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FOURTH FINANCIAL REPORT

on the

EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND

YEAR 1974

Preface

Article 10 of Regulation (EEC) No 729/70 on the financing of the common agricultural policy provides that before 1 July of each year, the Commission will submit to the Council and to the European Parliament a financial report on the administration of the Fund during the preceding financial year and, in particular, on the state of its resources and nature of its expenditure and the circumstances in which it was financed by the Community.

Accordingly, the Commission presents its fourth report covering the year 1974 ⁽¹⁾. It is recalled that this report follows:

- the first financial report concerning the E.A.G.G.F., year 1971, which contained a summary of the financial situation since the establishment of the E.A.G.G.F., dated April 1973 (SEC 73/1259 or R 980/73)
- the second financial report, for the year 1972, dated March 1974 (SEC 74/786 or R 731/74)
- the third financial report, for the year 1973, dated January 1975 (SEC 74/5246 or R 263/75).

(1) The final version of this fourth report (French text) was finished on 30 June 1975, after consulting the EAGGF Committee on 20 June 1975.

SUMMARY OF THE FOURTH FINANCIAL REPORT
ON THE EAGGF, YEAR 1974

TITLE I : GUARANTEE SECTION

1. The Guarantee Section of the E.A.G.G.F. finances expenditure resulting from the common policy on markets and on agricultural prices.

The year 1974 was marked essentially by the extension of the common organisation of markets to dehydrated fodder and to soya, by the introduction of an import subsidy for sugar because of the difficulty of obtaining supplies on world markets and, above all, by the introduction of a series of measures in beef and veal following the appearance of a surplus. These measures resulted in supplementary expenditure during the 1974 financial year, essentially for beef and veal (320 Mua as against 16 Mua in the preceding year).

2. On the other hand it should be noted that economies were realised, notably in cereals and milk products. In fact the reversal of the world cereals' situation allowed a limitation in expenditure, which diminished by 553 Mua. As regards milk products expenditure was lower by 232 Mua due in particular to an improvement in the situation for butter.
3. 1974 expenditure was also influenced by Council decisions increasing agricultural prices. On the one hand an average increase of 8,8% for the 1974/75 harvest years and on the other a linear increase of 5% as from 7 october 1974.

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4. Engaged expenditure came to 3,107 Mua in 1974, a reduction of about 15% in comparison with 1973 (3,614 Mua). Equally these expenses were 402 Mua less than the initial appropriations.

One part of this reduction in expenditure is more apparent than real for it also results from delays in certain Member States, in the payments for certain support measures - in particular the aids for durum wheat and olive oil and also certain cattle premia. Consequently the Commission has asked for a transfer of 331.5 Mua in appropriations.

5. The breakdown of expenditure was clearly different from that of the initial appropriations. Thus transfers of appropriations were important and amounted to 613.9 Mua or 17.5% of the available appropriations, of which 544.35 Mua (15.5%) was within the headings devoted to the Guarantee Section.

6. As regards the audit and closure of accounts, auditing concentrated on the budget years 1971 and 1972 and was largely finished at the end of 1974. The definitive closure is expected during 1975.

For the periods 1967/68 to 1970 work has resumed with the aim of closing all the accounts in 1976.

TITLE II : FINANCING OF FOOD AID

7. The system of Community financing of the expenditure resulting from the supply of agricultural products as food aid was unified as from 1 January 1975 by Council Regulation 2681/74 of 21 October 1974.

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The system of advances for financing aid, similar to that of the Guarantee Section, was entirely applied for all expenditure incurred in 1974. This increased in comparison to that of 1973 because of intensified Community action in this field, notably for aid programmes in cereals (20 Mua) and in milk products from public stores (45 Mua), which lead to the necessity to transfer appropriations of 65 Mua from the Guarantee Section to food aid. To this amount must be added the 131.3 Mua of initial appropriations and 8.1 Mua in appropriations carried forward; this gave a total availability of 204.4 Mua in 1974 and represented an increase in appropriations of 71% by comparison with 1973.

TITLE III : GUIDANCE SECTION

8. The Guidance Section is involved in financing common policies for the improvement of farm structures. There are three types of measures involved:
- a) financing of common measures decided by the Council under Article 6 of Regulation 729/70
 - b) grants of aid to projects improving farm structures under Regulation 17/64
 - c) financing of special measures designed primarily to improve the functioning of certain of the common organisations of markets, and which have financial characteristics apparent in common measures.

The available appropriations, namely 325 Mua per year, are primarily destined for the financing of common measures. The residual between available appropriations and expenditure for common measures must be utilised for the financing of projects under Regulation 17/64/EEC.

9. Regarding the various common measures decided by the Council, the expenditure made in 1974 was greater than that of 1973 (6 Mua instead of 2 Mua). Most of the expenditure is by means of reimbursement to the Member States and it is necessary that these apply the measures provided for and have commenced the financing in order that the Fund may intervene. Transfers to reserves for common measures continued in 1974 because the Council placed 11.5 Mua on one side. The total transferred to reserve between 1969 and 1974 amounted, therefore to 526 Mua. In addition, 150 Mua has been taken from the Guidance Section for transfer to the European Regional Development Fund.
10. In June and July 1974, the Commission decided on the aid to be given for individual projects submitted under Regulation 17/64 for the year 1973 - 637 projects received an aid from the Funds, totaling 170 Mua. In December 1974, the Commission decided, for the first instalment 1974, to grant aid of 95,832,800 u.a. to 297 projects.

11. The special measures, introduced in 1966, relate to expenditure whose purpose is to improve the functioning of the common agricultural policy, notably by improving certain of the common organisations of markets. In 1974, the total of 22.9 MUA paid for these measures covered, in order of importance, premia for slaughterings and the non-marketing of milk, premia for grubbing orchards, aid to fruit and vegetable producer groups and aid to producer groups in the fishing sector.

TITLE IV : AUDITING AND IRREGULARITIES

12. On the question of auditing, the Guarantee Section has tried to catch up on the closure of accounts, particularly to clear those for 1971 and 1972. Auditing on documents and on the spot has developed appreciably in comparison with previous years. For the Guidance Section, 24 individual projects for the improvement of farm structures have been audited on the spot. Audits were also carried out in number of Member States for the three categories of special measures which has been financed in 1974.
13. For irregularities like 1973 efforts have been concentrated on the more intensive application of Regulation 283/72 and particularly for the Guarantee Section, on the communications to be sent to the Commission by the Member States, in accordance with the recommendations in the Special Committee of Inquiry's report. The majority of the irregularities discovered, in the Guarantee Sector, concerned cereals and milk products. Together they represented 79 out of the total of 96 irregularity cases for 1974. The finance involved for irregularities in 1974 was 3.8 million u.a. of which 12% has at present been recovered.
For the Guidance Section, the irregularities established were, as in 1973, almost exclusively related to payments of grants for the non marketing of milk and milk products. For the years 1971 to 1974, 96 cases are still being dealt with, 13 of which have been partially cleared; this represents a sum of 0.26 million u.a. to be recovered.

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TITLE I
THE GUARANTEE SECTION

The Guarantee Section finances the expenditure arising from the common policy on agricultural markets and prices. In accordance with Articles 2 and 3 of Regulation No. 729/70, this concerns on the one hand refunds on exports to non-member countries which permit the disposal on the world market of Community agricultural products, and on the other hand interventions aimed at stabilizing agricultural markets.

1. EVOLUTION OF THE FINANCING OF THE COMMON POLICY ON AGRICULTURAL MARKETS AND PRICES

The year 1974 was chiefly characterized by new developments on the agricultural markets, particularly in the beef and veal sector and the sugar sector, giving rise to new expenditure, and by price adjustments on two occasions.

1.1 Adjustment of the markets machinery, involving new categories of expenditure and alterations to prices

1.1.1 New common market organizations

In 1974 the agricultural regulations were supplemented by:

- a) a common market organization in the dehydrated fodder sector.
(Council Regulation 1067/74)

This common market organization, set up with a view to the improvement of the protein supply, provides for the granting of aid when fodder is dehydrated. Initially, this aid has been fixed at 6 u.a. to the tonne and the resultant expenditure for 1974 amounts to 3.7 m.u.a.* At this level of aid, the expenditure for a 12 month period will be of the order of 10 m.u.a.

- b) the introduction of special measures for soya beans produced in the Community. (Council Regulation 1900/74)

These measures, taken in order to encourage the development of the production of soya beans in the Community, provide for the granting of a production aid in the event that the prices for soya beans, imported at zero customs duties or levies, fall below a certain level. Because of the behaviour of prices on the world market, no aid was granted in 1974. If prices

* m.u.a. = million units of account

on the world market fall, the expenditure for a 12 month period is likely to be approximately 1 m.u.a.

1.1.2 IM-EX system in the sugar sector

Following the simultaneous appearance of a shortage of sugar on the world market and a fall in Community sugar production principally caused by the weather, the supply of sugar to the Community at normal prices was threatened. To combat this threat, the IM-EX system, established by Council Regulation No. 2931/74¹⁾, provides for the granting of a subsidy on the import of certain quantities of sugar, combined, if appropriate, with exemption from the export levy for an equal quantity of sugar to be exported within a period of approximately 9 months. With regard to the financing of this subsidy, Council Regulation No. 2932/74¹⁾ provides that the subsidy shall be considered to form part of the interventions under Article 3 of Regulation No. 729/70 and, for that reason, shall be fully borne by the EAGGF, Guarantee Section. This system, which was launched in 1974, will be continued in 1975. For the financial year 1974 the expenditure under this head amounts to 18 m.u.a.

1.1.3. Measures in the beef and veal sector

Three new measures have been introduced in this sector:

a) premiums in the beef and veal sector

A sharp and largely unforeseeable change in the economic situation in the beef and veal sector, which started towards the end of 1973, resulted in a heavy fall in prices and a deterioration of the market in 1974. Faced with this situation, the Council adopted various special measures in this sector towards the middle of 1974 by means of Regulation Nos. 1967/74²⁾, 2502/74³⁾ and 2504/74⁴⁾, namely:

- the premium for the regular marketing of certain types of full-grown cattle for slaughter
- the premium for beef herd maintenance.

1) O.J. No. L 311 of 22.11.1974

2) O.J. No. L 206 of 27.7.1974, p. 1

3) O.J. No. L 268 of 3.10.1974, p. 12

4) O.J. No. L 269 of 4.10.1974, p. 1

The exceptional nature of these premiums, and in particular the fact that the Member States had the option of applying them and of fixing their level in respect of a certain ceiling, prompted the Council to adopt partial financing for these measures. Regulation No. 2504/74 provides that, by way of derogation from Article 3, paragraph 1, of Regulation No. 729/70, the finance provided by the EAGGF shall be limited to a certain unit amount of the premium, an amount which varies equally each month in the case of the premium for regular marketing. These premiums, which have been in force since August 1974, will remain applicable until April 1975.

b) publicity campaign for meat

To stimulate meat consumption, Council Regulation Nos. 1857/74¹⁾ and 2930/74²⁾ are intended to encourage the Member States to mount publicity campaigns. As this is the first step into the field of publicity and is based on regulations which leave a great deal of initiative to the Member States, the said regulations restrict the finance provided by the EAGGF to 50% of the relevant expenditure and lay down total amounts per Member State in such a way that the finance provided by the Community cannot exceed 3 m.u.a. This measure, which was introduced in July 1974, expires in July 1975.

c) sale of beef and veal at reduced prices to certain categories of consumer

To increase the consumption of beef and veal, Council Regulation No. 1856/74³⁾ authorizes Member States, during the period July 1974 to April 1975, to grant aid of up to 2 m.u.a. per beneficiary country per month to enable beef and veal to be bought at reduced prices by certain persons receiving social assistance. By analogy with similar measures for butter, this regulation provides that, by way of derogation from Article 3 of Regulation No. 729/70, the EAGGF shall finance 50% of the aid granted.

1.1.4 Other new measures

Apart from the principal new measures referred to in the preceding paragraph, certain sectors have experienced developments which, in view of the economic situation, caused the Council or the Commission to make certain amendments to the implementation regulations or to introduce certain procedures for implementation to make the regulations more effective in relation to the problems arising. Community financing had already been envisaged in principle for these amendments, which were made within the framework of the basic regulations.

1) O.J. No. L 195 of 18.7.1974, p. 17
2) O.J. No. L 311 of 22.11.1974, p. 6
3) O.J. No. L 195 of 18.7.1974, p. 15

Among these amendments, etc., the following, in particular, should be mentioned:

a) in the pigmeat sector:

- the initiation of measures for private storage in Belgium (R. 1159/74)¹⁾, based on Article 20 of Regulation No. 121/67/EEC (measures in connexion with the health situation), intended to prevent a collapse in prices as a result of the closure of certain frontiers.
- the introduction, within the framework of the existing regulations, of a similar aid for certain tinned meats and meat in other forms for which storage is possible (Regulation No. 1637/74²⁾, amended by Nos. 2265/74³⁾ and 2737/74⁴⁾).
- the granting of a decreasing aid to the Irish pig farmers under the head of the transitional measures provided for by Article 63 of the Act of Accession (R. 723/74)⁵⁾.

b) in the beef and veal sector, the introduction of processing, by tinning, of meat purchased by way of intervention.

c) in the wine sector, the distilling of wines of a poorer quality than table wine and coming from certain depressed areas (R. 2981/74)⁶⁾.

1.1.5 Agricultural prices

The Council's decisions on agricultural prices are usually taken after the adoption of the budget and they have an effect on the adopted budget. When the budget is drawn up, the expenditure estimates are made on the basis of unchanged prices.

In 1974 the Council, at its March meeting, took a series of decisions within the framework of an overall agreement relating mainly to the fixing of agricultural prices for the 1974/75 seasons.

This agreement provided for an average increase in prices of 8.8% and gave rise to additional expenditure as from the opening dates of the season, which vary from sector to sector. Taking account of the evolution of the pace of this expenditure, particularly as a result of the economic situation, it was possible to finance the estimated additional expenditure of 75 m.u.a. for 1974 from the initial appropriations, that is to say, without the introduction of a supplementary budget.

1) O.J. No. L 127 of 9.5.1974, p. 30
2) O.J. No. L 173 of 28.6.1974, p. 62
3) O.J. No. L 239 of 31.8.1974, p. 50
4) O.J. No. L 292 of 31.10.1974, p. 23
5) O.J. No. L 88 of 1.4.1974, p. 36
6) O.J. No. L 318 of 28.11.1974, p. 3

As production costs had risen considerably since the annual price increase, the Council - exceptionally, as it was during the course of a season - raised prices by a flat 5% for all products as from 7 October 1974. Because of the late date of the entry into force of this increase and the time-lags in the making of payments, the increase had little effect on the expenditure of the financial year 1974. However, the increase and the related measures necessitated the introduction of an amending letter to the draft budget for 1975, increasing the appropriations by 208 m.u.a.

1.2 Supplement to the regulations governing the EAGGF

1.2.1. The principal regulations

The principal regulations governing the EAGGF, Guarantee Section, have been amended on the following points; this has not entailed a substantial modification of the content of the regulations.

- a) During 1974 the annex to Regulation No. 2824/72, containing the list of measures corresponding to the notion of interventions intended to stabilize the agricultural markets within the meaning of Article 3, paragraph 1, of Regulation No. 729/70, was published in two instalments, by Regulation Nos. 330/74¹⁾ and 2683/74²⁾. These regulations related in the main to the new measures referred to in 1.1, insofar as the measures in question did not yet feature in the said annex.
- b) As occurred in respect of 1973, the entry into force of the definitive rules for the financing of interventions in the form of purchases, storage and sales ("second category" interventions) has been postponed for one year³⁾. These definitive rules, which normally entail a transition to the financing of the actual costs, raise a number of problems which are as yet unsolved and still the subject of investigation. Therefore the transitional rules in the form of regulations for financing by sector, which provide to a certain extent for a flat-rate treatment of the elements of cost, have remained in force for 1974.

1) O.J. No. L 37 of 9.2.1974, p. 5

2) O.J. No. L 288 of 25.10.1974, p. 4

3) A fresh postponement of this date of entry into force has also been decided for 1975 by Regulation (EEC) No. 1175/75 of 28 April 1975 (C.J. L 117, 7 May 1975)

- c) For the second category interventions, a balance sheet is drawn up as at 31 December which may show a profit. To permit the deduction of these possible profits from the losses incurred in connexion with the current financial year, the rules for financing by sector have been amended so that any credit balances arising shall form part of the financing of the current year (R. 330/74).
- d) Some administrations have been having practical difficulties in deducting, on the occasion of each export operation, the monetary compensatory amounts from the refund to be granted. For this reason the Council adopted Regulation No. 3259/74¹⁾, amending Regulation No. 974/71, which gives Member States the option of using a "global" method the financial effects of which are as close as possible to separate accounting for the expenditure for each operation.

1.2.2. Procedures for implementation

The Commission has completed the procedures for implementation provided for in the various regulations for financing by sector. These procedures involve:

- a) the publication of standard amounts for the material operations of storage and processing of agricultural products purchased by way of intervention (Commission decision of 19 December 1974.) When this decision- which related to the standard rates valid with effect from 1 January 1974 for all the sectors for which the standard rates were due for revision- was made, the accent was placed on a more uniform application of certain guidelines, including in particular:
 - bringing the standard rates more into line with the costs actually borne by the intervention bodies;
 - ensuring that the standard rates were representative in relation to the more substantial interventions.
- b) the revision of the interest rate used in determining the net losses of the intervention bodies occasioned by the tying-up of funds necessary for the intervention purchasing of agricultural products. Following the general increase in interest rates which has taken place over recent years, the interest rate in question, which had stood at 6% since 1969, was similarly increased and fixed at 8% as from 1 January 1974.

1) O.J. No. L 349 of 28.12.1974, p. 10

1.3. Effects of the markets and prices policy on appropriations and expenditure in 1974

1.3.1. In general

The expenditure of the Guarantee Section is by nature uncertain; this has been confirmed in 1974 by the reversal of the world situation for cereals (bringing savings) and for sugar (giving rise to expense), and by the reversal of the internal situation in the Community with regard to beef and veal.

This uncertainty is aggravated by the conditions under which the appropriations are prepared, namely the requirements of the timetable of budgetary procedure which make it necessary to prepare the estimates in May/June and by the fact that hitherto no account has been taken of future adjustments of agricultural prices when fixing the appropriations. To mitigate these disadvantages, the Commission has worked out various suggestions within the framework of a balance sheet of the Common Agricultural Policy which was submitted to the Council and the European Parliament in February 1975.¹⁾

For all these reasons, the expenditure varies, sometimes considerably, from the budget estimates.

In 1974 greater attention was devoted to the evolution during the year of the consumption of appropriations by all sectors as a whole, and by some sectors in particular, in relation to the appropriations available.

For this purpose, an extrapolation to 31 December 1974 was made several times during the year on the basis of the consumption of appropriations noted for the preceding months, taking account of chance factors such as the foreseeable development of the economic situation in certain sectors.

These investigations have demonstrated the usefulness of the extrapolations, even though, within the space of a few months, unforeseeable factors make themselves felt which can cause the final consumption to differ appreciably from the results of the extrapolations.

1.3.2. The monetary situation

It should be borne in mind that the monetary situation influences the expenditure of the Guarantee Section in several different ways.

Firstly, the monetary compensatory amounts, governed by R. 974/71 and wholly borne within the framework of Community financing, vary with the rates of exchange. This causes changes in expenditure which are

1) See stocktaking of the Common Agricultural Policy, paragraphs 64-70 and 131-133.

difficult to forecast.

Secondly, the progressive alignment of the representative rates used in the agricultural field with the rates of exchange reduces the compensatory amounts. However, this alignment also has the effect of increasing the divergence between, on the one hand, the representative rates used for the conversion of the unit amounts in u.a. (refunds, aids, etc.) into the national currencies and, on the other hand, the IMF rates used in budgetary accounting to convert into u.a. the expenditure in national currencies recorded by the national paying services and bodies. This divergence, which towards the end of 1974 had reached 33% for most products in the case of the lira and about 25% in the case of the pound, gave rise to additional expenditure of the order of 100 m.u.a. in the budget accounts.

1.3.3. Comparison between the original 1974 budget appropriations and payments

The table below gives a comparison between the original appropriations as approved for the 1974 budget and expenditure as declared at the end of the financial year (see 2.2.4), after adjustment of the amounts available by means of various transfers of appropriations.

TABLE 1

COMPARISON BETWEEN THE ORIGINAL 1974 BUDGET APPROPRIATIONS AND PAYMENTS

(in m.u.a.)²⁾

Categories of expenditure a	Original appropriations b	Payments c	Differences	
			amount d = c - b	% e = (d/b) x 100
CEREALS - excluding durum wheat	484,000	316,414	- 167,586	- 34.63
- durum wheat and rice	156,000	84,547	- 71,453	- 45.80
DAIRY PRODUCTS	1,577,700	1,221,046	- 356,654	- 22.61
OILS and - olive oil	233,000	135,831	- 97,169	- 41.70
FATS - oilseeds	75,900	10,903	- 64,997	- 85.64
SUGAR	166,200	108,823	- 57,377	- 34.52
BEEF AND VEAL	20,500	320,768	+ 300,268	+ 1,464.72
PIGMEAT	88,500	67,137	- 21,363	- 24.14
EGGS AND POULTRY	17,600	16,874	- 0,726	- 4.12
FRUIT AND VEGETABLES	68,100	66,906	- 1,194	- 1.75
WINE	41,100	41,965	+ 0,865	+ 2.10
TOBACCO	141,000	187,609	+ 46,609	+ 33.06
OTHER PRODUCTS	39,000	36,680	- 2,320	- 5.95
PRODUCTS OUTSIDE ANNEX II	30,000	13,293	- 16,707	- 55.69
COMMUNITY COMPENSATORY MEASURES IN FAVOUR OF THE NETHERLANDS	8,500	8,308	- 0,192	- 2.26
COMPENSATORY 1) ACCESSION AMOUNTS	200,000	332,540	+ 132,540	+ 66.27
2) MONETARY	163,000	137,623	- 25,377	- 15.57
TOTAL	3,510.100 (1)	3,107.267	- 402,833	- 11.48

1) excluding the appropriation of 3 m.u.a. provided for by Chapter 77, "Periods before 1.1.1971".

2) m.u.a. = million units of account.

This table confirms the uncertain nature of the estimates made when the budget is prepared and shows that, for some sectors, the actual performance of the market differs appreciably from the assumptions on which the budget was based, which were nevertheless realistic at the time.

To particularize:

- a) in the cereals sector, prices on the world market did not fall to their traditional levels and therefore the expenditure for refunds on exports remained appreciably below the original estimates. Furthermore, this sector was affected by the suspension of the denaturing of common wheat with effect from February 1974;
- b) in the milk products sector, butter stocks remained below the average stocks of earlier years and therefore required markedly lower expenditure for their sale than had been estimated;
- c) in the oils and fats sector, world prices for oilseeds did not fall to their traditional levels. Therefore expenditure on aid for these seeds remained appreciably below the estimates;
- d) in the sugar sector, the rise in prices on the world market to exceptional levels caused refunds on exports in this sector to be cancelled, with the result that overall expenditure remained well below the estimates;
- e) in the beef and veal sector, a sector which has always been characterized by fairly low expenditure in the past, a sharp and unforeseeable change in the situation on the world market and within the Community made it necessary to increase refunds, to purchase massive quantities by way of intervention, to introduce premiums for regular marketing and subsidies to consumption by certain recipients of social assistance. Since the original appropriations were based on past experience in this sector, the actual expenditure recorded greatly exceeded the appropriations;
- f) as regards the accession compensatory amounts, the increase in the level of expenditure in relation to the estimates is due principally to the fact that intra-Community trade has greatly increased, especially in butter. As a result of a slight increase in the consumption of this product in the United Kingdom and the fact that imports of butter by that country from New Zealand remained below

the quantities envisaged in Protocol No. 18 to the Act of Accession, British imports from other Member States were approximately 150,000 tonnes above the estimates.

