p. 14.

- 7 -

PE 36.707/fin.

3. The construction and improvement of forest roads:

- shall be encouraged if undertaken in conjunction with the measures set out in Paragraph 1(a) (b) (c);
- may be encouraged in isolation if the roads are necessary for the rational exploitation of existing woodlands.

4. The creation of recreational facilities in the forest such as picnicsites and paths for pedestrians, cyclists or horse-riders may also be encouraged in a way that is consistent with the measures set out in paragraphs 1 and 3.

Article 3

1. The provision of financial aid for the measures described in Article 2 shall be subject to the conditions that they form part of any general development envisaged for the region concerned and be harmonized with any other plans and measures relating to land use;

2. The provision of financial aid for the measures described in Article 2 (1) (a) (b) (c) shall be subject to the following additional conditions: (a) at least three quarters of the land in each project for which aid is requested must have been in agricultural or mixed agricultural and forestry use or must have been released by someone giving up farming;

(b) Areas to be used for forestry as well as any areas to remain in agricultural production must be in suffficiently large units to permit a reasonable standard of management; in order to facilitate the achievement of this aim, Member States may

AMENDED TEXT

3. unchanged

4. unchanged

<u>Article 3</u>

1. unchanged

2. unchanged

(a) at least <u>two thirds</u> of the land
in each project for which aid is
requested must have been in agricultural or mixed agricultural and forestry use or must have consisted of
non-productive or minimally productive
woodland, or must have been released by
someone giving up farming.
(b) unchanged

- 8 -

PE 36.701/fin.

1EXT PROPOSED BY THE COMMISSION OF THE EUROPE AN COMMUNITIES

accept a single application for aid from several applicants who are in association or who have agreed to form an association for the purpose of pursuing objectives covered by this Directive.

 Where the production of wood for industry is the main objective the expected yields of wood must at least equal the average yield of plantations on similar sites in the region.
 The construction and improvement of forest roads must be subject to the granting of public rights of way, at least for pedestrians.

5. Each application for aid must be supported by a plan which has been approved by the appropriate authority in the Member State concerned.

6. Plantations with a primarily horticultural objective shall not qualify for aid.

Article 4

1. For the measures listed in Article 2 aid shall amount to at least 60% and not more than 90% of the cost; this aid may be in the form of grants or fiscal incentives or interest rate subsidies or any combination of some or all of these measures.

2. For the measure listed in Article 2 (1) (a), in addition to the aid under para. 1 above a capital grant may be given of a maximum of 200 u.a. per ha. of afforested areas which have been used for agriculture for a continuous period of at least 10 years immediately before afforestation. AMENDED TEXT

3. Where the production of wood for industry is the main objective the expected yields of wood must at least equal the average yield of <u>comparable</u> plantations on similar sites in the region.
4. The construction and improvement of forest roads <u>may</u> be subject to the granting of public rights of way, at least for pedestrians.

5. unchanged

6. unchanged

Article 4 1. unchanged

2. For the measure listed in Article 2 (1) (a), in addition to the aid under para. 1 above a capital grant may be given of a maximum of 200 u.a. per ha. of afforested areas which have been used for agriculture for a (<u>one</u> <u>word deleted</u>) period of at least 10 years immediately before afforesta-

- 9 -

tion.

PE 36.701/fin.

Article 5

1. Member States shall prescribe the level of aids to be granted under Article 4 (1) and (2). The levels of aid may be varied between regions and according to other relevant criteria such as the species to be planted and needs of industry and the environment. In particular in regions as defined in Article 3 of the Directive on agriculture in mountain areas and certain other poor farming areas a higher level of aid must be given than in other regions.

Article 6

 No aid shall be granted for any conversion of forest areas and uncultivated areas into agricultural use except as provided for in Paragraph 3;

 Every beneficiary under Article
 (1) must undertake not to carry out any such conversion for a period of 10 years after receiving aid
 except as provided for in Paragraph 3;

3. The provision in Paragraphs 1 and 2 need not be applied to conversion into agricultural use of small areas to rectify boundaries within the context of rationalizing land use.

Articles 7 to 10 unchanged

Article 11

1. Expenditure incurred by Member States under Article 4 shall be eligible for assistance from the Guidance Section of the EAGGF; revenue foregone through fiscal incentives, however, does not qualify as expenditure.

<u>Article 5</u>

1. unchanged +

+ The linguistic amendment to the Italian original does not apply to the English version.

Article 6

 No aid shall be granted for any conversion of forest areas (3 words deleted) into agricultural use except as provided for in Paragraph 3;

2. unchanged

3. unchanged

Article 11

1. unchanged

PE 36.701/fin.

- 10 -

TEXT PROPOSED BY THE COMMISSION OF THE EUROPEAN COMMUNITIES

2. Expenditure incurred on land owned or held on lease by the state will also be eligible for assistance from the Guidance Section of the EAGGF provided that:

- the expenditure is in respect of measures described in Article 2 (4) and
- the conditions laid down in Article 3 (1) are met.

3. The Guidance Section of the EAGGF shall refund to Member States 25% of the expenditure eligible for assistance except as provided in paragraph 4.

4. The Community's contribution to the expenditure eligible for assistance shall not exceed

- in respect of measures in Article 2(2): 200 u.a./ha.
- in respect of measures in Article 2
 (3): 2500 u.a./km.
- in respect of measures in Article 2
 (4): 15% of the amount of the reimbursement approved for each Member State in respect of the eligible expenditure under the other measures provided for in this Directive.

5. The detailed rules for implementing paragraph 4 shall be adopted according to the procedure in Article 13 of Regulation number 729/70/EEC

AMENDED TEXT

2. unchanged

unchanged

4. unchanged

5. unchanged

 Every 2 years the Council according to the procedure set out in Article 43
 (2) of the EEC Treaty, shall adjust the maximum amounts provided for in paragraph 4.

Articles 12 to 17 unchanged

PE 36.701/fin.

в.

EXPLANATORY STATEMENT

INTRODUCTION

The Commission's explanatory notes prefacing the proposal for a directive 'concerning forestry measures' recall that, in its resolution of 25 May 1971 on the new guidelines of the common agricultural policy, the Council of Ministers decided to adopt, on a proposal from the Commission, measures to promote afforestation.

The proposal under consideration is therefore a response to this decision in principle by the Council and seeks to improve land structures by incorporating forestry into an effective pattern of regional land use which will meet the needs of the agricultural sector and also the social needs relating to protection of the environment.

It is worth recalling, furthermore, that ever since 1964 the Commission has been examining the Community's forestry problems and has forwarded to the Council and to Parliament a communication in which, taking its cue from the resolution adopted in June 1959 by the 'Forestry Conference', it traces the broad outlines of a plan to coordinate national forestry policies and, at a later stage, to draw up a Community forestry policy.¹

It should also be recalled that the proposals submitted by the Commission in June 1967 on 'Community programmes for the Guidance Section of the European Agricultural Guidance and Guarantee Func² included specific forestry projects.

It should finally be recalled that the Commission dealt with the forestry problem in the framework of the 'Memorandum on agricultural reform in the Community' submitted in 1968, as well as in the actual proposal for a directive which followed this memorandum. Among the proposals for directives submitted in 1970 on this subject the Commission drew up one (proposal NO IV)³ providing for measures aimed at afforestation or reafforestation and involving the financial participation of the EAGGF to the amount of 50% of the expenditure incurred by the Member States.

