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Newsletter on the common agricultural policy

No. 5 May 1970

FINANCING THE COMMON AGRICULTURAL POLICY AND THE COMMUNITY'S OWN RESOURCES

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Introduction

At about 7 a.m. on 7 February 1970 the Council reached final agreement as to the regulation on the completion of the Community, that is to say, on financing the agricultural common market.

This stage began at the Hague Summit Conference of 1 and 2 December 1969, which ended the twelve years' transitional period. The following statement occurs in point 5 of the communiqué issued after this Conference:

"As regards the completion of the Communities, the Heads of State or Government have reaffirmed the will of their Governments to pass from the transitional period to the final stage of the European Community and, accordingly, to lay down a definitive financial arrangement[1] for the common agricultural policy by the end of 1969.

"They agree to replace gradually, within the framework of this financial arrangement, the contributions of member countries by the Community's own resources, taking into account all the interests concerned, with the object of achieving in due course the integral financing of the Communities' budgets in accordance with the procedure provided for in Article 201 of the Treaty establishing the EEC..."

The Council followed up the new start made at The Hague with a marathon sitting lasting five days and two nights, and on 22 December 1969 reached agreement on the new system which is to culminate in the introduction, on 1 January 1975, of a federal budget financed by federal revenues, freeing the Community from the vagaries of State contributions.

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[1] See also Newsletter on the Common Agricultural Policy No. 6, August 1966.

On 21 April 1970, the Council finally adopted the regulations, decisions and resolutions on the financing of the common agricultural policy and the replacing of the Member States' financial contributions by the Communities' own resources.[1]

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[1] (a) Regulation (EEC) No. 728/70 laying down additional provisions for the financing of the common agricultural policy;

(b) Regulation (EEC) No. 729/70 on the financing of the common agricultural market;

(c) Decision No. 70/243/ECSC,EEC,EAAC on the replacing of the Member States' financial contributions by the Communities' own resources;

(d) Decision No. 70/244/ECSC,EEC,EAAC on multiannual financial estimates.

The above two regulations and two decisions were published in the official gazette of the European Communities No. L 94, 28 April 1970.

(e) Resolution on the better management of agricultural markets;

(f) Resolution on financing problems arising out of the transition from the system of reimbursement to the system of direct financing.

These two resolutions were published in official gazette No. C 50, 28 April 1970.

I. Interim period: 1970-1974

The definitive arrangements are to come into force gradually over an interim period lasting from 1970 to the end of 1974.

The regulations on agricultural financing came into force three days after they had been published in the official gazette. But the decision on own resources merely obliges the Member States to adopt its provisions in accordance with their constitutional rules. In other words, the legislatures of the six countries have to ratify the undertaking whereby the revenues concerned will accrue directly to the Community instead of flowing into their national exchequers. This change will obviously create problems for the national exchequers, and so the interim period has been introduced to soften the financial blow.

The fact remains that the national Parliaments will have to ratify the arrangements by the end of 1970[1] if the new financing machinery is to be phased in from 1 January 1971 and the Communities are to have, on 1 January 1975, a budget entirely financed from their own resources.

Apart from the substantial proportion going to agriculture ($3 000 million), revenue has to cover expenditure in the following fields: the operating expenses of the Social Fund ($33.4 million in 1969); food aid ($16.4 million); the Euratom research programme (currently running at $138.8 million); training and scholarships, together with agricultural test fields ($2 million); joint administrative expenditure of the Community apparatus ($18 million); the costs of the European Parliament ($9.6 million), the Council ($8.5), the Court of Justice ($2.1), the Economic and Social Committee ($1.9), and the Audit Committee ($400 000).

ECSC operating expenditure is not covered by the new arrangements, since it is already financed from this Community's own resources - the proceeds of a levy (currently 0.3%) on coal and steel production.

Nor will the Community budget include development aid, since this is granted under association agreements and is mostly fixed for a period of five years.

Regulation No. 728/70 mainly lays down the arrangements for the 1970 transitional year. This is important because the new budget scale in it is the basis for any future adjustments to the apportionment of costs.

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[1] The French Parliament has already done this, with effect from 24 June 1970.