This additional quantity represents an increase in expenditure of approximately 110 m.u.a.

Besides these economic causes, the significance of the time-lag between operations and payments, which varies according to the administrative practices and the types of measure, should not be forgotten.

An examination of the expenditure for 1974 shows that 336 m.u.a. of appropriations has not been used (see 2.3.6), although there was some recouping of underspending in the tobacco sector. This amount does not represent genuine savings, because it is due to accumulated arrears in the payment for certain measures, notably in the durum wheat and olive oil sectors (see 2.2.4 and 2.3.5).

2. IMPLEMENTATION OF FINANCING

It is recalled that expenditure on agricultural markets has a special character with respect to Community law because budgetary centralization at Community level is based on the decentralization of the individual payments made by the competent national bodies.

These arrangements, described in the second financial report (1.1)¹⁾, which were the subject of an ad hoc regulation made by the Council in November 1972, were embodied in the financial regulation of 25 April 1973 applicable to the general budget of the Communities.

2.1. The paying bodies

In France a new paying body, which has taken over part of the duties formerly discharged by FORMA, took up its duties on 1 January 1974. This was the Office National Interprofessionnel du Bétail et des Viandes (ONIBEV) which is responsible for payment of the interventions in the beef and veal sector.

2.2. Advances and expenditure

2.2.1. Advances

For the financial year 1974 the Commission approved 13 monthly advances in conformity with Articles 4 and 5 of Council Regulation (EEC) No. 729/70 and 3 special advances in application of Article 5 of Commission Regulation (EEC) No. 2697/70, where the funds made available to a Member State were in danger of becoming exhausted before the date planned for the next payment (Annex G.I).

The extent of the interventions in the beef and veal sector and of the stocks at 31 December 1974 led the Commission to approve two advances for the month of December.

¹⁾ Document SEC (74) 786 final, of 8 March 1974

The reason for the special advances was the under-estimation of the expenditure to be paid in September and December, notably in the beef and veal sector and the sugar sector.

Table 2
Finance and expenditure of Member States
for 1974

(in m.u.a.)

Member States	Amount available at 1.1.1974	Advances for financial year 1974 (Annex GI) (2)	Total available for financial year 1974	Expenditure from 1.1.74 (3) to 31.12.74 (Table 4)	Amount available at 31.12.74	Utilization of the advances %
	a	b	c = a + b	d	e = c - d	f = d/c x 100
BELGIUM	0.5	150.4	150.9	148.2	2.7	98.2
DENMARK	0.1	293.-	293.1	286.4	6.7	97.7
GERMANY	-11.1	625.2	614.1	577.8	36.3	94.1
FRANCE	8.8	751.5	760.3	684.6	75.7	90.0
IRELAND	- 2.1	164.6	162.5	153.1	9.4	94.2
ITALY	68.4	445.2	513.6	529.3	- 15.7(3)	103.1
LUXEMBOURG	0.0	2.-	2.-	2.-	0.0	100.-
NETHERLANDS	- 1.5	467.7	466.2	449.9	16.3	96.5
UNITED KINGDOM	0.1	273.6	273.6	267.7	5.9	97.8
TOTALS	63.2 (1)	3,173.1	3,236.3	3,099.0	137.3	95.8

- (1) To the balance of 3.6 Mua at 31 December 1973 (table 2, p. 5, third report) one should add:
- a) Italy - Reduction in expenditure on refunds of 5.9 Mua following the adoption of Council Regulation 3259/74 (see 12.1.d)
 - Annulation in 1974 of AIMA 1973 payments, namely 36.5 Mua
 - taking into account the compensation between expenditure and receipts in the sugar sector, namely 14.4 Mua.
 - b) Netherlands - Reduction in second category intervention expenditure considered in 1973 (2.8 Mua)
- (2) Excluding advances approved in December for the month of January and relating to the financial year 1975.
- (3) Excluding an amount of 8.3 m.u.a. relating to Community compensatory measures in favour of the Netherlands (R. No. 3141/73).
- (4) This negative figure is explained by the special character of some expenditure (financial effects of the intervention stocks at 31 December, of which the Commission takes note in January).

2.2.2. Total expenditure

The total expenditure for the financial year 1974 was 3,099 m.u.a. (1), compared with 3,614 m.u.a. for the previous financial period which covered the 11 months from 1 February 1973 to 31 December 1973, a fall of 14% (Tables 2 and 5).

Intervention expenditure represents 81% of the total expenditure and expenditure on refunds 19%. The cereals and milk products sectors account for 52% of the aggregate expenditure.

At 31 December 1974 the Member States held funds amounting to 137.3 m.u.a. (3.6 m.u.a. at 31 December 1973).

2.2.3. Management of funds in the Member States

The Commission is informed of the funds remaining available:

- on the special EAGGF Guarantee Account of each Member State by weekly telex,
- on the account of each paying service and body by the monthly reports on the cash situation.

A comparison between the expenses incurred in the course of the financial year 1974 and the funds made available to the Member States for the same period shows that 95.8% of these funds were used (Table 2, column f). In addition, a comparison between the funds available monthly in the Member States and the funds remaining after the payments had been made (Table 3) shows an average rate of utilization of about 61% (70% of Italy is excluded).

The size of the funds remaining available in Italy during the first half-year is due mainly to the concept of payment adopted. There was a marked improvement in the situation in the second half of the year.

In France, on the other hand, it was the large amounts of funds available in the last quarter which led to the relatively low average rate of utilization. This situation is explained on the one hand by the fact that the expenditure provided for was only partially implemented, a phenomenon caused chiefly by the postal strike, and on the other hand by lateness in accounting for the monetary compensatory amounts levied in the course of trade with the other Member States.

(1) Excluding an amount of 8.3 m.u.a. relating to Community compensatory measures in favour of the Netherlands (Regulation No. 3141/73)

TABLE 3

AVERAGE RATE OF UTILIZATION OF COMMUNITY FUNDS

MEMBER STATES	Average amount of Community funds available in the Member States for one month's expenditure (see Annex GII, line C) m.u.a.	Average balance available after one month's expenditure (see Annex GII, line E) m.u.a.	Average rate of utilization %
	(a)	(b)	$c = \frac{(a)-(b)}{a} \times 100$
BELGIUM	16.8	4.2	75%
DENMARK	29.-	5.2	82%
GERMANY	59.6	11.4	81%
FRANCE	104.4	47.4	55%
IRELAND	13.6	0.8	94%
ITALY	115.7	71.6	38% (1)
LUXEMBURG	0.18	0.02	89%
NETHERLANDS	52.4	14.9	72%
UNITED KINGDOM	28.7	6.4	78%
EEC	420.4	161.9	61%

(1) Elimination of the accounting profits recorded for second category interventions in the cereals sector would bring this utilization rate up to about 45%.

2.2.4. Expenditure by sector

The fall in expenditure arises mainly in the cereals, milk products, and oils and fats sectors, a fall which was only partially compensated for by a rise in the beef and veal, tobacco, fruit and vegetables, and wine sectors and in the accession compensatory amounts.

In the cereals sector, the fall in expenditure is explained by the persistence of high prices on the world market, by the measures taken with regard to certain interventions and by the delay in the payment of aids to the production of durum wheat.

In the milk products sector, the fall in expenditure is mainly explained by the fact that butter stocks were lower than expected.

In the oils and fats sector, two factors have acted in the same direction:

in the case of oilseeds, the persistence of high prices on the world market and, in the case of olive oil, the delay in the payment of the aids to production.

It is mainly in the beef and veal sector that there have been increases; whereas in 1973 this sector accounted for only 0.45% of total expenditure, in 1974 it exceeded 10% (see Table 4). The market was in difficulties throughout the year and this caused the authorities responsible to take a series of special measures. The **greatest** expenditure represents the fall in value of the intervention stocks of meat at 31 December 1974, a loss which the machinery of Regulation No. 2305/70 charges to the financial year 1974.

In the tobacco sector, the increase in expenditure is due to the recoupment in the delays in the payment of the premiums and to the losses incurred on export sales of part of the tobacco which had been the subject of intervention purchases.

With regard to the accession compensatory amounts, various factors contributed to the increased expenditure, reflecting more intensive trade than expected between the new Member States on the one hand and the original Member States on the other.

TABLE 4
EXPENDITURE FOR THE FINANCIAL YEAR 1974

m.u.a.

SECTORS	Refunds	Inter- ventions, 1st cat(1)	Inter- ventions, 2nd cat(2)	TOTALS m.u.a.		TOTALS %	
				1974	1973(3)	1974	1973
CEREALS	76,163	295,199	28,399	399,761	946,838	12,87	26,20
RICE	0,503	0,697	-	1,200	11,194	0,04	0,31
MILK/MILK PRODUCTS	343,836	648,099	229,111	1,221,046	1,453,024	39,30	40,20
FATS/OLIVE OIL	0,834	134,997	-	135,831	251,632	4,37	6,96
OILSEEDS	0,001	10,888	0,014	10,903	80,012	0,35	2,21
SUGAR	8,010	100,813	-	108,823	127,071	3,50	3,52
BEEF AND VEAL	55,495	25,423	239,850	320,768	16,090	10,32	0,45
PIGMEAT	56,175	10,962	-	67,137	89,475	2,16	2,48
EGGS/POULTRY	16,874	-	-	16,874	21,452	0,54	0,57
FRUIT/VEGETABLES	17,863	49,043	-	66,906	34,430	2,15	6,17
WINE	0,144	41,821	-	41,965	11,720	1,35	0,32
TOBACCO	0,059	171,050	16,500	187,609	118,043	6,04	3,27
FISHERIES	0,657	0,512	-	1,169	1,189	0,04	0,03
FLAX/HEMP	-	11,751	-	11,751	5,447	0,36	0,15
SEEDS	-	15,205	-	15,205	14,292	0,49	0,40
HOPS	-	4,438	-	4,438	4,658	0,14	0,13
SILKWORMS	-	0,481	-	0,481	0,315	0,01	0,01
DEHYDRATED FODDER	-	3,637	-	3,637	-	0,12	-
PRODUCTS OUTSIDE ANNEX II COMMUNITY COMPENSATORY MEASURES FOR NETHERLANDS	13,293	-	-	13,293	22,852	0,43	0,63
COMPENSATORY 1) ACCESSION AMOUNTS	-	8,308	-	8,308	-	0,27	-
2) MONETARY	-	332,539	-	332,539	264,310	10,70	7,31
	-	137,623	-	137,623	140,268	4,43	3,89
TOTALS	589,907	2,003,486	513,874	3,107,267	3,614,372	100	100
%	18,98	64,48	16,54	100			

- (1) Interventions for which unit expenditure amounts are fixed by Community regulations.
- (2) Interventions consisting of purchase, storage and disposal and for which EAGGF financed expenditure is determined by means of annual accounts made up of standard elements.
- (3) Taking account of the corrections to the expenditure declared by Italy and the Netherlands (reduction of 45 m.u.a.).

2.2.5. Payments by Member States

The breakdown by Member States of expenditure for the financial year 1974 is as follows:

Table 5

Analysis of expenditure for 1974 and methods of financing

(in m.u.a.)

Member State	Refunds	Interventions	Totals		%	
			1974	1973	1974	1973
BELGIUM	49.2	99.0	148.2	193.1	4.78	5.34
DENMARK	88.2	198.2	286.4	295.4	9.24	8.17
GERMANY	67.6	510.2	577.8	676.0	18.65	18.70
FRANCE	171.7	512.9	684.6	1,094.7	22.09	30.29
IRELAND	17.6	135.5	153.1	88.9	4.94	2.46
ITALY	31.3	498.0	529.3	581.6	17.08	16.09
LUXEMBOURG	0.4	1.6	2.0	5.4	0.06	0.15
NETHERLANDS	155.1	294.8	449.9 (1)	527.5	14.52	14.60
UNITED KINGDOM	8.8	258.9	267.7	151.8	8.64	4.20
EEC TOTALS	589.9	2,509.1	3,099.0	3,614.4 (2)	100.0	100.0

(1) Excluding an amount of 8.3 m.u.a. relating to Community compensatory measures in favour of the Netherlands (R. 3141/73)

(2) Taking account of the corrections to the expenditure declared by Italy and the Netherlands.

2.3. Management of and accounting for the appropriations

2.3.1. The budget appropriations

The appropriations available for the financial year 1974 amounted to 3,440.55 m.u.a., calculated as follows:

	u.a.
- initial budget	3,513,100,000.-
- Chapter 77, appropriations in respect of periods prior to 1.1.1971 (deduct)	- 3,000,000.- (1)
	<hr/> 3,510,100,000.-
- transfer of appropriations from Chapter 60 to Chapter 90 (September)	- 20,000,000.-
- transfer of appropriations from Chapter 64 to Chapter 40 (December)	- 4,550,000.-
- transfer of appropriations from Chapter 62 to Chapter 90	- 45,000,000.-
	<hr/> 3,440,550,000.- =====
- balance available	

(1) Appropriations totalling 108,328.25 utilized, balance cancelled

2.3.2. Global commitments

It is recalled that in order to ensure that the financing system is sufficiently flexible to cope with expenditure of a widely varying nature, the advances are not broken down by type of expenditure but are made in the form of provisional global commitments. Any amount advanced for previous financial years and not used for payment in respect of those years remains available for the expenditure of the current financial year. The procedure is for the available cash funds to be released in regard to the previous year and recommitted for the current year.

In this way, the following appropriations were committed globally:

- available at the beginning of 1974	63,155,942.38 RE
- advances for 1974	3,173,080,000.- RE
- total appropriations committed globally	<u>3,236,235,942.38 RE</u>

2.3.3. Accounting for commitments and payments

On the basis of the payment declarations of the Member States, and after examination, the Commission accounted for the items in question as commitments or payments in accordance with the budgetary nomenclature. Such periodical accounting during the financial year does not prejudice the definitive annual accounts which are the result of the decisions of the Commission relating to the audit and closure of the accounts.

Commitments charged

In this way, out of	3,236,235,942.38 RE	committed globally
	<u>3,006,458,724.79 RE</u>	was committed in detail
leaving	169,777,217.59 RE	of which 32.5 m.u.a. was carried forward to 1975 and 137,277,217.59 u.a. was released to be recommitted for 1975.

Payments charged

Of the	3,006,458,724.79 RE	committed in detail,
	<u>2,633,520,230.53 RE</u>	was charged as payments (1),
leaving	432,938,494.26 RE	which was carried forward to 1975

The difference of 432,938,494.26 u.a. was carried forward as an appropriation to 1975 to permit the subsequent charging of the following expenditure:

- a) the expenditure declared by AIMA, the Italian intervention body (401,636,113.90 u.a.);
- b) the expenditure for export refunds declared by Intendenza di Finanza di Roma (31,302,380.35 u.a.).

This situation is the consequence, in the case of AIMA, of the continued use of the old concept of payment by that body and, in the case of Intendenza di Finanza, of the uncertainty concerning the declaration of refunds not corrected by the monetary compensatory amounts to be levied by Italy in trade with non-member countries. The situation will be regularized during 1975 - in the case of AIMA, after receipt of the data relating to the payments actually made to the beneficiaries, and in the case of Intendenza di Finanza, after communication of the monetary compensatory amounts to be deducted from the refunds according to procedures to be adopted in implementation of Regulation (EEC) No. 3259/74.

(1) not taking into account the sum of 8,308,188.09 u.a. paid outside the system of advances (R. (EEC) No. 3141/73)

2.3.4. Transfers of appropriations

Although the payments made by the paying services and bodies during 1974 were appreciably lower than the global appropriations for 1974, it was necessary to make some adjustments to the appropriations as between sectors.

The transfers required within Titles 6 and 7 (see Table 6) were intended to:

- a) permit the charging of the expenditure laid out during the year when the original appropriations proved to be inadequate (beef and veal, accession compensatory amounts, tobacco);
- b) permit the carrying forward of appropriations to 1975 under sectors for which there has been a considerable delay in the payments of expenditure.

In addition, transfers totalling 69.55 m.u.a. were approved in favour of Chapter 90 - food aid (65 m.u.a.) to permit the execution of the aid programmes prior to 1975 (see Regulation No. 2681/74) and Chapter 40 - aid (4.55 m.u.a.) to permit the expenditure resulting from the Convention of 18 December 1972 between the EEC and the United Nations Relief and Works Agency (UNRWA) for the education of Palestinians to be covered.

In all, 613.9 m.u.a. was the subject of transfers, or 17.5% of the appropriations available, of which 544.35 m.u.a. (15.5%) was within Titles 6 and 7 and 69.55 m.u.a. (2%) was outside those titles.

Table 6

Transfers of appropriations

u.a.				
CHAP.	SECTOR	Original appropriations for 1974	Transfers of appropriations	New total of appropriations
60	CEREALS	615,000,000	- 157,350,000	457,650,000
61	RICE	25,000,000	- 23,750,000	1,250,000
62	MILK PRODUCTS	1,577,700,000	- 330,250,000	1,247,450,000
63	OILS AND FATS	308,900,000	+ 27,950,000	336,850,000
64	SUGAR	166,200,000	- 57,250,000	108,950,000
65	BEEF AND VEAL	20,500,000	+ 353,300,000	373,800,000
66	PIGMEAT	88,500,000	- 21,300,000	67,200,000
67	EGGS AND POULTRY	17,600,000	- 700,000	16,900,000
68	FRUIT AND VEGETABLES	68,100,000	- 1,100,000	67,000,000
69	WINE	41,100,000	+ 6,000,000	47,100,000
70	TOBACCO	141,000,000	+ 46,650,000	187,650,000
71	FISHERIES	3,000,000	- 1,750,000	1,250,000
72	FLAX AND HEMP	12,000,000	- 200,000	11,800,000
73	SEEDS	15,000,000	+ 250,000	15,250,000
74	HOPS	8,000,000	- 3,550,000	4,450,000
76	OTHER COMMON MARKET ORGANIZATIONS	1,000,000	+ 3,150,000	4,150,000
77	PERIODS BEFORE 1.1.1971	3,000,000	-	3,000,000
78	PRODUCTS OUTSIDE ANNEX II	30,000,000	- 16,700,000	13,300,000
79	OTHER EXPENDITURE	371,500,000	+ 107,050,000	478,550,000
	TOTAL	3,513,100,000	- 69,550,000	3,443,550,000
90	FOOD AID		+ 65,000,000	
40	AIDS		+ 4,550,000	

2.3.5. Request for carry-forward of appropriations

Besides the carrying forward of appropriations corresponding to the commitments made during the financial year (see 2.3.3.), the Commission requested the budgetary authority to permit the carrying forward of 331.5 m.u.a. of appropriations of the 336 remaining unused at 31 December 1974.

The carrying forward of these appropriations is intended to permit the covering of expenditure which was generated before 31 December 1974 but for which the competent services and bodies have been unable to make payment before that date. They relate to:

a) aids to the production of olive oil	190 m.u.a.
b) aids to the production of durum wheat	57.5 m.u.a.
c) premiums in the beef and veal sector	53.0 m.u.a.
d) refunds on the export of milk products to be given as food aid	26.0 m.u.a.
e) distillation of wines from certain depressed areas	5.0 m.u.a.

2.3.6. The implementation of the budget for the financial year 1974 - Titles 6 and 7 - of the EAGGF, Guarantee Section, can be summarized as follows (in units of account):

Initial appropriations	3,513,100,000
Transfers outside Titles 6 and 7	69,550,000
	<hr/>
	3,443,550,000
Payments charged	2,641,828,418.62
	<hr/>
Appropriations committed and carried forward to 1975	801,721,581.38
	465,546,822.51 (1)
	<hr/>
Unused appropriations	336,174,758.87
Unused appropriations to be carried forward	331,500,000.00
	<hr/>
Unused appropriations cancelled	4,674,758.87 (2)
	<hr/>

(1) of which 108,328.25 u.a. under the old system of financing

(2) of which 2,891,671.75 u.a. under the old system of financing
and 1,783,087.12 u.a. under the new system of financing

2.4. Audit and closure of accounts

2.4.1. Lodging of declarations by the Member States in respect of the definitive system - financial year 1973

In view of the obligation, on the part of the national administrations, to prepare their applications for reimbursement for the periods 1968/69 to 1970 during the first half of 1974, it had been agreed at the meeting of the EAGGF Committee on 15 January 1974 that the date of 31 March 1974, established by Regulation No. 1723/72 as the closing date for the lodging of the declarations in respect of the financial year 1973, should be deferred to October 1974.

Only five Member States were able to meet this deadline; the lateness of the other Member States in forwarding their files varied between three and six months.

Table 7
Dates of submission of documents relating to the settlement of the 1973 accounts

Belgium	7.10.74	Italy	29. 4 .75
Denmark	30. 9.74	Luxembourg	27. 9.74
Germany	28.10.74	Netherlands	10. 1.75
France	16. 5.75	United Kingdom	28.10.74
Ireland	29. 1.75		

2.4.2. Audit and closure of the accounts of the definitive system - financial years 1971 and 1972

The detailed examination of applications, made in 1973 and the first quarter of 1974, made it possible to carry out, between April and July 1974, on-the-spot verifications in relation to the two financial years simultaneously; the preparatory work was completed towards the end of 1974 and resulted in the dispatch of official letters to the Member States; these letters give the Member States official notice of the principal corrections which the EAGGF departments wish to make in consequence of their audit and invites them to forward any comments they may have within a period of two months.

After re-examination of the corrections in the light of these comments and after consultation with the Fund Committee on the draft decisions, the definitive settlement of the accounts of these two financial years is expected to take place during 1975, that is, 2 to 3 years later than the time specified in the timetable laid down by Regulation No. 1723/72.

2.4.3. Closure of the accounts of the periods before 1 January 1971

2.4.3.1. Period 1966/67

On 20 December 1974 the Commission took two decisions determining, firstly, the amount of the lowest average refunds, and, secondly, the aid to be granted by the EAGGF, Guarantee Section, to the Netherlands in respect of that country's expenditure for the period 1966/67; it thus revised the decisions of 26 January 1972 which had been declared void by the Court of Justice by its judgement of 11 January 1973 in Case No. 13/72 (1). From the financial point of view, the two new decisions have the effect of increasing the EAGGF's aid to the Netherlands as approved on 26 January 1972 by 108,328.25 u.a. Contributions were paid by the six Member States of the original Community in accordance with the **assessment keys** laid down for the 1966/67 accounts (Article 3 of Regulation No. 130/66).

2.4.3.2. Periods 1967/68 to 1970

The submission by the Member States of their applications for reimbursement during the second half of 1974 and the strengthening of the Guarantee Section with national experts during the first half of 1975 should enable the EAGGF departments to **finish the work of auditing the accounts for these periods for the end of 1975.**

(1) See point 2.2.3. of the second financial report

TITLE II

FINANCING OF COMMUNITY FOOD AID FOR PRODUCTS
UNDER THE COMMON MARKET ORGANIZATION

3. This part deals exclusively with the financial implementation of gifts of food made in the form of products under the common market organization. The technical and financial arrangements are carried out by the Member States' intervention bodies, generally with the help of advances from the Commission.