¹See Doc. VI/S/0322/64, 6 April 1964

²See Doc. COM(67) 194 final, 12 June 1967, and the report drawn up by Mr BAAS on behalf of the Committee on Agriculture, Doc. 189/1967-68

³See Doc. 45 of 19 May 1970 and provisional report drawn up by the Committee on Agriculture - Doc. 253/70.

THE PRESENT SITUATION IN THIS SECTOR

Looking at the 1959 figures for the distribution of forest over Community territory, we find that 21.6% of the territory of the Community was under forest, or approximately 25,400,000 hectares out of a total of 116,640,000 hectares. The area under forest was therefore almost as much as that covered by permanent meadows and natural pastureland (26 million hectares). The percentage of total national surface area covered by forest varied considerably from country to country (France 21%; Belgium 19.7%; Luxembourg 32.1%; the Netherlands 7.7%; Germany 28.7%; Italy 19.1%). In addition, this percentage figure varied from region to region within each country.

If we take more recent statistics, however, namely those from 1969 to 1972, we find that in the enlarged Community the total area under forest is 31 million hectares as against an area of 94 million hectares used for agriculture. It should be pointed out, however, that from 1969 to 1972 the total area used for agriculture had decreased by 3.3%, going from 97,296,000 to 94,051,000 hectares. Of the nine Member States the country with the largest proportion of forest is France, which with 14,363,000 hectares of woodland accounts for 45% of the total Community forest area; it is followed by Germany with 23%, Italy with 20% and the United Kingdom with 6%. The other five Member States account for only 6% of the total between them.

Forest density at national level, however, shows a less marked divergence from the Community average of 20% : 32% of the national territory in Luxembourg, 29% in Germany, 25% in France, 8% in the United Kingdom, 7% in the Netherlands and 4% in Ireland.

As regards the forms of ownership involved, the breakdown for areas under forest in the Nine is as follows : private forests 61%, forests belonging to public bodies 21.2% and State forests 17.8%. Divergence from the average figure of 61% for private forests is relatively small, the only exceptions being France (73.6%) and Ireland (12.5%). Germany has 43% of the State forests of the enlarged Community, France 27% and the United Kingdom 14%, while most of the forests belonging to public bodies and the private forests within the EEC are in the following three countries :

France :	35% and	53%	respectively
Italy :	32% and	20%	respectively
Germany :	28% and	17%	respectively
Total :	95% and	90%	respectively

Looking at forest structures in relation to owners and types of area under timber, it can be stated as a general principle that structures in the State forests are definitely superior to those in forests owned by public bodies. As for the privately owned forests, structures there are very defective.

The average area of State forests varies from 108 hectares in Luxembourg to 1,628 in Denmark and of forests belonging to public bodies from 34 hectares in the Netherlands to 167 hectares in France. The average size of private forests in the Member States, on the other hand, is not more than 8 hectares : in Luxembourg it is only 2 hectares, in Italy and Belgium 3, in France and Germany 4 and in the Netherlands 7.

Although privately owned forests occupy 61% of the total area under timber, they are divided between many different owners. Except in Ireland and the United Kingdom, 94.5% of all private owners, in fact, own less than 10 hectares of woodland.

It is also immediately apparent that the situation in all the Community's Member States is characterized by great timber shortage and consequently massive imports to meet the continually increasing needs. It should also be pointed out that this shortage is not only quantitative (lengths of resinous timber, resinous logs for wood pulp, paper and cardboard) but is also a result of special qualitative needs (tropical hardwoods) which cannot be met by Community timber production.

In fact, the Community's own timber supply for industrial purposes covers less than 50% of the requirements. And this percentage is likely to decrease rapidly, owing to rising consumption, which for paper and cardboard production is estimated to grow from 26.92 million tons in 1970 to 42.81 million tons in 1980.

At the same time, experience has shown that the traditional timberexporting countries, are becoming increasingly reluctant to export forest products as raw material, preferring to supply the finished product themselves.

It should also be mentioned that for all raw timber and processed wood products falling under customs sub-headings 44.03, 44.04E and 44.05, customs duty was fixed at zero, with the exception of certain tropical timbers on which a small protective tariff was initially levied in order to favour the produce of the Associated States but was later suspended.

THE IMPORTANCE OF FOREST

Quite apart from the strictly economic and commercial aspects of timber production, forests can be said to fulfil a very important need.

In fact, the forest fulfils three main functions: it affords physical protection, it is a valuable factor in rural economy and it is a social amenity.

Physical protection: forests play an essential part in protecting the soil against erosion by wind and water and help to stabilize the soil and regulate the flow of water. This is particularly true for mountainous areas, but also for Mediterranean areas where the unpredictable nature of the climate and rainfall makes the soil particularly vulnerable to erosion.

Trees also play a part in protecting crops against the wind (windbreaks) and shading livestock from the sun; they are also important for the reclamation of marshy lands and for the enrichment of the soil.

Rural economy: within the framework of projects to be undertaken to restructure Community agriculture, measures to promote afforestation are of particular importance.

There are many facets to the role of the forest in the rural economic life of a country or region: forestry in conjunction with agriculture allows an income to be derived from lands that are little or not at all suited to cultivation in the true sense; it provides employment for farmers who are obliged to give up their own farms and it increases the productiveness of the soil.

A proper balance between arable land, woodland and pastureland is therefore one of the objectives to be attained through structural policy.

Social amenity: the great density of population in the cities and towns of industrialized countries has increasingly pointed up the urban centres' need for the forest as a 'lung'. It is essential therefore not only to preserve the forests which still remain in the vicinity of cities but also to create wooded areas in the suburbs where vegetation has largely been destroyed. In many areas the forests attract a growing number of people from the cities, and as a result they are becoming indirectly an important source of income for the hotel industry and for local business. Forests are therefore a development factor in the general economy at regional level.

0

о

о

CONTENTS OF THE PROPOSAL

In the light of all the considerations outlined above, the Commission of the Communities has submitted, on the basis of Articles 42 and 43 of the Treaty, a proposal for a directive which through measures to promote afforestation, will contribute to the reform of land structures already launched by the 1972 directive.

In the form of a directive, the proposal lays down certain Community criteria to serve as a guide to the specific areas where Member States will take action to achieve the aims of the directive in accordance with the various needs of the individual regions. The proposed directive envisages financial involvement of the Community to the extent of 25% of the costs incurred by Member States in implementing provisions enacted on the basis of the general criteria laid down in the present directive. This directive calls on Member States to draw up regulations designed to encourage both the afforestation of agricultural areas or uncultivated areas and the improvement of existing woodlands. The aim of these regulations, which shall apply to all types of lands other than land owned or held on lease by the State, is to promote effective land use, to enable the agricultural population to achieve a reasonable standard of living, to produce timber for industry and to safeguard the environment and meet recreational needs (Article 1).

The directive goes on to outline in Article 2 the precise measures to be encouraged.

Article 3 lays down the conditions to be fulfilled to qualify for financial aid.

Article 4 provides that such aid shall amount to a minimum of 60% and a maximum of 90% of the costs of the operations.

It also envisages the provision of a capital grant of a maximum of 200 u.a. per hectare for the afforestation of areas which have been used for agriculture during the previous 10 years.

According to Article 5, Member States may vary the amounts of aid as between regions and according to other relevant criteria such as the species to be planted and the needs of industry and the environment. It is stated, however, that, in the regions dealt with in the directive on agriculture in mountain areas and in certain other poor farming areas, a higher level of aid must be given than in other regions. According to this same article, Member States must ensure that adequate

training opportunities are available for those engaged in forestry.

