

European Communities

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EUROPEAN PARLIAMENT

# Working Documents

1983-1984

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3 October 1983

DOCUMENT 1-841/83

## Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 1-526/83 - COM(83) 345 final) for a Regulation (EEC) amending Regulation (EEC) No. 482/82 providing for special aid for raw tobacco following the earthquake in Italy in November 1980 and derogating from Article 12a of Regulation (EEC) No. 727/70

Rapporteur: Mr B. HORD

PE 86.713/fin.



By letter of 1 July 1983, the President of the Council of the European Communities requested the European Parliament to deliver an opinion, pursuant to Article 43 of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 482/82 providing for special aid for raw tobacco following the earthquake in Italy in November 1980 and derogating from Article 12a of Regulation (EEC) No. 727/70.

On 6 July 1983, 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 an opinion.

The Committee on Agriculture decided to apply the simplified procedure laid down in Rule 99(2) of the Rules of Procedure, but the European Parliament, at the part-session of 12 September 1983, decided to ask the Committee for a report.

At its meeting of 20 September 1983, the Committee on Agriculture appointed Mr B. HORD rapporteur.

The Committee considered the Commission's proposal and the draft report at its meeting of 10 October 1983. At the same meeting the Committee decided unanimously with two abstentions to recommend to Parliament that it approve the Commission's proposal without amendment.

The Committee then adopted the motion for a resolution as a whole unanimously with two abstentions.

The following took part in the vote: Mr Curry, chairman; Mr Hord, rapporteur; Mr Battersby, Mr Blaney, Mr Gatto, Mr Gautier, Mr Harris (deputizing for Mr Kirk), Mr Helms, Mr Howell (deputizing for Mr Simmonds), Mr Kaloyannis, Mr Kaspereit, Mr Ligios, Mr McCartin (deputizing for Mr Marck), Mr Maher, Mr d'Ormesson, Mr Papaefstratiou (deputizing for Mr Dalsass), Mr Provan, Mr Stella (deputizing for Mr Diana), Mr Thareau, Mr Tolman, Mr Vernimmen, Mr Vgenopoulos and Mr Vitale.

The opinion of the Committee on Budgets will be published separately. The report was tabled on the 11th of October 1983.

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a Council Regulation (EEC) amending Regulation (EEC) No. 482/82 providing for special aid for raw tobacco following the earthquake in Italy in November 1980 and derogating from Article 12a of Regulation (EEC) No. 727/70.

The European Parliament

- having regard to the proposal from the Commission to the Council (COM(83) 345 final)<sup>1</sup>,
  - having been consulted by the Council pursuant to Article 43 of the Treaty establishing the EEC (Doc. 1-526/83),
  - having regard to the report by the Committee on Agriculture and the opinion of the Committee on Budgets (Doc.                    ),
  - having regard to the results of the votes on the Commission's proposal,
- A. Concerned about the obligation to utilise funds contained in Chapter 69 of the 1982 budget in order to alleviate the natural disaster at the appropriate time,
  - B. believes that these funds designated for natural disasters should be utilised without delay,
  - C. disturbed that the designated emergency aid of 20.3m ECU for the earthquake in question which occurred nearly three years ago has not yet been utilised,
  - D. questions why the requested aid is now three times the amount estimated at the end of 1981,
  - E. questions whether the local administration is competent to determine and distribute efficiently the Community emergency aid;
  - F. concerned that the Italian Government two years after the earthquake felt obliged to request a further 20m ECU which would be required to deal with the numerous applications from tobacco growers and processors;

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<sup>1</sup> OJ C 187 of 13 July 1983, p.6

- G. questions why the estimates of earthquake damage to the tobacco sector in the region could not be calculated immediately after the disaster,
- H. cognisant of the high cost of the Community tobacco sector, which is 745m ECU for 1984,
1. Calls upon the Commission to ensure that the Community aid of 40.3m ECU is wholly devoted to actual losses directly related to the consequences of the 1980 earthquake;
  2. Requests the Commission to ensure that the Italian Government completes the necessary legislation in due time to enable the complete aid package to be made available to the earthquake victims;
  3. Requests the Council and Commission to place a time limit of six months for applications for emergency aid under Chapter 69;
  4. Insists that the proposed additional expenditure be funded from Chapter 69 of the 1983 Budget of the European Communities;
  5. Calls upon the Commission to investigate urgently the tobacco sector of the Community to ensure that Community aid is being properly utilised and to publish a full report on the findings;
  6. Approves the Commission's proposal;
  7. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

Explanatory Statement

1. Regulation (EEC) No. 482/82 provided for special aid for individual or associated tobacco growers whose premises or tobacco-handling installations were damaged as a result of the earthquake which occurred in Italy in November 1980. The aid per kg is 1 ECU for growers whose premises or tobacco-handling installations have been destroyed, 0.70 ECU for those whose premises have been damaged and 0.30 ECU for undertakings engaged in the first processing and market preparation of tobacco which collected tobacco from growers affected by the earthquake. In accordance with the first paragraph of Article 4 of the Regulation the special aid is financed by the Community budget under the heading of aid to people in the Community who become victims of natural disasters for an amount of 20.3 million ECU.