3.1. Financing procedures

In 1974 Community financing of food aid was effected by means of appropriations under the following heads:

- the Guarantee Section of the EAGGF for f.o.b. refunds granted on gifts of cereals;
- the Guarantee Section of the EAGGF for the supply of milk products from public intervention stocks;
- the Food Aid Chapter for the value of the cereals, with the exception of the export refunds granted within the framework of Community measures, supplies of milk products bought on the market and gifts of sugar.

The administration of these appropriations is centralized in the Guarantee Section of the EAGGF irrespective of their budget classification (1). On a proposal from the Commission, the Council adopted on 21 October 1974 Regulation (EEC) No. 2681/74 (2) dealing with the Community financing of the expenditure resulting from the supply of agricultural products as food aid.

(1) Except for the appropriations under Item 9041 (other expenditure) which are administered by the Directorate-General for Development and Co-operation (5 m.u.a.)

(2) O.J. No. L 288 of 25.10.1974

The object of this regulation is the establishment of a uniform system for all the products, with the refund section coming under the Guarantee Section and the section on the value of the goods and other costs which may arise coming under the Food Aid Chapter. This new system has been in force since 1 January 1975.

3.2. Advances and expenditure

3.2.1. Advances

The monthly advances to the Member States, paid "globally" under Chapter 90, "Food aid expenditure", amounted to 121.4 m.u.a. for the financial year 1974, including 13.25 m.u.a. available at 31 December 1973.

The sums made available to the Member States were used to the extent of 87.0%.

The amounts were paid by the Commission into the special account which each Member State holds on behalf of the Guarantee Section.

The breakdown by Member State is shown in the following table:

TABLE 8

Member State	Advances u.a.	Expenditure to 31.12.74 u.a.	% utilized
GERMANY	15,318,207.18	13,149,980.23	85.8
BELGIUM	13,713,093.40	13,396,014.16	97.7
FRANCE	65,861,546.64	61,171,730.78	92.9
ITALY	18,359,424.00	11,921,958.24	64.9
NETHERLANDS	8,145,900.28	5,933,282.68	72.8
	121,398,171.50	105,572,966.09 ¹⁾	87.0

1) of which 105,499,327.78 u.a. committed in detail and charged as payment
and 73,638.31 u.a. committed in detail and not charged as payment

3.2.2. Budget appropriations

The administration of the 1974 budget appropriations has been characterized by:

- the juxtaposition of the new system of financing by means of advances with the old system of reimbursing the Member States;
- the existence of programmes with arrears of implementation and payment which necessitate the carrying forward of substantial appropriations;
- the effect on the cost of operations of the situation in agricultural markets, on the one hand, and of urgent measures on the other hand;
- the transfer of 65 m.u.a. from the EAGGF, Guarantee Section, to Chapter 90 - Food aid expenditure - to meet, firstly, the foreseeable expenditure needed for the completion of the cereals aid programmes coming under the Food Aid Convention of 1971 (20 m.u.a.) and, secondly, the requirements of Council Regulation No. 2681/74 of 21 October 1974 with regard to the taking on charge by Chapter 90 of the food aid expenditure on milk products from public stocks (45 m.u.a.);
- the transfer of 1.34 m.u.a. from Item 9041 to Item 9040 - Food aid in the form of sugar. The additional finance for this item was necessary to meet the estimated expenditure resulting from the need to purchase sugar on the world market.

TABLE 9

Total appropriations available in 1974

	1971 cereals programme, milk and sugar measures, system of advances	1967 cereals programme	TOTALS
Budget 1974	106,337,178 (1)	25,000,000	131,337,178
Transfer from EAGGF, Guarantee Section	45,000,000 20,000,000	-	65,000,000
Brought forward from budget 1973	8,098,687.14	-	8,098,687.14
	179,435,865.14	25,000,000	204,435,865.14

(1) Excluding 3,662,822 u.a. from Item 9041 (funds available after transfer).

3.2.3. Global commitments

On the basis of the provisional monthly reports of the Member States, the Commission decided to grant as advances for food aid expenditure the sum of 121.4 m.u.a. This amount was the subject of global commitments in application of Article 115 of the financial regulation of 25 April 1973.

3.2.4. Accounting for commitments

The table below shows the commitments accounted for in the course of the financial year against the advances granted and in the light of the actual payments declared by the Member States.

As in the case of the Guarantee Section, these amounts entered in the course of the financial year do not prejudice the definitive annual accounts which will be the result of the Commission's decisions relating to the audit and closure of the accounts.

TABLE 10

Commitments accounted for

Member State	Product	Advances granted u.a.	Commitments and payments u.a.	Difference
GERMANY	cereals		12,051,556.04	
	sugar		1,098,424.19	
	sub-total	15,318,207.18	13,149,980.23	2,168,226.96
BELGIUM	cereals		9,431,747.26	
	milk		3,964,266.90	
	sub-total	13,713,093.40	13,396,014.16	317,079.24
FRANCE	cereals		60,108,999.76	
	milk		1,062,731.02	
	sub-total	65,861,546.64	61,171,730.78	4,689,815.86
ITALY	cereals	18,359,424.00	11,921,958.24	6,437,465.76
NETHERLANDS	cereals		5,931,264.15	
	sugar		2,018.53	
	sub-total	8,145,900.28	5,933,282.68	2,212,617.60
EEC		121,398,171.50	105,572,966.09	15,825,205.41

The differences between the detailed commitments and the advances granted form the disposable balance at 31 December 1974 which the Member States may use for their expenditure in 1975.

In addition, the Commission made various direct payments in 1974 to certain beneficiary countries and intermediary bodies to a total of 652,675.57 u.a. by way of lump-sum contributions for the forwarding and distribution of products supplied as aid.

3.3. Appropriations carried forward to 1975 (see Table 11)

The appropriations which were committed in 1974 but did not result in payments by the Member States were the subject of an automatic carry-forward to 1975.

The amount involved was 60,898,843.72 u.a., of which 45 m.u.a. had been committed in application of Article 40 of the financial regulation for food aid in the form of milk products and 15,898,843.72 u.a. had been committed in accordance with Article 111 of the same regulation. The latter amount is the difference between the advances granted to the Member States during 1974 and the expenditure committed in respect of the same year.

In addition, the appropriations not committed at 31 December 1974 will be the subject of a request for carry-forward to be approved by the Council. The amount involved is 37,184,219.46 u.a.

3.4. Closure of the accounts

3.4.1. The reimbursement of aid in cereals, 1970/71 programme

As regards the last outline of aid implementation under the 1967 Cereals Aid Programme, the Commission's departments have sent an aide-mémoire (Doc. VI/67/74 of 20.3.1974) to the Member States relating to the reimbursement of the relevant expenditure. The Commission's departments are now in possession of the applications for reimbursement and settlement will take place during 1975.

3.4.2. The audit and closure of the accounts relating to the expenditure in 1973

The preparatory work in connexion with this audit and closure was completed in October 1974. The definitive settlement of the accounts is expected to take place during 1975 following the same procedure as that applicable to the Guarantee Section (see 2.4.2.).

Table 11

Appropriations carried forward to 1975

u.a.

Total appropriations 1974	C o m m i t m e n t s			Expenditure committed in detail and charged as payment	Carried forward		Appropriations cancelled
	Advances to Member States, Art. 111 of financial regulation	Art. 40 of financial regulation	Direct payments		automatically	not automatically	
a (1)	b (2)	c (1)	d	e (2)	f = b - e + c	g = a - (b+c+d)-h	h (3)
204,435,865.14	121,398,171.50	45,000,000	652,675.57	105,499,327.78	60,898,842.72	37,184,219.46	200,798.61

(1) see Table 9

(2) see Table 8

(3) appropriations brought forward from 1973 and not used at 31.12.1974

TITLE III
GUIDANCE SECTION

The Guidance Section provides Community finance to assist the implementation of the common policy for the structural improvement of agriculture. Since the adoption of Regulation (EEC) No. 729/70, common measures have been given financial priority over individual projects within the framework of Regulation No. 17/64/EEC and the various special measures previously adopted by the Council.

4. FINANCING OF COMMON MEASURES

4.1. Common measures which gave rise to financing decisions in 1974

4.1.1. Common measures based on the system of the reimbursement of the Member States' expenditure

The majority of the common measures adopted to date by the Council are implemented by reimbursing the Member States for part of the expenditure which they have laid out.

The common measures functioning in this way and having given rise to expenditure in 1974 were as follows:

- Directive No. 71/286/EEC of 26 July 1971 relating to statistical surveys to be carried out by the Member States with a view to determining the production potential of certain types of orchard (1);
- Council Regulation (EEC) No. 1353/73 of 15 May 1973 instituting a system of premiums for the conversion of dairy herds to meat production and a development premium for beef herds (2).

The expenditure on these common measures is set out in the section "Decisions on reimbursement of or payment for common measures" of this report (6.3.1., pages 52 and 53).

(1) O.J.E.C. No. L 179 of 9.8.1971, p. 21

(2) O.J.E.C. No. L 141 of 28.5.1973, p. 18

4.1.2. Common measures based on the system of financing individual projects for structural improvement

The only common measure to date is Regulation (EEC) No. 2722/72 of 19 December 1972 which provides for the financing by the EAGGF, Guidance Section, of a measure for the conversion of the salted cod fishing sector (1).

The 1974 budget allocated 2 m.u.a. to this measure, under Item 8200. To this 2 m.u.a. there has been added 175,236 u.a. brought forward for this measure from 1973 to 1974. Furthermore, because of the large number of projects submitted, the Council decided to transfer 3 m.u.a. from Chapter 870 to Item 8200, bringing the total appropriations available for 1974 up to 5,175,236 u.a.

Seven applications for aid were submitted for the financial year 1974; three German projects and four French projects were granted aid by the Commission in June and December 1974 to a total amount of 5,083,746 u.a.

These seven projects can be analysed as follows:

EAGGF, Guidance Section, aid for the common measure
"Conversion of the salted cod fishing sector"
in 1974

Table 12

Project reference	Nature of the investment	Total investment (u.a.)	Aid granted (u.a.)
RPM D/1/74	Factory trawler	5,663,660	956,284
RPM D/2/74	Factory trawler	5,874,316	956,284
RPM D/3/74	Factory trawler	5,568,305	956,284
RPM F/1/74	Processing factory	926,904	226,168
RPM F/2/74	Deep-freezing trawler	3,452,798	654,551
RPM F/3/74	Deep-freezing trawler	3,268,041	653,608
RPM F/4/74	Deep-freezing trawler	3,618,888	680,567
Totals		28,372,912	5,083,746

(1) O.J.E.C. No. L 291 of 28.12.1972, p. 30

4.2. Principal decisions on common measures taken during 1974

a) In its Decisions Nos. 74/517/EEC and 74/518/EEC of 21 October 1974 (1), the Council issued the list of less-favoured agricultural regions, situated in Italy and Ireland, within the meaning of Article 10, paragraph 2, of Directive No. 72/160/EEC relating to the encouragement of the cessation of farming and the allocation of farming land used for the purposes of structural improvement.

The Guidance Section of the EAGGF will be responsible for providing 65% of the finance for the eligible expenditure on these regions.

b) In its Decision No. 74/581/EEC of 16 October 1974 (2), the Commission laid down the form in which the applications for reimbursement of the aid granted by the Member States within the framework of Directives Nos. 72/159/EEC, 72/160/EEC and 72/161/EEC shall be submitted.

4.3. Placing in reserve of appropriations for financing common measures

a) To provide for expenditure on the common measures already adopted or likely to be adopted, the Council, on a proposal from the Commission, has continued to reserve certain appropriations in the annual budget of the Guidance Section. 11,454,648 u.a. was placed in reserve for 1974 under the provisions of Council Regulation (EEC) No. 1215/75 of 5 May 1975 (3), thus bringing up to 525,991,664 u.a. the appropriations placed in reserve for the common measures for the years 1969 to 1974.

b) In addition, by virtue of Council Regulation (EEC) No. 725/75 of 18 March 1975 (4), an amount of 150 m.u.a. has been set aside from the reserved appropriations of the Guidance Section for allocation to the European Regional Development Fund. This 150 m.u.a. has been derived from the following sources:

- 125 m.u.a. from the reserved appropriations of Article 833 of the budget (creation of employment in depressed - "priority" - agricultural regions);
- 25 m.u.a. from the reserved appropriations of Article 880 of the budget (reserve for common measures for the structural improvement of agriculture).

(1) O.J.E.C. No. L 290 of 29.10.1974, p. 7

(2) O.J.E.C. No. L 320 of 29.11.1974, p. 1

(3) O.J.E.C. No. L 121 of 14.5.1975, p. 1

(4) O.J.E.C. No. L 73 of 21.3.1975, p. 8

5. FINANCING OF PROJECTS FOR THE STRUCTURAL IMPROVEMENT OF AGRICULTURE

The direct financing of individual projects for the structural improvement of agriculture within the framework of Regulation No. 17/64/EEC is authorized to continue, by virtue of Article 6, para. 4, of Regulation (EEC) No. 729/70, for as long as the appropriations for the financing of the common measures do not reach 325 m.u.a.

Expenditure in connexion with the common measures for 1974 being small, the financing of individual projects again constituted the main activity of the Guidance Section.

In 1974 the Commission approved the granting of aid from the Fund :

- for the projects relating to 1973, the year for which aid was granted for the first time to the three new Member States;
- for the first instalment of the projects relating to 1974.

5.1. Financing of the projects for 1973

5.1.1. Quantitative analysis of the projects financed

The time-lag affecting the work of the EAGGF as regards decisions to grant aid was reduced by four months (out of ten) in 1974 compared with 1973.

The Commission, in June (1) and July (2) 1974, approved the granting of aid for 1973 to an amount of 170 m.u.a., in accordance with the allocation determined by the Council pursuant to Council Regulation (EEC) No. 2809/73 of 15 October 1973 (3).

The breakdown is as follows:

Table 13
Granting of aid by the Guidance Section of the Fund
for 1973

Member State	Number of projects financed	Amount of aid granted (u.a.)	Amount of total investment (u.a.)	Distribution of aid granted (%)
Germany	112	39,219,740	168,289,698	23.1
Belgium	92	10,032,957	61,318,875	5.9
Denmark	10	4,697,216	22,661,003	2.8
France	70	30,865,361	147,086,756	18.1
Ireland	25	6,896,366	34,164,554	4.0
Italy	224	47,055,398	209,159,751	27.7
Luxembourg	2	205,000	1,115,000	0.1
Netherlands	34	11,027,963	47,632,785	6.5
United Kingdom	68	19,999,999	149,147,742	11.8
Totals	637	170,000,000	840,576,164	100.0

(1) O.J.E.C. No. C 101 of 31.8.1974, p. 34 (2) O.J.E.C. No. C 114 of 27.9.1974
 (3) O.J.E.C. No. L 290 of 17.10.1973, p. 1 p.6

As in previous years, the number of projects submitted was distinctly higher than the number of projects financed.

The Commission's departments examined the legal, economic, technical and financial aspects of 1,502 projects submitted. 207 projects were eliminated, being considered inadmissible or not conforming to the conditions of Regulation No. 17/64/EEC. Of the remaining 1295 projects, 658 could not be aided due to insufficient funds.

The 636 projects granted aid from the Fund represent a total investment of 840,576,164 u.a., an average investment of 1,319,585 u.a. per project; the average aid per project is 266,876 u.a.

5.1.2. Qualitative analysis of the projects financed

5.1.2.1. Production projects

Table 14

Member State	Consolidation of holdings and provision of roads		Drainage and irrigation		Afforestation		Miscellaneous		Total aid granted (u.a.)	Total investment (u.a.)
	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)		
Germany	36	10,012,212	8	2,436,724	5	3,845,039	15	8,124,623	24,418,598	95,837,256
Belgium	23	3,281,046	12	896,785	-	-	34	2,581,028	6,758,859	47,196,388
Denmark	-	-	-	-	1	399,999	2	176,294	576,293	2,344,111
France	12	6,205,491	4	5,932,813	-	-	2	683,172	12,821,476	53,628,074
Ireland	-	-	-	-	-	-	8	410,688	410,688	1,668,828
Italy	-	-	51	9,939,364	2	1,018,179	107	18,226,580	29,184,123	130,091,089
Luxembourg	-	-	-	-	-	-	1	23,000	23,000	205,000
Netherlands	14	5,269,646	1	197,698	-	-	2	52,436	5,519,780	22,827,439
United Kingdom	1	54,425	18	1,867,598	-	-	6	1,547,222	3,469,245	18,135,568
Totals	106	24,822,820	94	21,270,982	8	5,263,217	177	31,825,043	83,182,062	371,933,753

a) Consolidation of holdings and provision of roads sector

The projects financed relate to the rural road network (36 projects) and work connected with the consolidation of holdings (70 projects), comprising **water supply, drainage,** land improvement and work on the road system.

b) Drainage and irrigation sector

This sector comprises projects for improvements to watercourses (38 projects), provision of water supplies (22 projects), construction of pumping stations (4 projects), irrigation works (17 projects) and combined hydraulic and agricultural work (13 projects).

c) Miscellaneous production projects sector:

This sector covers projects for:

- the development of meat production (53 projects)
- certain land consolidation work and rural road network improvements (52 projects)
- the improvement and reorganization of vineyards (18 projects)
- the rationalization of milk production (13 projects)
- the internal improvement of production structures (10 projects)
- the storage and conditioning of potatoes (6 projects)
- the storage and conditioning of seeds (5 projects)
- the improvement of fishing ports and of fish and shell-fish farming (8 projects)
- the provision of facilities for research, marketing and vocational training (12 projects).

5.1.2.2. Mixed production and marketing projects sector

Table 15

Member State	Number of projects financed	Total investment (u.a.)	Aid granted (u.a.)
Germany	2	2,105,105	5505,720
Belgium	1	145,337	30,103
Denmark	-	-	-
France	7	41,014,596	8,350,397
Ireland	3	7,338,360	1,437,672
Italy	7	7,663,701	1,756,422
Luxembourg	-	-	-
Netherlands	-	-	-
United Kingdom	3	26,174,054	3,752,035
Totals	23	84,441,153	15,832,349

The projects classed under this sector relate to both production structures and marketing structures. They comprise projects for the improvement of milk collection and for refrigeration equipment for dairies (8 projects), for the production of animal feed (8 projects), for the improvement and reorganization of vineyards and the modernization of co-operative wine cellars (5 projects) and for the production and processing of various agricultural products (2 projects).

5.1.2.3. Improvement of marketing structures

Table 16

Member State	Milk & dairy products		Meat		Fruit & vegetables		Wine		Cereals		Miscellaneous		Total aid granted (u.a.)	Total investment (u.a.)
	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)		
Germany	19	8,869,151	5	1,668,498	11	1,465,501	5	1,608,755	-	-	6	683,517	14,295,422	70,347,337
Belgium	2	326,104	6	1,141,684	10	1,402,142	-	-	4	374,065	-	-	3,243,995	13,977,150
Denmark	3	629,599	3	3,357,738	-	-	-	-	-	-	1	133,586	4,120,923	20,316,492
France	10	5,463,505	2	752,855	1	253,874	1	195,929	1	338,474	10	2,688,851	9,693,488	52,444,586
Ireland	4	2,951,784	6	1,086,696	-	-	-	-	-	-	4	1,009,526	5,048,006	25,157,456
Italy	6	1,275,529	1	209,535	8	2,134,999	28	7,424,193	5	2,192,675	9	2,877,922	16,114,853	71,494,881
Luxembourg	1	182,000	-	-	-	-	-	-	-	-	-	-	182,000	51,000
Netherlands	5	1,859,668	1	143,624	4	1,280,207	-	-	-	-	7	2,224,684	5,508,183	25,205,210
United Kingdom	12	5,077,422	4	884,018	3	950,330	-	-	3	337,591	18	5,529,358	12,778,719	104,833,420
Totals	62	26,634,762	28	9,244,648	37	7,487,053	34	9,228,877	13	3,242,805	55	15,147,444	70,985,599	384,201,155

a) Milk and milk products sector

The projects financed relate to the modernization and rationalization of dairies (31 projects), the creation and enlargement of cheese plants (28 projects) and various installations for improving the collection and distribution of milk (3 projects).

b) Meat sector

In this sector the projects receiving aid from the Fund were slaughterhouses (10 projects), processing factories (13 projects), cattle marketing centres (2 projects) and a plant for refining animal fats in the Netherlands.

c) Fruit and vegetable sector

The projects financed comprise centres for conditioning and storage (18 projects), processing plants (9 projects) and sales outlets (10 projects).

d) Wine sector

Receiving aid from the Fund in this sector were 30 projects for the construction or improvement of co-operative wine cellars and 4 bottling and conditioning centres.

e) Cereals sector

The 13 projects financed in this sector comprise centres for the conditioning, drying and storage of grain.

f) Miscellaneous sector

These projects comprise those not covered by the preceding sector heads; they relate to: the construction of fishing boats (20 projects) and fish marketing and processing establishments (7 projects), marketing centres for eggs and poultry, and flowers and plants (12 projects), processing centres for various agricultural products (14 projects) and multi-purpose markets (2 projects).

5.2. Financing of the 1st instalment of the projects for 1974

5.2.1. In December 1974 the Commission approved the granting of aid from the Fund for the first instalment for 1974, to an amount of 95,832,800 u.a. for 297 projects.

The number of projects submitted for 1974 was 915, to which were added 450 projects not accepted for 1973 for lack of funds, making 1,365 projects in all.

The aid granted can be analysed as follows:

Member State	Number of projects financed	Total investment (u.a.)	Aid granted (u.a.)
Germany	66	122,367,736	26,332,792
Belgium	20	15,042,160	3,588,781
Denmark	6	13,842,113	3,172,953
France	38	83,353,411	18,512,371
Ireland	17	25,395,032	4,439,101
Italy	85	107,347,028	24,467,622
Luxembourg	2	316,528	77,560
Netherlands	16	31,390,870	6,506,220
United Kingdom	47	39,730,351	8,735,400
Totals	297	438,785,229	95,832,800

5.2.2. The 1974 budget estimates provided for the allocation of 170 m.u.a. to finance projects for 1974 under Regulation No. 17/64/EEC. However, because of the large number of projects submitted, the Council, on a proposal from the Commission, decided to raise this amount to 235 m.u.a., which it did by means of Regulation (EEC) No. 1215/75, of 5 May 1975 (1). This increase in the appropriations has been effected by setting funds aside from Chapter 870 and the chapters relating to the common measures and special measures for which the full amount of appropriations has not been used.

The appropriations available for the second instalment of 1974 then amount to 139,167,200 u.a. The aid decisions are expected to be taken in June 1975.

(1) O.J.E.C. No. L 121 of 14.5.1975, p. 1.

6. IMPLEMENTATION OF THE DECISIONS TO GRANT AID

6.1. The individual projects

6.1.1. Payments

In 1974 the Commission's departments received 1,084 applications for payment. Taking into account the 234 applications received in 1973 which could not be processed before 31 December 1973, the EAGGF had to handle 1,318 requests for payment in 1974.

By 31 December 1974 it had proved possible to examine 1,100 applications, of which 883 gave rise to payment, 361 of these payments relating to terminated projects.

The payments represent a total amount of 104,573,066.71 u.a. which, by Member State, breaks down as follows:

Table 17
Payments in 1973 for individual projects

Member State	Amount (u.a.)
Germany	39,921,125.25
Belgium	9,981,837.54
France	24,144,463.18
Italy	18,685,494.20
Luxembourg	82,391.30
Netherlands	11,757,755.24

A detailed breakdown by year and by Member State is given in Annex O.VI.

By 31 December 1974 the Commission had actually paid, since the commencement of operation of the EAGGF, 360,875,111.14 u.a., which is 35,1% of the appropriations committed for individual projects. An analysis of this amount by year of commitment and Member State is given in Annex O.VII.