Article 6 further lays down that the conversion of forest areas and uncultivated areas to agricultural use shall not be encouraged and

- 17 -

that all recipients of aid for afforestation must undertake not to carry out any such conversion for a period of ten years.

Article 8 states that the time estimated for carrying out these common measures is ten years and that the estimated contribution by the EAGGF is 170 million u.a. for the first five years. It is envisaged that, at the end of the first five years, the measures contained in this directive shall be re-examined by the Council on a proposal from the Commission.

As regards the amount of the EAGGF's contribution, Article 11 lays down certain maximum figures which it may not exceed: 200 u.a./hectare in respect of the measures in Article 2(2): preparation of the site, supply of plants and seeds, costs of planting or sowing, cultivation work, construction of fences and the formation of firebreaks.

The cost shall not exceed 2,500 u.a./km in respect of the measures in Article 2(3); the construction and improvement of forest roads. For the measures in Article 2(3), that is to say, the creation of recreational facilities, the EAGGF's contribution shall not exceed 15% of the reimbursements granted to each Member State for the various measures already described.

Article 14 stipulates that the directive shall not affect the power of the Member States to take supplementary measures based on criteria other than those set forth in this document.

Article 15 provides for the submission of an annual report to the Council and to Parliament on the implementation of this directive.

Articles 9, 10, 12 and 13 deal with the procedures to be followed by Member States in order to obtain financial aid from the Community.

PART II

CONSIDERATION OF THE PROPOSAL

(a) Aims

1. A problem of economic significance in the agricultural sector is the optimal utilization of the soil. The reclamation of marginal, abandoned or little used land should however proceed at the same rate as the restructuring of agriculture.

This problem, which arises whether considered from the macroeconomic or the management point of view, necessitates solutions being found which not only fit the specific existing conditions but also correspond to the foreseeable developments in the economic situation.

2. However, if the idea of a new form of agriculture with a commercially viable structure opens up, on the one hand, the possibility of a more extensive utilization of the soil, it necessarily implies on the other hand the withdrawal from cultivation of those parts of it which, for reasons of composition, nature, mountainous character, are poorly adapted to a system of agriculture which is increasingly mechanized and organised according to criteria of economic management.

The problem which thus faces the responsible authorities is to forestall the negative repercussions resulting from this phenomenon and at the same time to reintegrate undertakings and labour into this sector and to fulfill those social commitments of special significance to agriculture.

3. If at decision-making level in the Member States it has already been recognised in a more or less uniform way that appropriate means can be found to encourage the utilization of these areas for forestry, two other factors today combine to further support the relevance of such a course: the need to safeguard natural resources, and the increase in the price of timber.

4. In the context of this situation, the Community, which, in the directives issued in 1972, proposed the reform of agrarian structures, could not go back on its pledge to deal with this problem and provide the necessary resources to encourage in a general manner measures aimed at afforestation in all the Member States.

If the need for timber was the most acute and pressing reason for this provision, the need for the public at large to be assured that the exploitation of the soil will not lead to the impoverishment of national natural resources and to the deterioration of environmental conditions

PE 36.701/fin.

is a further ground for the Commission's initiative in proposing a directive on forestry measures.

5. On the other hand, although this directive can be seen in the framework of the measures taken in support of the agricultural sector and the agricultural policy adopted in implementation of the Treaty of Rome, there can be no doubt that through the implementation of the proposed measures it will at the same time become an instrument of development, likely to help the less productive regions with below-average incomes and a high rate of migration (as the Committee on Regional Policy and Transport correctly observed).

But at the same time there can be no doubt - and this has always been the view of the Committee on Agriculture - that measures taken on behalf of the agricultural sector, positive though they may be in terms of general economic development, cannot be separated from those of wider application which must be implemented under the terms of a regional policy if there is a real desire to achieve a radical improvement in production and working conditions in the most backward areas.

6. As has already been pointed out in Part I, the Commission has on several occasions in the past proposed measures encouraging forestry, though admittedly none of these were as responsive as the present ones to the needs of the agricultural sector, nor were they as urgent.

It is nevertheless worth recalling that, while on the basis of measures submitted in 1962 in the framework of the Community programmes for the Guidance section of the E.A.G.G.F., the Community's financial contribution (in accordance with the general rules relating to the Guidance section) could in certain cases amount to 45%, and in line with the proposal for a directive of 1970 in the framework of the reform of agrarian structures to 50%, according to the proposal at present under consideration the Community's contribution (subject to certain maximum limits for various activities) amounts to only 25%.

7. It would also be useful to point out that, according to the 1970 proposal covering the period 1971-1975 and in respect of the Community of the Six, the Commission estimated that an E.A.G.G.F. grant of 164 million u.a. would have been applied to the reafforestation of a total of 1,470,000 hectares, while, again according to Commission estimates, the application of the present directive would involve for the Community of the Nine an E.A.G.G.F. contribution of 170 million u.a. for the period 1976-1981 and would apply to the afforestation

-20-

of a total of 400,000 hectares and the improvement of 300,000 hectares of already wooded areas.

8. In this connection, and without wishing to conclude that the Commission has provided for a smaller financial contribution by the Community in its latest proposal compared with its previous one because it believes that the Community's interest in developing forestry activity is now less than it was, it is clear that the effect of the Community contribution will be essentially to encourage national authorities to take steps on their own territory to promote forestry whenever conditions permit, in order to receive E.A.G.G.F. funds.

The Community provision under consideration has the advantage, moreover, of highlighting problems linked to this sector and of attracting the attention of the interested parties so that contacts and initiatives, on which economic development is always based, can be forged.

As regards its objectives, however, the proposal for a directive under consideration can be considered as a positive step towards the solution of a problem of general importance whose many aspects and ecological implications are of interest to society as a whole, to various sectors of the economy and, above all, to the agricultural sector, which is the most directly concerned with the utilization of available land.

-21-

(b) Financial provisions

9. The consideration of the financial provisions in a proposal for a directive or regulation is done primarily with a view to evaluating whether they are sufficient to allow the attainment of the objectives which the regulation itself lays down and at the same time to establish whether they actually relate to the various situations for which their use is intended.

In the present case, however, since the proposal for a directive under consideration - as explicitly laid down in Article 14 - does not prejudice the right of Member States to adopt additional measures of aid the terms or conditions of which differ from those contained in the Community proposal, consideration of the financial provisions should be carried out taking into account the complementary nature of the Community measures with respect to existing or forthcoming national laws.

10. However, the fact that it is not yet possible to assess the exact effect of the Community rules upon national ones in no way presents a favourable assessment of the proposal for a directive under consideration, since its purpose is to establish criteria for Community financial participation in forestry of measures complementary to other Community measures for the reform of agrarian structures.

It should be recalled, in fact, that, in taking account of the fact that the structural problems of agriculture and forestry call for solutions which can differ from region to region, the proposal for a directive leaves it up to the Member States to decide to what extent funds provided by it should be concentrated in specific areas.

11. The Committee on Agriculture's consideration of the specific provisions contained in the proposal for a directive are therefore concentrated on certain individual problems.

The first of these relates to the field of application of the Community's system of encouragement to afforestation and to the improvement of existing woodlands. Article I(3) in fact specifies that this system shall apply to all lands other than land owned or held on lease by the State.