In the 1970 accounting period, the total expenditure of the European Agricultural Guidance and Guarantee Fund (EAGGF) will be covered by Member States' financial contributions according to the following scale:

Belgium	8.25
Germany	31.70
France	28.00
Italy	21.50
Luxembourg	0.20
Netherlands	10.35.

However, before 1 October 1970 the Member States must submit an application for a payment towards the expenditure which they will incur in the first half of 1971 and which is eligible for refund. Before 1 April 1971 they must make another such application, for the second half of 1971. Finally, before 1 August 1971 they have to submit a supplementary application to cover expenditure incurred throughout the whole year.

This arrangement thus replaces the mixed system of recent years, under which the Member States met the EAGGF's expenditure by paying over directly a sum equal to 90% of the levies on agricultural products and made supplementary contributions, according to a fixed scale of apportionment, to cover the balance. Agricultural levies will be completely transferred to the Community as from 1 January 1971, but will be used for all common financing and not just for the EAGGF. The Community is to refund 10% to cover the costs of the national bodies.

The new system is a logical development of the old one, except that from 1971 funds will be provided directly by the Community instead of previous expenditure being refunded through the Member States. In future, the EAGGF will have to put funds at the disposal of the Member States for the advance payment of the operating costs, and of expenditure on refunds for exports to non-member countries and on intervention to stabilize the agricultural markets. The Member States, for their part, will have to authorize specific services and agencies to make the expenditure in question.

The new financing system transfers to the Community the financial liability for losses arising from errors or fraudulent practices in the course of the aforementioned operations, so it is not surprising that the regulation on the financing of the common agricultural market authorizes the Commission to watch over the executive agencies in question.[1] To ensure its effectiveness, this - admittedly <u>post</u>

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1 Regulation No. 729/70, Articles 4 and 5.

facto - supervisory power is therefore very extensive, and includes the following elements:

(a) A formal control regarding the designation and, where appropriate, the statutes of the relevant national agencies;

(b) Recapitulatory accounts and reports relating to expenditure financed by the EAGGF must be drawn up at least once a year and submitted as supporting documents;

(c) Furthermore, when the annual accounts are established, the executive agencies must declare to the Commission their cash position and estimates of financial requirements; only then will advance payments - which are supplemented by further payments in the course of the year - be granted to cover expenditure.

This means that the national services must possess efficient administrative machinery for dealing with this matter - which has not always been the case in the past, owing to the fact that the old EAGGF was merely a clearance body.

The power conferred on the Commission to check and verify matters on the spot, and even call in experts from other Member States for this purpose, is undoubtedly something new in an international organization.[1]

The Commission itself is to submit an annual report to the Council and the Parliament.

The interim period is therefore to ensure a gradual transition from the present refunding of previous expenditure to financing by the Community. The resolution on financing problems arising out of the transition from the system of reimbursement to the system of direct financing lays down a sort of winding-up schedule for the operations to be cleared, so that everything will be paid by 1974.

As from 1 January 1971, the Communities are thus to be allocated their own resources to keep the budget in balance.

What are these sources of revenue?

1. Agricultural levies: i.e. levies, countervailing charges, supplementary amounts, etc., on agricultural products imported from non-member countries, plus contributions from the sugar sector (production levies).

2. Customs duties: As from 1 January 1971 the proceeds from customs duties on industrial goods are to be made over gradually to the Community budget.

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[1] Regulation No. 729/70, Article 9.

The residual financial contributions are to be apportioned among the Member States in accordance with a fixed scale:

Belgium	6.8
Germany	32.9
France	32.6
Italy	20.2
Luxembourg	0.2
Netherlands	7.3.

These financial contributions are added to the "reference amount" to give the sum finally handed over by the Member States. The reference amount consists of the agricultural levies supplemented by the customs duties. If the difference between the agricultural levies and the reference amount is negative, the Member States need not make over any customs duties.

The transfer of customs duties is to take place by stages, so as to soften its financial impact.

In 1971 the reference amount will be 50% of the total of agricultural levies and customs duties charged by each Member State. The amount will increase by 12.50 percentage points per year. So in 1972 it will be 62.50%, in 1973 75%, in 1974 87.50% and from 1 January 1975 onwards 100%.