In November 1982 the Commission was informed by the Italian Government that almost 33,000 applications for special aid had been received and that a budget appropriation of around 64 million ECU would be needed to meet each of the applications. In order to enable the Italian authorities to satisfy on the best terms the applications submitted for special aid, the Council decided on 16 May 1983, in the context of its Decisions on agricultural prices and related measures, that it would be prepared to increase by 20 million ECU the Community appropriations provided for by Article 4 of Regulation (EEC) No. 482/82 on aid for regions affected by the earthquake in Italy.

2. The proposal from the Commission of the European Communities is intended firstly to increase by 20 million ECU the amount of aid originally provided for, which will thus be raised to 40.3 million ECU, while at the same time specifying that any expenditure in excess of this amount will be borne by the Italian Republic, and secondly to provide for the payment of all such special aid to be completed by 30 June 1984 at the latest, in view of the large number of applications for special aid and the time required to examine each of them to ensure that they are in order.

3. The Italian authorities have provided the Commission with information which the Commission believes will justify the context of the proposal and indicates the number of producers affected by the earthquake, the number of valid applications for special aid received, the quantity of tobacco destroyed, and the output of, and varieties produced in, the region affected by the earthquake (Campania). The details are as follows:

(a) Number of applications for special aid submitted to the intervention agency (AIMA)	33,437
(b) Number of invalid applications received	2,107
(c) Number of valid applications received	31,330

These applications have to be supported by declarations by mayors of communes or other public authorities at commune level, who must check the accuracy of the statements made on the applications. Applications were declared invalid if no such declarations were provided, or if the public authorities had provided such declarations without checking for themselves the accuracy of statements made by the applicants.

(d) Processing undertakings eligible for special aid	46
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Monitoring was carried out by AIMA on the basis of premium certificates. This figure represents the total number of undertakings engaged in the first processing and market preparation of tobacco in Campania and the neighbouring area.

(e) Final amount of aid in respect of:

- applications submitted by growers	Lire 54,280 million
- applications submitted by processing undertakings	Lire 22,000 million

(f) quantity of tobacco in the Campania region affected by the earthquake	56,324,672 kg
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(g) number of growers in the Campania region in receipt of special aid	40,521
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Tobacco growing is of prime importance in the Campania region, which was seriously affected by the earthquake; the region's output in 1980, 1981 and 1982 amounted to 55%, 53% and 57% respectively of Italy's entire tobacco crop in those years (see annex for a break-down of Campania's tobacco crop by variety).

4. The Special Committee on Agriculture unanimously approved the Commission's proposal.
5. The Committee on Agriculture, while approving the text of the proposal, stresses that it is imperative not only for the additional 20.3 million ECU to be paid by 31 December 1983, but also for the whole sum of 40.3 million ECU to be paid to the aid recipients by that date.

The Committee also requests the Italian Government to ensure that its share of this aid is paid as swiftly as possible.

6. Aid of this nature should be made available quickly, and even allowing for the inherent problems which must have arisen in requesting aid, the delays which have occurred have been inexcusable. The fact that three times as much aid was requested in November 1982 than was asked for immediately after the disaster is, to say the least, surprising. Not only have the funds voted from the 1982 budget still not been utilised, but there is a danger that unless these funds totalling 20.3m ECU are used before 31 December 1983, they will be revoked.
7. It would therefore be a far better principle, in cases such as this, to establish a time limit of six months for applications for emergency aid to be made. This would ensure that only the directly affected individuals, enterprises or communities would be eligible for aid, which otherwise has a distorting effect on the market of products concerned. Emergency aid should be precise and specific; it is not a subsidy or a disguised form of market intervention.
8. The tobacco sector will cost the Community some 745m ECU in 1984 in the form of refunds, premiums and storage costs, etc. This not insignificant sum which affects the livelihood of a considerable number of people in specific geographical locations is one with which Parliament should be deeply concerned. It would appear that the problems of the tobacco sector require specific and detailed consideration by the Community institutions, and it is essential that the Commission should look into the whole tobacco sector in order to provide a proper evaluation of Community aid, and report to Parliament on this evaluation.

Varieties	1979	% of national output	1980	% of national output	1981	% of national output	1982	% of national output
Bright	85,570		83,237		92,988		77,509	
Burley	51,146,846		50,267,368		47,066,426		51,186,429	
Maryland	2,157,954		1,627,272		1,046,670		1,215,155	
Kentucky	5,076,053		5,595,833		4,518,460		5,079,048	
Beneventano	309,805		310,908		266,327		189,289	
Xanti	127,054		74,860		55,722		49,916	
Perustitza	677,822		566,931		427,990		308,342	
Erzegovina	6,514		3,910		-		-	
Round tip	480,259		324,374		206,169		84,134	
Badischer g.	519,682		540,764		567,932		1,184,470	
Havanna	4,708,233		6,467,356		11,688,165		15,982,583	
Paraguay	3,864,358		3,059,915		3,485,102		4,181,771	
	69,227,150	50.69	68,922,914	54.90	69,460,451	53.04	79,538,646	56.81