It may in fact be asked whether this exclusion might not give rise to difficulties in certain Community regions. In case of dispute the criteria for exclusion should be based on ownership and occupation of the land and not on the nature of the body managing it. Thus the areas managed by the 'Forestry Commission' in the United Kingdom and the 'Office National des Forêts' in France would be excluded, while land belonging to local public bodies (local authority or other) would be implicitly included.

Finally, the majority of the committee expressed itself in favour of retaining the text proposed by the Commission, mainly on the basis of the following considerations:

(a) the greater part of the land area in the Community which could be utilized for forestry belongs or is leased either to private persons, or to public bodies other than the State;

(b) the management of lands belonging to the State is generally of a high level and consequently does not justify additional aid from the financial resources of the Community;

(c) provision has never been made in the past for direct financial aid from the Community to the Member States.

12. As regards the concrete measures under the system of encouragement and in particular the supply of plants and seeds, the importance of research and experimentation in this field should be emphasized.

While recognising that such activities do not fall within the direct terms of application of the measures proposed in this directive, consideration should be given to the fact that they do constitute a decisive element and are a prerequisite to the success of a policy of encouraging forestry.

In particular, since forestry production is a long-term process, it is easy to see the importance of the discovery and development of new types of seed or plant better adapted to the various climatic or soildconditions as well as to the needs of industry, especially where forestry production for industry is the main objective.

13. The importance of research and experimentation as well as of cooperation in this sector on a European and world level should also be emphasized in relation to the fire protection measures provided for in this directive.

Indeed, since the danger from fire is one of the major risks in forestry the significance of research into the development of less combustible types of wood is of prime importance.

14. If reference is made to the data given in the annex on the value of forest annually destroyed by fire, the importance of the proposed measures for preventing and combating fires cannot be overemphasized. In view of this the committee considers that Article 2 should specifically include as part of the system of encouragement measures for the prevention and fighting of fires.

15. Still on the subject of fire danges, certain doubts arise in relation to the provisions of Article 3(4), which states that the construction and improvement of forest roads must be subject to the granting of public rights of way for pedestrians. While recognising that the reason for this particular rule is the desire to safeguard and guarantee free access to forests and rural land to all sections of the public for recreation and sport, there are grounds for concern that a general formulation of this nature could discourage a fair number of owners of woodlands from applying for grants for the construction and improvement of forest roads.

It would thus seem more appropriate to limit the granting of rights of way to those forest areas where conditions (quality of the undergrowth, types of trees) or the infrastructures are such as to minimize the risks of fire which could be caused by the presence of pedestrians. With a view, therefore, to giving this provision a more flexible character in relation to the various situations described above, the Committee on Agriculture has amended the text so as to add a measure of flexibility to the requirement for the recipients of aid to grant public rights of way.

16. Article 4(2), which lays down that a capital grant may be given of a maximum of 200 u.a. per ha. of forested areas which have been used for agriculture for a continuous period of at least 10 years immediately before afforestation, deserves particular mention.

Although it is made clear that the reason for this condition is based on two separate considerations - one economic, relating to the previous value of production, and the other political since this measure is linked with the directive on agrarian reform - it can be asked whether a continuous period of 10 years is not liable to exclude from the provisions owners whose land, because of its marginal quality, has not been cultivated regularly or has lain fallow for prolonged periods, or farmers who, seeking work, have moved for a set period to another part of the Community and have not been able to keep their land under cultivation.

The Committee on Agriculture would therefore prefer to see the adjective 'continuous' deleted so that if the period to be taken into consideration remains at 10 years the grant could still be given even if there had been an interruption of some years in cultivation. 17. The Committee on Agriculture pointed out moreover that the text of the first paragraph of Article 6 prohibiting the granting of aid for the conversion of uncultivated areas could give rise to certain difficulties in specific areas of the Community, or could constitute an indirect obstacle to the application of the directives on agrarian reform.

The case of farmers wishing to submit a modernization plan utilizing land which was previously uncultivated but suitable for stock farming, comes particularly to mind.

With this in view the Committee on Agriculture has amended the text so that the prohibition on the granting of aid (still subject to the exceptions laid down in Article 6) would be retained only in respect of the conversion of forest areas into agricultural use.

18. The Committee on Agriculture also considered the problem of the re-examination of the present measures, planned to take place, pursuant to Article 8, five years after the entry into force of the directive.

The committee has considered the need - as did the Committee on Budgets in its opinion - of amending this Article with a view to providing for the consultation of the European Parliament at that time; but it emerged during the discussion that such consultation is implied and required by the general rules applying to any modifications to regulations or directives based on Article 43 of the EEC Treaty.

19. Article 11(4) lays down that the Community's contribution to the expenditure eligible for assistance shall not exceed certain maximum figures for the various measures.

It should be pointed out in this respect that, given the difference in costs between the various Member States, certain difficulties could arise in those where prices are highest.

The main problem, however, in the Committee on Agriculture's view, is to ensure that these fixed amounts correspond to 25% of the actual expenditure in question. While not wishing to go any more deeply into this matter, the committee wished to affirm its view that it is up to the Council, on a proposal from the Commission, to review these amounts and fix them, at the date of the decision on this proposal, at levels which take account of anticipated price increases for the year following the date of that decision. In fact, under the terms of the present directive the Member States are given a period of one year in which to adopt the necessary measures for complying with it.

In view of the likelihood of continuing price increases, the committee has added a new paragraph to Article 11 providing for the periodical adjustment by the Council of the maximum amounts mentioned above. This problem, indeed, though it exists in a general sense in similar cases occurring in the directives on agrarian reform, has now acquired a particular significance in view of the unceasing rise in prices which characterizes the present period and is likely to persist in the immediate future.

20. Subject to the remarks and amendments referred to above, the Committee on Agriculture approves the proposal for a directive under consideration and hopes that the measures it provides for will be implemented as soon as possible.

ANNEXES

Tables reproduced from

THE AGRICULTURAL SITUATION IN THE ENLARGED COMMUNITY *

Report for 1973 (PART III) (COM(73) 1850 final ANNEXES)

NOTICE TO THE READER : Because of reprographic difficulties in the presentation of these tables, the decimal point appears as a comma, and the point is used where English practice would require a comma. This saves retyping the figures, which were initially prepared in accordance with Continental practice in the matter.

* Because the time left for drawing up these tables was too short, it has not always been possible to check that the stastistics supplied by the SOEC tally with those supplied by the DC for Agriculture.

PE 36.701/Ann.

