COMMISSION DECISION

of 13 March 1974

pursuant to Article 18 of Directive No 72/159/EEC on provisions notified by the Federal Republic of Germany for the implementation of Directive No 72/159/EEC

(Only the German text is authentic)

(74/185/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community ;

Having regard to Council Directive No 72/159/EEC of 17 April 1972 on the modernization of farms, and in particular Article 18 (3) thereof ;

Whereas, as required by Article 17 (4) of Directive No 72/159/EEC, the Government of the Federal Republic of Germany notified the following laws, regulations and administrative provisions on 19 June 1973 ;

— outline rules of 20 April 1973 to promote investment on individual agricultural holdings and encourage the repopulation of rural areas

— outline rules of 20 April 1973 to promote investment on agricultural forestry and forestry holdings

— Directives of 1 March 1973 on credit guarantees for agricultural holdings and joint investment by several holdings ;

Whereas, as required by the second indent of Article 17 (1) and by Article 17 (4) of Directive No 72/159/EEC, the Government of the Federal Republic of Germany further notified the following laws, regulations and administrative provisions on 23 October 1973 :

Schleswig-Holstein :

— Directives of 8 August 1973 to encourage the rational use of agricultural machinery (machinery syndicates)

— Directives of 15 May 1970 (as amended on 4 August 1972) to encourage farmers to employ agricultural labourers

— Directives of 1973 to promote the enlargement of holdings through the purchase or renting of land

— Directives of 1973 to promote the construction of buildings for cattle- and pig-farming

— Directives of 1973 to encourage draining of individual farms

Lower Saxony :

— Directives of 2 May 1972 on subsidies for machinery syndicates

— Directives of 13 December 1972 to encourage the pooling of labour resources

— Directives on special measures relating to agricultural holdings in Lower Saxony — phased investment plan — as amended on 29 August 1973

North Rhine Westphalia :

— Directives of May 1973 to encourage the formation of machinery syndicates

— Directives of 25 April 1973 to encourage farmers to employ agricultural labourers

— Directives of 25 June 1973 to encourage farmers to employ relief milkers

Hesse :

— Directives of 21 December 1972 on the grant of subsidies by the Land to land development associations

— Directives of 21 December 1972 on the promotion of joint land development schemes

Rhineland Palatinate :

— Order of 12 February 1973 to promote the formation of machinery syndicates and the pooling of labour resources

Saarland :

— Order of 5 June 1973 to promote inter-farm cooperation

Baden-Württemberg :

— Directives of 10 July 1973 to promote the joint use of machinery through the formation of machinery syndicates

— Directives of 1 March 1973 on the provision of local female help and farm labourers from land funds

— Order of 1973 on additional measures relating to the Land's regional programme for agriculture

Bavaria :

— Order of 20 March 1973 laying down special conditions for financial assistance under Article 6 (5) of the Law on the promotion of agriculture in Bavaria (machinery syndicates)

— Order of 27 July 1972 laying down general conditions relating to financial assistance for a central service for local female help and farm labourers

— Directives of 12 March 1973 on village improvements ;

Whereas Article 18 (3) of Directive No 72/159/EEC requires the Commission to determine whether, having regard to the objectives of the Directive and to the need for a proper connection between the various measures, the drafts of the laws, regulations and administrative provisions comply with the Directive and thus satisfy the conditions for financial contribution by the Community ;

Whereas the objective of Directive No 72/159/EEC is to encourage the creation and development of farms which, assuming rational production, are capable of ensuring that persons working on them have an income comparable to that received for non-agricultural work and envoy acceptable working conditions ;

Whereas for these reasons Directive No 72/159/EEC obliges the Member States to introduce selective incentives to farmers who produce a farm development plan showing that on completion of the development period the farm will be capable of attaining as a minimum, for at least one worker, a level of earned income comparable to that received for non-agricultural work ;

Whereas Article 14 (2) of Directive No 72/159/EEC specifies that farms which do not meet this requirement qualify for reduced assistance only the interest remaining payable by the beneficiary amounting to not less than 5 % per year ;

Whereas the measures to assist farms with a development plan within the meaning of Article 4 of the Directive now notified by the Government of the Federal Republic of Germany, comply with the requirements of the Directive ;

Whereas, however the outline rules for the promotion of investment on agriculture forestry holdings and the various other laws, regulations and administrative provisions of the Länder notified make provision for incentives to farms which upon completion of the development plan will not be capable of providing at least one worker with a full earned income from agriculture which are more favourable than Article 14 (2) of the Directive allows and consequently not compatible with the provisions of that Article ;

Whereas a decision as to whether the objectives of the Directive are or are not jeopardized by incentives which are not compatible with the Directive largely depends on the manner and extent of their application ; whereas such a decision cannot be taken until the incentives have been applied for some time and a detailed report has been submitted by the Government of the Federal Republic of Germany ;

Whereas for this reason a Commission Decision pursuant to Article 18 (3) of the Directive can be adopted for a limited period only ;

Whereas the EAGGF Committee has been consulted on the financial aspects ;

Whereas the measures provided for in this Decision are in accordance with the Opinion of the Standing Committee on Agricultural Structure,

HAS ADOPTED THIS DECISION :

Article 1

The laws, regulations and administrative provisions for the implementation of Directive No 72/159/EEC, notified by the Government of the Federal Republic of Germany on 19 June 1973 and 23 October 1973 pursuant to the second indent of Article 17 (1) and to Article 17 (4) of the said Directive, satisfy the conditions for financial contribution by the Community to common measures within the meaning of Article 15 of Directive No 72/159/EEC.

Article 2

The Government of the Federal Republic of Germany shall, not later than 31 March 1975, forward to the Commission a detailed report on the application of the outline rules for the promotion of investment on individual agriculture forestry and forestry holdings.

The report provided for in the foregoing paragraph shall indicate, in particular, the number and types of farm receiving incentives, the proportion of income

derived from forestry or from secondary non-industrial activity, the location of the farms and the reasons for granting incentives under the outline rules referred to in the foregoing paragraph. The report shall also specify the extent of budgetary expenditure on these farms and any additional incentives granted under the laws, regulations and administrative provisions adopted by the Länder.

Article 3

Financial contribution by the Community shall be confined to eligible expenditure arising in connection with aids granted in pursuance of decisions taken after 20 April 1973.

Article 4

The statement made in Article 1 will be effective until 31 December 1974.

Article 5

This Decision is addressed to the Federal Republic of Germany.

Done at Brussels, 13 March 1974.

For the Commission

The President

François-Xavier ORTOLI