

# European Communities

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## EUROPEAN PARLIAMENT

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## Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 229/74) for a directive on the organization of a 1975 structure survey as part of a programme of surveys on the structure of agricultural holdings  
— Changes in the financial arrangements —

Rapporteur: Mr C. LABAN

PE 38.032/fin.



By letter of 28 August 1974, the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a directive on the organization of a 1975 structure survey as part of a programme of surveys on the structure of agricultural holdings - changes in financial arrangements.

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 Laban rapporteur.

It considered this proposal at its meeting of 22 October 1974 and adopted the motion for a resolution and the explanatory statement by nine votes in favour with one abstention.

The following were present: Mr Houdet, chairman; Mr Vetrone, vice-chairman; Mr Laban, vice-chairman and rapporteur; Mr Brugger, Mr Frehsee, Mr Hansen, Mr Howell, Mr Liogier, Mr Martens, Mrs Orth.

The opinion of the Committee on Budgets is attached.

C O N T E N T S

	<u>Page</u>
A. MOTION FOR A RESOLUTION .....	5
B. EXPLANATORY STATEMENT .....	6
Opinion of the Committee on Budgets .....	8

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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a directive on the organization of a 1975 structure survey as part of a programme of surveys on the structure of agricultural holdings - changes in financial arrangements -

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(74) 1270 final),
  - having been consulted by the Council pursuant to Articles 43 of the EEC Treaty; (Doc. 229/74),
  - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 324/74),
1. Approves the Commission's proposal;
  2. Refers to its resolution of 15 March 1974 embodying its opinion on the proposal from the Commission of the European Communities to the Council for the organization of an interim survey as part of a programme of surveys on the structure of agricultural holdings;
  3. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities

EXPLANATORY STATEMENTScope of the proposal

1. The Commission's proposal is a modification and elaboration of the proposal for a directive<sup>1</sup>, which the European Parliament considered at its plenary sitting of 15 March 1974<sup>2</sup>.
2. The modification concerns the number of agricultural holdings to be investigated. It amounts to a reduction of the number of British, and an increase in the number of Italian, agricultural holdings to be included in a random sample.

As regards the financial provisions, the amending proposal has two aims:

- the fixing of a payment to the Member States from the EAGGF, Guidance Section of 12 u.a. per holding surveyed on which data are forwarded to the Commission, instead of the 10 u.a. originally proposed;
- a different basis for EAGGF participation in the costs incurred by the Member States.

3. The programme of surveys, by contrast with the original proposal, is included in the category of common actions in the sense of Article 6 of Council Regulation (EEC) No. 729/70 concerning the financing of the common agricultural policy. The action does, in fact, come under the purposes stipulated in Article 39-1(a), concerning structural policy in agriculture. The period envisaged for carrying out the common action is two years, and the estimated total cost of the common action to be borne by the EAGGF, Guidance Section, is 7,920,000 u.a.

Assessment of the proposal

4. The measures of Community interest envisaged are, according to the Commission, aimed at achieving the objectives defined by Article 39, para. 1, sub-para. (a) of the Treaty, including the structural modifications necessary for the efficient functioning of the Common Market; these measures thus constitute a common action in the sense of Article 6 of Council Regulation (EEC) No. 729/70 of 21 April 1970, concerning the financing of the common agricultural policy. The Committee on Agriculture can agree to the inclusion of the programme of surveys among the common actions, and, therefore, under

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<sup>1</sup>Doc. 167/73

<sup>2</sup>Doc. 400/73, considered at the sitting of 15.3.1974, OJ No. C40, 8 April 1974

item 834 of the budget of the European Communities. The draft general budget of the European Communities already shows a sum of 3,960,000 u.a. earmarked for 1975

5. The implementation of the modified Article 9 on financial provisions is to be assured by the procedure of Article 13 of Regulation (EEC) No. 729/70 on the financing of the common agricultural policy, regulating the powers of the EAGGF Committee. The implementing measures will, therefore, be decided by the EAGGF Committee, while the Standing Committee on Agricultural Structures and the Standing Committee for Agricultural Statistics are to be consulted. This procedure has the agreement of the Committee on Agriculture.

As regards the amount to be paid to the Member States, viz. 12 u.a. per holding included in the structure survey, the Committee on Agriculture has no observations to make.

