

Official Journal

of the European Communities

ISSN 0378-6978

L 216

Volume 28

13 August 1985

English edition

Legislation

Contents

I *Acts whose publication is obligatory*

Commission Regulation (EEC) No 2307/85 of 12 August 1985 fixing the import levies on cereals and on wheat or rye flour, groats and meal	1
Commission Regulation (EEC) No 2308/85 of 12 August 1985 fixing the premiums to be added to the import levies on cereals, flour and malt	3
★ Commission Regulation (EEC) No 2309/85 of 7 August 1985 amending quantitative limits fixed for imports of certain textile products originating in India	5
★ Commission Regulation (EEC) No 2310/85 of 12 August 1985 amending Regulation (EEC) No 2042/75 as regards the amount of security for export licences for durum wheat groats and meal in respect of which the refund is fixed in advance	7
Commission Regulation (EEC) No 2311/85 of 12 August 1985 abolishing the countervailing charge on aubergines originating in Spain	8
Commission Regulation (EEC) No 2312/85 of 12 August 1985 fixing the amounts to be levied in the beef sector on products which left the United Kingdom during the week 24 to 30 June 1985	9
Commission Regulation (EEC) No 2313/85 of 12 August 1985 fixing the import levies on white sugar and raw sugar	11

(Continued overleaf)

Contents (continued)

II *Acts whose publication is not obligatory*

Commission

85/378/EEC :

- ★ **Commission Decision of 19 December 1984 on the French system of assistance to industry comprising special investment loans, subsidized loans to enterprises, additional refinancing loans and FIM (Industrial Modernization Fund) loans 12**

85/379/EEC :

- ★ **Commission Decision of 22 May 1985 concerning an aid scheme for potable spirits producers in France 20**

I

(Acts whose publication is obligatory)

**COMMISSION REGULATION (EEC) No 2307/85
of 12 August 1985**

fixing the import levies on cereals and on wheat or rye flour, groats and meal

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation (EEC) No
2727/75 of 29 October 1975 on the common organi-
zation of the market in cereals⁽¹⁾, as last amended by
Regulation (EEC) No 1018/84⁽²⁾, and in particular
Article 13 (5) thereof,

Having regard to Council Regulation No 129 on the
value of the unit of account and the exchange rates to
be applied for the purposes of the common agricul-
tural policy⁽³⁾, as last amended by Regulation (EEC)
No 2543/73⁽⁴⁾, and in particular Article 3 thereof,

Having regard to the opinion of the Monetary
Committee,

Whereas the import levies on cereals, wheat and rye
flour, and wheat groats and meal were fixed by Regula-
tion (EEC) No 2159/85⁽⁵⁾ and subsequent amending
Regulations;

Whereas, if the levy system is to operate normally,
levies should be calculated on the following basis:

- in the case of currencies which are maintained in
relation to each other at any given moment within
a band of 2,25 %, a rate of exchange based on
their central rate, multiplied by the coefficient

provided for in Article 2b (2) of Regulation (EEC)
No 974/71⁽⁶⁾, as last amended by Regulation (EEC)
No 855/84⁽⁷⁾,

- for other currencies, an exchange rate based on the
arithmetic mean of the spot market rates of each of
these currencies recorded for a given period in
relation to the Community currencies referred to
in the previous indent, and the aforesaid coeffi-
cient;

Whereas these exchange rates being those recorded on
9 August 1985;

Whereas it follows from applying the detailed rules
contained in Regulation (EEC) No 2159/85 to today's
offer prices and quotations known to the Commission
that the levies at present in force should be altered to
the amounts set out in the Annex hereto,

HAS ADOPTED THIS REGULATION:

Article 1

The import levies to be charged on products listed in
Article 1 (a), (b) and (c) of Regulation (EEC) No
2727/75 shall be as set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 13 August
1985.

This Regulation shall be binding in its entirety and directly applicable in all Member
States.

Done at Brussels, 12 August 1985.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 107, 19. 4. 1984, p. 1.

⁽³⁾ OJ No 106, 30. 10. 1962, p. 2553/62.

⁽⁴⁾ OJ No L 263, 19. 9. 1973, p. 1.

⁽⁵⁾ OJ No L 203, 1. 8. 1985, p. 8.

⁽⁶⁾ OJ No L 106, 12. 5. 1971, p. 1.

⁽⁷⁾ OJ No L 90, 1. 4. 1984, p. 1.