Table I C/1.1 Areas

(1969–1972)

an a na ann an Ann ann ann ann ann an Ann ann a	ትት ነ ችላቸው የማግኘ በባለም የምሳ ዓለም የመንድ መንድ የማሳት በማሳት የመንግ የመንግ የመንግ የመንግ የመንግ የመንግ የመንግ የመንግ	Germa	iny	Fran	Ce	Ital	ly	Nether	nland.	Belg	zivm	Luxem	ourg	FRC) - 6
Тα	ntej freg	1969	1972	1969	1972	1969	1972	1969	1972	1969	1972	1969	1972	1969	1972
Utilized ag arable larg	gricultural area (UAA) : A = 1000 ha -% of the UAA	7.856 58	7 .8 90 59	17 .5 41 53	17°137 52	1. 539 59	9.461 54	853 ³⁾ 38	810 ⁽³⁾ 38	834 52	819 52	65 48	62 47	38.687 55	36 .180 54
Permanént j	pasture - 1000 ha - % of the VAA	5.554 A1	5 .3 86 40	13.908 42	13.330 43	5 . 1.4 27	5.024 30	2.319 ⁹ 59	-273	and the second sec	anna ann ann ann ann ann ann ann ann an		70 52	26.738 38	26 .520 39
Perma nent (crops - 1000 ha	202	e e construction de la construction La construction de la construction de La construction de la construction de	1.574	1.600	2.747	2.91) 2.91)	55	443	29	20 m	antar emotion incontant and and gane of	astroneterstandistation de render Jerseit June J	4.709 7	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1
Total UAA	- % of the UAA - 1000 ha - % of the UAA & EFC-9	13.612		33.123 34	32.567	1		(2)	2754 5754	2	1.577	236 0	0	72	67-476 72
Hooda and forests	- 1000 hr - % of the area of the country (5)	7.180	7.172	13-980		6.152 20	6.17d 21	293	298 8	611 20	613 20	90 35	90 35	28,306 24	28.714 25

-28-

		Unit King	ed Iom I	[re]	land	Denmark		E&C-9	
Т	otal area	1969	1972	1969	1972	1969	1972	1969	1972
arable land	gricultural area d = 1000 ha -% of the UAA	7.178 37	7.146 38	1.405 29	1.478 30	2.673 90	2.638 90	49.941 51	47.441 50
Permanert j	- 1000 ha - % of the UAA	13.107 63	11.523 61	3.411 71	3.411 70	298 10	291 10	42 . 554 44	41 .74 5 44
Permanent o	crops - 1000 ha - % of the UAA	84 0	7 6 1	3 0	3	10 0	11 0	4.806	4.86
Total UAA	- 1000 ha - % of the UAA of EEC-9	1	18.745 20	4.817 5	4.800 5	2,981 3	3	97.296 100	100
Woods and forests	- 1000 ha - % of the area of the country (5)	1.879 8	1.907 8	264 4	265 ¢	471 11	475 11	30.919 20	31.361 2

(1) Including rough greating.

(2) Excluding rough grazing.

(3) Including items entered twice.

(4) Items entered twice are eliminated.(5) SOEC estimate.

SOURCE : SOEC.

PE

Table II.C/2.1 - Woodland area in Member States and breakdown of woodland by types of property

1363/67	GER	F	1	NL	8	لع	EEC-6	UK 🕂	IRL 🔹	DK *	EEC-9
1) Bruakdown of areas											
total area of country (1970in '990 ha)	24.890	54.910	30,120	3,670	3.050	260	11 0 000				
total area of woodland			314120	3,0/4	3.030	250	116.900	24. 400	7.030	4,300	152.600
(in ' 600 ha)	7.207	14.000	6.193	290	517	83	28,390	1.840	275	470	30.975
Woodland/total in % Woodland in country } EEC-5	29,3 25,50	25 49.30	20,4 21,80	7,35	20 2,13	32 0,25	24,3 100	8	3,75	11	20,2
Woodland in country EEC-5 as % of " in Community EEC-9		45,20	20,00	0,95	2,00	0,30	ιω	5,95	0,90	1,55	100
 2) Breakdown of total woodland according to types of property a) in '620 ha 											
State forests	2.239	1.400	265	69	75	4	4.073	740	239	131	5,183
Forests belonging to other public bodies	1.811	2.300	2,123	48	217	30	6.600			10	
Private forests	3,157	10,300	3,784	40 173	325	30 49	5.529 17.788	1,100	- 36	19 320	6,543 19,244
TOTAL	7.207	14,000	6.193	29.0	617	83	28,390	1.840	275	470	30,975
b) <u>as a percentage of</u> total woodland									1.0		50,515
State forests	31,1	10,0	4,6	23,8	12,1	5,2	14,3	40,2	87,5	28	17,9
Forests belonging to other public bodies	25,1	16,4	34,3	16,5	35,2		23-8		and the state		
Private forests	43,8	73,6	67,1	59,7	52,7	58,3	62,7	59,8	12,5	68	តា
TOTAL	100	100	100	100	100	1 00	100	100	100	100	100
c) as percentage of Community total: EEC-6 State forests	54,98 43,10	34 , 37 27,00	7,C4 5,S3	1,69 1,33	1,83 1,45	0,09 0,07	300	- 14,30	- 4, 62	- 2,65	- 100
Forests belonging to other public bodies EEC-6	27,73 27,56	35,22 35,13	32,52 32,42	0,73 0,73	3,33 3,32	0,47 0,45	100	-	•	0,28	100
EEC_9 Private forests							100				
EEC-6 EEC-9	17,74 16,43	57,89 53,50	21,28 19,68	0,98 0,90	1,83 1,69	0,28 0,26	-	- 5,70	0,18	1,66	100

Sources: SOEC, Agricultural Statistics 1972 No 2. *) National sources. **) 1972,

- 29 -

PE 36.701/Ann.

- Number of woodland holdings (1) and woodland area (2) by the type

			ol owner	and S12	e of hol	uing				P					and the second	TINTAND	DENMAR			- 0
	GERMA	NY	FRA	NCE	ITA	LΥ	NETHER		BELGIU		LUXERBOU		EEC-6		UNITED KINGDOM	IRELAND	Number	Area	Jaa Number	Area
	Number	Area	lumber	Area	Number	Area	Number	Area	Number	Area	Number	Area	Number	Area	Number Area	Humber Area	Number .	Alea	Tuntoel	Area
a)State forests B to 10 ha 10 to 50 ha 50 to 1000 ha more than 1000 ha ICIAL h)Forests	443 263 642 739 1887	1,7 6,0 165,6 1946,6 2119,9	(58) (471) (1545) (422) (2536)	(0,5) (6,0) (510,1) (1133,8) (1652,4)	9 36 153 89 205	0,1 0,9 59,6 167,4 228,0	140 70 100 8 316	U,5 1,7 40,6 31,2 54,0	(42) (58) (125) (17) (248)	0,2 1,7 29,5 35,5 66,8	5 15 14 1 35	0 0.5 2,1 1.2 3,8	743 913 2379 1255 5290	3,0 18,3 807,8 3295,8 4124,9			3 23 21 33 80	0,6 4,6 125,1 130,3		
belonging to other public bodies O to 10 ha 10 to 50 ha 50 to 1000 ha more than 1000 ha ICTAL	9933 6299 7769	36,5 155,0 1493,2 319,9 2004,6	(1532) (4073) (6603) (294) (14522)	(7,7) (119,7) (1864,9) (436,4) (2428,7)		27,1 59,3 1042,5 898,1 2027,0	880 400 243 5 1528	2,4 6,7 36,7 7,2 53,0	2030 225 (561) (24) (2869)	3,2 5,8 174,0 30,2 213,2	119 17 108 1 245	0,3 0,4 29,3 1,1 31,1	22610 13053 20235 1007 56995	77,2 326,9 4640,6 1692,9 6757,5			122 280 282 12 595	0,7 6,7 55,7 21,9 85,0		
 a) + b) togethe: 0 to 10 ha 50 ha 50 to 1000 ha more than 1000 ha ICIAL 	10376 6562 8211	38,2 161,0 1658,8 2266,5 4124,5	(1630) (4564) (10148) (716) (17058)	(8,2) (127,7) (2374,9) (1570,2) (4031,0)	3084 574	27,2 60,2 1102,1 1055,5 2255,0		2,9 8,4 77,3 18,4 107,0	(2075) (283) (703) (41) (3103)	3, 7, 6 203, 3 65, 28 C, 3	124 32 122 2 280	0,3 0,9 31,4 2,3 34,9	23433 13976 22614 2262 62285	80,2 365,2 5448,3 4936,7 10882,4			125 303 303 45 776	0,7 7,3 60,3 147,0 215,3		
d <mark>Private forest</mark> 0 to 10 ha 10 to 50 ha 50 to 1000 ha more than 1000 ha 101AL	608463 39564 4150	1107,4 719,6 613,5 413,7 2854,2	(1445000) (63724) (19243) (1527967)	(2700, 0) (1660, 0) (3168, 0) (7463, 0)	43943 7523 76	854,0 973,3 141,1	16340 1170 340 7 19857	52,1 30,6 55,7 5,6 144,0	91923 3314 1035 8 96285	87,5 67,3 132,3 12,8 293,5	73 1	36,6 8,9 1,9 47,4	3429258	14260,1			28662 2546 537 27 31772	59,9 46,5 103,5 47,1 257,0		
0) a) • b) • d) 0 to 10 ha 10 to 50 ha 50 to 1000 ha more, than 1000 ha ^{1014L}	618239 46126 12361 1092 678414	1145,6 880,6 2272,3 2630,2 6978,7	(1446630) (68288) (30107) (1545025)		46008 10507 650	1505,8 914,2 2075,4 1206,6 5702,0	19360 1640 683 20 21703	55,0 39,0 133,0 24,0 251,0	(940C6) (2597) (1741) (49) (99393)	91,3 74,3 336,1 77,5 579,5	195 3	37,8 40,3 4,2 82,3	2 3491543	25142,5			28787 2849 840 72 32548	60,6 53,8 163,8 194,1 472,3		
<u>Souros:</u> SOEC (£) 1959/61: in (2) 1965: in "C	units.	ssion, I	G for A	gricultu																
																	•			