For the various Member States the percentages settled are as follows:

Table 18

Breakdown of payments, as a percentage of the commitments,
by Member State and year

Appropriations committed in	EEC	D	B	F	I	L	N
1974	0.1	0	1.2	0	0	00	0
1973	20.2	36.9	27.8	21.3	0	2.1	39.2
1972	28.4	48.3	43.8	27.8	4.2	10.7	51.5
1971	37.6	65.8	36.3	44.3	6.7	72.5	50.3
1970	50.6	70.2	59.4	56.7	22.5	100.0	75.4
1969	60.2	75.1	53.9	57.7	39.1	100.0	95.4
1968	73.9	90.4	93.6	60.0	62.2	23.9	95.3
1967	72.0	83.0	95.6	82.8	43.3	95.0	96.4
1966	77.5	89.1	100.0	75.9	58.7	100.0	100.0
1965	83.9	97.0	99.6	64.0	78.0	-	100.0
TOTAL	35.1	52.8	43.8	37.3	15.4	46.9	55.0

6.1.2. The position of projects approved more than five years previously

At 31 December 1974 there still remained 176 projects which had been granted financial approval more than five years previously but for which the aid had not been settled.

For 157 of the 176 projects involved, the Commission requested the Council to allow appropriations to be carried forward to permit the payment of the aid in 1975.

The 19 cases, representing aid to the amount of 2,676,043 u.a., for which such a carry-forward was not requested, consisted firstly of 16 projects on which work had not been put in hand by 31 December 1974 and for which a certain and near starting-date could not be forecast and, secondly, of 3 projects implemented in breach of other conditions laid down for the payment of aid (date of commencement of work - financial participation of the beneficiary - conformity of the work). For these projects the Commission has put in hand the procedure for the cancellation of the aid.

Out of all the 1,032 projects financed under the head of the years 1964 to 1969 (1st instalment), aid has been paid for 725 projects, carry-forward of appropriations has been requested for 157 projects and 150 projects have not been implemented.

The state of these projects is shown in Annex O.VIII; in percentage terms, the outcome of the aid in question was as follows:

Year	Appropriations committed		Aid actually paid	Appropriations not used	Appropriations to be carried forward to 1975
	In	Amount			
1964	1965	9,056,922	83.9	16.1	-
1965	1966	17,134,258	77.5	21.6	0.9
1966	1967	41,586,875	72.0	20.5	7.5
1967	1968	26,039,369	76.8	9.7	13.5
1968	1968/69	94,897,375	64.1	12.8	23.1
1969 1st inst.	1969	8,472,837	62.9	11.5	25.6

6.1.3. Implementation of projects

a) Project modifications

In 1974, 214 requests for amendments to the decisions relating to the granting of aid by the EAGGF, Guidance Section, were referred to the Commission.

- Of these requests, 51 were the subject of an agreement without any amendment to the decisions, as the changes considered were of minor importance and entailed only slight increases or reductions in costs in relation to the estimates.

- 87 requests gave rise to amendments of the decisions, as the projects considered had undergone changes which no longer permitted them to be financed on the basis of the original decisions.

- 2 requests were refused, as the modifications were so substantial that the amended project differed completely from the original project.
- In the case of a number of requests, it was not possible to complete the examination as sufficient supplementary information had not been submitted.

Owing to the length of the implementation periods of the projects, it has become common for the completed project not to correspond exactly to what was envisaged at the time of the preparation of the original project. These modifications require procedures which entail a great deal of work by the Commission's departments.

b) Projects not carried out

In 1974 16 beneficiaries decided to forego the aid granted. As a result, an amount of 2,868,979 u.a. was cancelled, comprising 93,750 u.a. for a German project, 94,022 u.a. for a Belgian project, 1,065,866 u.a. for 5 French projects, 1,490,341 u.a. for 8 Italian projects and 125,000 u.a. for a Luxembourg project.

c) Projects carried out in breach of the conditions laid down

In 1974 the Commission took 7 decisions cancelling the aid granted to 7 Italian projects for which the carry-forward of appropriations beyond the period of five years had not been requested.

The projects in question were 6 dating from 1966 and one from 1967, on which work had not yet been started at all by 31 December 1973 and for which it had not been possible to state a definite and near starting-date.

As a result of these cancellations, an amount of 512,433 u.a. had to be cancelled.

In addition, the Commission reduced the aid granted in respect of two French projects, part of the work on which had been carried out in breach of the conditions laid down, from 89,882 u.a. to 48,357 u.a. and from 85,521 u.a. to 55,455 u.a. respectively. The Commission also, at the end of 1974, put in hand the procedure for the cancellation of aid granted to 19 projects - 1 Belgian, 2 French and 16 Italian - for which requests for the carrying forward of the appropriations beyond the five-year period had not been substantiated (see 6.1.2. above).

6.1.4. Aid not taken up

In 1974, aid amounting to 4,089,074.95 u.a. remained unused because the actual eligible expenditure proved to be lower than the estimates used as a basis for the determination of the aid.

Including the amounts remaining unused for the reasons explained above in connexion with the projects which were not implemented and the projects which were implemented in breach of the conditions laid down, the total unused appropriations in 1974 amounted to 7,542,077.95 u.a.

6.2. Special measures

6.2.1. Aid decisions

In 1974, aid was granted by the EAGGF, Guidance Section, for the following measures:

a) Premiums for slaughtering cows and withholding milk and milk products from the market (Regulation EEC/1975/69)

- reimbursement of 50% of the expenditure incurred
in 1971 by France: 2,643.348 u.a.
- reimbursement of 50% of the expenditure incurred
in 1972 by Belgium (178,592.46 u.a.),
France (1,337,353.42 u.a.) and the
Netherlands (125,212.43 u.a.) 1,641,158.31 u.a.

- reimbursement of 50% of the expenditure incurred in 1973 by Germany (4,013,457.65 u.a.), Belgium (616,900.56 u.a.), France (2,237,253.32 u.a.), Luxembourg (25,462.46 u.a.) and the Netherlands (568,375.41 u.a.): 7,461,449.40 u.a.

As in the preceding years, Italy did not submit any requests for reimbursement.

With the exception of a few payments of the final instalment, this measure is practically completed. The results of the operation, which covered 65,780 farms and 483,114 cows, can be summarized as follows:

Member States	Premiums for slaughtering		Premiums for non-marketing of milk and milk-products	
	Number		Number	
	of farms	of cows	of farms	of cows
Germany	36.501	149.875	5.872	115.278
Belgium	4.415	19.760	826	15.463
France	9.349	42.494	5.880	115.350
Luxembourg	196	777	48	795
Netherlands	2.097	12.672	596	10.650
T O T A L S	52.558	225.578	13.222	257.536

b) Premiums for grubbing up fruit trees (Regulation EEC/2517/69)

- reimbursement of 50% of the expenditure incurred in 1971 by the Netherlands: 736,518 u.a.
- reimbursement of 50% of the expenditure incurred in 1972 by France: 1,705,427.07 u.a.
- reimbursement of 50% of the expenditure incurred in 1973 by Germany (3,459,904.10 u.a.), Belgium (699,500 u.a.), France (2,118,748.90 u.a.), Luxembourg (39,615.04 u.a.) and the Netherlands (634,741.99 u.a.): 6,952,510.03 u.a.

Regulation EEC/2456/72 provided an extension of the time-limit for the submission of requests for the granting of grubbing premiums.

Because of this extension, Italy paid premiums in 1973 for the first time, but its definitive application for reimbursement was not received during 1974.

With the exception of Italy, which notified only a part of the acreage cleared, the measure covers to date 70,419 farms with an area of 70,422 hectares which break down as follows:

Member States	Number of farms	Hectares cleared
Germany	34,815	26,090.7150
Belgium	11,826	8,983.9470
France	12,553	22,383.1000
Italy	853	1,341.6414
Luxembourg	409	227.7200
Netherlands	9,963	11,395.0196
TOTAL	70,419	70,422.1430

c) Aid to organizations of fruit and vegetable producers
(Regulation EEC/1035/72)

- reimbursement of 50% of the expenditure incurred in 1971 by France: 110,565.90 u.a.
- reimbursement of 50% of the expenditure incurred in 1972 by Germany (551,467.50 u.a.), France (50,580 u.a.) and Italy (1,050,552.57 u.a.): 1,652,600.07 u.a.

The following requests for reimbursement could not be acted on in 1974:

- Germany, France, Italy (expenditure in 1973); as the requests were not submitted until the end of December 1974, it will not be possible to take decisions on them until 1975.
- The Netherlands, Belgium and Luxembourg did not grant aid to organizations of fruit and vegetable producers.

To date, this measure has involved about 232 organizations - 78 in Germany, 129 in France and 25 in Italy.

d) Aid to producers' organizations in the fishing industry (Regulation EEC/2142/70)

- reimbursement of 50% of the expenditure incurred in 1973 by Germany: 12,103.55 u.a.

This aid relates to one organization only; the other Member States have not yet submitted any requests for reimbursement.

e) Improvement of the production and marketing of Community citrus fruits (Regulation EEC/2511/69)

Owing to the delay in the entry into force of the implementing regulations and the programmes (Italy), and for reasons connected with administrative procedures and the availability of budget appropriations (France), these two countries did not incur any expenditure in 1973; the first expenditure is expected to be incurred in 1974.

6.2.2. Payments

In 1974, payments by the Fund in implementation of the decisions referred to under point 6.2.1. amounted to 22,915,680.33 u.a., of which 8.04 m.u.a. was to Germany, 1.49 m.u.a. to Belgium, 10.20 m.u.a. to France, 1.05 m.u.a. to Italy, 0.06 m.u.a. to Luxembourg and 2.06 m.u.a. to the Netherlands (see Annex O.IX).

The total appropriations committed for special measures since 1966 amount to 264,205,274.33 u.a.

The appropriations actually used break down as follows:

Member States	Appropriations used
Germany	39,723,513.80 u.a.
Belgium	7,159,107.02 u.a.
France	25,885,740.61 u.a.
Italy	175,936,129.57 u.a.
Luxembourg	7,762,754.50 u.a.
Netherlands	7,045,776.83 u.a.

The position at 31 December 1974 of the appropriations committed and payments made for the various special measures is shown in Annex O.X.

6.2.3. Supporting evidence for aid fixed on a standard basis

- a) Italy - Aid of 15 m.u.a. paid on 10 March 1975 for the improvement of production and marketing structures in the raw tobacco sector (Regulation (EEC) No. 130/66, art. 12(1)).

In 1974 the Commission received from the Italian Government a report on the position of the investment projects carried out and the payments made at 30 June 1974, while a similar report on the position at 31 December 1974 was communicated to the Commission at the beginning of 1975.

These documents show that the total of these payments at 31 December 1974 amounted to 5,767.7 million lire, or 9,228,320 u.a.

Out of the total investment programme, which provides for the execution of 516 projects and represents total aid of 11,427.1 million lire, 392 projects have been completed.

Of the 52 projects implemented under the control of the Ministry, 33 have been completed; these are principally projects of regional nature, the total aid for which amounts to 10,739.6 million lire.

Of the 464 projects of a smaller size, representing total aid of 687.5 million lire, 359 have been completed.

At 31 December 1974, 15 projects - 6 of them of a regional nature - were in progress and no information was yet available about 13 Ministry projects and 96 minor projects which still remain in the programme as envisaged.

b) Italy - Aid of 132.3 m.u.a. paid between 1 August 1968 and 21 December 1973 for the improvement of the olive and olive oil sector and the fruit and vegetable sector (R. 130/66, art. 4 and R.1159/66 art. 12(4))

I. 45 m.u.a. In 1974, the Italian Government presented two reports on the use of the 45 m.u.a. granted by the Commission decision of 5 July 1967 under Article 4 of Regulation 130/66.

These documents were supplemented at the beginning of 1975 by a report on the situation at 31 December 1974 of the investment projects executed and the payments made; this document shows that in 1974 aid of 4,932 million lire was paid to the beneficiaries. The total payments made to 31 December 1974 amount to 17,695 million lire, or 28,312,423 u.a.

The aid was granted to 200 projects. 191 of these projects, representing an investment of 18,891 million lire and aid of 8,955 million lire, are being carried out by co-operatives or by "Consorti" at the local level; 9 projects, representing an investment and aid of 20,168 million lire, are being carried out at the regional or inter-regional level.

A site visit, with the principal object of auditing the projects in the olive oil sector, was made in June 1974. This visit enabled the conclusion to be drawn that the supporting documents are in agreement with the information supplied by the Italian Government and that the projects executed meet the urgent need for investment and will enable

the principal production activities of the regions in question to be more effectively exploited.

After the Commission had voiced its concern about the delays in the settlement of the aid, the Italian Government replied by letter of 16 November 1974 that the **steep rise** in costs was posing special difficulties but that the Government would follow the progress of the work with particular attention.

II. 87.3 m.u.a. With regard to the utilization of the 87.3 m.u.a. paid out under the Commission's decisions of 16 October 1968, 22 December 1969, 22 December 1970 and 21 December 1971 pursuant to Article 12, para. 4, of Regulation 159/66, a report forwarded by the Italian Government at the beginning of 1975 shows that at 31 December 1974 an amount of 8,315 million lire, or 13,303,970 u.a., had been paid to the beneficiaries.

According to the report, the amount of aid granted totals 54,839 million lire, or 87,741,618 u.a., made up of 19,524 million lire for the 175 co-operative projects financed by the State, 7,960 million lire for the 92 co-operative projects financed by the autonomous regions and 27,355 million lire for the 11 projects implemented on a regional or inter-regional scale.

At 31 December 1974, 61 projects had been completed and 165 were in progress. According to the information provided by the Italian Government, the work is planned to be completed, as far as the regional projects are concerned, by 31 December 1977.

c) Grand Duchy of Luxembourg - Aid of 7.5 m.u.a. for measures to complete the integration of Luxembourg agriculture into the Common Market (Regulation 541/70)

On 24 June 1974 the Luxembourg Government submitted its second and final report on the expenditure of F.Lux. 124,488,703. The total aid paid therefore now amounts to F.Lux. 375,018,339, or 7,500,367 u.a.

According to the information supplied, the aid has been granted in the context of the Agricultural Guidance Law following the Commission's recommendation of 26 May 1965 regarding that law. In its letter of 9 October 1974, the Commission requested a number of explanations in connexion with this report.

6.3. Common measures

6.3.1. Decisions on reimbursement of or payment for common measures

Aid was granted by the EAGGF, Guidance Section, for the following common measures in 1974:

a) Statistical surveys on orchards of certain types of fruit tree (Directive 71/286/EEC)

- reimbursement of part of the expenditure incurred by Luxembourg: 300 u.a.

By Directive No. 74/195/EEC, the time-limit for the submission of requests for reimbursement has been extended to 1 March 1975.

By the end of 1974, Italy and Germany had not yet submitted any requests.

b) Conversion measures in the salted cod fishing sector (Regulation EEC/2722/72)

Integral payment of aid granted in 1973 for the construction of a refrigerated tunny seiner and a first payment on account for the construction of two factory trawlers (France): 874,530.80 u.a.

Aid granted for three German projects and four French projects: 5,083,746.29 u.a.

c) Measures to encourage the development of beef and veal production (Regulation EEC/1353/73)

- reimbursement of 50% of the expenditure incurred in 1973 by the United Kingdom: 48,856.76 u.a.

The other Member States have not yet submitted any requests owing to the delay in the implementation of the regulation.

d) The position of the other common measures in progress

- Aid to organizations of hop growers (Regulation (EEC) No. 1696/71)

Only France has submitted a request for reimbursement in connexion with the conversion premiums paid in 1973.

However, it was not possible to complete the examination of the reimbursement files in 1974, because it was necessary to call for additional documents.

- Farm modernization (Directive 72/159/EEC)
- Cessation of agricultural activity (Directive 72/160/EEC)
- Socio-economic information and professional qualifications (Directive 72/161/EEC)

During 1973 only Germany (72/159/EEC) and the United Kingdom (72/161/EEC) incurred expenditure for which requests for reimbursement have since been provisionally submitted.

Because of the delay in the entry into force of the implementing regulations in the Member States, further expenditure was not incurred until 1974. Reimbursement of this expenditure by the EAGGF will take place in 1975.

6.3.2. Payments

In 1974, payments by the Fund in implementation of the decisions referred to in 6.3.1. amounted to 923,687.56 u.a., of which 874,530.80 u.a. was to France, 300 u.a. to Luxembourg and 48,856.76 u.a. to the United Kingdom (see Annex O.IX).

The total amount of appropriations committed for common measures since 1973 comes to 7,195,367.05 u.a.

The appropriations break down as follows:

Member State	Appropriations committed
Germany	2,868,852.15
Belgium	15,000.—
France	4,227,358.14
Luxembourg	300.—
Netherlands	35,000.—
United Kingdom	48,856.76

The position at 31 December 1974 of the appropriations committed and payments made for the various measures is shown in Annex O.X.

6.4. Contributions

The appropriations committed during the years 1964 to 1971 are covered by contributions by the Member States calculated on the basis of specific assessment keys. However, by agreement, these contributions are called for only as and when required.

Since 1972 these appropriations have been financed from the Community's own resources.

At 31 December 1974 the total expenditure of the Guidance Section for the years 1964 to 1971 was 547,148,735.06 u.a. At that date, the total contributions paid by the Member States amounted to 575,241,693.91 u.a., which breaks down as follows:

Germany	:	177,886,523.85 u.a.
Belgium	:	46,430,451.70 u.a.
France	:	176,703,714.35 u.a.
Italy	:	122,086,443.24 u.a.
Luxembourg	:	1,202,058.33 u.a.
Netherlands	:	50,932,502.44 u.a.

TITLE IV

AUDITING AND IRREGULARITIES

This Title concerns the implementation of Articles 8 (Irregularities) and 9 (Auditing) of Regulation No. 729/70.

7. AUDITING

It should be recalled that verification of expenditure is carried out both on supporting documents forwarded by the Member States to the Commission, and on the spot, either with the bodies which keep the accounts and possess detailed supporting documents or with the recipients of Community subsidies.

7.1. Guarantee Section

Apart from the documentary verification of the monthly payment declarations preceding provisional charging to the accounts, the efforts of the Commission's departments have been directed principally to auditing the financial years 1971 and 1972 which have been combined in order to permit the removal of the substantial time-lag which has opened up with regard to the closure of the accounts.

7.1.1. Documentary verification

This consisted in the main of material verifications (conformity of the files with Regulation No. 1723/72, correctness of calculations), comparisons with other available data (previous financial year, requests for advances, information from divisions by product) and examination in the light of Community regulations (legality of expenditure, rates applied, cases of infringements or irregularities discovered, observations by the national auditing services).

7.1.2. On-the-spot verification in the context of the closure of the accounts

The visits to the paying bodies made by the authorizing department represented 113 days' work, supplemented by 10 days' work by the financial controller's department and 12 days' work by the Audit Board. These visits enabled verification to be made of:

- all the annual accounting statements of both financial years relating to various types of expenditure, proving the reality of the latter in respect of each of the headings declared;

- the accounting documents and administrative records relating to expenditure which the documentary audits (examinations with a specific bias) had shown to be of a doubtful nature; other verifications were carried out on the basis of documents chosen at random, for example by date of payment, by product or by rate.

7.1.3. Other on-the-spot verifications

Besides the on-the-spot verifications on the occasion of the closure of the accounts by the Commission services, 69 days of on-the-spot verifications were made for expenditure financed by the Guarantee Section (1), namely:

- 51 days on skim milk powder offered to intervention
- 8 days on conditions of storage of pigmeat
- 6 days on conditions of storage of powdered skim milk
- 4 days on conditions of storage of beef and veal.

7.2. Food Aid Section

The verifications, both documentary and on-the-spot, were carried out in accordance with the same principles as those applied in the case of the verifications of the Guarantee Section. It must be emphasized, however, that the special nature of the expenditure on food aid, followed by action, justifies a more searching documentary audit. For the sake of convenience, these on-the-spot verifications have been grouped with those of the Guarantee Section.

(1) It is recalled that on-the-spot verifications for agricultural levies are made in the context of "own resources". To this end a certain number of days work took place on-the-spot.

7.3. Guidance Section

7.3.1. Auditing of individual projects

In 1974, 24 projects were audited on the spot, of which 7 were in Germany, 4 in Belgium, 5 in France, 2 in Italy and 6 in the Netherlands; this represents about 6.5% of the projects completed in the year. The financial controller's department and the Audit Board were invited to take part in these visits and actually visited 5 and 1 of the projects respectively.

The projects visited were chosen in general where it was necessary to investigate more thoroughly certain aspects of the execution of the work and the payment of the expenses about which the payment files were insufficiently precise.

These visits proved that the payment of aid was justified in every case except Project D/48/70, "Construction of a cheese-making plant at Haldem"; examination of the file on the latter project is still in progress.

7.3.2. Special measures

In 1974 on-the-spot verifications were made in connexion with the following measures:

- a) The premiums paid from 1970 to 1973 by France and Belgium for the grubbing up of fruit trees

For this purpose the summary documents serving as the basis for the preparation of the applications for reimbursement since the commencement of the measure were examined for all the Belgian provinces and for 20 French departments. In addition, a large number of files relating to individual farms were audited by random sampling.

These examinations did not reveal any special problems, either as regards the implementing measures taken by the Member States pursuant to the Community provisions, nor as regards the supporting documents and the amounts paid to the beneficiaries.

Both in France and Belgium 3 farms were actually visited. On one of the Belgian fruit farms some fruit trees appeared to have been replanted; the Ministry of Agriculture has been asked to provide an explanation.

b) The premiums paid by the Netherlands and Belgium for the slaughtering of cows and the non-marketing of milk and milk products

In the case of the Netherlands, the summary documents which had served as the basis for the preparation of the applications for the reimbursement of the premiums paid from 1970 to 1972 were examined for all the provinces, while an audit by random sampling of the files relating to the individual farms in 4 provinces was carried out. This audit raised no special problems.

In the case of Belgium, certain problems posed by the application for the reimbursement of the premiums paid in 1973 led the Commission's departments to examine the expenditure on non-marketing premiums in 4 provinces. This audit enabled the points at issue to be resolved.

c) Aid paid from 1967 to 1972 by France to organizations of fruit and vegetable producers

This audit covered both the national rules of implementation and the documents relating to the applications and the reimbursement, and also the regulations.

An examination of 17 of the 130 organizations declared to date made it possible to verify that the conditions for the granting of aid had been fulfilled.

The amounts of aid granted under the national regulations did not exceed the authorized ceiling and the applications for reimbursement were in accordance with the Community provisions.

In addition, as indicated under point 7.2.4., an on-the-spot visit took place in connexion with the funds made available to Italy for the olive and olive oil sector and the fruit and vegetables sector under Article 4 (1) of Regulation No. 130/66/EEC.

This visit was concerned principally with the projects in the olive oil sector situated in the regions most important for these projects, Puglia and Calabria.

The financial controller's department and the Audit Board were invited to take part in the visits to these projects; the former participated in two and the latter in one of the visits.

8. IRREGULARITIES

8.1. The implementation of Regulation (EEC) No. 283/72 (1)

8.1.1. General

The principle of Community responsibility for the losses due to irregularities was laid down by Article 8 of Regulation (EEC) No. 729/70 concerning the financing of the Common Agricultural Policy. The Member States are obliged, for their part, to take measures to prevent irregularities, to take proceedings when irregularities are found and to take steps for the recovery of the sums lost.

Regulation (EEC) No. 283/72 is based on the said Article 8; it has already been described in the Second Financial Report, 1972 (paragraph 6.1).