ANNEX

to the Commission Regulation of 12 August 1985 fixing the import levies on cereals and on wheat or rye flour, groats and meal

(ECU/tonne)		
CCT heading No	Description	Levies
10.01 B I	Common wheat, and meslin	108,66
10.01 B II	Durum wheat	164,07 ⁽¹⁾ ⁽²⁾
10.02	Rye	109,82 ⁽⁶⁾
10.03	Barley	106,60
10.04	Oats	78,64
10.05 B	Maize, other than hybrid maize for sowing	90,18 ⁽²⁾ ⁽³⁾
10.07 A	Buckwheat	0
10.07 B	Millet	50,39 ⁽⁴⁾
10.07 C	Grain sorghum	104,59 ⁽⁴⁾
10.07 D I	Triticale	⁽⁷⁾
10.07 D II	Canary seed; other cereals	0 ⁽⁵⁾
11.01 A	Wheat or meslin flour	165,12
11.01 B	Rye flour	166,75
11.02 A I a)	Durum wheat groats and meal	267,39
11.02 A I b)	Common wheat groats and meal	178,33

⁽¹⁾ Where durum wheat originating in Morocco is transported directly from that country to the Community, the levy is reduced by 0,60 ECU/tonne.

⁽²⁾ In accordance with Regulation (EEC) No 486/85 the levies are not applied to imports into the French overseas departments of products originating in the African, Caribbean and Pacific States or in the 'overseas countries and territories'.

⁽³⁾ Where maize originating in the ACP or OCT is imported into the Community the levy is reduced by 1,81 ECU/tonne.

⁽⁴⁾ Where millet and sorghum originating in the ACP or OCT is imported into the Community the levy is reduced by 50 %.

⁽⁵⁾ Where durum wheat and canary seed produced in Turkey are transported directly from that country to the Community, the levy is reduced by 0,60 ECU/tonne.

⁽⁶⁾ The import levy charged on rye produced in Turkey and transported directly from that country to the Community is laid down in Council Regulation (EEC) No 1180/77 and Commission Regulation (EEC) No 2622/71.

⁽⁷⁾ The levy applicable to rye shall be charged on imports of the product falling within subheading 10.07 D I (triticale).

COMMISSION REGULATION (EEC) No 2308/85

of 12 August 1985

fixing the premiums to be added to the import levies on cereals, flour and malt

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation (EEC) No
2727/75 of 29 October 1975 on the common organ-
ization of the market in cereals ⁽¹⁾, as last amended by
Regulation (EEC) No 1018/84 ⁽²⁾, and in particular
Article 15 (6) thereof,

Having regard to Council Regulation No 129 on the
value of the unit of account and the exchange rates to
be applied for the purposes of the common agricul-
tural policy ⁽³⁾, as last amended by Regulation (EEC)
No 2543/73 ⁽⁴⁾, and in particular Article 3 thereof,

Having regard to the opinion of the Monetary
Committee,

Whereas the premiums to be added to the levies on
cereals and malt were fixed by Regulation (EEC) No
2160/85 ⁽⁵⁾ and subsequent amending Regulations;

Whereas, if the levy system is to operate normally,
levies should be calculated on the following basis:

- in the case of currencies which are maintained in
relation to each other at any given moment within
a band of 2,25 %, a rate of exchange based on
their central rate, multiplied by the coefficient

provided for in Article 2b (2) of Regulation (EEC)
No 974/71 ⁽⁶⁾, as last amended by Regulation (EEC)
No 855/84 ⁽⁷⁾,

- for other currencies, an exchange rate based on the
arithmetic mean of the spot market rates of each of
these currencies recorded for a given period in
relation to the Community currencies referred to
in the previous indent, and the aforesaid coeffi-
cient;

Whereas these exchange rates being those recorded on
9 August 1985;

Whereas, on the basis of today's cif prices and cif
forward delivery prices, the premiums at present in
force, which are to be added to the levies, should be
altered to the amounts set out in the Annex hereto,

HAS ADOPTED THIS REGULATION:

Article 1

The premiums referred to in Article 15 of Regulation
(EEC) No 2727/75 to be added to the import levies
fixed in advance in respect of cereals and malt shall be
as set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 13 August
1985.

This Regulation shall be binding in its entirety and directly applicable in all Member
States.

Done at Brussels, 12 August 1985.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 107, 19. 4. 1984, p. 1.

⁽³⁾ OJ No 106, 30. 10. 1962, p. 2553/62.

⁽⁴⁾ OJ No L 263, 19. 9. 1973, p. 1.

⁽⁵⁾ OJ No L 203, 1. 8. 1985, p. 11.

⁽⁶⁾ OJ No L 106, 12. 5. 1971, p. 1.

⁽⁷⁾ OJ No L 90, 1. 4. 1984, p. 1.