Moreover, since the change in the number of holdings to be included in a random sample remains broadly within the intentions announced by the Commission in its original proposal, to wit, a smaller range of surveys directed at more specific objectives, the Committee on Agriculture raises no objections.

6. The Committee on Agriculture is surprised that the Council has not adopted the original proposal approved by the European Parliament on 15 March 1974. The consequence of this may be delays in implementation in the Member States. The committee notes with satisfaction, however, that the Council has consulted the European Parliament on the modification of the original proposal, thus complying with wishes expressed by the European Parliament regarding financial provision, and it agrees with the proposal.

It would urge the Council to approve the proposal for the directive as soon as possible, so that the Member States can make a timely start on implementing the structure surveys to provide the necessary data for well founded Community measures.

OPINION OF THE COMMITTEE ON BUDGETS

Draftsman of the opinion: Mr C. DURAND

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

It considered the draft opinion at its meeting of 8 October 1974 and adopted it unanimously.

The following were present: Mr Spénale, chairman; Mr Durand, vice-chairman and draftsman of opinion; Mr Artzinger, Mr Fabbrini, Mr Gerlach, Mr Hansen, the Marquess of Lothian, Mr Pêtre, Mr Schmidt, Mr Vernaschi.



## INTRODUCTION

1. The objectives of the common agricultural policy laid down in the EEC Treaty include increasing agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilization of the factors of production.

Accordingly, Article 43 of the Treaty requires the Commission to submit proposals for the achievement of these aims. The agricultural sector is developing more and more rapidly and the preparation of such proposals calls for the use of recent global statistical data on the structure and organization of agricultural holdings in all the Member States and on the development of such holdings over the years.

2. On 27 July 1973 the Commission submitted to the Council a proposal for a directive on the organization of an intermediate survey as part of the programme of surveys on the structure of agricultural holdings (Doc. 167/73).

Whereas the information obtained in previous surveys related only to the situation in the six Member States, the present intermediate survey will relate to the structures of holdings in the nine Member States. The proposal of 27 July 1973 is to be modified by the amendments proposed in Document 229/74.

3. The proposal for a directive was considered by the Committee on Budgets at its meeting of 21 January 1974 and Mr. Laudrin's opinion was unanimously adopted (PE 35.389/fin.).

The Committee on Budgets expressed its satisfaction with the aim of this proposal for a directive, but asked for a breakdown of expenditure by financial year and following the budgetary nomenclature (Title, Chapter, Article, Item); the Committee on Budgets also asked the Commission to explain on what basis it had arrived at the all-in figure for expenditure per holding and by what criteria it had established its estimates of the number of holdings concerned.

## NATURE OF PROPOSED MODIFICATIONS

4. The Commission put forward three modifications in the document now under discussion.

The first - which shows the Community interest of the measures envisaged in the context of achieving the objectives defined by Article 39 of the Treaty - turns the 4th recital into a very complex paragraph, to understand which it is necessary to refer to regulations contained in two Official Journals (Nos. L94 of 28 April 1970 and L295 of

30 December 1972). However, even when these documents are referred to the significance of the modification is not immediately apparent.

While the general public does not have ready access to these documents, and is thus quite unable to understand the significance of this new recital, those who do have copies of the Official Journals in question still have trouble in finding and understanding the relevant material.

The Committee on Budgets therefore suggests that, where possible, the Commission documents should be redrafted in a clearer and more direct style.

5. The second modification replaces Article 6 of the original text and lays down in respect of Italy and the United Kingdom new minimum and maximum figures for the number of holdings for random sampling (in the case of Italy between 200,000 and 270,000 instead of between 160,000 and 200,000 and in the case of the United Kingdom between 27,000 and 33,000 instead of between 40,000 and 50,000).

The Committee on Budgets regrets that the Commission has not put forward any explanation for this modification.

The Commission must in future try to provide at least a brief explanation for every modification when the significance of such modifications is not immediately apparent.