It may be added that there can be annual changes, during the interim period, in the share of Community revenue made over by each Member State.

Article 3 of Decision No. 70/243 limits these changes. It specifies that the annual variation is not to exceed 1% upwards or 1.5% downwards as compared with the preceding year. If the contribution of a Member State rises above the ceiling, the surplus is to be apportioned among the other Member States in accordance with the aforementioned scale. On the other hand, should the contribution of one or more Member States lead to a budget deficit, such deficit is to be apportioned among the other Member States - again in accordance with the scale.

II. Definitive arrangements

As from 1 January 1975, the Community will finance its budget entirely from its own resources. We have already seen that agricultural levies and customs duties constitute the main sources of revenue in the interim period. From 1975 a third source will be added - up to a maximum of 1% of the income from the value-added tax (VAT). Why this particular tax? Two crucial facts argued for incorporation of the VAT in the Community budget system:

1. In the final analysis, the gross national product is best expressed in terms of the value added. Furthermore, accounting for customs duties in isolation is a fairly difficult matter, especially if we consider how a product can travel and change from the moment when it is imported into the Community. For instance, an item can be imported into the Netherlands, processed in Germany and finally offered to the consumer in Italy or France. The role played in the production process by the VAT is clearly of great relevance to a fair apportionment of the Member States' contributions;

2. The VAT will, for all practical purposes, be the first harmonized tax in the Community - that is to say, if it is in force in all the Member States on 1 January 1975. Article 4 of Decision No. 70/243 provides for the other two contingencies if it is not.

(a) If the VAT is in force on this date in three or more Member States, the financial contribution from <u>each of the other Member States</u> will be based on the ratio between its gross national product and the aggregate gross national product of all the Member States.

(b) If the VAT is still not in force in three or more Member States on 1 January 1975, the financial contribution of <u>each Member State</u> to the Community's budget will be proportional to the ratio between its gross national product and the aggregate gross national product of all the Member States.

For this purpose the gross national product is calculated at market prices, in other words including cost-increasing taxes.

However, total receipts from VAT for the Community budget may not exceed 1% of this tax. The actual percentage will be determined in the budget procedure. In the interim period, the main purpose of contributions from customs duties is to offset the annual variation and if possible to correct it. Thereafter, the VAT percentage will take over this function. However, the annual variation in the share of each Member State is not to exceed 2% upwards or downwards as compared with the preceding year. If this percentage is exceeded, the variation will be reduced to 2%

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by financial compensation between the Member States concerned, according to the share of each Member State in the revenue accruing from the value-added tax and, if necessary, in the revenue accruing from the agricultural levies and customs duties.

Furthermore, the revenues will be used without distinction for all budget items. Any surplus in a budget year will be carried forward to the following year. In order to allow for the expenditure prospects over several years, Council Decision No. 70/244 provides that, each year, the Commission, after consulting the Budget Policy Committee, is to draft financial estimates for the following three budget years. These estimates, broken down by categories of expenditure, are thus to indicate what the financial implications of the regulations, decisions and proposals will be for the Community. And each year the Council will see, in the light of a Commission report, whether these estimates are in line with actual developments. The attempt to provide for expenditure by categories is bound to result in better understanding of any substantial excess of expenditure over the estimates, and thus give an efficacious indication of the scope for appropriate Community measures.

It has thus been decided to ensure a gradual changeover to the Community's own resources till the end of 1977 by allowing an annual variation of up to 2%. But from 1978 onwards there will no longer be a minimum or maximum for the Member States' contributions. After this date, the system must ensure a Community budget in which expenditure is fully covered by revenue.

The next step now has to be taken by the national Parliaments, which have to vest some of their powers in the Community by ratifying the decision on substitution of the Community's own resources for the Member States' financial contributions.

III. <u>The European Parliament</u>

The decision on the covering of expenditure from the Community's own resources, signifying a cross-frontier unification of economic powers in the Community, immediately raises the problem of the national Parliaments' inability to exercise effective control. The fact that some of the national Parliaments' powers are to be transferred to the Communities renders the problem all the more pressing.