ANNEX

to the Commission Regulation of 12 August 1985 fixing the premiums to be added to the import levies on cereals, flour and malt

A. Cereals and flour

CCT heading No	Description	(ECU/tonne)			
		Current 8	1st period 9	2nd period 10	3rd period 11
10.01 B I	Common wheat, and meslin	0	0	0	0
10.01 B II	Durum wheat	0	1,22	1,22	0
10.02	Rye	0	0	0	0
10.03	Barley	0	0	0	1,22
10.04	Oats	0	0	0	0
10.05 B	Maize, other than hybrid maize for sowing	0	1,47	1,47	4,88
10.07 A	Buckwheat	0	0	0	0
10.07 B	Millet	0	0	0	0
10.07 C	Grain sorghum	0	0	0	6,65
10.07 D	Other cereals	0	0	0	0
11.01 A	Wheat or meslin flour	0	0	0	0

B. Malt

CCT heading No	Description	(ECU/tonne)				
		Current 8	1st period 9	2nd period 10	3rd period 11	4th period 12
11.07 A I (a)	Unroasted malt, obtained from wheat, in the form of flour	0	0	0	0	0
11.07 A I (b)	Unroasted malt, obtained from wheat, other than in the form of flour	0	0	0	0	0
11.07 A II (a)	Unroasted malt, other than that obtained from wheat, in the form of flour	0	0	0	2,17	2,17
11.07 A II (b)	Unroasted malt, other than that obtained from wheat, other than in the form of flour	0	0	0	1,62	1,62
11.07 B	Roasted malt	0	0	0	1,89	1,89

COMMISSION REGULATION (EEC) No 2309/85

of 7 August 1985

amending quantitative limits fixed for imports of certain textile products
originating in India

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation (EEC) No
3589/82 of 31 December 1982 on common rules for
imports of certain textile products originating in third
countries ⁽¹⁾, as last amended by Regulation (EEC) No
1003/85 ⁽²⁾, and in particular Article 7 thereof,

Whereas, by Regulation (EEC) No 3589/82, quantita-
tive limits agreed with third countries are shared
between the Member States for 1985;

Whereas, in the bilateral agreements, the Community
has given undertakings to the supplier countries to
adjust the allocation of limits among Member States in
such a way as to ensure optimum utilization and to
establish efficient and speedy procedures for adjusting
the allocations;

Whereas India has asked that the allocation of
Community quantitative limits among the Member

States be adjusted in order to take account of the trend
of trade flows, and to enable suppliers to utilize agreed
Community limits more fully;

Whereas the measures provided for in this Regulation
are in accordance with the opinion of the Textile
Committee,

HAS ADOPTED THIS REGULATION:

Article 1

The quantitative limits for textile products originating
in India, as fixed in Annex III to Regulation (EEC) No
3589/82, are hereby amended for 1985 as laid down in
the Annex hereto.

Article 2

This Regulation shall enter into force on the day
following its publication in the *Official Journal of the
European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member
States.

Done at Brussels, 7 August 1985.

For the Commission

Willy DE CLERCQ

Member of the Commission

⁽¹⁾ OJ No L 374, 31. 12. 1982, p. 106.

⁽²⁾ OJ No L 116, 29. 4. 1985, p. 1.

ANNEX

Category	CCT heading No	NIMEXE code (1985)	Description	Third countries	Member States	Units	Quantitative limits from 1 January to 31 December 1985
2	55.09	55.09-03, 04, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 19, 21, 29, 32, 34, 35, 37, 38, 39, 41, 49, 51, 52, 53, 54, 55, 56, 57, 59, 61, 63, 64, 65, 66, 67, 68, 69, 70, 71, 73, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 87, 88, 89, 90, 91, 92, 93, 98, 99	Other woven fabrics of cotton : Woven fabrics of cotton, other than gauze, terry fabrics, narrow woven fabrics, pile fabrics, chenille fabrics, tulle and other net fabrics	India	D F I BNL UK DK	Tonnes	4 865 4 844 2 750 1 671 25 436 757

COMMISSION REGULATION (EEC) No 2310/85

of 12 August 1985

amending Regulation (EEC) No 2042/75 as regards the amount of the security for export licences for durum wheat groats and meal in respect of which the refund is fixed in advance

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals⁽¹⁾, as last amended by Regulation (EEC) No 1018/84⁽²⁾, and in particular Article 12 (2) thereof,

Whereas Article 12 (1) (c) of Regulation (EEC) No 2042/75⁽³⁾, as last amended by Regulation (EEC) No 2119/85⁽⁴⁾, determines the amount of the security for licences for products as specified in Article 1 of Regulation (EEC) No 2727/75;

Whereas these amounts are currently too small for exports of durum wheat groats and meal taking into account fluctuations in prices on the world market, monetary movements and the period of validity of the report licences;