of owner and size of holding

ANNEX III

- 30 -

PE 36.701/Ann.

- Breakdown of woodland area according to forestry method

	GER	F		RL.	8	Lx	EEC~6
a) <u>In 100 ha</u> Woodland area fully utilized either full-grown trees or coppice with standard coppice	6.707 6.394 35 78 315	(8.500) (4.300) }(4.200)	5.849 2.404 1.072 2.373	227 200 4 23	588 379 130 71	81 65 0 16	22.032 13.742 } 8.290
Woodland area not fully utilized (1)	151	(4.200)	145	43	0	0	4.545
Woodland area	6.939	(12.700)	5.994	275	588	81	26.577
b) As a percentage of total utilized woodland area full-grown trees coppice with standard coppice	94,3	(50,6) } (49,4)	41,1 18,3 40,5	88,1 1,8 16,1	64,5 23,4 12,1	80,5 0,0 19,5	62,4 } 37,5
Woodland area	1 90	100	100	100	100	100	100
c) As a percentage of total woodland area Woodland area fully					7		
utilized Woodland area not fully utilized (l)	97,8 2,2 100	(67,9) (33,1) 100	97,3 2,4 100	82,3 17,7 100	100,0 0,0 100	100,0 0,0 100	82,5 17,1 160
 d) As a percentage of the Community total (EEC-6) Woodland area fully utilized full-grown trees coppice with standard coppice Woodland area not fully utilized (1) 	30,8 45,5	38,5 31,3 } 50,7 92,4	26,5 17,5 } 41,6 3,2	1,0 1,4 0,3 1,1	2,7 2,8 2,5 0,0	0,4 0,5 0,2 C,0	100 100 100
Woodland area	26,1	47,8	22,6	1,0	2,2	0,3	100

(1) Woodland area not fully utilized is woodland not forming part of a proper woodland holding, e.g. GERMANY: forests producing less than 3 cubic meters of crude timber per year per hectare, and stunted forests and Alpine forests; FRANCE: Garrigues; ITALY: areas producing very little timber nave not been separated from fully utilized woodland; NETHERLANDS: forests used exclusively for recreations. SOURCES: SOEC Agricultural Statistics 1972 No 2

	1964	1965	1966	1967	1968	1969	1970
					ι		
Germany (FR) ¹							
- Number	3114	533	⁵ 552	1133	2004	1477	. 797
- Area - Cost of	3252	529	355	1063	2159	1545	762
damage ²	-	_	-	-	11600	8300	4100
France							
- Number	2290	1519	1274	1996	1768	1662	1902
- Area	45211	59716	15692	26376	19235	18046	61230
- Cost of damage	-		-	-	-	-	-
Italy							
- Number	1158	2320	3338	3523	3444	2300	2974
- Area - Cost of	8588	23504	42107	42966	38358	18108	26839
damage ³	203271	861443	1707583	1778161	1989725	1040523	1276842
Netherlands			-				
- Number	295	95	47	111	238	121	215
- Area	312	70	17	73	172	90	467
- Cost of damage ⁴	87.9	85	21	124	182	138	1070
Belgium							
- Number	247	66	32	90	186	81	78
- Area	1211	138	33	191	810	160	130
- Cost of damage ⁵	3913	3301	490	1713	4810	762	2134
	1	1	1	1	1	1	I

<u>TABLE V</u> - Number of forest fires and area (in hectares) affected

Note:

The cost of damage is expressed in thousands of units of the national currency.

Footnotes:

¹The number of forest fires given for the 1964-65 period does not include the Land Nordrhein-Westfalen. However, this Land is taken into account in the area data.

²Estimated yield: this corresponds to the value of the standing timber plus reafforestation costs.

 $^{3}\ensuremath{\text{Estimate}}$ of timber destroyed on the basis of the commercial value of the standing timber.

⁵. For full-grown trees the estimate is based on the commercial value, for young trees on the future capitalized value.

PE 36.701/Ann.

	1964	1965	1966	1967	1968	1969	1970
Luxembourg	t		· ·	1	. 4		
- Number - Area - Cost of	4 2	4 3	- -	4 5	8 5	4 5	-
damage ¹	73	124	-	221	60	42	-
EC							
- Number - Area - Cost of	7108 58576	4537 83960	5243 58204	6857 70674	7648 60739	5645 37954	5966 89428
damage	_		-	-	-	-	-

TABLE V (Cont.)

Footnote:

¹For full-grown trees the estimate is based on the commercial value at the time of destruction less the commercial value of any timber which was not destroyed. Fire-fighting costs are also taken into account. For young trees the damage is assessed on the basis of the capitalized value.

Source: Agricultural statistics - Statistical Office of the European Communities

No. 2, 1972, p. 145

ć

• †

	1	965	19	966	19	967	1	968	- 19	969	19	970
Designation	Num- ber	hal	Num- ber	ha	Num- ber	ha	Num- b er	ha	Num- ber	ha	Num- ber	ha
EC]
Kn ow n cau ses					-				· · ·			
- Carelessness	1243	16120	1230	10292	1862	13700	2368	12403	1896	7005		13193
- Arson - Storms	_	-	-	_	_	-	-	_	_	_	490 -	5073
- Other	561	5858	837	10857	1154	13043	916	10458	870	7440	662	6346
Total	2186	25706	2456	25644	3624	33762	3984	29435	3136	16908	2843	27300
Unknown causes	2351	58100	2787	32560	3233	36912	3666	31304	2506	21046	3123	62128
Total	4537	83960	5243	58204	6857	70674	7650	60739	5642	37954	5966	89428

Source: Agricultural statistics - Statistical Office of the European Communities No. 2, 1972, p. 147

OPINION OF THE COMMITTEE ON BUDGETS

Draftsman: Mr H. AIGNER

On 31 May 1974, the Committee on Budgets appointed Mr AIGNER draftsman of the opinion.