This democratic control cannot just disappear when the decision is ratified by the national Parliaments and comes into effect. Article 5 of the Hague Summit Conference communiqué states that the Governments intend to complete the "financing - own resources - European Parliament's powers" triangle by:

.../...

(1) Strengthening the budgetary powers of the European Parliament;

(2) Studying procedures for direct elections - the only way of safeguarding the interests of the Community citizens.

For while the national minister is accountable to his own parliament for his part in Council decisions, this means little in practice since a prior control - parliamentary mandates, for instance - would deprive the minister in question of any room for manoeuvre and would thus paralyse the whole Council.

The Commission, as the representative of the Community's interests, is accountable to the European Parliament and to no other body.

Firstly, the Treaties of Rome and Paris specify that the Commission must expressly refer its major proposals to the European Parliament before submitting them to the Council.

Secondly, the members of the European Parliament can put written questions to the Commission and the Council. The Parliament has made increasing use of a more flexible instrument, namely, oral questions - with or without debate - in its plenary sessions of recent years. (In principle, the Parliament only holds six one-week ordinary sessions each year; a few short extraordinary sessions may be held in addition.)

Although these basic possibilities are open to the European Parliament, there is clearly no effective control over the Community's financial decisions. The increase in the Communities' powers has therefore made it necessary to extend the Parliament's budgetary powers.

<u>The last word</u>

On 22 December 1969, the Council adopted a resolution giving the European Parliament the right to take the final decision on the Communities' budget.

On 7 February 1970 the Council confirmed the text of this resolution on the budgetary procedure.

The right granted to the Parliament, in the transitional years, to propose amendments which the Council can only approve by at least a qualified majority vote, was extended for the 1971-1975 period by the provision that if the amendments introduced by the Parliament do not involve an increase in the total expenditure, the Council will not be able to reject them except by at least a qualified majority vote.

A point of prime importance is that from 1970 onwards the European Parliament can determine its own administrative budget. The Parliament exercised this right for the first time on 8 July 1970 when it adopted - completely independently and without the slightest difficulty - the estimate of revenue and expenditure for the 1971 budget year.

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The budgetary powers of the Parliament are to be increased from 1 January 1975. The budget will then be adopted in four stages, mainly involving its amendment and passage backwards and forwards between the Council and the Parliament. The procedure is as follows:

First stage: the Council, on the basis of a preliminary draft submitted by the Commission, draws up a draft budget and communicates it to the European Parliament.

This draft contains:

(a) an estimate of expenditure;

(b) an estimate of revenue, an important component being the proposal on the rate of VAT to be apportioned to the Community's budget. (We have seen that this may not exceed 1%, with the necessary adjustment for the relevant annual variation - which can be up to 2% till 1978.)

Second stage: the European Parliament may amend this draft by a majority vote of its members.

Third stage: the Council, acting by a qualified majority vote, may modify the amendments brought by the European Parliament, but must then refer the draft back to the Parliament.

Fourth stage: the European Parliament, acting through the majority of its members and subject to three fifths of the votes cast being in favour, may change the Council's modifications; it then adopts the budget.

A qualification has to be made, however. About 96.5% of budget expenditure results from the Treaties or Community regulations, that is to say, from legal provisions. On 22 April 1970 the Council took the standpoint that it has sole responsibility for this mandatory expenditure, by amending paragraph 4 of Article 203 of the EEC Treaty, Article 177 of the Euratom Treaty and Article 78 of the ECSC Treaty to read as follows:

"The Assembly[1] shall be entitled 'to amend' the draft budget by a majority vote of its members and to propose to the Council, by an absolute majority of the votes cast, amendments thereto concerning expenditure mandatory under the Treaty or decisions adopted in pursuance thereof."

Paragraph 5 continues:

"After having referred this draft budget to the Commission and, where appropriate, to the other institutions concerned, the Council, acting by a qualified majority vote, may modify any of the amendments adopted by the Assembly and take a decision by the same majority on amendments proposed by the Assembly."

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1 i.e. the European Parliament.

.../...