Whereas the securities for export licences for durum wheat groats and meal in respect of which the refund is fixed in advance should therefore be increased whereas it is therefore necessary to amend Regulation (EEC) No 2042/75;

Whereas these provisions do not affect export licences in respect of which the advance fixing of the refund has been requested prior to entry into force of this Regulation;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

Article 12 (1) (c) of Regulation (EEC) No 2042/75 is replaced by the following:

- '(c) 24 ECU per tonne in the case of export licences for the product falling within sub-heading 10.01 B I of the Common Customs Tariff where the refund is fixed in advance ;
12,09 ECU per tonne in the case of export licences for the product falling within sub-heading 10.01 B I of the Common Customs Tariff where the levy is fixed in advance ;
30 ECU per tonne in the case of export licences for the product falling within sub-heading 11.02 A I a) of the Common Customs Tariff where the refund is fixed in advance ;
12,09 ECU per tonne in the case of export licences for the other products specified in Article 1 (a), (b) and (c) of Regulation (EEC) No 2727/75 where the levy or refund is fixed in advance.'

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 August 1985.

For the Commission

Nicolas MOSAR

Member of the Commission

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 107, 19. 4. 1984, p. 1.

⁽³⁾ OJ No L 213 11. 8. 1975, p. 5.

⁽⁴⁾ OJ No L 198, 30. 7. 1985, p. 18.

COMMISSION REGULATION (EEC) No 2311/85

of 12 August 1985

abolishing the countervailing charge on aubergines originating in Spain

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1035/72 of 18 May 1972 on the common organization of the market in fruit and vegetables⁽¹⁾, as last amended by Regulation (EEC) No 1332/84⁽²⁾, and in particular the second subparagraph of Article 27 (2) thereof,

Whereas Commission Regulation (EEC) No 2153/85 of 30 July 1985⁽³⁾ introduced a countervailing charge on aubergines originating in Spain;

Whereas for this product originating in Spain there were no prices for six consecutive working days;

whereas the conditions specified in Article 26 (1) of Regulation (EEC) No 1035/72 are therefore fulfilled and the countervailing charge on imports of aubergines originating in Spain can be abolished,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 2153/85 is hereby repealed.

Article 2

This Regulation shall enter into force on 13 August 1985.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 August 1985.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 118, 20. 5. 1972, p. 1.

⁽²⁾ OJ No L 130, 16. 5. 1984, p. 1.

⁽³⁾ OJ No L 199, 31. 7. 1985, p. 38.

COMMISSION REGULATION (EEC) No 2312/85

of 12 August 1985

fixing the amounts to be levied in the beef sector on products which left the United Kingdom during the week 24 to 30 June 1985

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1311/85 of 23 May 1985 on the granting of a premium for the slaughter of certain adult bovine animals in the United Kingdom ⁽¹⁾, and in particular Article 5 thereof,

Whereas, under Article 3 of Regulation (EEC) No 1311/85, an amount equivalent to the amount of the variable slaughter premium granted in the United Kingdom is levied on meat and meat preparations from animals on which it has been paid, when they are consigned to other Member States or to non-member countries;

Whereas, under Article 7 (1) of Commission Regulation (EEC) No 2187/85 of 31 July 1985 laying down detailed rules for the application of the premium for the slaughter of certain adult bovine animals for slaughter in the United Kingdom ⁽²⁾, the amounts to be charged on departure from the territory of the United Kingdom of the products listed in the Annex

to the said Regulation must be fixed each week by the Commission;

Whereas, accordingly, the amounts to be levied on products which left the United Kingdom during the week 24 to 30 June 1985 should be fixed,

HAS ADOPTED THIS REGULATION:

Article 1

Pursuant to Article 3 of Regulation (EEC) No 1311/85, the amounts to be levied on the products referred to in Article 7 (1) of Regulation (EEC) No 2187/85 which left the territory of the United Kingdom during the week 24 to 30 June 1985 shall be those set out in the Annex.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

It shall apply with effect from 24 June 1985.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 August 1985.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 137, 27. 5. 1985, p. 20.

⁽²⁾ OJ No L 203, 1. 8. 1985, p. 76.