At its meeting of 6 June it considered and unanimously adopted the draft opinion.

The following were present:

ᢣ

Mr SPENALE, chairman Mr AIGNER, vice-chairman Mr DURAND, Miss FLESCH, Mr GERLACH, Mr KOLLWELTER (deputizing for Mr POHER), Mr POUNDER, Mr VERNASCHI and Mr WOHLFART.

PE 36.701/Fin.

	.I.	II	III	IV	V
Year	Aids towards Afforestation and Capital Grant from EAGGF	Aids for Woodlands Conversion	Aids for Forest Roads	A ids for Recreational Facilities	Total Reimbursable by Guidance System of EAGGF
	(m u.a.)	(m u.a.)	(m u.a.)	(10% of I + II + III) (m u.a.)	(m u.a.)
1977	11	6	7	2	26
1978	13	7	7	3	30
1979	14	8	7	3	32 (33)
1980	16	10	10	4	40 (39)
1981	17	11	10	4	42

170 m u.a.

`

(cf. Total Expenditure eligible for assistance from EAGGF of 6792 m u.a.)

Summary of Expenditure concerning the application of the Directive 1977-1981

9. This will amount to roughly 10% of the Guidance Section expenditure by 1981 - and as the table above shows, the expenditure involved will be increasing by about 10% per year, so clearly this new policy will have important and continuing effects on the Community's budget and is worthy of serious consideration by the Committee on Budgets now.

The Financial Aspects of the Proposals

10. The Commission's proposals, although clearly delayed, seem in your draftsman's view in principle to merit the approval of the Committee on Budgets, and nothing should be done to delay the speedy implementation of the new measures. However, certain reservations must be expressed and clarifications sought. 11. Before dealing with the financial aspects of the policy, however, your draftsman would like to draw the Commission's attention to the need to associate the European Parliament with this policy, as indeed with all other policies of the Community. Your draftsman welcomes the fact that the Parliament will receive from the Commission an annual report on the work of the policy, but your draftsman considers that it is necessary for the Parliament to be involved in the re-assessment of this policy. Under Article 8 of the draft directive, it is envisaged that a re-examination of the policy should take place by the Council upon a proposal from the Commission five years after the directive takes effect. Why should the Parliament not be involved in this re-examination? It seems to your draftsman that an amendment should be made to this Article to the effect that Parliament should be involved here.

12. As regards the financial consequences, there seems to be a contradiction in the provisions of Article 11. There it is quite clearly stated that the Guidance Section of the EAGGF should refund to Member States 25% of the expenditure eligible for assistance. It is not clear from Article 11 how far the Commission intends to stick to the 25% of expenditure reimbursable from the Guidance Section of the EAGGF envisaged in paragraph (3) of the same Article. This is heavily qualified by the succeeding paragraph, which envisages strict, and limiting, criteria for three of the main elements of the policy - where the Community contribution would clearly be less than 25%.

As regards the financial schedule provided in the Annex to the directive, the Committee on Budgets could welcome the fact that this is both detailed and provides an attempt to show the expenditure not merely for the first couple of years but for the first five years of the policy in operation. The Commission seeks to justify the basis of its calculation each time, but it must be pointed out that the all-important assumptions behind the estimation of the costs do not seem to be clearly justified. Why should the eligible expenditure amounts be roughly at an average of 80% of the afforestation costs per hectare? Is it really relevant that the average afforestation costs amount to 700 u.a. per hectare when one considers that these costs must range fairly drastically from country to country and region to region? Why, for example, should one assume that for the recreational facilities the expenditure will roughly equal 10% of the costs of the other three main elements of the policy? This seems to your draftsman a rather feeble basis for calculation which needs justifying.

13. It would seem to your draftsman more helpful if the Commission had followed the practice recommended several times by the Committee on Budgets to provide maximum and minimum estimates based on the most conservative and the most liberal assumptions so that the committee would be in a better position to judge what seemed really likely to be the ongoing cost instead of being presented with one figure inadequately justified.

14. Your draftsman hopes that the detailed proposals have come as a consequence of considerable consultation with the Member States' authorities, so that the figures of 25% contribution for most of the projects and 15% for the recreational ones are not purely arbitrary. Has the Commission satisfactory assurances that a 25% contribution from the EEC for most afforestation projects is sufficient to encourage the Member States to participate in such a policy?

15. Your draftsman would appreciate more information as regards the statistical information provided by the Member States regarding afforestation, and would like to have been informed of the component included in the forecasting for general increase in costs. In the inflationary age in which we live, any estimates must include a sizeable factor to allow for the inevitable increases that will take place. Unforeseen escalation of expenditure not only hinders budgetary management but leads to a general disenchantment with public expenditure projects.

16. Your draftsman would also like to have been informed of the extra administrative costs that the Commission believes will result from the establishment of this new policy. There will clearly be extra detailed work for officials of the Commission and also there is the ever present problem of adequate control for expenditure. It seems to your draftsman that the warning bell should be sounded here since a policy of ample grants for this sort of agricultural project with at the moment only indirect control by the Commission might well invite more fraudulent practices to the detriment of the entire policy. A detailed proposal concerning the financial control aspects of the policy would seem to be necessary.

Conclusion

17. That the Community needs a forestry policy urgently is beyond doubt; that this will play a considerable role in the Community budget is inevitable and not unwelcome. Your draftsman, however, can only give

a qualified welcome to the Commission's proposals in view of what seems to be the inadequate basis for the forward financial projects of the Commission.

18. Your draftsman has a second concern and wonders whether the Community involvement will be sufficient to stimulate speedy action by the Member States. A less than 25% contribution and the possibility for Member States to take action outside the present limits of the policy, means that the Community's actual involvement will be relatively slight and indirect. Your draftsman sincerely hopes that adequate consultations have taken place and that these doubts can be dispelled by the Commission so that an effective partnership between Member States of the Community can move speedily to guarantee and strengthen the forests and their industries for Europe.

DRAFT AMENDMENT

on behalf of the Committee on Budgets

to the proposed Directive concerning forestry measures from the Commission of the European Communities to the Council (Doc. 6/74)

Article 8

Text of the Commission

 The estimated time required for carrying out the common measures is ten years.

2. Five years after this Directive takes effect, the aforesaid measures shall be re-examined by the Council upon a proposal from the Commission.

3. The total contribution by the EAGGF to the cost of the common measures is estimated at 170 million units of account for the first five years.

The provisions of Article
 (5) of Regulation (EEC) No.
 729/70 shall apply to this
 Directive.

Proposed amendments to the text

1. Unchanged

2. Five years after this Directive takes effect, the aforesaid measures shall be re-examined by the Council and the European Parliament upon a proposal from the Commission.

- 3. Unchanged
- 4. Unchanged

JUSTIFICATION

The purpose of this amendment is to ensure the adequate consultation of the Parliament in the reassessment of the forests policy at the end of the first five years of its operation. This would seem to be in conformity with the general development of Parliament's role, enabling greater democratic participation in the deliberations on and assessments of Community policies.

