

European Communities

EUROPEAN PARLIAMENT

Working Documents

1974-1975

14 October 1974

DOCUMENT 295/74

Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 217/74) for a regulation on aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for 1974

Rapporteur: Mr Albert LIOGIER

PE 38.146/fin.

By letter of 30 July 1974 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation on aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for 1974.

On 14 August 1974 the President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and the Committee on Budgets for its opinion.

The Committee on Agriculture appointed Mr LLOGIER rapporteur.

It considered this proposal at its meeting of 4 October 1974 and unanimously adopted the motion for a resolution.

The following were present: Mr Houdet, chairman; Mr Vetrone, vice-chairman; Mr Laban, vice-chairman; Mr Gibbons, acting rapporteur; Mr Baas, Mr Berthoin (deputizing for Mr Bourdellès), Mr Brewis (deputizing for Mr Scott-Hopkins), Mr Cipolla, Mr Della Briotta, Mr Frehsee, Mr Früh, Mr Hansen, Mr Kavanagh, Mr Lemoine, Mr Ligios, Mrs Orth and Lord St. Oswald.

The opinion of the Committee on Budgets is attached.

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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation on aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for 1974

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council¹,
 - having been consulted by the Council pursuant to Article 43 of the Treaty establishing the EEC (Doc. 217/74),
 - having regard to the report of the Committee on Agriculture, and the opinion of the Committee on Budgets (Doc. 295/74),
1. Approves the Commission's proposal;
 2. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities.

¹ OJ No. C 108, 18 September 1974, p. 13

EXPLANATORY STATEMENT

1. The Committee on Agriculture was requested to consider a proposal for a regulation on aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for 1974.
2. Your committee does not intend here to make a detailed study of the functioning of the EAGGF but would nevertheless recall that, in 1964, Council Regulation No. 17/64, dated 5 February 1964,¹ laid down the operational procedures for this body. Part Two of that regulation deals with the Guidance Section and lays down its operational procedures.
3. It will be recalled in particular that the Fund's contribution to individual projects may not exceed 25 per cent of the resources required to implement a particular scheme and that the financial contribution of the beneficiary must amount to at least 30 per cent. Moreover, projects for the improvements of structures should include projects relating both to the production and to the marketing of agricultural products.
4. The proposal under consideration would introduce two changes in this connection. It does no more, however, than reinvoke the provisions already adopted in previous years which, in 1973, were endorsed in a report drawn up by Mr Scott-Hopkins on behalf of the Committee on Agriculture (Doc. 109/73 of 2 July 1973). It should be noted that that report dealt with a proposal of wider significance, since it also included the appropriation of funds - Guidance Section - for allocation in 1973.
5. The present proposal would make two provisions in respect of projects undertaken in 1974 pursuant to Regulation (EEC) No. 17/64 cited above. These are:
 6. - to increase to 45 per cent (from 25 per cent) the maximum possible aid from the Fund for certain projects relating to production structures, as was done in the years 1971, 1972 and 1973. This is in fact the result of a provision introduced as from the 1967/68 accounting period;
 7. - to provide for different contributions from the beneficiary according to whether projects relate to structures of production or marketing.

¹See OJ No. 34, 27 Feb. 1964

The financial contribution of the party benefitting from the improvement must be at least:

- 20% for projects relating to production structures, and
- 38% for projects relating to marketing structures.

This measure was already adopted in 1973, and approved by the Committee on Agriculture, in considering Mr Scott-Hopkins' report.

8. Your committee would like to make the following observation: when this regulation - which, as stated above, relates to projects for 1974, enters into force - these projects will already have been submitted since no Member State may submit such projects to the Commission after 30 June each year.

Asked about this delay the Commission representative stated that the Commission had informed the national authorities in due time that the 1973 percentages for financial participation would be continued in 1974. This delay had therefore not affected applications for aid which had been submitted normally within the time limits.

9. However, your committee invites the Commission of the European Communities to ensure that in future regulations on aid from the Guidance Section of the EAGGF enter into force before 30 June each year so that those concerned can be notified officially in due time and can formulate their applications for aid in full knowledge of the facts.

10. Subject to this question, the Committee on Agriculture delivers a favourable opinion on the proposal for a regulation.

OPINION OF THE COMMITTEE ON BUDGETS

Draftsman of the opinion: Mr PETRE

The Committee on Budgets appointed Mr Pêtre draftsman of an opinion on 29 September 1974.

It considered the draft opinion at its meeting of 7 October 1974 and adopted it unanimously.

The following were present: Mr Spénale, chairman; Mr Aigner, vice-chairman; Mr Pêtre, draftsman of the opinion; Mr Artzinger, Mr Gerlach, Mr Hansen, Lord Lothian, Mr Radoux, Mr Scholten (deputizing for Mr Notenboom), and Mr Vernaschi.

Subject of the proposal for a Regulation

1. This proposal for a Regulation has been considered each year since 1971 by the Committee on Budgets.

It

- increases to 45% the maximum aid from the EAGGF for certain projects for changing production structures;
- raises the ceilings on the financial contribution of the party benefiting from the improvement and specifically, as stated in the proposal itself (Article 2), to 20% for projects relating to production structures, and 38% for projects relating to marketing structures.

Opinion of the Committee on Budgets

2. The Committee on Budgets cannot accept the failure to indicate the budgetary consequences of this increase in both the ceiling for EAGGF contributions and the ceiling for contributions from beneficiaries.

This point is all the more important in that it recurs each year and involves a question of principle - the necessity for Parliament to be able to assess, with full knowledge of the facts, the financial consequences of Community acts - especially as the Community will from now on be financed entirely from own resources.

The Commission has made a general commitment to the Parliament to correct this situation, which has been judged unsatisfactory for several years.

The Committee is obliged to note that this proposal for a Regulation does not in fact fulfil this promise. For this reason, the opinion of the Committee on Budgets cannot be given with full knowledge of the facts; it must therefore be reserved.

Moreover if the present situation continues, the opinions of the Committee on Budgets is bound to be negative when it is consulted again.