ANNEX

Amounts to be levied on products which left the territory of the United Kingdom during
the week 24 to 30 June 1985

(ECU/100 kg net weight)		
CCT heading No	Description	Amount
1	2	3
ex 02.01 A II a) and ex 02.01 A II b)	Meat of adult bovine animals, fresh, chilled or frozen :	
	1. Carcases, half-carcases or 'compensated' quarters	26,26474
	2. Separated or unseparated forequarters	21,01179
	3. Separated or unseparated hindquarters	31,51769
	4. Other :	
	aa) Unboned (bone-in)	21,01179
	bb) Boned or boneless	35,98269
ex 02.06 C I a)	Meat salted, in brine, dried or smoked, of adult bovine animals :	
	1. Unboned (bone-in)	21,01179
	2. Boned or boneless	29,94180
ex 16.02 B III b) 1	Other prepared or preserved meat or meat offal, containing meat or offal of adult bovine animals :	
	aa) Uncooked ; mixtures of cooked meat or offal and uncooked meat or offal :	
	11. Containing 80 % or more by weight of beef meat excluding offals and fat	29,94180
	22. Other	21,01179

COMMISSION REGULATION (EEC) No 2313/85
of 12 August 1985
fixing the import levies on white sugar and raw sugar

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation (EEC) No
1785/81 of 30 June 1981 on the common
organization of the markets in the sugar sector⁽¹⁾, as
last amended by Regulation (EEC) No 1482/85⁽²⁾, and
in particular Article 16 (8) thereof,

Whereas the import levies on white sugar and raw
sugar were fixed by Regulation (EEC) No 1809/85⁽³⁾,
as last amended by Regulation (EEC) No 2298/85⁽⁴⁾;

Whereas it follows from applying the detailed rules
contained in Regulation (EEC) No 1809/85 to the
information known to the Commission that the levies

at present in force should be altered to the amounts
set out in the Annex hereto,

HAS ADOPTED THIS REGULATION:

Article 1

The import levies referred to in Article 16 (1) of Regu-
lation (EEC) No 1785/81 shall be, in respect of white
sugar and standard quality raw sugar, as set out in the
Annex hereto.

Article 2

This Regulation shall enter into force on 13 August
1985.

This Regulation shall be binding in its entirety and directly applicable in all Member
States.

Done at Brussels, 12 August 1985.

For the Commission

Frans ANDRIESEN

Vice-President

- ⁽¹⁾ OJ No L 177, 1. 7. 1981, p. 4.
⁽²⁾ OJ No L 151, 10. 6. 1985, p. 1.
⁽³⁾ OJ No L 169, 29. 6. 1985, p. 77.
⁽⁴⁾ OJ No L 213, 10. 8. 1985, p. 40.

ANNEX

**to the Commission Regulation of 12 August 1985 fixing the import levies on white sugar
and raw sugar**

(ECU/100 kg)		
CCT heading No	Description	Levy
17.01	Beet sugar and cane sugar, in solid form :	
	A. White sugar : flavoured or coloured sugar	47,27
	B. Raw sugar	42,95 ⁽¹⁾

⁽¹⁾ Applicable to raw sugar with a yield of 92 % ; if the yield is other than 92 %, the levy applicable
is calculated in accordance with the provisions of Article 2 of Regulation (EEC) No 837/68.

II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 19 December 1984

on the French system of assistance to industry comprising special investment loans, subsidized loans to enterprises, additional refinancing loans and FIM (Industrial Modernization Fund) loans

(Only the French text is authentic)

(85/378/EEC)

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community, and in particular the first
subparagraph of Article 93 (2) thereof,

Having given notice to the parties concerned to
submit their comments,

Whereas :

I

After repeated requests to do so, the French Govern-
ment informed the Commission by telexes sent on 1
April 1982 (ref. SG(82)A/3230), 17 January
(SG(83)A/487) and 8 February 1983 (SG(83)A/1412)
and letters dated 28 October 1983 (930/IV(83)14555),
15 February 1984 (IV/10833) and 2 April 1984
(IV(84)11764) of the introduction of four special loan
schemes for industry, viz. :

- special investment loans (prêts spéciaux pour
l'investissement),
- subsidized loans to enterprises (prêts aidés aux
entreprises),

— additional refinancing loans (prêts supplémentaires
de refinancement), and

— FIM (Fonds Industriel de Modernisation — Indus-
trial Modernization Fund) loans.

Special investment loans are currently granted at
9,25 % interest. Where the loans exceeds FF 2
million, it falls into two parts :

- a long-term loan at the concessionary rate with a
grace period for principal repayments of two or
three years on loans of up to 12 years and over 12
years respectively ;
- medium-term bank loans at market rates over a
maximum of seven years.

The maturities of the loans and the proportions of the
two elements in the package are decided by the
lending establishment in the light of the nature of the
investment, its pay-off period and its profitability. The
total package of medium and long-term loans may
cover up to 70 % of the cost of the new investment
excluding tax.

The loans are available to firms which commit them-
selves to investment projects which create or maintain
jobs and which involve either conservation of energy

or raw materials, an increase in the firm's non-EEC exports, the purchase of equipment for automating production processes or the application of innovative processes or manufacture of innovative products. Total lending of FF 14 000 million and FF 14 300 million in 1983 and 1984 respectively was budgeted for under this scheme.