1973 has seen the expansion by the Commission of its efforts to combat more effectively the irregularities committed to the detriment of the EAGGF; with this aim it has set up a "Special Committee of Inquiry" headed by the financial controller and having received as mandate the task of examining the possibilities of frauds and irregularities in the management of Community funds. (see also 8.4.).

In its reports the Special Committee of Inquiry notes, inter alia, the necessity for a more intensive application of Regulation (EEC) No. 283/72 and the Commission, accepting these conclusions, decided in March 1975 to take the necessary action.

The intensification of Regulation (EEC) No. 283/72 actually relates to:

- the provisions of Article 4 which provide for direct collaboration between the services of the Member States when irregularities capable of having immediate repercussions in other Member States and new fraudulent practices are involved (see also 8.1.5.);

(1) of 7.2.1972, concerning irregularities and the recovery of sums improperly paid out in connexion with the financing of the Common Agricultural Policy and also the organization of an information system in this field. O.J. No. L 36 of 10.2.1972, p. 1

- the preparation of a study of the possibilities of organizing "seminars" to provide better information to the auditors in the framework of information meetings organized in accordance with Article 7, paragraph 3 (see also under 8.1.8.);
- the provisions of Article 7, paragraph 4, which provide for consultation between the Member States and the Commission when certain provisions in force reveal a gap prejudicial to the interests of the Community (see also under 8.1.8.).

Meetings have been held with experts from the Member States on the subject of the strengthening of the provisions of the aforementioned Article 4 and with regard to the inclusion in the quarterly reports of irregularities which have been the subject of initial findings, when there has been a risk of adverse financial consequences for the EAGGF (see also under 8.1.3.).

Bilateral meetings in Brussels and visits to the national capitals are currently in progress with the aim of securing a more intensive application of these provisions of Regulation (EEC) No. 283/72.

8.1.2. Communication of the legislative and administrative provisions and also of a list of the authorities responsible for the prevention and prosecution of irregularities (Article 2 of R. 283/72)

Since 1972, and up to 1975, the Member States, particularly the new Member States, have been progressively forwarding details of their legislative and administrative provisions. Examination of this mass of data is in progress, notably examination by sectors.

The list of the national authorities responsible for the prevention and prosecution of irregularities, prepared in 1974 and issued to the authorities of all the Member States, is currently being studied by these same authorities who will have to indicate their agreement or else propose the necessary amendments.

As soon as this list has been finalized, it will be a guide to a better knowledge of the internal organization of each of the Member States.

8.1.3. Reports by the Member States on cases of irregularities
(Articles 3 and 5)

It appears that the provisions of Articles 3 and 5 concerning the forwarding of reports (quarterly statements of irregularities which have been the subject of initial administrative findings and quarterly progress reports on the steps taken to recover moneys improperly paid out) are beginning to be applied in the correct manner.

It is clear, however, that further efforts will have to be made to arrive at an optimum implementation of the information system advocated by Articles 3 and 5 of Regulation 283/72.

With this in view, the Commission's departments have asked the representatives of the Member States, in order to secure a more intensive application of Article 3, also to report cases of irregularities which have not resulted in financial loss for the EAGGF. The object of Regulation 283/72 is basically to obtain a better knowledge of the fraudulent practices used, to enable appropriate counter-measures to be proposed.

The majority of the delegations were of the opinion that they could not accede to this demand within the framework of Article 3, but all the delegations save one declared themselves in favour of the transmission of this information outside the framework of Article 3 and without recognizing any legal obligation.

8.1.4. Special problems concerning the reports

The procedure on infringement put in motion against Belgium according to art. 169 of the EEC Treaty by failing to submit reports has been closed, while that against Italy has been put into abeyance provisionally until such time as the Commission is satisfied that that Member State's expressed intention of scrupulously applying the provisions relating to the submission of quarterly reports is borne out by the facts.

8.1.5. Irregularities capable of having immediate repercussions in other Member States and new fraudulent practices (Article 4)

The rapid communication of information on irregularities capable of having effects in other Member States and of information about new fraudulent practices would make it possible appreciably to reduce the instances of irregularities affecting the EAGGF and would discourage further attempts.

During 1974 the following cases were notified:

- . fraudulent "revolving" trade involving food preparations based on butyric fat;
- . fraudulent practices in the export of preserved beef and veal (addition of soya flour);
- . fraudulent reimportation of butter concealed in lorries with false floors (1);
- . new fraudulent practice in the export of chilled beef and veal when it was a case of the slaughter of cattle.

In all these cases the Commission's departments circulated the information to all the Member States concerned.

However, with the exception of one case (chilled beef and veal), information about these frauds only reached the Commission's departments at a relatively late date, which is not in accord with the requirements of Article 4 which stipulate that there shall be immediate communication between the Member States and the Commission.

The EAGGF services have undertaken, as a high priority, an intensive examination of the provisions of this article (see also 8.1.1., "General").

The numerous bilateral contacts currently taking place will facilitate a better use of the opportunities given by these provisions.

It is intended to install a system which will contain, on the level of effective application, a list of the authorities and national officials to be contacted for rapid communication.

In view of the role which the Commission's departments must play with regard to the mutual exchange of information, the list in question will show the appropriate correspondents in the Commission's departments. Moreover, the Commission's departments will make available to the Member States any technical assistance that may be required to facilitate the exchange of information.

(1) this case has given rise to a procedure of the "pre-6" type (see 8.1.6.)

8.1.6. Launching of administrative enquiries at the request of the Commission
(Article 6)

The activities undertaken under this article have decreased in comparison with the situation described in the Third Financial Report. This is explained by the fact that participation in the work of the Special Committee of Enquiry has absorbed part of the staff of the Commission's departments who would normally have carried out these enquiries.

However, it should be noted that two enquiries launched towards the end of 1973 in the fishing industry were closed in 1974. With regard to the matter of the export of salted cod, no irregularity was proved. Similarly, the suspected irregularity in the weighing of fish withdrawn from the market was not confirmed.

With regard to the latter case, an EAGGF official spent a day on the site for the purposes of the enquiry.

As a result of this case, the administration concerned has considered it advisable to make the weighing of fish obligatory.

The experience gained since the launching of the first enquiries shows that the measures taken under this article must be based on really substantial suspicions, so that the full value of the article in question may be maintained. For example, articles in the press revealing cases of irregularities do not normally constitute sufficient grounds unless there is additional evidence.

However, the Commission's departments have set up a procedure, called the "pre-6" procedure, under which a formal enquiry in due and proper form is not requested of the Member States involved. The principal aim of this procedure, which can naturally be followed, if appropriate, by the initiating of enquiries under Article 6, is to obtain more detailed information from the Member States about suspicions of irregularities or attempted fraud. This preparatory procedure has been used in the following cases:

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- . compensatory amounts in connexion with beef and veal (2 cases): in progress ;
- . reimportation of butter in lorries with false floors: in progress;
- . aid to the production of durum wheat: concluded, no irregularity found ;
- . presumed fraud in the beef and veal sector (ears marked, cut off and others not marked sewn on): concluded, no irregularity found.

8.1.7. Convening of information meetings to assist the Member States
(Article 7, paragraph 3).

Despite the generally recognized importance of the information meetings which can be convened by the Commission under Article 7, paragraph 3, it was not possible to hold the second meeting during 1974.

This was for two reasons:

- . out of concern not to hinder the work of the Special Committee of Enquiry whose principal object was to study methods of combating irregularities affecting the EAGGF; and
- . because of participation in this same work by EAGGF staff who were preparing a great many documents for submission to the Special Committee of Enquiry for discussion and the presence of these same members of the staff at various discussions.

Nevertheless, the E.A.G.G.F. attempted to implement the objective of Article 7 (3) as far as possible, by organizing a series of information meetings which took place in the first quarter of 1975.

Since investigation of the cases of irregularities reported has shown that the majority of these were revealed by accountancy audits, and in particular by a comparison between materials accounts and financial accounts, analytical studies on the use of this auditing technique in the Member States were put in hand in the course of these meetings.

8.1.8. Possible gaps in the Community legislation
(Article 7, paragraph 4)

The Commission's departments are of the opinion that this provision, which provides that consultations between the Member States and the Commission must take place when the implementation of certain provisions reveals a lacuna harmful to the Community's interests, is not yet being applied correctly. Bilateral discussions with the object of securing an improvement by strengthening the provision are in progress. These have shown that, without exception, the administrations of the Member States recognize the usefulness of this provision and are prepared to strengthen it in future. The interpretation of "lacuna" in the sense of an economic abuse of the existing regulations seems to be unanimously accepted.

8.2. Cases of irregularities in the Guarantee Section

8.2.1. 1974 (situation at 30 June 1975)

As in the previous year, a study of the cases of irregularities reported by the Member States in 1974 reveals that it was the cereals and milk products sectors which were the most affected by fraud. It appears none-the-less that the beef and veal sector has recently become equally susceptible to irregularities.

Out of a total of 96 cases reported 68 relate to the cereals sector and 11 to the milk products sector.

The other cases concern pigmeat (5), poultry (3), beef and veal (3), oils and fats (2), sugar (2) and products outside Annex II of the Treaty (2).

8.2.2. Export refunds and compensatory amounts

The majority of the fraudulent practices found in the field of export refunds consisted, as in the past, of false declarations of destination, of quantities, of quality or of tariff heading. In addition, one false customs declaration for goods which were not really exported and repeated applications for refunds for the same goods exported several times were found.

8.2.3. Intervention measures on the internal market

The cases reported in this area concern notably the cereals and milk products sectors almost entirely, as in the past.

In the cereals sector the fraudulent practices concerned notably end-of-season compensation and premiums for cereals in stock (false declarations of quantities).

One new feature in this field is represented by two cases of granting of denaturing premiums for quantities of wheat already denatured (i.e. double granting of the premium); one case of a premium being granted for a quantity of wheat which, in reality, was not all denatured and another case of a premium granted for denaturing done with too little fish oil.

Another case concerns the granting of refunds for the production of "quellmehl" obtained by presentation of false declarations of quantities.

For the first time two irregularities concerning net losses of intervention agencies were indicated; they involve false indications of various costs (drying of cereals, entry and exit from store, etc...).

In the milk products sector the irregularities related to the fraudulent sale of butter intended for sale at a reduced price to social institutions or for direct consumption (3 cases), false declarations of quantities and quality for skim milk powder in support of false accounts (2 cases), and, finally, false declarations of quantities processed to permit the sale of part of the butter allocated for processing (2 cases).

8.2.4. Observation on the methods of discovering irregularities

The best method for tracking down irregularities still remains the auditing of the accounting records of the enterprises.

In 1974, as in past years, the majority of the frauds attempted and put into effect consisted of false accounts or false supporting documents to substantiate accounting entries which at first sight appeared correct.

This continuing state of affairs increasingly demonstrates the necessity for arriving at a harmonization of the national measures in the field of these audits for, on a study of this question, considerable divergences become apparent.

The case for the introduction of a compulsory comparison between the materials accounts or the supporting documents and the financial accounts of an enterprise by the bodies responsible for carrying out the audits appears to be becoming well established.

8.2.5. Financial importance of the irregularities noted and communicated in accordance with Article 3

The table below shows the cases of irregularities relating to the Guarantee Section discovered by the Member States for 1971, 1972, 1973 and 1974.

Table 19

Sector	Y e a r								Totals	
	1971		1972		1973		1974		No. of cases	Amount
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount		
All sectors	8	8,234,437	21	2,078,265	51	886,518	96	3,801,890	176	15,001,110
Of which: recovered	6	8,009,459	14	662,990	25	567,885	44	466,443	89	9,706,777
in course of recovery	2	224,978	7	1,415,275	26	318,633	52	3,204,384	87	5,294,333

A breakdown by sector of the amounts of the irregularities discovered relating to 1974 is given in the Table below:

Table 20

Sector		Number of cases	Amounts, in u.a.
Cereals	refunds	5	156,173
	interventions	63	442,698
	total	68	598,871
milk products	refunds	4	1,977,272
	interventions	7	282,510
	total	11	2,259,782
Pigmeat	refunds	5	97,666
	interventions	-	-
	total	5	97,666
Poultry	refunds	3	260,071
Beef and veal	refunds	2	8,400
	interventions	1	to be determined
	total	3	8,400
Oils and fats	refunds	-	-
	interventions	2	3,968
	total	2	3,968
Sugar	refunds	2	255,640
Products outside Annex II	refunds	2	317,492
Total	refunds	23	3,072,714
	interventions	73	729,176
	Total	96	3,801,890

It should be noted that up to the present time no definitive loss has been found to have been suffered.

8.3. Cases of irregularities in the Guidance Section

As in 1973, the cases of irregularities reported by the Member States under the head of Articles 3 and 5 of Regulation (EEC) No. 283/72 only relate, in the case of the Guidance Section, to the premiums for the non-marketing of milk and milk products (Regulation (EEC) No. 1975/69), with the exception of one case which concerns premiums for the grubbing-up of fruit trees and amounts to 2,504 u.a.

During 1973 and 1974 the Member States paid out the second instalment of the premiums for slaughtering (6 to 10 cows).

It was, however, necessary to verify before granting the premium that the recipients had ceased all milk production. Taking this examination into account, no irregularities have been reported to the Commission to date.

Towards the end of 1974 a large number of common measures under Directives 72/159/EEC, 72/160/EEC, 72/164/EEC and other regulations were introduced in most of the Member States.

With regard to the financial importance of the new measures, the Commission once again insisted that the Member States should provide it with precise information on the nature, scope and frequency of the audits.

A detailed knowledge of the procedures will make it possible to achieve a better coordination of the audits to be carried out, both by the Member States and by the Commission, and to increase their effectiveness.

Table 21
Reports on the years 1971, 1972, 1973 and 1974
Guidance Section

	1971	1972	1973	1974	TOTAL
Number of cases reported	26	61	58	40	185
Total amount (u.a.)	77,875	165,125	155,587	113,632	512,219
Cases regularized	-	-	3	-	3
Amount involved (u.a.)	-	-	7,050	-	7,050
Number of cases settled	22	45	25	7	99
Amount recovered (u.a.)	69,221	112,521	55,612	12,445	249,799
Number of cases pending	5	21	35	35	96(1)
Amount to be recovered (u.a.)	8,654	52,604	92,925	101,187	255,370

(1) 13 cases partially settled figure in the line "cases settled" as well as in the line "cases pending".

It is stressed that the amounts shown in Table 21 represent the premiums paid by the Member States, 50% of which have to be reimbursed by the Fund.

8.4. Reinforcement of the fight against irregularities by the establishment of a Special Committee of Inquiry

8.4.1. Reports submitted

The Special Committee of Inquiry, which is composed of senior officials of the Commission and of the Member States and the establishment of which in 1973 inaugurated a new policy for the control of the Community's revenue and expenditure, has submitted two reports which have been forwarded to the Council and to Parliament. The first deals with the milk products sector, which accounts for a third of the total expenditure of the Guarantee Section of the EAGGF (SEC 74/3981 final), the second the olive oil and oilseeds sectors which receive substantial aid from the Community (COM 75/37 final).

Two series of conclusions emerge from these two reports: one of a general nature and the other peculiar to each sector under investigation.

Under the general aspect, the Committee recommends a stricter application of Regulation 283/72 concerning irregularities and the recovery of sums improperly paid out, an improvement of the means of recovering these sums through closer co-operation between the national administrations and a strengthening of disciplinary action in cases of infringements, in particular by assimilation of Community funds to national funds. It also considers that it would be desirable to study the possibility of using data-processing methods in the management of the EAGGF.

With regard to the fields of investigation chosen by the Committee, it has emerged in the first place that in each case an improvement of the existing regulations would make it possible to reduce the possibilities of irregularities. In addition, the Committee suggests, for example, a strengthening of the accountancy controls in the oilseeds sector and, in the olive oil sector, measures designed to reinforce the control of production, to make the management of the aid more "transparent" and to speed up the creation of an oil register.

8.4.2. Action taken

The Committee's suggestions have already been taken up: in the first place, Regulation 1041/67⁽¹⁾ relating to the procedures for the granting of export refunds has been amended by Regulation 2110/74⁽²⁾ which takes account of the Committee's recommendations for strengthening the methods of control of the destination of the goods exported. Secondly, co-operation between the national administrations has been the subject of a "Recommendation by the Commission to the Member States" dated 3 February 1975 concerning better co-operation in the field of the management of the Guarantee Section of the EAGGF (O.J. L 44 of 18 February 1975). Finally, the Commission has accepted the idea of the progressive installation of data-processing methods in the management of the EAGGF, which should eventually also make the task of the financial controller easier.

(1) O.J. No. L 314 of 23.12.1967, p. 9

(2) O.J. No. L 220 of 10.8.1974, p. 1

A N N E X

Statistical tables and numerable information
concerning the Guarantee and Guidance Sections

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ANNEX GI

ADVANCES AND AVAILABLE FUNDS OF THE MEMBER STATES FOR THE FINANCIAL YEAR 1974

in u.s.

DATE OF DECISION	BELGIUM	DENMARK	GERMANY	FRANCE	IRELAND	ITALY	LUXEMBOURG	NETHERLANDS	UNITED KINGDOM	EEC TOTALS
17.12.73	16,000,000.-	27,000,000.-	80,000,000.-	100,000,000.-	10,320,000.-	60,000,000.-	140,000.-	46,000,000.-	25,500,000.-	364,960,000.-
21.01.74	11,500,000.-	21,200,000.-	63,400,000.-	75,000,000.-	7,200,000.-	30,000,000.-	110,000.-	45,000,000.-	15,000,000.-	268,410,000.-
20.02.74	13,000,000.-	17,900,000.-	20,000,000.-	80,000,000.-	5,280,000.-	25,000,000.-	180,000.-	22,200,000.-	31,200,000.-	214,760,000.-
20.03.74	20,000,000.-	30,000,000.-	40,000,000.-	61,000,000.-	8,220,000.-	35,000,000.-	160,000.-	56,300,000.-	12,600,000.-	263,280,000.-
13.04.74	15,500,000.-	26,500,000.-	41,000,000.-	33,000,000.-	9,600,000.-	45,000,000.-	280,000.-	61,000,000.-	10,140,000.-	254,020,000.-
20.05.74	12,000,000.-	18,500,000.-	55,500,000.-	24,000,000.-	10,800,000.-	16,000,000.-	160,000.-	16,000,000.-	17,100,000.-	170,060,000.-
19.06.74	12,000,000.-	23,200,000.-	45,400,000.-	50,000,000.-	10,080,000.-	22,000,000.-	210,000.-	20,000,000.-	26,400,000.-	209,290,000.-
24.07.74	10,000,000.-	21,200,000.-	40,000,000.-	56,000,000.-	9,900,000.-	24,000,000.-	100,000.-	54,500,000.-	26,400,000.-	242,100,000.-
14.08.74	12,500,000.-	24,000,000.-	48,000,000.-	61,000,000.-	9,900,000.-	48,000,000.-	150,000.-	43,500,000.-	22,500,000.-	269,550,000.-
16.09.74	8,700,000.-	17,500,000.-	77,500,000.-	88,000,000.-	8,400,000.-	72,000,000.-	160,000.-	41,500,000.-	18,000,000.-	331,700,000.-
11.10.74	-	-	-	-	5,760,000.-	-	-	-	-	5,760,000.-
21.10.74	11,700,000.-	18,000,000.-	39,400,000.-	68,500,000.-	26,640,000.-	20,000,000.-	110,000.-	38,700,000.-	23,700,000.-	246,790,000.-
19.11.74	5,000,000.-	26,000,000.-	75,000,000.-	45,000,000.-	42,480,000.-	20,000,000.-	200,000.-	21,000,000.-	26,700,000.-	261,380,000.-
18.12.74	2,500,000.-	20,000,000.-	-	-	-	17,000,000.-	60,000.-	2,000,000.-	-	41,560,000.-
20.12.74	-	-	-	-	-	11,200,000.-	-	-	18,240,000.-	29,440,000.-
TOTALS ADVANCED	150,400,000.-	293,000,000.-	625,200,000.-	751,500,000.-	164,580,000.-	445,200,000.-	2,020,000.-	467,700,000.-	273,480,000.-	3,173,080,000.-
AVAILABLE FUNDS AT 1.1.1974	468,948.19	108,746.53	-11,056,628.04	8,778,337.56	-2,101,231.78	68,367,236.53	-10,627.23	-1,544,564.07	145,784.69	63,155,942.38
TOTAL AVAILABLE FUNDS	150,868,948.19	293,107,746.53	614,143,311.96	760,278,337.56	162,478,768.22	513,567,236.53	2,009,372.77	466,155,435.93	273,625,784.69	3,236,235,942.38

ANNEX G II

Available funds in the Member States

In m.u.a.

Member State		January	Febr.	March	April	May	June	July	August	September	October	November	Decemb.	Average
BELGIUM	A	0,5												
	B	16,0	11,5	13,0	20,0	15,5	12,0	12,0	18,0	12,5	8,7	11,7	7,5	12,5
	C	16,5	12,2	13,8	20,4	19,0	18,2	17,6	19,2	20,2	15,7	16,0	12,8	16,8
	E	15,8	11,4	13,4	16,9	12,8	12,6	8,4	11,5	13,2	11,4	10,7	10,1	12,3
		0,7	0,8	0,4	3,5	6,2	5,6	9,2	7,7	7,0	4,3	5,3	2,7	4,2
DENMARK	A	0,1												
	B	27,0	21,2	17,9	30,0	28,5	18,5	23,2	21,2	24,0	17,5	18,0	46,0	24,4
	C	27,1	26,1	19,7	28,2	32,3	26,1	29,2	24,5	30,9	30,9	23,9	49,5	29,0
	D	22,2	24,3	21,5	24,4	24,7	20,1	25,9	17,6	17,5	25,0	20,4	42,8	23,9
		4,9	1,8	- 1,8	3,8	7,6	6,0	6,3	6,9	13,4	5,9	3,5	6,7	5,2
GERMANY	A	- 11,1												
	B	80,0												
	C	68,9	63,4	20,0	40,0	41,0	55,5	45,4	40,0	48,0	77,5	39,4	75,0	52,1
	D	65,5	53,8	38,1	35,2	38,8	36,0	55,6	57,8	40,4	44,8	45,7	66,1	48,1
		3,4	13,0	- 5,1	- 0,3	1,9	21,4	11,2	- 6,6	1,0	33,7	27,4	36,3	11,4
FRANCE	A	8,8												
	B	100,0												
	C	100,8	75,0	68,0	61,0	43,0	24,0	50,0	56,0	61,0	88,0	68,5	45,0	62,6
	D	79,7	104,1	114,5	109,9	102,6	68,8	70,3	75,5	90,0	109,7	155,9	143,0	104,4
		29,1	34,5	48,9	59,6	44,8	20,3	19,5	29,0	21,7	87,4	98,8	75,7	47,4
IRELAND	A	- 2,1												
	B	10,3												
	C	8,2	7,2	5,3	8,2	9,6	10,8	10,1	9,9	9,9	14,2	26,6	42,5	13,7
	D	9,9	5,5	4,8	7,1	8,8	9,9	10,8	9,4	10,2	14,5	29,1	44,6	13,6
		- 0,5	- 1,1	- 0,8	- 0,9	0,7	(-) 0,5	0,3	0,3	2,5	2,1	9,4	0,8	0,8
ITALY	A	68,4												
	B	60,0												
	C	128,4	30,0	25,0	35,0	45,0	16,0	22,0	24,0	48,0	72,0	20,0	48,2	37,1
	D	15,6	142,8	139,1	144,0	166,3	152,7	78,4	62,6	109,3	157,7	78,9	78,9	115,7
		112,8	28,7	30,1	22,7	29,6	65,0	55,3	63,8	25,3	53,6	45,0	94,6	44,1
			109,0	121,3	136,7	87,7	54,4	14,6	37,3	55,7	30,7	- 15,7	71,6	71,6
LUXEMBOURG	A	- 0,01												
	B	0,14												
	C	0,13	0,11	0,19	0,16	0,28	0,16	0,21	0,10	0,15	0,16	0,11	0,26	0,17
	D	0,12	0,12	0,21	0,18	0,32	0,16	0,29	0,14	0,13	0,14	0,11	0,23	0,18
		0,09	0,19	0,14	0,12	0,08	0,08	0,16	0,15	0,14	0,14	0,19	0,16	0,16
		0,01	0,05	0,02	0,04	-	0,08	0,04	- 0,02	- 0,02	-	- 0,03	0,04	0,02
NETHERLANDS	A	- 3,5												
	B	46,0												
	C	44,5	45,0	22,2	56,3	61,0	16,0	20,0	54,5	43,5	41,5	38,7	23,0	39,0
	D	45,9	43,6	25,8	46,6	77,4	50,4	42,6	58,6	61,4	66,6	58,2	44,9	52,4
		- 3,4	3,6	- 9,7	16,4	42,4	22,6	4,1	17,9	29,1	19,5	21,9	16,3	14,9
UNITED KINGDOM	A	0,1												
	B	25,5												
	C	25,6	15,0	31,2	12,6	10,1	17,1	26,4	26,4	22,5	18,0	23,7	45,-	22,8
	D	15,2	25,4	36,9	30,8	20,6	16,8	23,5	27,4	28,5	29,2	29,1	50,9	28,7
		10,4	19,7	18,7	20,3	20,9	19,7	22,5	21,4	17,3	23,8	23,2	45,-	22,3
			5,7	10,2	10,5	- 0,3	- 2,9	1,0	6,0	11,2	5,4	5,9	5,9	6,4

A = balance at 31.12.1973

B = advances for the month

C = total available for the month

D = expenditure of the month

E = balance remaining available

The balances remaining available at the end of the month represent the difference between the amount available at the beginning of each month and the respective expenditure declared for that month to the Commission, without taking into account funds paid after the 20th of the month concerned in respect of the following month. This procedure explains why negative balances are shown at the end of the month for certain Member States.