From this it follows that the Parliament has no power to do more than note that it has found no hearing in the Council and that it can exert no influence on the great bulk of this Community expenditure. Furthermore, the Parliament has no certainty at all as to what action will be taken on the Opinions it renders during the decision-making process, since it has no power to pass laws nor any say in lawmaking.

The Parliament does possess independent powers for the approximately 3.5% of the budget made up of non-mandatory expenditure, that is to say, expenditure other than that pursuant to Community law. There are, however, certain limits to this independence.

Each year the Commission submits the preliminary draft budget to the Council by 1 September at the latest. And each year, two months before the budgetary procedure begins, the percentage increase in relation to the previous year of expenditure other than that mandatory under Community legislation is established with due allowance for:

(a) the development of the gross national product by volume in the Community;

(b) the mean variation in the budgets of the Member States and the trend in the cost of living during the previous financial year.

If the draft budget adopted by the Council already involves an increase in this expenditure of more than half the maximum percentage, the European Parliament can still exercise its right of amendment to increase this expenditure by up to half the maximum rate. In exceptional cases another percentage can be fixed if the Parliament, the Council or the Commission considers that the Communities' activities require the maximum rate to be exceeded. But this must be done by agreement between the Council and the Parliament. The Council takes the decision, by a qualified majority vote, and the Parliament ratifies it, through a vote by the majority of its members and subject to three fifths of the votes cast being in favour of the Council's decision.

As stated by the Chairman of the European Parliament's Committee for Finance and Budgets in the resolution of 11 March 1970, the right to the last word is "purely platonic and devoid of any real efficacy". Unless the Parliament has the power to reject the budget <u>in toto</u>, in order to elicit new budget proposals, there is no point in its pronouncing, either favourably or otherwise, on the application of the Community's own resources.

The Council meeting in question was preceded by an important exchange of letters between the President of the European Parliament, the Ministers of Foreign Affairs and the President of the Commission of the European Communities. The Commission has informed the Council that, once all Member States have ratified the amendments to the budget provisions and

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within two years, it intends to submit proposals for consideration by the Council in the light of the debates in the Member States' Parliaments. So within two years the Commission is to submit to the Council new proposals for defining the "last word".

Direct elections

At national level the budget represents the agreement between the governors and the governed on the financial sacrifice needed for running public affairs, and if this sacrifice is to be given the force of law it must be confirmed by the Parliament.

The authors of the Rome and Paris Treaties were certainly guided by this principle when they drafted paragraph 3 of EEC Treaty Article 138, ECSC Treaty Article 21 and Euratom Treaty Article 108. In the EEC Treaty this article says: "The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all Member States."

In September 1969 the Secretariat of the Directorate-General for Parliamentary Documentation and Information issued a set of documents listing the European Parliament's endeavours to implement paragraph 3. Solutions are even being sought at national level. For instance, Mr T. Westerterp recently tabled a private member's bill in the Netherlands Parliament introducing direct elections - to coincide with the national general elections - for the Dutch delegates of the European Parliament.

At the moment, however, all members of the European Parliament are still delegates from the national Parliaments.

As already stated, introduction of the Communities' own budget on 1 January 1975 depends on ratification by the national Parliaments of the decision on own resources. If the Council is to define its position regarding the European Parliament's budgetary powers within two years, on a Commission proposal, then it has gradually become clear that real and efficient democratic control of Community funds presupposes genuine representation of Community citizens at Community level.

IV. Statistical annex

Apart from a few minor changes, the following figures are taken over as they stand from the collection of documents on the own resources of the European Communities and the budgetary powers of the European Parliament issued by the Secretariat of the Directorate-General for Parliamentary Documentation and Information.

The first three tables give the approximate magnitudes of Community expenditure in 1971, 1972 and 1973, and the sources of revenue.

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Table IV provides an approximate estimate of the total sum which will gradually accrue to the Community from customs duties.

The remaining tables show the past pattern.

I. Calculation of the shortfall which will have to be covered by contributions from the Member States

1971

('000 u.a.)