Subsidized loans to enterprises are currently granted at 11,75 % interest. They are available to firms whose projects are ranked as of high priority but which do not enter into the commitments required for special investment loans. The eligibility conditions and the terms and conditions of the loans are the same as for special investment loans. Total lending of FF 7 000 million and FF 7 160 million in 1983 and 1984 respectively was budgeted for under this scheme. The scheme is to end on 31 December 1984.

Additional refinancing loans are currently granted at 9,75 % interest. They are long-term loans over 12 years with a two-year grace period. Applications must be submitted before the end of 1984. The minimum loans is one year's average principal repayments on the firm's long-term fixed-interest debt. Eligibility is based on the firm's entire fixed interest borrowing, both medium- and long-term, from or guaranteed by the four lending institutions specializing in long-term lending to industry (Crédit National, Caisse Centrale de Crédit Coopératif, Crédit d'équipement des PME, Sociétés de développement régional).

The eligibility conditions are :

- the debt service charges due in 1984 on all medium- and long-term fixed-interest debts in French francs must be at least 11 % of the debt outstanding as at 31 December 1983,
- the firm must commit itself by the end of 1984 to an investment financed by a special investment loan or a subsidized loan to enterprises, applied for between 1 January and 31 December 1984, or a medium-term loan approved, guaranteed or arranged during the same period by one of the four specialized lending institutions.

Total lending of FF 3 000 million in both 1983 and 1984 was budgeted for under this scheme.

FIM loans are currently granted at 9,25 % interest. The maximum term is 10 years with a grace period of up to two years. The loans may cover up to 40 % of the investment costs.

FIM loans are intended to support investment projects of an innovative nature in one of the following priority areas for industrial development: installation of high-technology plant and equipment in factories, office automation and development of memory cards, biotechnology, installation of microcomputers in schools and training colleges, and development of highly fuel-efficient vehicles.

The claims procedure for FIM loans is as follows :

- the firm submits its modernization project either to its bank or direct to the National Research Agency (ANVAR — a body which reports to the Ministry for Industry),
- ANVAR makes a technical evaluation and the bank a financial evaluation of the project,
- if these are favourable, the application is referred to the FIM Board, which can endorse or reject it,
- approved applications are forwarded by the FIM to the Industrial Modernization Bank (Caisse de Modernisation Industrielle — CAMI) for charging against its budget,
- CAMI advises the Caisse de Dépôts et de Consignations (CDC) and upon receiving appropriate instructions from the Minister the CDC transfers the money to the applicant's bank and authorizes payment,
- the loan is paid out to the applicant,
- the loan is backed by a State guarantee (those of up to FF 150 million against a contingency fund in the budget of the Ministry for Industry and Research, those above by a State guarantee given on the usual conditions by the Economics and Finance Ministry).

The total lending budgeted for under the FIM scheme was FF 3 000 million for 1983 (part carried over to 1984) and FF 11 000 million for 1984. For 1985 FF 12 000 has been budgeted for.

FIM technological equity loans (prêts participatifs technologiques) to the value of FF 430 million were granted over the period 1 September to 31 December 1983 and of FF 6 380 million over the period 1 January to 31 October 1984. In addition, FIM, leasing loans worth FF 531 million and 1 190 million were granted over the same periods.

II

On 22 February 1984 the Commission opened the procedure laid down in Article 93 (2) of the Treaty with regard to the abovementioned loan schemes on the ground that they involved aid falling within Article 92 (1) of the Treaty which on the known facts as supplied by the French Government did not qualify for any of the exceptions provided for in Article 92 (3). A notice to third parties about the schemes was published in *Official Journal of the European Communities* No C 118 of 2 May 1984.

The schemes were considered to involve aid within the meaning of Article 92 (1) because all four schemes make loans available to industry at interest rates fixed by the Government which are below market rates. The concessionary element is financed :

- in the case of the first three schemes (special investment loans, subsidized loans to enterprises and additional refinancing loans), by interest subsidies, for which the Government sets aside provisions in the budget,
- in the case of the FIM loans, by the special conditions granted for deposits on 'industrial development savings accounts' (CODEVI) from which funds are channelled to the specialized lending institutions.

In the case of the first three schemes, the interests subsidies to make up the difference between the concessionary and market rates are committed to the specialized lending institutions (in most cases Crédit National) as and when the loans are granted. The rates of interest and other conditions of the loans are fixed by the Government and compliance with them monitored by the financial inspectorate, although the

responsibility and risk of selection rest with the specialized lending institutions. The French Government admitted in a letter to the Commission dated 12 November 1984 that these schemes involve aid.