ANNEX G III

Expenditure charged for the financial year 1974

in m.u.a.

Description	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC total
CEREALS	28.304	3.895	91.501	83.294	0.589	95.862	0.075	47.599	48.641	399.760
REFUNDS	13.576	1.670	20.095	28.871	0.273	5.024	-	2.064	4.590	76.163
INTERVENTIONS	14.728	2.225	71.406	54.423	0.316	90.838	0.075	45.535	44.051	323.597
denaturing premiums	0.942	0.122	2.656	3.597	0.210	-	0.005	1.452	8.293	17.277
production refunds	11.509	2.101	46.878	36.447	0.089	13.683	-	43.439	35.668	189.814
aid to durum wheat	-	-	-	12.770	-	70.576	-	-	-	83.346
end-of-season compensation	0.545	0.002	0.031	1.575	0.017	2.055	-	-	0.090	4.315
storage	1.732	-	21.841	-0.412	-	4.524	0.070	0.664	-	28.399
subsidy for fodder cereals imported from Italy				0.446						0.446
RICE	0.355	-	0.032	0.008	-	0.793	-	0.013	-	1.201
REFUNDS	0.001	-	-	0.008	-	0.495	-	-	-	0.504
INTERVENTIONS	0.354	-	0.032	-	-	0.298	-	0.013	-	0.697

Description	Belgien	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Netherlands	United Kingdom	EEC total
MILK/MILK PRODUCTS	80.370	104.547	351.983	314.048	30.282	67.789	1.714	216.915	53.397	1,221.045
REFUNDS	28.279	47.486	33.999	93.594	8.227	7.878	0.374	121.961	2.037	343.835
INTERVENTIONS	52.091	57.061	317.984	220.454	19.930	59.911	1.340	94.954	24.924	848.649
aid to skim milk for animal feed	29.021	48.782	132.285	126.339	5.830	57.873	0.761	67.517	12.626	481.035
skim milk processed into casein	-	0.662	16.478	37.893	8.279	-	-	16.692	2.029	82.033
storage of skim milk	- 1.993	- 0.610	- 5.577	- 2.329	-	-	- 0.002	- 1.094	- 5.287	- 16.292
storage of cheese	-	-	-	1.255	-	1.981	-	-	-	3.236
storage of butter and special disposal measures	10.146	7.000	135.124	32.544	5.821	0.057	0.581	6.458	15.466	213.197
food aid - skim milk powder	10.673	0.045	10.701	8.455	-	-	-	5.367	0.090	35.331
food aid - butter	4.244	0.582	28.973	16.297	-	-	-	0.014	-	50.110
aid to butter consumption	-	-	-	-	2.125	-	-	-	26.436	28.561
OILS AND FATS	0.018	-	3.059	3.591	-	139.428	-	0.031	0.607	146.734
refunds - olive oil	-	-	-	0.031	-	0.802	-	-	0.001	0.834
interventions-olive oil	-	-	-	0.202	-	134.795	-	-	-	134.997
aid - olive oil	-	-	-	0.202	-	134.795	-	-	-	134.997
other interventions	-	-	-	-	-	-	-	-	-	-
refunds - oilseeds	-	-	-	-	-	-	-	0.001	-	0.001
interventions - oilseeds	-	-	3.059	3.358	-	3.640	-	0.030	0.606	10.711
aid - oilseeds	0.018	-	3.045	3.358	-	3.206	-	0.030	0.606	10.263
other interventions	-	-	0.014	-	-	0.434	-	-	-	0.448
other expenditure	-	-	-	-	-	0.191	-	-	-	0.191
grape-pip oil	-	-	-	-	-	0.191	-	-	-	0.191
cottonseed oil	-	-	-	-	-	-	-	-	-	-

Description	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC total
SUGAR	6.758	4.111	21.557	31.175	1.675	10.777	-	6.672	26.098	108.823
REFUNDS	1.092	0.231	1.362	5.300	-	-	-	0.020	0.005	8.010
INTERVENTIONS	5.666	3.880	20.195	25.875	1.675	10.777	-	6.652	26.093	100.813
denaturing premiums	0.049	-	0.075	0.284	-	-	-	0.051	-	0.459
refunds for use in the chemical industry	0.003	0.160	1.177	1.013	-	0.411	-	0.674	-	3.438
reimbursement of storage expenses	5.614	3.720	18.943	22.682	1.675	10.366	-	5.927	7.867	76.794
public storage subsidy to refining (French Overseas Departments)	-	-	-	1.896	-	-	-	-	-	1.896
import subsidies	-	-	-	-	-	-	-	-	18.226	18.226
BEEF AND VEAL *	6.319	34.106	95.720	91.188	60.301	16.187	0.026	6.485	10.436	320.758
REFUNDS	0.646	5.599	4.864	34.832	7.929	0.023	-	1.431	0.170	55.494
INTERVENTIONS	5.673	28.507	90.856	56.356	52.372	16.164	0.026	5.054	10.266	265.274
PIGMEAT	3.435	27.153	3.292	1.589	8.111	2.294	-	21.070	0.193	67.137
REFUNDS	2.293	26.711	2.609	1.434	0.114	2.294	-	20.563	0.157	56.175
INTERVENTIONS	1.142	0.442	0.683	0.155	7.997	-	-	0.507	0.036	10.962
EGGS/POULTRY	1.064	4.140	2.987	3.960	0.008	0.179	-	4.379	0.157	16.874
REFUNDS - EGGS	0.406	0.629	1.559	0.307	-	0.103	-	1.447	0.088	4.539
REFUNDS - POULTRY	0.658	3.511	1.428	3.653	0.008	0.076	-	2.932	0.069	12.335

* see breakdown in ancillary Table G IIIa

Description	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC total
FRUIT/VEGETABLES	0.981	1.076	0.934	18.244	0.001	43.279	-	2.334	0.057	66.906
REFUNDS	0.034	1.076	0.146	2.365	0.001	13.869	-	0.315	0.057	17.863
fresh fruit and vegetables	0.031	1.075	0.133	2.149	-	13.043	-	0.305	0.010	16.746
processed products	0.003	0.001	0.013	0.216	0.001	0.826	-	0.010	0.047	1.117
INTERVENTIONS	0.947	-	0.788	15.879	-	29.410	-	2.019	-	49.043
financial compensation and purchases	-	-	0.788	15.879	-	25.572	-	2.019	-	44.258
special measures	-	-	-	-	-	3.838	-	-	-	3.838
other interventions	0.947	-	-	-	-	-	-	-	-	0.947
WINE			1.464	39.602		0.727	0.162	-	0.010	41.965
REFUNDS	-	-	0.055	0.079	-	-	-	-	0.010	0.144
INTERVENTIONS			1.409	39.523		0.174	0.162			41.268
aid to private storage	-	-	0.921	24.703	-	0.139	0.162	-	-	25.925
other interventions	-	-	0.488	14.820	-	0.035	-	-	-	15.343
Obligatory distillation of the by-products of wine-making	-	-	-	-	-	0.553	-	-	-	0.553
TOBACCO	1.568	-	15.059	55.223	-	115.759	-	-	-	187.609
REFUNDS	-	-	-	-	-	0.059	-	-	-	0.059
INTERVENTIONS	1.568	-	15.059	55.223	-	115.700	-	-	-	187.550
premiums	1.568	-	15.059	55.223	-	99.200	-	-	-	171.050
storage	-	-	-	-	-	16.500	-	-	-	16.500

Description	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC total
FISHERIES	0.407	0.001	0.086	0.314	-	-	-	0.179	0.182	1.169
REFUNDS	0.363	-	0.078	0.034	-	-	-	-	0.182	0.657
INTERVENTIONS	0.044	0.001	0.008	0.280				0.179	-	0.512
financial compensation and purchases	0.044	0.001	0.008	0.280	-	-	-	0.179	-	0.512
other interventions	-	-	-		-	-	-	-	-	-
FLAX AND HEMP	1.126	0.010	0.005	9.101	0.023	0.488	-	0.998	-	11.751
SEEDS	0.291	6.296	1.359	1.990	0.227	-	0.004	2.693	2.345	15.205
HOPS	0.206	-	3.711	0.521	-	-	-	-	-	4.438
										-
OTHER COMMON MARKET ORGANIZATIONS	0.023	1.038	0.296	1.575	0.021	0.479	-	0.418	0.268	4.118
silkworms	-	-	-	0.002	-	0.479	-	-	-	0.481
alcohol	-	-	-	-	-	-	-	-	-	-
other items	0.023	1.038	0.296	1.573	0.021	-	-	0.418	0.268	3.637
PRODUCTS OUTSIDE ANNEX II	1.805	1.336	1.368	1.217	1.073	0.681	0.018	4.368	1.427	13.293
OTHER EXPENDITURE	15.207	98.707	-16.644	27.953	50.757	34.557	-0.023	144.091	123.866	478.471
Community compensatory measures in favour of Germany Netherlands	-	-	-	-	-	-	-	-	8.308	-
Accession compensatory amounts	10.249	95.596	43.426	30.849	53.742	0.357	0.069	98.135	0.117	332.540
Monetary compensatory amounts	4.958	3.111	-60.070	-2.896	-2.985	34.200	-0.092	37.648	123.749	137.623
TOTALS - GUARANTEE SECTION	148.237	286.416	577.769	684.593	153.068	529.279	1.976	458.245	267.684	3107.267

ANNEX G III a

Details of expenditure relating to beef and veal

in m.u.s.

Description	Belgium	Denmark	Germany	France	Ireland	Italy	Luxem- bourg	Nether- lands	United Kingdom	EEC total
Refunds	0.646	5.599	4.864	34.832	7.929	0.023	-	1.431	0.170	55.494
Interventions: public storage	5.003	26.611	85.910	52.027	50.152	16.000 (1)	-	4.083	0.063	239.849
private storage	0.120	-	3.620	2.344	0.017	0.164	-	0.336	0.231	6.832
Aid to certain recipients of social assistance	-	-	-	1.946	-	-	-	-	0.296	2.242
Premiums for orderly marketing	0.550	1.896	1.326	-	2.203	-	0.026	0.635	9.676	16.312
Premiums for herd reconstruction	-	-	-	-	-	-	-	-	-	-
Publicity campaign	-	-	-	0.039	-	-	-	-	-	0.039
T o t a l s	6.319	34.106	95.720	91.188	60.301	16.187	0.026	6.485	10.436	320.768

(1) provisional amount

ANNEX G IV (*)

Breakdown of expenditure by sector according to the economic nature of the measures
financial year 1974

in m.u.a.

S E C T O R	TOTAL EXPENDITURE	Breakdown according to the economic nature of the operation					
		EXPORT REFUNDS	I N T E R V E N T I O N S				TOTAL INTER- VENTIONS
			Storage in the strict sense	Withdrawals from the market and similar operations	Price compen- sation aid=	Food aid	
a	b	c	e	f	g	h=d+e+f+g	
A. Cereals	399.8	76.2	32.2(1)		290.9(2)		323.6
Rice	1.2	0.5			0.7		0.7
Milk products	1,221.0	344.4(3)	93.5		697.7(4)	85.4(14)	876.6
Oils and fats							
- olive oil	135.8	0.8	-		135.0	-	135.0
- oilseeds	10.9	-	-		10.9	-	10.9
- cottonseeds	0.2	-	-		0.2	-	0.2
Sugar	108.8	8.0	76.8		24.0(5)	-	100.8
Beef and veal	320.8	55.5	246.6		18.7(6)	-	265.3
Pigmeat	67.1	56.2	6.8		4.0(7)	-	10.8
Eggs and poultry	16.9	16.9	-		-	-	-
Fruit and vegetables	66.9	17.9	-	44.2(8)	4.8(9)	-	49.0
Wine	42.0	0.1	25.9(10)	15.4(11)	0.6(12)	-	41.9
Tobacco	187.6	0.1	16.5	-	171.0	-	187.5
Fisheries	1.2	0.7	-	0.5	-	-	0.5
Flax and hemp	11.7	-	-	-	11.7	-	11.7
Seeds	15.2	-	-	-	15.2	-	15.2
Hops	4.4	-	-	-	4.4	-	4.4
Silkworms	0.5	-	-	-	0.5	-	0.5
Other products	3.6	-	-	-	3.6	-	3.6
Products outside Annex II	13.3	13.3	-	-	-	-	-
TOTAL A	2,628.9	590.6	498.8	60.1	1,393.9	85.4	2,038.3
%	100.0	22.47	18.97	2.29	53.02	3.25	77.53
B. Accession compensatory amounts - intra-Community trade	332.5				332.5		332.5
C. Monetary compensatory amounts - intra-Community trade	137.6				137.6		137.6
TOTAL A + B + C	3,099.0(13)	590.6	498.8	60.1	1,864.0	85.4	2,508.4
%	100.0	19.6	16.10	1.94	60.15	2.76	80.94

(*) for footnotes, see next page.

Notes to table of expenditure for 1974

- (1) Including end-of-season compensation (4.3 m.u.a.)
- (2) Aid to durum wheat (83.3 m.u.a.) + production refunds for starch (about 189.8 m.u.a.) + premiums for denaturing or incorporation of bread-making cereals into cattle feed (about 17.3 m.u.a.)
- (3) Refunds in the strict sense (343.8 m.u.a.) + expenditure for export at slightly reduced prices from intervention stocks (about 0.6 m.u.a. for about 18,000 t)
- (4) Aid to casein (82.0 m.u.a.) + aid to butter consumption of 100 u.a./t of which 50% financed by the EAGGF, Guarantee Section (28.6 m.u.a.) + aid to skim milk (liquid and powder) used for animal feed (481.0 m.u.a.) + aids to the utilization of butter under certain conditions on the internal market (about 106 m.u.a. for about 100,000 t)
- (5) Refund on utilization in the chemical industry (3.4 m.u.a.) + aids to utilization in the feed of bees (0.4 m.u.a.) + subsidy to the refining of sugar produced in the Overseas Departments (about 2.0 m.u.a.) + import subsidy (18.2 m.u.a.)
- (6) Aid to certain recipients of social assistance + premium for regular marketing
- (7) Decreasing national aid granted to the Irish pig farmers
- (8) Financial compensation + purchases
- (9) Special measures for the promotion of Community-produced citrus fruits, the processing of certain varieties of orange (3.8 m.u.a.) + aids for the free distribution of products withdrawn from the market (1.0 m.u.a.)
- (10) Aid to private storage
- (11) Distillation of wine + aid to the re-storage of table wine
- (12) Distillation of the by-products of wine-making
- (13) Excluding an amount of 8.3 m.u.a. relating to the Community compensation measures in favour of the Netherlands
- (14) Amount for intervention products given as food aid.

Annex G V - Evolution of the expenditure of the EAGGF Guarantee
Section by sector 1) 2)

m.u.a.

Sectors	1970 (3)	1971 (3)	1972 (4)	1973 (4)	1974
<u>CEREALS</u>					
Refunds	493.5	286.0	615.9	468.8	76.2
Interventions, of which:	400.9	187.6	381.3	484.2	323.6
- Denaturing premium			76.0	121.1	17.3
- Production refund			127.1	167.5	189.8
- Aid to durum wheat			121.6	30.0	83.3
<u>RICE</u>					
Refunds	58.0	48.6	48.0	10.5	0.5
Interventions	1.6	1.2	2.5	0.7	0.7
<u>MILK PRODUCTS</u>					
Refunds	431.0	297.4	166.7	328.1	343.8
Interventions, of which:	560.5	268.6	443.8	1130.4	877.2
- Aid to skim milk			236.6	349.3	481.0
- Aid to casein			31.2	57.2	82.0
- Storage and special measures - butter			158.6	667.7	228.7
- Food aid				56.3	85.4
<u>OILS AND FATS</u>					
Refunds	2.4	1.9	5.5	2.5	0.8
Interventions, of which:	278.9	111.1	286.9	360.5	145.9
- Aid to olive oil			186.8	280.6	135.0
- Aid to oilseeds			100.0	79.7	10.3
<u>SUGAR</u>					
Refunds	92.8	63.1	69.6	51.6	8.0
Interventions, of which:	100.1	47.2	91.5	75.5	100.8
- Reimbursement of storage expenses			83.4	70.0	76.8
<u>BEEF AND VEAL</u>					
Refunds	25.1	17.5	7.9	2.7	55.5
Interventions, of which:	5.7	1.6	-	13.4	265.3
- Public interventions					
- Premiums for regular marketing					
- Aids to certain recipients of social assistance					
TOTAL C/FWD TO NEXT PAGE	2450.5	1331.8	2119.6	2928.9	2198.3

- 1) The expenditure is taken from the declarations of the Member States within the framework of the system of advances and charged to the financial year in accordance with Article 109 of the financial regulation.
- 2) For the preceding years, see Annex IV of the first financial report.
- 3) For 1970 and 1971, details by type of measure are not yet available.
- 4) The expenditure of January 1973 for first category interventions is included under the financial year 1972; For the calendar years 1972 and 1973, the total expenditure is of the order of 2,300 m.u.a. for 1972 and 3,800 m.u.a. for 1973.

Annex G V (continued)

Sectors	1970	1971	1972	1973	1974
Total b/fwd from previous page:	2450.5	1331.8	2119.6	2928.9	2198.3
<u>PIGMEAT</u>					
Refunds	43.4	49.1	55.4	90.6	56.2
Interventions	-	3.2	0.2	.0	11.0
<u>EGGS AND POULTRY</u>					
Refunds	16.5	11.9	13.8	21.5	16.9
<u>FRUIT AND VEGETABLES</u>					
Refunds	17.2	7.1	33.5	25.8	17.9
Interventions	40.5	46.8	28.3	8.7	49.0
<u>WINE</u>					
Refunds	-	0.1	0.5	0.4	0.1
Interventions, of which:	-	28.2	56.5	11.3	41.8
- Aid to private storage			28.2	6.6	25.9
- Other items (principally distillation)			27.2	2.1	15.3
Obligatory distillation of by-products of wine-making			1.1	2.6	0.6
<u>TOBACCO</u>					
Refunds		0.0	0.0	0.0	0.1
Interventions	5.0	73.8	102.0	118.3	187.6
<u>FISHERIES</u>					
Refunds		-	0.5	0.6	0.7
Interventions		0.1	0.8	0.6	0.5
<u>INTERVENTIONS - MISCELLANEOUS PRODUCTS</u>					
- Flax and hemp	6.0	0.7	11.5	5.5	11.8
- Seeds	0.0	0.0	0.4	14.3	15.2
- Hops	0.0	0.0	0.0	4.7	4.4
- Silkworms	0.0	0.0	0.0	0.3	0.5
- Dehydrated fodder	0.0	0.0	0.0		3.6
<u>PRODUCTS OUTSIDE ANNEX II</u>					
Refunds	24.8	18.5	23.8	23.7	13.3
<u>COMMUNITY COMPENSATORY MEASURES in favour of the Netherlands</u>					
	0.0	0.0	0.0	0.0	8.3
<u>ACCESSION COMPENSATORY AMOUNTS - intra-Community trade</u>					
	0.0	0.0	0.0	264.3	332.5
<u>MONETARY COMPENSATORY AMOUNTS - intra-Community trade</u>					
	0.0	0.0	- 0.4	140.3	137.6
Grand total	2603.9	1571.3	2446.4	3659.8	3107.3

ANNEX G VI

Levies under the Common Agricultural Policy, by sector (1)

m.u.a.