Total expenditure	I 3 288 437		II 3 703 437	
	a	b	a	b
Revenues:				
Levies, incl. contributions from sugar sector	850 000	950 000	850 000	950 000
Common Customs Tariff	1 067 000	1 067 000	1 067 000	1 067 000
ECSC contribution	18 000	18 000	18 000	18 000
Other Commission revenues	10 588	10 588	10 588	10 588
Member States' contributions	642 849	592 849	1 057 849	957 849
Percentage of total expenditure	30.1921%	27.1512%	38.0147%	35.3142%

I = If the Memorandum on the Reform of Agriculture in the EEC (i.e. Mansholt Plan) is not implemented.
II = If the Memorandum on the Reform of Agriculture in the EEC is implemented.
a = Lowest possible yield.
b = Highest possible yield.

II. Calculation of the shortfall which will have to be covered by contributions from the Member States

1972

('000 u.a.)

Total expenditure	I 3 562 780		II 3 927 780	
	a	b	a	b
Revenues:				
Levies, incl. contributions from sugar sector	800 000	925 000	800 000	925 000
Common Customs Tariff	1 200 000	1 200 000	1 200 000	1 200 000
ECSC contribution	18 000	18 000	18 000	18 000
Other Commission revenues	11 515	11 515	11 515	11 515
Member States' contributions	1 183 265	1 058 265	1 548 265	1 423 265
Percentage of total expenditure	33.2118%	29.7033%	39.4183%	36.2359%

I = If the Memorandum on the Reform of Agriculture in the EEC (i.e. Mansholt Plan) is not implemented.
II = If the Memorandum on the Reform of Agriculture in the EEC is implemented.
a = Lowest possible yield.
b = Highest possible yield.

III. Calculation of the shortfall which will have to be covered by contributions from the Member States

1973

('000 u.a.)

Total expenditure	I 3 838 558		II 4 153 558	
	a	b	a	b
Revenues:				
Levies, incl. contributions from sugar sector	750 000	900 000	750 000	900 000
Common Customs Tariff	1 650 000	1 650 000	1 650 000	1 650 000
ECSC contribution	18 000	18 000	18 000	18 000
Other Commission revenues	12 530	12 530	12 530	12 530
Member States' contributions	1 058 028	908 028	1 373 028	1 223 028
Percentage of total expenditure	27.5632%	23.6554%	33.0567%	29.4453%

I = If the Memorandum on the Reform of Agriculture in the EEC (i.e. Mansholt Plan) is not implemented.
II = If the Memorandum on the Reform of Agriculture in the EEC is implemented.
a = Lowest possible yield.
b = Highest possible yield.

IV. Estimated total customs duties collected within the Community for the years 1970 - 1971 - 1972 - 1973

('000 u.a.)

	1970	1971	1972	1973
Total EEC	1 600 000	1 600 000	1 600 000	1 650 000

V. Revenues from customs duties collected in the Member States (CCT)

('000 u.a.)

Member State	1968		1969 (first half)	
	CCT	%	CCT	%
Belgium	161 510	9.44	77 880	9.57
Germany	599 780	35.06	322 180	39.61
France	421 900	24.66	192 420	23.65
Italy	312 230	18.25	109 820	13.50
Luxembourg	5 570[1]	0.33	2 690[1]	0.33
Netherlands	209 810	12.26	108 510	13.34
Total	1 710 800	100.-	813 500	100.-

[1] The revenues from the CCT are 1/30th of the BLEU revenues.

VI. Total customs duties collected in the EEC Member States[1]

1 u.a. = DM 4; FF 5; Lit. 625; Bfrs. 50; Fl. 3.5

Member State	Financial year				
	1965	1966	1967	1968	1969
Germany	724 500	694 475	665 825	599 700	644 400
France	486 000	503 200	497 531	416 500	380 500
Italy	340 800	345 600	382 646	312 200	218 600
BLEU	173 520	171 020	175 329	167 000	161 000
Netherlands	229 100	230 600	235 294	217 000	224 400
Total	1 953 920	1 944 895	1 956 625	1 712 400	1 628 400

[1] Including duties collected up to 1 July 1968 on imports from other Member States.

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VII. Levies and sugar sector contributions for the period from 1967 to 1970

a = levies.
b = sugar sector contributions.

('000 u.a.)