PE .36.701/fin.

ANNEX

Resume of the replies of the Commission representatives on the questions posed by the Draftsman for Opinion during the meeting of the Budget Committee on June 6th.

Α.

On the proposed Parliamentary amendment - concerning the Role of Parliament

The Commission representatives felt that any proposed changes to the policy would involve Parliamentary consultation as envisaged under Article 43.

в.

On the Community's financial participation and the basis for the financial estimates

The Commission representatives stated that the Community participation would effectively be 25% or slightly less : because ceilings had been set according to each measure, as well as within the general limit. This was in conformity with previous directives adopted by Council. The decision on general ceilings had been made by Council and was on the basis of calculationsmade relatively recently.

For the expenditure on recreational purposes, the Commission stated that it had set a separate ceiling of 15% of total expenditure under this proposal. The Commission accepted that the estimates did not resolve uncertainties, but assured the Committee that the figures were the result of detailed study of conditions in all the Member States. As regards taking account of the inflationary factor, the Commission accepted that a high rate of inflation would necessitate upward revisions of the estimates.

It was also made clear that the Commission was transmitting the statistical study it had used as the basis for its proposals to the Agricultural Committee.

Because of the differences in the importance of forestry to the Member States and because of different traditions in the system of public financial support for forestry, the Commission had decided to allow the

PE 36.701/fin.

countries a degree of flexibility as regards the amount of national contributions.

С.

On Administrative costs and Financial control

The Commission's representatives said that it had not been considered desirable to include the costs of administering the new policy because this could be dealt with in the context of the budgetary procedure and the multiannual estimates, in which the Commission made proposals for extra staff costs involved in new policies. The Commission recognized the necessity of maximum financial control in this new area of policy. As regards the detailed work of control at the level of the Member States, the Commission had been discussing practical measures to improve such control, but had not yet made final proposals. The main element in this discussion had been that the Member States when sending requests to the Community should include the definitive list of code-numbers of the proposed beneficiaries; which would facilitate the setting aside of fixed sums for control purposes. Then the Commission would ask Member States to send it the justifying notes from the beneficiaries before an on-the-spot control could be carried out.

D.

On the Environmental Aspects

The Commission gave certain clarification on the environmental aspects of their proposal: and stated that it did not believe that its proposal would involve public right of access to all forests: and that it was essential to maintain some restrictions on access for the protection of the forest.

0

In general, the representatives of the Commission felt that should the financial estimates prove inadequate or unsatisfactory, changes could be made in the context of the periodic re-examination of the proposal which had been foreseen.

- 44 --

Opinion of the Committee on Regional Policy and Transport

Draftsman: Mr James Hill

Dear Mr Houdet,

The proposal for a directive concerning forestry measures, on which the Committee on Regional Policy and Transport has been asked to draw up an opinion for the Committee on Agriculture, is aimed at implementing the Council's resolution of 25 May 1971 concerning the new guide lines of the common agricultural policy in which the Council undertook to adopt 'measures to encourage afforestation within the context of regional programmes of afforestation and recreational facilities'.¹

At its meeting of 4 and 5 June 1974, the Committee on Regional Policy and Transport considered this directive and drew up the following observations and conclusions :

1. the Committee on Regional Policy and Transport would first point out that in its 'Note on Regional Policy in the Community'² the Commission, in defining the specific aims of regional policy in the six Member States, made a distinction between industrialized regions, semi-industrialized regions and essentially agricultural regions. In the latter category, it distinguished certain 'regions where agriculture is not likely to develop satisfactorily, and where moreover it is not reasonable to hope to install profitable industrial activities'. In these regions, 'the aim can be to use the natural environment to meet a number of requirements : convalescence, tourism, residence and, possibly, the installation of specialized research centres. The planning and planting of forests will of course be given preference both because of their economic value and regulative effect on climate and water supplies and because of their value as sites'.³

¹ OJ No. C 52, 27 May 1971, p.5

² Doc. 146/69

 ³ 'Note on Regional Policy in the Community', Doc. 146/69,
 p. 43. See also report by Mr Mitterdorfer (Economic Affairs Committee) of 11 May 1970, Doc. 29/70, p.24.

 The Committee on Regional Policy and Transport observes that this is precisely the aim of the proposal for a directive under consideration.

The idea is to introduce a system of subsidies that will be granted by the Member States and repaid at the rate of 25% and under certain conditions, by the 'Guidance' section of the EAGGF, with a view to the conversion of agricultural and uncultivated land into wooded zones and the improvement of existing forest areas.

As to the extent to which the forestry measures will be applied in the different regions, the Commission has rightly left a margin of discretion to the different Member States. The aid **amounts** to at least 60% and not more than 90% of the cost of the measures. It will be for the Member States themselves to fix, from case to case, the percentage of aid, taking account of regional needs. The Commission suggests that more substantial aid should be granted to mountain areas and certain poor farming areas (Article 5), a suggestion of which our Committee approves.

- 3. It is also important to note that 'when submitting pursuant to paragraph 1 drafts of laws, regulations or administrative provisions or the texts of existing provisions, Member States shall also submit an explanatory memorandum showing the relationship at regional level between the measure in question and economic and structural conditions.'¹
- 4. The Committee on Regional Policy and Transport agrees with the principle laid down in Article 6 (1) of the proposal for a directive that no aid should be granted for the conversion of forest areas and uncultivated areas into agricultural use; however, the committee considers that exceptions to this principle ought not to be too rigidly defined, as this would make it impossible to act appropriately in specific situations which may yet arise. The committee feels that deliberately vaguer wording would be better adapted to dealing with the varying requirements of particular cases, and proposes that Article 6 (1) should read as follows: 'No aid shall normally be granted for any conversion of forest areas and uncultivated areas into agricultural use.'
- 5. In conclusion, the Committee on Regional Policy and Transport expresses a favourable opinion both for economic and ecological reasons and on social and regional grounds. The directive will result in improving the living conditions of the inhabitants in the areas concerned, and also in keeping the rural community where it is in areas where there was previously a trend to leave.

¹ COM(74) 170 fin., Art. 9(2)

² Unanimous, with 3 abstentions

The following were present : Mr James Hill, chairman and draftsman; Mr Kollwelter, vice-chairman; Mr Berthoin, Mr Bourdellès, Mr Colin, Mr Delmotte, Mr Fabbrini, Mr Gerlach, Mr Liogier, Lord Mansfield, Mr Marras, Mr Mitterdorfer, Mr Mursch, Mr Noè(deputizing for Mr McDonald), Mr Pêtre, Sir Rafton Pounder, Mr Scholten, Mr Schwabe, Mr Terrenoire (deputizing for Mr Herbert).

In this connection, the Committee on Regional Policy and Transport feels it would be desirable, once the measures outlined by the proposal for a directive have been put into effect, that the Commission should submit supplementary proposals for granting priority aid to persons who previously lived in uncultivated farming areas or unproductive forest areas and might wish to return to them following the improvement of economic conditions there. These aids would be of considerable importance from the regional point of view in as much as they could reverse the emigration trend away from these areas.

Moreover, the Regional Development Fund could subsidize the creation of infrastructures capable of improving living conditions in regions where the conversion has been completed (means of transport, sawmills, technical training centres, sanatoria and watercure establishments, tourist facilities, etc.).

The Committee on Regional Policy and Transport has instructed me to transmit this opinion in the form of a letter to the Committee on Agriculture.