Nature of agricultural levy	1970	1971	1972	1973	1974
a	b	c	d	e	f
<u>Levies (2)</u>					
Cereals	550	480	500	336	
Rice	15	20	20	14	
Milk products	25	25	30	20	
Beef and veal	70	25	5	10	
Pigmeat	35	35	45	30	
Eggs and poultry	10	5	13	7	
Other sectors	7	5	5	30	
Total levies	712	595	618	447	258
Sugar levies	138	109	181	104	75
Grand total	850	704	799	551	333

(1) Not including customs duties, but taking account of accession and monetary compensatory amounts

(2) The breakdown by sector is approximate, as the Member States do not always provide a breakdown of levies

ANNEX O.I

Applications for aid by year

Guidance Section

(years 1964 to 1973)

Year	PROJECTS SUBMITTED		PROJECTS DEFINITELY LODGED							
	Total number	Number of projects withdrawn or having become pointless	Number of inadmissible projects	Number of projects not conforming	Number of projects not chosen for lack of sufficient funds	Total	Total investment ('000 u.a.)	PROJECTS FINANCED		
								Number	Aid granted (u.a.)	Total investment ('000 u.a.)
1964	226	19	69	-	81	207	142,057	57	9,056,922	115,611
1965	154	21	23	7	6	133	131,108	97	17,134,258	102,103
1966	495	68	48	17	108	427	378,174	254	41,586,875	276,266
1967	303	31	17	12	91	272	265,358	152	26,039,369	143,474
1968	739	96	26	23	156	643	724,714	438	94,897,375	480,360
1969	894	64	14	9	144	830	902,501	663	160,000,000	681,164
1970	862	33	14	7	260	829	1,108,585	548	159,999,497	648,035
1971	1,017	59	18	1	216	958	1,062,307	723	199,943,196	806,856
1972	918	38	43	10	398	880	1,078,638	429	149,998,266	588,435
1973	1,541	39	153	54	658	1,502	2,161,307	637	170,000,000	840,576
Totals	7,149	468	425	140	2,118	6,681	7,954,749	3,998	1,028,655,758	4,682,880

ANNEX O.II

Aid granted by EAGGF, Guidance Section, for the financing of projects
from 1964 to 1973

Year	GERMANY		BELGIUM		DENMARK		FRANCE		IRELAND		ITALY		LUXEM-BOURG		NETHERLANDS		UNITED KINGDOM		EEC		
	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	No. of projects	Aid granted (u.a.)	
1964	9	2,557,635	7	703,751	-	-	10	1,951,437	-	-	27	3,069,464	-	-	4	774,555	-	-	-	-	-
1965	21	4,968,976	6	754,935	-	-	21	3,692,070	-	-	40	5,865,889	1	275,000	8	1,577,338	-	-	57	2,056,922	-
1966	59	11,600,152	20	3,279,496	-	-	33	8,924,174	-	-	119	13,771,301	3	899,342	20	3,112,408	-	-	97	17,134,258	-
1967	31	7,239,940	9	2,040,664	-	-	34	5,745,508	-	-	59	8,835,448	2	150,600	17	2,027,212	-	-	254	41,586,875	-
1968	95	26,569,916	45	7,154,359	-	-	65	20,876,553	-	-	188	31,989,105	2	813,700	43	7,493,412	-	-	152	26,039,369	-
1969	152	45,100,881	69	11,826,499	-	-	132	35,660,880	-	-	249	54,303,633	3	94,550	58	13,013,552	-	-	432	94,897,375	-
1970	148	44,064,169	71	11,665,534	-	-	114	35,443,159	-	-	173	51,265,555	2	374,867	40	13,285,913	-	-	663	160,000,000	-
1971	161	57,122,634	96	12,525,387	-	-	143	45,073,615	-	-	282	67,901,369	7	1,637,790	34	15,682,370	-	-	548	159,999,497	-
1972	115	42,100,813	59	12,033,812	-	-	74	33,251,416	-	-	145	50,498,477	6	943,112	30	11,167,636	-	-	723	199,943,196	-
1973	112	39,219,740	92	10,032,957	10	4,697,216	70	30,865,351	25	6,896,366	224	47,055,398	2	205,000	34	11,027,963	68	19,999,999	429	149,998,266	-
	637																		637	170,000,000	-
Total	903	281,444,886	474	72,017,444	10	4,697,216	696	221,487,854	25	6,896,366	1,506	337,555,643	28	5,393,961	288	79,162,389	68	19,999,999	3,998	428,655,758	-

Annex O.III

Breakdown by category of the projects
financed by the Guidance Section from
1964 to 1973

<u>Production structures</u>	589 million u.a. (57.2% of the total)
of which:	
. consolidation of holdings and provision of roads	163 million u.a.
. water supply and irrigation	141 million u.a.
. afforestation	18 million u.a.
. miscellaneous	267 million u.a.
 <u>Marketing structures</u>	 387 million u.a. (37.6% of the total)
of which:	
. cereals	21 million u.a.
. milk products	142 million u.a.
. meat	52 million u.a.
. fruit and vegetables	69 million u.a.
. wine	44 million u.a.
. miscellaneous	59 million u.a.
 <u>Mixed production/marketing structures</u>	 53 million u.a. (5.2% of the total)

ANNEX O.IV

Breakdown by sector of the aid granted
from 1964 to 1973 by the Guidance Section

('000 u.a.)

SECTOR	Number of projects	TOTAL 1964-1973	
		Aid granted	%
. Land and water supply improve- ment	1,600	442,797	43.1
. Milk	456	150,990	14.7
. Grape-growing and wine-making	396	111,602	10.8
. Fruit and vegetables	466	77,866	7.6
. Meat	403	83,181	8.1
. Oil production	146	28,892	2.8
. Cereals	95	23,840	2.3
. Forestry	73	18,346	1.8
. Animal feed	42	10,619	1.0
. Flowers and plants	37	9,878	1.0
. Eggs and poultry	57	7,666	0.7
. Seeds and nurseries	44	7,976	0.8
. Research and dissemination of information	35	5,400	0.5
. Sugar	2	780	0.1
. Fish	55	16,783	1.6
. Miscellaneous	91	32,038	3.1
	3,998	1,028,656	100.0

ANNEX O.V.

Regional breakdown by Member State of projects
financed by the EAGGF, Guidance Section (years 1964 to 1973)

('000 u.a.)

GERMANY		BELGIUM		DENMARK		FRANCE		IRELAND		ITALY		LUXEMBOURG	NETHERLANDS		UNITED KINGDOM	
Communi-ty regions	Aid gran-ted	Communi-ty regions	Aid gran-ted	Statis-tical regions (1)	Aid gran-ted	Communi-ty regions	Aid gran-ted	Statis-tical regions (1)	Aid gran-ted	Communi-ty regions	Aid gran-ted	Aid granted	Communi-ty regions	Aid gran-ted	Statis-tical regions (1)	Aid gran-ted
Schleswig-Holstein	26,404	Nord	35,868	Jylland	1,664	Région Parisienne	1,381	Donegal	144	Nord-Ouest	11,728	5,394	Noord	24,318	Scotland	4,719
Hamburg	1,557	Sud	28,224	Sjaelland	2,468	Bassin Parisien	42,033	North-West	399	Lombardia	14,332		Cost	16,098	North	564
Bremen	5,841	Brabant	7,925	Fyn	565	Nord	11,218	North-East	1,372	Nord-Est	67,739		West	26,087	Northern-Ireland	4,184
Nieder-Sachsen	54,318			Grønland	-	Est	9,535	West	311	Emilia-Romagna	42,808		Zuid	12,659	Ireland	4,184
Nordrhein-Westfalen	34,722					Ouest	53,996	Midlands	309	Centre	58,130				North-West	99
Hessen	26,743					Sud-Ouest	30,305	East	394	Lazio	30,625				Yorkshire	
Rheinland-Pfalz	24,382					Centre-Est	28,841	Mid West	469	Campania	8,909				Humber-side	1,999
Baden-Württemberg	43,826					Méditerranée	44,179	South East	2,969	Sud	67,914				Wales	1,989
Bayern	63,297							South West	529	Sicilia	14,392				West-	
Saarland	358									Sardegna	3,379				Midlands	3,456
															East-	
															Midlands	1,111
															East Anglia	718
															South-West	674
															South-East	487
	281,445		72,017		4,697		221,488		6,896		337,556	5,394		79,162		20,000

(1) For the 3 new Member States, the Community regions are in the course of definition.

Individual projects
Payments made in 1974

ANNEX O.VI

u.s.

Year	Total	Germany	Belgium	France	Italy	Luxembourg	Netherlands
1964							
1965	715,618.00	-	-	399,524.00	316,094.00	-	
1966	2,070,657.94	-	208,062.00	1,151,896.94	460,699.00	-	250,000.00
1967	2,994,513.08	959,250.08	391,070.00	712,895.00	833,468.00	-	97,830.00
1968 Instalment I	4,125,879.00	346,592.00	406,647.00	83,407.00	2,826,358.00	-	462,875.00
1968 Insts. Ia, II	8,976,883.00	2,827,051.00	476,457.00	2,538,998.00	2,631,053.00	-	503,324.00
1969 Instalment I	1,195,474.00	343,511.00	53,439.00	485,757.00	194,854.00	-	117,913.00
1969 Insts. II, III, VI	16,238,917.66	3,624,051.66	1,095,225.00	5,095,470.00	5,728,001.00	-	696,170.00
1970	15,996,164.00	5,947,115.00	1,713,740.00	3,534,394.00	3,280,183.00	-	1,520,732.00
1971	25,205,172.57	11,619,764.58	2,315,445.20	5,064,205.21	2,414,784.20	62,849.98	3,728,123.40
	77,519,279.25	25,667,335.32	6,660,085.20	19,066,547.15	18,685,494.20	62,849.98	7,376,967.40
1972	26,930,367.22	14,253,789.93	3,198,332.10	5,077,916.03	-	19,541.32	4,380,787.84
1973	123,420.24	-	123,420.24	-	-		
	104,573,066.71	39,921,125.25	9,981,837.54	24,144,463.18	18,685,494.20	82,391.30	11,757,755.24

Individual projects
Payments made up to 31.12.1974

ANNEX O.VII

u.a.

Year	Total	Germany	Belgium	France	Italy	Luxembourg	Netherlands
1964	7,594,839.00	2,477,091.00	700,945.00	1,239,610.00	2,402,608.00	-	774,585.00
1965	13,280,716.00	4,425,610.00	754,467.00	2,804,692.00	3,443,609.00	275,000.00	1,577,338.00
1966	29,922,938.44	9,571,489.50	3,136,488.00	7,395,137.94	5,960,750.00	856,373.00	3,002,700.00
1967	19,999,255.08	6,293,090.08	1,865,899.00	3,703,335.00	6,131,483.00	25,600.00	1,979,848.00
1968 Instalment I	24,430,126.00	7,478,915.00	2,371,429.00	4,362,497.00	7,382,370.00	13,700.00	2,821,215.00
1968 Insts. Ia, II	36,391,404.00	13,989,373.00	2,383,054.00	7,306,870.00	7,572,610.00	800,000.00	4,339,497.00
1969 Instalment I	5,332,213.00	1,804,978.00	463,847.00	1,605,885.00	842,210.00	-	514,293.00
1969 Insts. II, III, IV	76,606,762.66	29,937,423.66	6,660,718.00	18,940,395.00	11,698,942.00	94,550.00	9,274,734.00
1970	60,112,589.00	29,600,828.00	4,230,768.00	15,693,029.00	3,527,545.00	271,715.00	6,688,704.00
1971	56,715,418.94	27,594,817.15	5,485,413.32	12,520,228.80	2,867,377.00	175,079.82	8,072,502.85
	330,386,262.12	133,173,615.39	28,053,028.32	75,571,679.74	51,930,504.00	2,512,017.82	39,145,416.85
1972	30,365,428.78	15,546,635.61	3,339,471.62	7,078,992.39	-	19,541.32	4,380,787.84
1973	123,420.24		123,420.24				
	360,875,111.14	148,720,251.00	31,515,920.18	82,650,672.13	51,930,504.00	2,531,559.14	43,526,204.69

Position of projects approved more than five years previously

ANNEX O.VIII

YEAR	Appropriations committed		Appropriations actually paid		Projects not implemented	Appropriations not used	Appropriations to be carried forward	
	No. of projects	u.a.	No. of projects	u.a.			No. of projects	u.a.
1964	57	9,056,922	49	7,594,839	8	1,462,083	-	-
1965	97	17,134,258	76	13,280,716	19	3,495,194	2	158,348
1966	254	41,586,875	181	29,922,938.44	48	8,545,110.50	25	3,118,826.06
1967	152	26,039,369	119	19,999,255.08	13	2,527,148.00	20	3,512,965.92
1968	438	94,897,375	283	60,821,530	58	12,159,295	97	21,916,550
1969 (1st inst.)	34	8,472,837	17	5,332,213	4	969,762	13	2,170,862
TOTAL	1,032	197,187,636	725	136,951,491.52	150	29,358,592.50	157	30,877,551.98
<u>of which:</u>								
Germany	220	55,405,900	191	46,040,546.58	4	4,564,417.50	25	4,800,935.92
Belgium	92	14,545,525	72	11,676,129	5	712,872	15	2,156,524
France	170	43,448,087	110	28,418,026.94	20	5,523,861.00	40	9,506,199.06
Italy	446	65,950,234	257	33,736,640	117	18,256,287	72	13,957,307
Luxembourg	8	2,138,642	7	1,970,673	1	167,969	-	-
Netherlands	96	15,699,248	88	15,109,476	3	133,186	5	456,586
TOTAL	1,032	197,187,636	725	136,951,491.52	150	29,358,592.50	157	30,877,551.98

ANNEX O.IX

Payments made in 1974 for common measures and special measures, broken down by Member States (in u.a.)

	GERMANY	BELGIUM	FRANCE	ITALY	LUXEMBOURG	NETHERLANDS	UNITED KINGDOM	TOTAL
<u>SPECIAL MEASURES</u>								
Aid to organizations of fruit and vegetable producers R.1035/72	551,467.50	-	161,145.90	1,050,552.57	-	-	-	1,763,165.97
Slaughter of cows R.1975/69	4,013,457.65	795,493.02	6,217,954.74	-	25,462.46	693,587.84	-	11,745,955.71
Grubbing-up of fruit trees R.2517/69	3,459,904.10	699,500.00	3,824,175.97	-	39,615.04	1,371,259.99	-	9,394,455.10
Aid to producers' organizations in the fishing industry R.2142/70	12,103.55	-	-	-	-	-	-	12,103.55
Total special measures	8,036,932.80	1,494,993.02	10,203,276.61	1,050,552.57	65,007.50	2,064,847.83	-	22,915,680.33
<u>COMMON MEASURES</u>								
Fruit tree survey Dir.71/286	-	-	-	-	300	-	-	300
Conversion to beef and veal production R.1353/73	-	-	-	-	-	-	48,856.76	48,856.76
Salted cod fishing sector R.2722/72	-	-	874,530.80	-	-	-	-	874,530.80
Total common measures	-	-	874,530.80	-	300	-	48,856.76	923,687.56
GRAND TOTAL	8,036,932.80	1,494,993.02	11,077,807.41	1,050,522.57	65,377.50	2,064,847.83	48,856.76	23,839,367.89

ANNEX O.X.

Amounts committed and payments made for the
various special measures at 31.12.1974, by
Member State

in u.s.a.

		Total	Germany	Belgium	France	Italy	Luxem- bourg	Nether- lands	Not used
1. Italian floods	Commitments	10,000,000				10,000,000			
R. 206/66	Payments	7,871,205				7,871,205			2,128,794
2. Olive and olive oil sector	Commitments	6,000,000				6,000,000			
Art. 13, R. 130/66	Payments	6,000,000				6,000,000			
3. Fruit and vegetable and olive oil sectors - Art. 4, R. 130/66	Commitments	45,000,000				45,000,000			
	Payments	45,000,000				45,000,000			
4. Structural surveys	Commitments	8,000,000	1,622,628	255,602	2,012,594	3,135,030	11,898	268,895	692,252
R. 70/66	Payments	7,357,748	1,622,628	255,602	2,012,694	3,135,030	11,898	268,895	
5. Fruit and vegetable sector	Commitments	87,299,539				87,299,539			
Art. 12(4), R. 159/66	Payments	87,299,539				87,299,539			
6. African swine fever	Commitments	3,152,051				3,152,051			
R. 349/68	Payments	3,151,222,94				3,151,222,94			828,06
7. Pig population survey	Commitments	3,600,000	935,160	111,870	1,013,850	1,404,000	20,250	111,870	
R. 350/68	Payments	3,600,000	935,160	111,870	1,013,850	1,404,000	20,250	111,870	
8. Raw tobacco sector	Commitments	15,000,000				15,000,000			
Art. 12(1), R. 130/66	Payments	15,000,000				15,000,000			
9. Integration of Luxembourg agriculture - R. 541/70	Commitments	7,500,000					7,500,000		
	Payments	7,500,000					7,500,000		
10. Slaughter of cows	Commitments	42,639,606,71	23,760,051,65	3,198,269,02	13,434,531,74		139,519,46	2,107,424,84	
R. 1975/69	Payments	42,639,606,71	23,760,051,65	3,198,269,02	13,434,531,74		139,519,46	2,107,424,84	
11. Grubbing-up of fruit trees	Commitments	27,628,784,10	10,434,658,10	3,592,366	8,953,076,97		91,087,04	4,557,585,99	
R. 2517/69	Payments	27,628,784,10	10,434,658,10	3,592,366	8,953,076,97		91,087,04	4,557,585,99	
12. Organizations of fruit and vegetable producers - R. 2517/69	Commitments	6,372,953,97	2,955,692,50		471,587,90	2,945,509,57			
	Payments	6,372,953,97	2,955,692,50		471,587,90	2,945,509,57			
13. Producers' organizations in the fishing industry - R. 2142/70	Commitments	12,103,55	12,103,55						
	Payments	12,103,55	12,103,55						
T O T A L		264,205,274,33	39,723,513,60	7,159,107,02	25,885,740,61	175,936,129,57	7,762,754,50	7,045,776,83	
		261,293,400,27	39,723,513,80	7,159,107,02	25,885,740,61	173,806,507,91	7,762,754,50	7,045,776,83	2,821,874,06

ANNEX O.X. a

Accounts committed and payments made for the various common measures at 31.12.1974,
by Member State

in u.a.

		Total	Germany	Belgium	France	Italy	Luxembourg	Nether-lands	United Kingdom
1. Fruit tree survey Dir. 71/286	Commitments	246,300		15,000	196,000		300	35,000	
	Payments	246,300		15,000	196,000		300	35,000	
2. Conversion to beef and veal production R. 1353/73	Commitments	48,856.76							48,856.76
	Payments	48,856.76							48,856.76
3. Salt cod fishing sector - R. 2722/72	Commitments	6,900,210.29	2,868,852.15		4,031,358.14				
	Payments	874,530.80			874,530.80				
T O T A L	Commitments	7,195,367.05	2,868,852.15	15,000	4,227,358.14		300	35,000	48,856.76
	Payments	1,169,687.56		15,000	1,070,530.80		300	35,000	48,856.76

ANNEX O. XI

POSITION AT 31.12.1974 OF APPROPRIATIONS COMMITTED AND PAYMENTS MADE (YEARS 1964/1974) - IN U.A.

YEAR	APPROPRIATIONS COMMITTED		PAYMENTS MADE		COMMITMENTS CANCELLED		COMMITMENTS NOT SETTLED		UNCOMMITTED APPROPRIATIONS TO BE CARRIED FORWARD		RESERVE
	PROJECTS	SPEC. MEAS. COM. MEAS.	PROJECTS	SPEC. MEAS. COM. MEAS.	PROJECTS	SPEC. MEAS. COM. MEAS.	PROJECTS	SPEC. MEAS. COM. MEAS.	PROJECTS	SPEC. MEAS. COM. MEAS.	
1964	9,056,822	--	7,594,839.--	--	1,462,083.--	--	--	--	--	--	--
1965	17,134,258	--	13,280,716.--	--	3,695,194.--	--	158,348.--	--	--	--	--
1966	41,586,875	13,000,000	29,922,938.44	13,000,000.--	8,545,110.50	--	3,118,826.06	--	--	--	--
1967	26,039,369	54,000,000	19,999,255.08	51,871,206.--	2,527,148.--	2,128,794.--	3,512,965.92	--	--	--	--
1968	94,897,375	28,552,051	60,821,530.--	27,858,970.94	12,159,295.--	693,080.06	21,918,550.--	--	--	--	--
1969	160,000,000	40,211,787	81,938,975.66	40,211,787.--	3,683,957.--	--	74,377,067.34	--	--	--	84,799,418
1970	159,999,497	41,438,193	60,112,589.--	41,438,193.--	1,131,838.--	--	98,755,070.--	--	--	--	83,562,310
1971	199,943,145.78	42,382,316	56,715,418.94	42,382,316.--	167,978.85	--	143,059,747.99	--	--	--	185,117,684
TOTAL 1964-71	708,657,441.78	219,584,347.--	330,386,262.12	216,762,472.94	33,372,604.35	2,821,874.06	344,898,575.31	--	--	--	353,479,412
1972	149,998,247.46	17,153,712.--	30,365,426.78	17,153,712.--	235,447.52	--	119,397,371.16	--	--	--	92,846,238
1973	169,999,963.05	11,788,720.45	123,420,24	10,671,551.25	--	--	169,876,542.81	1,117,169.20	--	--	93,217,316
1974	95,832,800.61	20,873,861.93	--	17,965,351.64	--	--	95,832,800.61	4,908,510.29	139,167,199.39	5,671,489.71	11,454,648
TOTAL 1972-74	415,831,011.12	51,816,294.38	30,488,849.02	45,790,614.89	235,447.52	--	385,106,714.58	6,025,679.49	139,167,199.39	5,671,489.71	197,512,252
GRAND TOTAL	1,124,488,452.90	271,400,641.38	360,875,111.14	262,553,087.83	33,608,051.87	2,821,874.06	730,005,289.89	6,025,679.49	139,167,199.39	5,671,489.71	550,991,664

ANNEX O. XII

UTILIZATION OF AVAILABLE APPROPRIATIONS

Position at 31.12.1974 (in u.a.)