Member State		1967/68 (a)	% (b)	1968/69 (c)	% (d)	1968/69 adjusted (e)	% (f)	1969/70 (g)	% (h)	weighted % (e) + (g) (i)
Belgium	a	51.8	8.1	72.2	9.8	72.2	8.9	83.0	9.0	8.9
	b	-	-	3.3	3.6	3.3	3.6	4.9	4.8	4.2
		51.8	8.1	75.5	9.1	75.5	8.3	87.9	8.6	8.4
Germany	a	184.9	29.0	199.8	27.2	199.8	24.5	252.0	27.2	25.9
	b	-	-	29.7	32.4	29.7	32.4	24.0	23.4	27.7
		184.9	29.0	229.5	27.8	229.5	25.3	276.0	26.8	26.1
France	a	41.9	6.6	57.5	7.8	57.5	7.0	61.2	6.6	6.8
	b	-	-	30.4	33.2	30.4	33.2	48.7	47.5	40.7
		41.9	6.6	87.9	10.6	87.9	9.7	109.9	10.7	10.2
Italy	a	222.9	34.9	262.5	35.7	342.5	42.0	349.0	37.7	39.7
	b	-	-	12.2	13.3	12.2	13.3	11.2	10.9	12.1
		222.9	34.9	274.7	33.2	354.7	39.1	360.2	35.0	37.0
Luxembourg	a	0.6	0.1	0.7	0.1	0.7	0.1	1.0	0.1	0.1
	b	-	-	-	-	-	-	-	-	-
		0.6	0.1	0.7	0.1	0.7	0.1	1.0	0.1	0.1
Netherlands	a	136.0	21.3	143.1	19.4	143.1	17.5	180.0	19.4	18.6
	b	-	-	16.0	17.5	16.0	17.5	13.7	13.4	15.3
		136.0	21.3	159.1	19.2	159.1	17.5	193.7	18.8	18.2
Sub-totals	a	638.1	100	735.8	100	815.8	100	907.4	100	100
	b	-	-	91.6	100	91.6	100	102.5	100	100
Grand total a + b		638.1	100	827.4	100	907.6	100	1 028.7	100	100

Notes on Table VII

As far as possible this table is based on the Member States' revenues actually reported for EAGGF purposes or, failing these, on the budgetary estimates, more particularly:

(i) For 1967/68 and 1968/69, on the basis of the half-yearly advances;

(ii) For 1969/70, on the basis of the budget estimate (Doc. R/1866/69 of 21 October 1969).

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The figures for 1967/68 are not representative, owing to the varying methods of collection and the fact that three sectors were still under the transitional arrangements for the common market organization. Hence the weighted average of column (i), calculated on the basis of the 1968/69 (adjusted) and 1969/70 periods.

The second 1968/69 column (e) adds to the levies in Italy the provisional figures for revenues from the milk and milk products, beef and veal, and sugar sectors which were still not recorded as levies and are estimated by the Commission at about 80 million u.a. in all.

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VIII. Gross national product at market prices ('000 million u.a.), 1962-68

Member State	1962	1963	1964	1965	1966	1967	1968
Germany	88.6	94.4	103.5	113.2	120.2	121.3	132.2
France	74.4	83.4	92.5	99.2	107.7	115.9	126.6
Italy	43.5	49.9	54.7	58.9	63.7	69.7	74.8
Netherlands	13.4	14.6	17.2	19.2	20.8	22.9	25.2
Belgium	13.0	14.0	15.6	17.1	18.3	19.6	20.9
Luxembourg	0.5	0.5	0.6	0.7	0.7	0.7	0.8
Total EEC	233.4	256.8	284.1	308.2	331.5	350.1	380.5

Gross national product at market prices (%), 1962-68

Member State	1962	1963	1964	1965	1966	1967	1968
Germany	38.0	36.8	36.4	36.7	36.3	34.7	34.7
France	31.9	32.5	32.5	32.2	32.5	33.1	33.3
Italy	18.6	19.4	19.3	19.1	19.2	19.9	19.7
Netherlands	5.7	5.7	6.1	6.2	6.3	6.5	6.6
Belgium	5.6	5.4	5.5	5.6	5.5	5.6	5.5
Luxembourg	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total EEC	100	100	100	100	100	100	101