6. The Committee on Budgets welcomes, with reservations, the third modification. This modification considerably extends the text of the original Article 9, which states that the expenditure required for conducting the intermediate survey in 1975 shall be defrayed as a fixed sum allocated in the budget of the European Communities, but does not indicate :

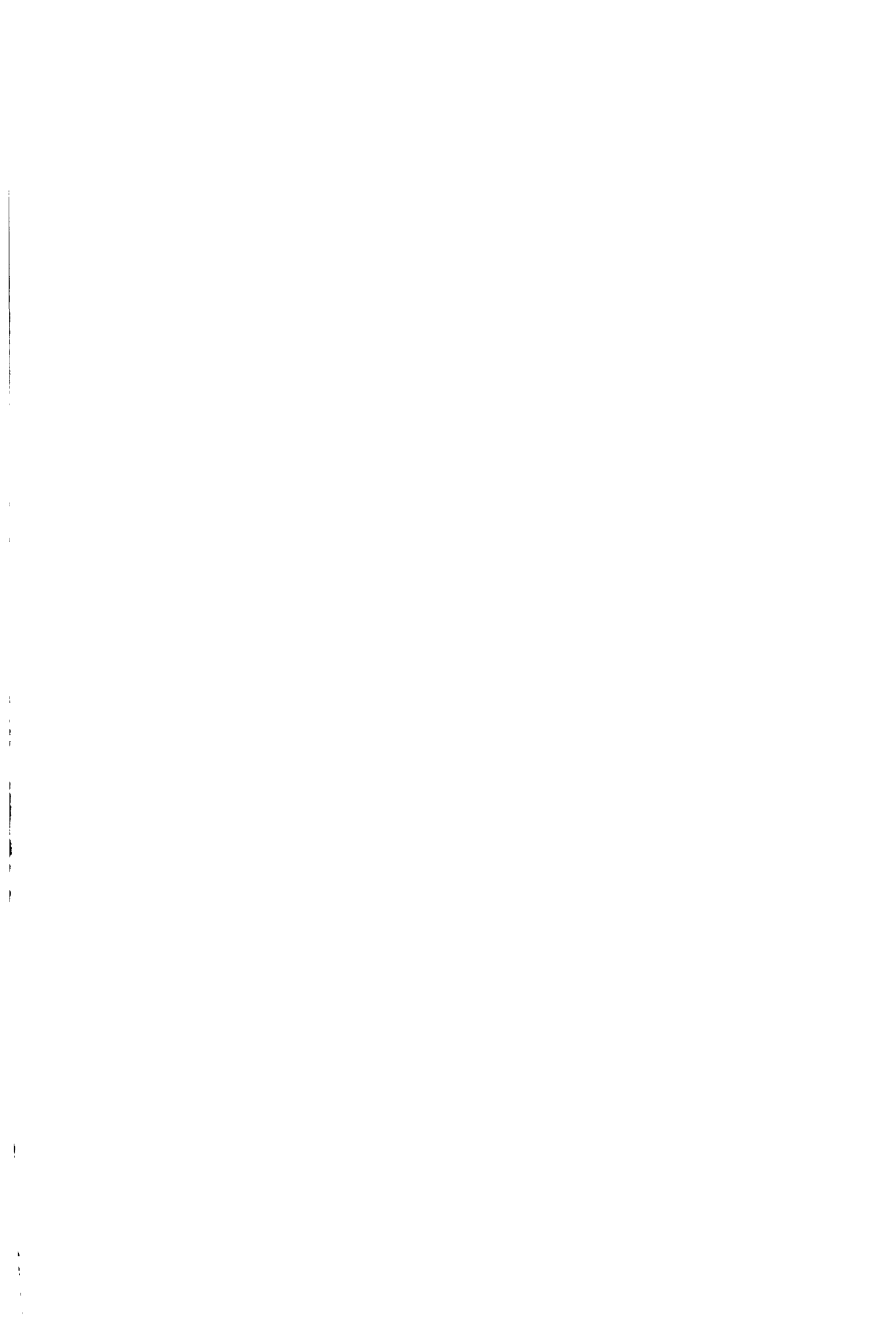
- (a) how the fixed amount of 12 u.a. per agricultural holding has been calculated; or
- (b) how the total cost of 7,920,000 u.a. has been arrived at;

nor does it give:

- (c) a breakdown in accordance with budgetary nomenclature; or
- (d) a breakdown by financial year.

#### CONCLUSION

7. In view of the reasons for the proposal for a directive and the favourable opinion delivered on 21 January 1974, the Committee on Budgets approves the modifications but requests the Commission in future to bear in mind the comments made in paragraphs 4 and 5 above and to ensure that additional details are supplied as to how the estimates given in the revised version of paragraph 9 are calculated.



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