	Appropriations entered or re-entered	Uncommitted appropriations brought forward by Council of Ministers	Available appropriations	Appropriations committed:		Uncommitted appropriations:	
				Projects	Com. meas. Spec. meas.	Cancelled/reserved	Carried forward by Council of Ministers
<u>Budget 1965</u>							
- 1964	9,057,000	-	9,057,000	9,056,922	-	78	-
- 1965	16,617,000	-	16,617,000	-	-	16,617,000	-
- total	25,674,000	-	25,674,000	9,056,922	-	16,617,078	-
<u>Budget 1966</u>							
- 1965	16,617,000	517,440	17,134,440	17,134,258	-	182	-
- 1966	58,561,000	-	58,561,000	-	-	58,561,000	-
- total	75,178,000	517,440	75,695,440	17,134,258	-	58,561,182	-
<u>Budget 1967</u>							
- 1966	54,308,000	279,676	54,587,676	41,586,875	5,000,000(4)	801	8,000,000
- 1967	80,040,000	-	80,040,000	-	50,000,000(5)	30,040,000	-
- total	134,348,000	279,676	134,627,676	41,586,875	55,000,000	30,040,801	8,000,000
<u>Budget 1968</u>							
- 1966	-	8,000,000	8,000,000	-	8,000,000 (6)	-	-
- 1967	30,040,000	-	30,040,000	26,039,369(7)	4,000,000 (8)	-	631
- 1968	123,460,000	-	123,460,000	34,114,667(9)	24,000,000(10)	65,227,524	117,409
- total	153,500,000	8,000,000	161,500,000	60,154,036	36,000,000	65,227,524	118,440
<u>Budget 1969</u>							
- 1968	65,227,524	118,440	65,345,964	60,782,708(11)	3,931,253(12)	632,003	-
- 1969	285,000,000	-	285,000,000	8,472,837(13)	37,969,486(14)	239,557,677	-
- total	350,227,524	118,440	350,345,964	69,255,545	41,900,739	239,189,680	-
<u>Budget 1970</u>							
- 1968	632,003	-	632,003	-	620,798(15)	-	-
- 1969	239,557,677	-	239,557,677	151,527,163(16)	2,242,301(17)	84,799,418	-
- 1970	285,000,000	-	285,000,000	-	39,448,124(18)	245,531,099	20,777
- total	524,189,680	-	524,189,680	151,527,163	42,311,223	330,330,517	20,777
<u>Budget 1971</u>							
- 1969	84,799,418	-	84,799,418	-	-	84,799,418	-
- 1970	245,531,099	20,777	245,551,876	159,999,497(19)	1,746,326(20)	83,751,882	54,771
- 1971	427,500,000	-	427,500,000	-	37,491,812(21)	386,000,000	4,008,188
- total	757,830,517	20,777	757,851,294	159,999,497	39,238,139	554,551,300	4,062,359

	Appropriations entered or reentered	Uncommitted appropriations brought forward by Council of Ministers	Available appropriations	Appropriations committed:		Uncommitted appropriations:	
				Projects	Com. meas. Spec. meas.	Cancelled/reserved	Carried forward by Council of Ministers
<u>Budget 1972</u>							
- 1969	84,799,418	--	84,799,418	--	--	84,799,418.--	--
- 1970	83,751,882	54,171	83,806,053	--	54,171(23)	83,428,882.--	323,000
- 1971	386,000,000	4,008,188	390,008,188	199,943,145,78(22)	4,399,091(23)	185,042,854,22	623,097
- 1972	285,000,000	--	285,000,000	--	5,370,816(24)	110,170,000.--	169,459,184
- total	839,551,300	4,062,359	843,613,659	199,943,145,78	9,824,078	463,441,154,22	170,405,281
<u>Budget 1973</u>							
- 1969	84,799,418	--	84,799,418	--	--	84,799,418.--	--
- 1970	83,428,882	323,000	83,751,882	--	189,572(26)	83,562,310.--	--
- 1971	184,986,000(25)	623,097	185,609,097	--	491,413(27)	185,117,684	--
- 1972	110,170,000	169,459,184	279,629,184	146,998,247,46(25)	11,782,896(28)	117,846,040,54	--
- 1973	325,000,000	--	325,000,000	--	6,613,999(29)	142,200,000	175,166,001
- total	788,384,300	170,405,281	958,789,581	149,998,247,66	19,077,880	613,527,452,54	175,166,001
<u>Budget 1974</u>							
- 1969	84,799,418	--	84,799,418	--	--	84,799,418	--
- 1970	83,562,310	--	83,562,310	--	--	83,562,310	--
- 1971	185,117,684	--	185,117,684	--	--	185,117,684	--
- 1972	117,846,288	--	117,846,288	--	--	117,846,288	--
- 1973	142,200,000	176,186,001	318,386,001	169,999,863,05(33)	5,174,721,45(31)	143,211,316	--
- 1974	325,000,000	--	325,000,000	95,832,800,61(34)	22,873,861,83(32)	61,454,648	144,838,689
- total	938,525,700	176,186,001	1,114,711,701	265,832,763,66	28,048,583,38	675,991,664	144,838,689
<u>Budget 1975</u>							
- 1969	84,799,418	--	84,799,418				
- 1970	83,562,310	--	83,562,310				
- 1971	185,117,684	--	185,117,684				
- 1972	117,846,288	--	117,846,288				
- 1973	143,211,316	--	143,211,316				
- 1974	61,454,648	144,838,689	206,293,337				
- 1975	325,000,000	--	325,000,000				
- total	1,000,991,664	144,838,689	1,145,830,353				

Total amount of engaged credits till 31.12.1974 : 1,395,889,094.28
of which projects : 1,124,488,452.90
common measures/Special measures : 271,400,641.38

See foot-notes next pages

The amounts shown in the foregoing table relate to:

- 1) 57 projects from the year 1964. Commission Decision of 14.10.1965
- 2) 97 projects from the year 1965. Commission Decision of 19.7.1966
- 3) 254 projects from the year 1966. Commission Decision of 27.7.1967
- 4) 29 projects relating to the repair of flood damage in Italy.
R. 206/66, Commission Decision of 2.10.1967.
- 5) - 5 m.u.a. idem (4)
- 45 m.u.a. for the benefit of Italy for the fruit and vegetables sector and the olive and olive oil sector (Art. 4, R. 130/66).
Commission Decision of 5.7.1967.
- 6) - 8 m.u.a. for the benefit of Italy for the olive and olive oil sector (Art. 13, R. 130/68). Commission Decision of 29.2.1968.
- 7) 152 projects from the year 1967. Commission Decision of 15.3.1968.
- 8) Farm structure survey under R. 70/66/EEC. Commission Decision of 18.12.1968
- 9) 161 projects from the year 1968 (instalment I). Commission Decision of 18.12.1968
- 10) - 4 m.u.a. idem (8)
- 20 m.u.a. for the benefit of Italy for the fruit and vegetables sector for the period 1966/67 (Art. 12 (4) of R. 159/66/EEC).
Commission Decision of 16.10.1968
- 11) 277 projects from the year 1968 (instalments Ia and II).
Commission Decisions of 5.2.1969 and 23.7.1969.
- 12) - 3,043,253 u.a. for the benefit of Italy in reimbursement of expenditure incurred in making good the damage caused by African swine fever in 1967 (R. 349/68). Commission Decision of 29.4.1969
- 880,000 u.a. for the pig population surveys carried out by the Member States (R. 350/68). Commission Decisions of 17.7.1969 and 11.11.1969.
- 13) 34 projects from the year 1969 (instalment I). Commission Decision of 29.10.1969

- 14) - 22,969,486 u.a. for the benefit of Italy for the fruit and vegetables sector for the period 1967/68 (Art. 12 (4) of R. 159/66/EEC). Commission Decision of 22.12.1969
- 15,000,000 u.a. for the benefit of Italy for the raw tobacco sector (Art. 12 (1) of R. 130/66/EEC). Commission Decision of 22.12.1969
- 15) - 200,000 u.a. for the benefit of Germany in reimbursement of aid granted to organizations of fruit and vegetable producers during 1967 and 1968 (Art. 12 (3) of R. 159/66/EEC). Commission Decision of 21.12.1970
- 312,000 u.a. for the pig population surveys carried out by Italy (R. 350/68). Commission Decision of 16.2.1970
- 108,798 u.a. for the benefit of Italy in reimbursement of expenditure on research into swine fever (R. 349/68). Commission Decision of 3.12.1970
- 16) 629 projects from the year 1969 (instalments II, III and IV). Commission Decisions of 2.3.1970, 1.7.1970 and 27.10.1970.
- 17) - 1,042,301 u.a. idem (15), 1st sub-paragraph
- 1,200,000 u.a. for the pig population surveys carried out by the Member States (R. 350/68). Commission Decisions of 4.6.1970 and 4.12.1970
- 18) - 7.5 m.u.a. for the benefit of the Grand Duchy of Luxembourg to carry out measures to complete the integration of Luxembourg agriculture into the Common Market (R. 541/70). Commission Decision of 12.10.1970
- 31,948,124 u.a. for the benefit of Italy for the fruit and vegetables sector for the period 1968/69 (Art. 12 (4) of R. 159/66/EEC). Commission Decision of 22.12.1970
- 19) 766 projects from the year 1970 (instalments I, II and III). Commission Decisions of 10.3.1971, 12.7.1971 and 22.12.1971
- 20) - 1,200,000 u.a. for the pig population surveys carried out by the Member States (R. 350/68). Commission Decisions of 14.6.1971 and 17.12.1971
- 546,326 u.a. for the benefit of Germany in reimbursement of aid granted to organizations of fruit and vegetable producers during 1969 (Art. 12 (3) of R. 159/66/EEC). Commission Decision of 21.12.1971

- 21) - 24,773,340 u.a. paid to the Member States (Germany 14,255,500 u.a., Belgium 2,065,930 u.a., France 7,216,577 u.a., Luxembourg 81,983 u.a., Netherlands 1,153,350 u.a.) in reimbursement of premiums paid in 1970 for the slaughter of cows and the non-marketing of milk and milk products (R. 1975/69). Commission Decisions of 17.12.1971 and 22.12.1971
- 336,543 u.a. for the benefit of Germany in reimbursement of premiums paid in 1970 for the grubbing-up of fruit trees (R. 2517/69). Commission Decision of 21.12.1971
 - 12,381,929 u.a. for the benefit of Italy for the fruit and vegetables sector for the period "2nd half-year 1969" (Art. 12 (4) of R. 159/66/EEC). Commission Decision of 21.12.1971
- 22) 723 projects from the year 1971 (instalments I, II and III).
Commission Decisions of 21.6.1972, 26.7.1972 and 22.12.1972
- 23) - 1,505,344 u.a. for the benefit of Germany, additional reimbursement of premiums paid in 1970 for the slaughter of cows and the non-marketing of milk and milk products (R. 1975/69). Commission Decision of 18.7.1972
- 2,557,015 u.a. paid to the Member States in reimbursement of premiums paid in 1970 for the grubbing-up of fruit trees (R. 2517/69), of which 1,206,266 u.a. was to Belgium (Commission Decision of 18.7.1972), 1,156,813 u.a. to the Netherlands (Commission Decision of 22.12.1972), 193,936 u.a. (out of 371,855 u.a.) to France (Commission Decision of 22.11.1972), the balance of 177,919 u.a. being charged against the appropriations of the financial year 1972 (see footnote 24).

- 390,903 u.a. for the benefit of Italy in reimbursement of aid granted in 1970 to the organizations of fruit and vegetable producers (Art. 12 (3) of R. 159/66/EEC). Commission Decision of 18.7.1972
- 24) - 4,833,539 u.a. paid to the Member States in reimbursement of premiums paid in 1971 for the grubbing-up of fruit trees (R. 2517/69), of which:
 - 4,806,544 u.a. was to Germany (Commission Decision of 22.12.1972) and
 - 26,995 u.a. was to Luxembourg (Commission Decision of 22.11.1972)
- 177,919 u.a. for the benefit of France, relating to the payment of 371,855 u.a. for grubbing premiums for 1970, see footnote 23.
- 359,358 u.a. paid to the Member States in reimbursement of premiums paid in 1971 for the slaughter of cows and the non-marketing of milk and milk products (R. 1975/69), as follows:
 - to Belgium: 336,846 u.a. (Commission Decision of 22.11.1972)
 - to Luxembourg: 22,512 u.a. (Commission Decision of 22.11.1972)
- 25) 429 projects from the year 1972 (instalments I and II), Commission Decisions of 6.6.1973 and 31.10.1973

- 26) 189,572 u.a. for the benefit of France in reimbursement of aid granted in 1967-68-69 to organizations of fruit and vegetable producers (Art. 36 (2) of R. 1035/72/EEC). Commission Decision of 21.12.1973
- 27) 491,413 u.a. paid to the Member States in reimbursement of aid granted in 1970 to organizations of fruit and vegetable producers (Art. 36 (2) of R. 1035/72/EEC), of which 120,870 u.a. was to France and 370,543 u.a. to Germany (Commission Decision of 21.12.1973)
- 28) 6,911,542 u.a. paid to the Member States in reimbursement of premiums paid in 1971 for the grubbing-up of fruit trees (R. 2517/69), of which 4,757,046 u.a. was to France (Commission Decision of 4.10.1973), 855,439 u.a. to Belgium (Commission Decision of 12.3.1973) and 1,299,057 u.a. to the Netherlands (Commission Decision of 21.12.1973)
- 3,122,045 u.a. paid to the Member States in reimbursement of premiums paid in 1971 for the slaughter of cows and the non-marketing of milk and milk products (R. 1975/69) of which 2,861,558 u.a. was to Germany (Commission Decision of 5.10.1973) and 260,487 u.a. to the Netherlands (Commission Decision of 9 November 1973)
- 1,749,309 u.a. paid to the Member States in reimbursement of aid granted in 1971 to the fruit and vegetable producers' organizations (Art. 36 (2) of R. 1035/72/EEC), of which 245,255 u.a. was to Germany (Commission Decision of 21.12.1973) and 1,504,054 u.a. to Italy (Commission Decision of 21.12.1973)
- 29) 3,417,771 u.a. paid to the Member States in reimbursement of premiums paid in 1972 for the grubbing-up of fruit trees (R. 2517/69), of which 1,831,677 u.a. was to Germany (Commission Decision of 12.11.1973), 831,161 u.a. to Belgium (Commission Decision of 12.11.1973),

24,477 u.a. to the Grand Duchy of Luxembourg
(Commission Decision of 12.11.1973) and 730,456 u.a.
to the Netherlands (Commission Decision of 21.12.1973).

1,133,764 u.a. paid to the Member States in reimbursement of premiums
paid in 1972 for the slaughter of cows and the non-
marketing of milk and milk products (R. 1975/69), of
which 1,124,202 u.a. was to Germany (Commission
Decision of 21.12.1973) and 9,562 u.a. to the Grand
Duchy of Luxembourg (Commission Decision of 9.11.1973).

246,000 u.a. paid to the Member States for the fruit tree survey
(Directive 71/286), carried out by the Member States
(Commission Decision of 21.12.1973).

1,816,466 u.a. granted in aid for two factory trawlers and a
refrigerated tunny seiner in France (R. 2722/72/EEC)
(Commission Decision of 20.12.1973).

30) Including 538,525,700 u.a. reserved for the years 1969 to 1973 for the
financing of common measures within the meaning of Article 8 of
R. 729/70 and 75,000,000 u.a. reserved for the years 1972 and 1973
for Community financing of development operations in the priority
agricultural regions (Council Resolution of 21 March 1972).

- 31) - 1,652,600.07 u.a. paid to the Member States in reimbursement of aid granted in 1972 to organizations of fruit and vegetable producers (Art. 36 (2) of R. 1035/72/EEC), of which 50,580 u.a. was to France (Commission Decision of 28.11.1974), 551,467.50 u.a. to Germany (Commission Decision of 17.12.1974) and 1,050,552.57 u.a. to Italy (Commission Decision of 20.12.1974).
- 1,641,158.31 u.a. paid to the Member States in reimbursement of premiums paid in 1972 for the slaughter of cows and the non-marketing of milk and milk products (R. 1975/69), of which 178,592.46 u.a. was to Belgium, 1,337,353.42 u.a. to France and 125,212.43 u.a. to the Netherlands (Commission Decision of 28.10.1974).
- 1,705,427.07 u.a. to France in reimbursement of premiums paid in 1972 for the grubbing-up of fruit trees (R. 2517/69) (Commission Decision of 20.12.1974).
- 300.00 u.a. to Luxembourg for the fruit tree survey (Dir. 71/286) (Commission Decision of 20.10.1974).
- 175,236.00 u.a. granting of part of the aid for a German project in the salted cod fishing sector (R. 2722/72).

- 32) - 7,461,449.40 u.a. paid to the Member States in reimbursement of premiums paid in 1973 for the slaughter of cows and the non-marketing of milk and milk products (R. 1975/69), of which 25,462.46 u.a. was to Luxembourg (Commission Decision of 28.10.1974), 4,013,457.65 u.a. to Germany, 616,900.56 u.a. to France and 568,375.41 u.a. to the Netherlands (Commission Decisions of 20.12.1974)
- 6,952,510.03 u.a. paid to the Member States in reimbursement of premiums granted in 1973 for the grubbing-up of fruit trees (R. 2517/69), of which 699,500 u.a. was to Belgium, 39,615.04 u.a. to Luxembourg (Commission Decision of 28.10.1974), 3,459,904.10 u.a. to Germany, 2,118,748.90 u.a. to France and 634,741.99 u.a. to the Netherlands (Commission Decisions of 20.12.1974)
- 12,103.55 u.a. for the benefit of Germany in reimbursement of aid paid in 1973 to producers' organizations in the fishing industry (R. 2142/70) (Commission Decision of 26.11.1974)
- 4,908,510.29 u.a. granted in aid for three German projects (2,693,616.15 u.a.) and four French projects (2,214,894.14 u.a.) in the salted cod fishing sector (R. 2722/72) (Commission Decision of 23.12.1974) (175,236 u.a. was granted for one of these three German projects in 1973)

- 48,856.76 u.a. for the benefit of the United Kingdom in reimbursement of aid granted in 1973 for conversion to beef and veal production (R. 1353/73)
- Commission Decision of 20.12.1974.
Inter-chapter transfer for 3 cases which could not be settled in 1972 and 1973.
- 110,565.90 u.a. for the benefit of France in reimbursement of aid granted in 1971 to organizations of fruit and vegetable producers (Art. 36 (2) of R. 1035/72/EEG)
- Commission Decision of 28.11.1974.
- 2,643,348.00 u.a. for the benefit of France in reimbursement of premiums paid in 1971 for the slaughter of cows and the non-marketing of milk and milk products (R. 1975/69) - Commission Decision of 28.10.1974
- 736,518.00 u.a. for the benefit of the Netherlands in reimbursement of premiums paid in 1971 for the grubbing-up of fruit trees (R. 2517/69) - Commission Decision of 30.10.1974

33) 637 projects from the year 1973
Commission Decision of 17.7.1974 and 31.7.1974

34) 297 projects from the year 1974, 17th instalment
Commission Decision of 23.12.1974

ANNEX O, XIII

PAYMENTS MADE AND APPROPRIATIONS TO BE CARRIED FORWARD

(in U.S.)

Situation at 31.12.1974

Commitments entered in accounts in	In respect of	Appropriations committed up to 31.12.74	Payments made up to 31.12.74	Appropriations not used	Appropriations to be carried forward	
					automatically	by Council of Ministers
1965	- 57 projects from 1964	9,056,922	7,594,839	1,462,083	-	-
1966	- 97 projects from 1965	17,134,258	13,280,716	3,695,194	-	158,348
1967	- 254 projects from 1966	41,586,875	29,922,938,44	8,545,110,50	-	3,118,228,08
	- 29 "Floods - Italy" projects	10,000,000	7,871,206	2,128,794	-	-
	- fruit and vegetables, olives, olive oil, Italy (Art. 4, R. 130/66)	45,000,000	45,000,000	-	-	-
1968	- 152 projects from 1967	26,039,369	19,999,255,08	2,527,148	-	3,512,965,82
	- 161 projects from 1968 (Inst. I)	34,114,667	24,430,126	4,624,649	-	5,059,892
	- farm structure survey (R. 70/66)	8,000,000	7,307,748	692,252	-	-
	- olives, olive oil, Italy (Art. 13, R. 130/66)	8,000,000	8,000,000	-	-	-
	- fruit and vegetables, Italy period 1966/67 (Art. 12(4), R. 159/66)	20,000,000	20,000,000	-	-	-
1969	- 277 projects from 1968 (Insts. I a and II)	60,782,708	36,391,404	7,534,646	-	16,856,658
	- 34 projects from 1969 (Inst. I)	8,472,837	5,332,213	969,762	-	2,170,862
	- making good the damage caused by swine fever, 1967, Italy (R. 349/68)	3,043,253	3,043,253	-	-	-
	- pig population census (R. 350/68)	888,000	888,000	-	-	-
	- fruit and vegetables, Italy period 1967/68 (Art. 12(4), R. 159/66)	22,969,486	22,969,486	-	-	-
	- raw tobacco, Italy (Art. 12(1), R. 130/66)	15,000,000	15,000,000	-	-	-
1970	- 629 projects from 1969 (Inst. II, III and IV)	151,527,163	76,606,762,66	2,714,195	72,206,205,34	-
	- pig population census (R. 350/68)	1,512,000	1,512,000	-	-	-
	- integration of Luxembourg agriculture into Common market, Gr. Duchy (R. 541/70)	7,500,000	7,500,000	-	-	-
	- reimbursement to Italy of research expenditure on swine fever (R. 349/68)	108,798	107,969,94	828,06	-	-

Commitments entered in accounts in	In respect of	Appropriations committed up to 31.12.74	Payments made up to 31.12.74	Appropriations not used	Appropriations to be carried forward	
					automatically	by Council of Ministers
1971	- reimbursement to Germany of aid to organizations of fruit and vegetable producers, 1967 and 1968 (Art.12(3), R 159/66	1,242,301	1,242,301	-	-	-
	- payment to Italy for fruit and vegetables, period 1968/69 (Art.12(4), R 159/66)	31,948,124	31,948,124	-	-	-
	- 548 projects from 1970 (Insts. I, II and III)	59,999,497	60,112,589	1,131,838	98,755,070	-
	- pig population census (R 350/68)	1,200,000	1,200,000	-	-	-
	- reimbursement to Germany of aid to organizations of fruit and vegetable producers, 1969 (Art.12(3), R 159/66)	546,326	546,326	-	-	-
	- reimbursement to Member States of premiums paid in 1970 for slaughter of cows and non-marketing of milk and milk-products (R 2517/69)	24,773,340	24,773,340	-	-	-
1972	- reimbursement to Germany of premiums paid in 1970 for grubbing-up of fruit trees (R 2517/69)	336,543	336,543	-	-	-
	- payment to Italy for fruit and vegetables, period "2nd half-year 1969" (Art. 12(4), R 159/66)	12,381,929	12,381,929	-	-	-
	- 723 projects from 1971 (Insts. I, II and III)	99,943,145	56,715,418,9478	167,978,85	43,059,747,99	-
	- reimbursement of premiums paid in 1970 for slaughter of cows and non-marketing of milk and milk-products (R 1975/69) (Germany)	1,505,344	1,505,344	-	-	-
	- idem, 1971 (Belgium, Luxembourg)	359,358	359,358	-	-	-
	- reimbursement of premiums paid in 1970 for grubbing-up of fruit trees (R 2517/69) (Belgium, France, Netherlands)	2,734,934	2,734,934	-	-	-
	- idem, 1971 (Germany, Luxemb.)	4,833,539	4,833,539	-	-	-
	- reimbursement to Italy of aid to organizations of fruit and vegetable producers, 1970 (Art. 36(2), R 1035/72)	390,903	390,903	-	-	-

Commitments entered in account in	In respect of	Appropriations committed up to 31.12.74	Payments made up to 31.12.74	Appropriations not used	Appropriations to be carried forward	
					automatically	by Council of Ministers
1973	- 429 projects from 1972 (Insts. I and II)	149,998,247,46		235,447,52	119,397,371,16	-
	- reimbursement of aid to organizations of fruit and vegetable producers (Art. 36(2), R 1035/72) Germany 1970-1971 France 1967/68/69/70 Italy 1971	2,430,294	2,430,294	-	-	-
	- reimbursement of premiums paid in 1971 and 1972 for grubbing-up of fruit trees (R 2517/69) (Germany, Belgium, France, Luxembourg, Netherlands)	10,329,313	10,329,313	-	-	-
	- reimbursement of premiums paid in 1971 and 1972 for slaughter of cows and non-marketing of milk and milk-products (R 1975/69) (Germany, Luxembourg, Netherlands)	4,255,809	4,255,809	-	-	-
	- fruit tree survey (Dir.71/286) (Belgium, France, Netherlands)	246,000	246,000	-	-	-
	- reimbursement of aid for conversion of salt cod fishing sector (R 2722/72) (France)	1,816,464	874,530,80	-	94,933,20	-
1974	- 637 projects from 1973 (Insts. I and II)	169,999,963,05	123,420,24	-	169,876,542,81	-
	- 297 projects from 1974 (Inst. I)	95,832,800,61	-	-	95,832,800,61	-
	- reimbursement of aid to organizations of fruit and vegetable producers (R 1035/72) Germany, Italy 1972 France 1971-1972	1,763,165,97	1,763,165,97	-	-	-
	- reimbursement of premiums paid for slaughter of cows and non-marketing of milk and milk-products (R 1975/69) France 1971-1972-1973 Belgium, Netherlands 1972/73 Germany, Luxembourg 1973	11,745,955,71	11,745,955,71	-	-	-
	- reimbursement of premiums paid for grubbing-up of fruit trees (R 2517/69) Germany, Belgium, Luxembourg 1973 France 1972-1973 Netherlands 1971 and 1973	9,394,455,10	9,394,455,10	-	-	-

Commitments entered in account in	In respect of	Appropriations committed up to 31.12.74	Payments made up to 31.12.74	Appropriations not used	Appropriations to be carried forward	
					automatically	by Council of Ministers
- reimbursement of aid to producers' organizations in the fishing industry (R 2142/70) Germany 1973		12,103,55	12,103,55	-	-	-
- fruit tree survey (Dir. 71/286) Luxembourg 1973		300	300	-	-	-
- reimbursement to aid for conversion to beef and veal production (R 1353/73) United Kingdom 1973		48,856,76	48,856,76	-	-	-
- reimbursement of aid for conversion of the salt cod fishing sector (R 2722/72) France, Germany		5083,746,29	-	-	5083,746,29	-
TOTAL		1,395,889,094,28	623,428,19897	36,429,925,93	705,153,417,40	30,877,551,98
APPROPRIATIONS NOT COMMITTED						144,838,689,00
APPROPRIATIONS TO BE CARRIED FORWARD					705,153,417,40	175,716,240,98