The concessionary rate of interest charged on FIM loans is made possible by the fact that the funds are obtained cheaply from savings deposited on CODEVI accounts. Although these very-short-term accounts pay only a low rate of interest (currently 6,5 %), they have attracted savings in significant quantities (FF 61 000 million since September 1983 when the accounts were launched) because the interest earned on them is tax-free. The Government is forgoing considerable tax revenue by this concession. Without it the banks would have to pay a significantly higher rate to attract the funds and the FIM loans would not be able to be paid at the same concessionary rate.

The funds deposited on CODEVI accounts are used for specific purposes mandatorily laid down by law :

- Funds deposited with banks (including Crédit Mutuel and Crédit Agricole) are divided 50-50 between :
 - (a) the Caisse de Dépôts et de Consignations (a State agency). The CDC converts half into treasury bills and keeps the rest for lending as FIM loans. In return it issues the collecting bank with 5 to 7 year Industrial Development Certificates (TDI) bearing 8 % interest.
 - (b) the banks themselves which transfer half to the Bank of France and lend the other half to industry as medium- or long-term loans (PBE) at 10,25 % interest.
- Funds deposited with savings banks or in post office savings accounts are transferred to the CDC, which :
 - (a) keeps 50 % as liquid reserves,
 - (b) transfers the other 50 % to the specialized lending institutions which relend the funds to industry in the form *inter alia* of special investment loans, subsidized loans to enterprises and additional refinancing loans.

The fact that FIM loans are subsidized by forgoing tax revenue rather than by reallocating tax revenue to them in the Budget does not make this use of State resources any less an aid for the purposes of Article 92 (1), as was established by the Court of Justice in Case 47/69 France v. Commission [1970] ECR 487.

The State guarantee against the risk of default for which the lending bank would otherwise have to charge is another aid element in FIM loans.

In relation to the possibility of an exception under Article 92 (3) (c), it was noted that the aid schemes are intended to promote the modernization of French industry in selected areas regarded by the French Government as being of priority.

Here it must be emphasized that a general objective of modernizing industry is not in itself sufficiently in the Community interest to justify an exception under Article 92 (3) (c). Nor are the more specific objectives pursued by the French Government in the priority areas it has selected for modernization necessarily in the Community interest. This is solely a matter for the Commission to decide in the light of an economic assessment.

The aid schemes provide firms with substantial amounts of cheap funds with which to modernize their plant and equipment (and in some cases carry out research). The money they save by having access to these cheap funds instead of having to rely on internally generated funds or borrowing at the more expensive commercial rates can be put to other uses within the business to increase the firms' competitiveness or strengthen their balance sheet. This gives them a significant competitive advantage over other firms in the Community without access to such credit facilities, as the Court of Justice established in Case 730/79 Philip Morris [1980] ECR 2671.

In opening the Article 93 (2) procedure against the loan schemes, the Commission considered the first three schemes to be part of an existing aid scheme in that the loans were provided under similar conditions and for similar purposes as those granted by the Crédit National on behalf of the Economic and Social Development Fund (which comes under the Finance Ministry) and were financed in the same way and had

a common origin. The FIM loans scheme was considered to be a new scheme, and the Commission warned potential beneficiaries that the Article 93 (2) procedure had suspensory effect and any assistance granted under the scheme before the Commission had reached a final decision under the procedure would be illegal and subject to recovery.

III

The French Government submitted observations replying to the opening of the Article 93 (2) procedure by letters dated 7 November (IV/84-5062), 12 November (84/15116), 27 November (IV/84-15426) and 4 December 1984 (IV/84-15534).

In these submissions the French Government outlined the conditions, procedures and objectives of the three subsidized loan schemes and stated that the specialized lending institutions that granted the loans were private and decided completely independently and at their own risk what loans they provided, without Government interference in the selection of the risks. Being granted by independent lending institutions, the loans were a general aid to industry, for which the Government laid down certain conditions to be satisfied by the loans in order to qualify for the subsidy.

The Government further submitted that the value of the State aid had to be seen in relation to the whole financing package arranged for the particular aided project and that the lending institution had a wide discretion as to how much of the expenditure was financed by the loans and how their own financing was distributed between the various types of loan. Consequently, no blanket judgement could be made on the aid given by the proposed schemes since it varied substantially with the circumstances and cost of the investment project financed and the lending institutions' evaluation of the risk. Finally, the subsidy was calculated by reference to the current cost of money and was disbursed as and when the borrower made his repayments. The lending institutions raised money whenever their cashflow situation required and the conditions on which they were able to do so varied considerably from one occasion and institution to another. In 1983 the networks of the four specialized lending institutions had extended 34 339 loans averaging FF 910 000 each.

Regarding the FIM loans scheme, the French Government's submissions were as follows :

- After explaining the conditions, procedures and aims of the scheme, it insisted that the scheme was not financed from budget resources but exclusively from CODEVI funds. The scheme enabled it to channel the funds directly where industry needed them. The scheme was not subsidized. The tax exemption granted for CODEVI accounts did not confer any particular advantage on firms. The Government guarantee was the same as that generally available. The FIM loans scheme was simply a universal source of finance that could be tapped by any firm undertaking innovatory investment in selected priority fields determined by the Government. Consequently, it could not, the French Government maintained, be regarded as public aid within the meaning of Article 92 of the EEC Treaty ;
- The Government also submitted that FIM-financed projects exclusively involved modernization investment. The loans provided the resources any firm in an industry needed to renew its productive assets or its product range. The priorities that had been set for the scheme from the outset accorded with a clear European interest. The objectives of the FIM were therefore not contrary to the common market.

IV

On 15 and 17 May and 13 June 1984 the Commission received comments from three other Member States, namely the Federal Republic of Germany, Denmark and Italy. These supported the opening of the Article 93 (2) procedure with respect to the aid schemes, agreed that the schemes conferred competitive advantages on the French firms benefiting from them, especially in the car industry, and that these advantages would affect trade between Member States. They also saw no Community industrial priorities to which the loans could be said to be tied and agreed with the Commission that there was no justification for

applying any of the exceptions from Article 92 (1) to the schemes.

V

The French Government's submissions did not reveal any new factors that might make the Commission reconsider the view it had taken of the loan schemes when it opened the Article 93 (2) procedure. Concerning the element of aid within the meaning of Article 92 (1) in the schemes, reference is made to the discussion in section II above. With regard to the possibility of an exception under Article 92 (3) (c), it is pointed out that general schemes of this nature which lack any regional or sectoral specificity cannot be excepted under Article 92 (3) (a) or (c) as a whole but rather proposed awards under the schemes must be examined case by case to determine their effects. The effects will be particularly marked where the loans are for fairly large projects being undertaken by firms that are very active on the market. The Commission understands — although the French Government has given it no information at all on this point — that a large proportion of the loans are in fact granted to such firms and that some of these firms are in industries in which intra-Community competition is especially fierce such as the car, electronics and food industries.

On the other hand, the large number and average size of the loans granted suggests that a high proportion of them will not affect trading conditions to an extent contrary to the common interest.

To distinguish the significant from the insignificant awards and allow the Commission to scrutinize the former, it is therefore necessary to apply to the four loan schemes the notification rules for significant awards under general aid schemes laid down by the Commission in its letter to the Member States of 14 September 1979. Under these rules awards meeting the following criteria are notifiable :

- all awards having an intensity of over 15 % net grant equivalent of the investment,
- awards having an intensity of over 10 % but not more than 15 % net grant equivalent of the investment where the investment exceeds 3 million ECU,

- awards having an intensity of over 5 % but not more than 10 % net grant equivalent of the investment where the investment exceeds 6 million ECU,
- awards having an intensity of not more than 5 % net grant equivalent of the investment where the investment exceeds 9 million ECU.

In addition, Member States are required to send the Commission, before the end of the first quarter of each year, a report on each scheme for the previous year stating the total amount of awards made under the scheme, the total value of the aided investment and the number of awards, subdivided by industry (according to the European Communities Statistical Office's General Industrial Classification of Economic Activities) and by category of region defined in section 2 of the Principles of Coordination of Regional Aid Systems (in the case of category 2 (iv), distinguishing between assisted and non-assisted areas). The reports are required to enable the Commission to take appropriate action under Article 93 (1) in the event of a bunching of awards falling below the notification thresholds in certain industries or regions, which might pose problems for intra-Community competition and trade.

Because of their scale, significant awards as defined above are inherently likely to affect trading conditions to an extent contrary to the common interest. There can be no such general presumption in the case of awards falling below these thresholds, either because the position of the aided manufacturer or of the products or services in question is too minor or the scale and intensity of the aid too low to have a significant effect on intra-Community competition and trade, although such cases must be subject to *ex post* monitoring as described above. Lending under the FIM scheme in particular has been taking place on a huge scale and there can be no doubt that it is having a substantial impact. This lending has continued unabated since the Article 93 (2) procedure was opened despite the suspensory effect of the procedure on new aid schemes such as the FIM and the French Government has not notified any significant cases, even the loans it has extended to two car manufac-

turers to which the Commission referred in its letter of 1 March 1983.

Consequently, the Commission has been unable in significant cases, where the aid is likely to affect intra-Community trade to an extent contrary to the common interest, to appraise the compatibility of the aid with Article 92.

Article 92 (1) provides that aid having the features there described is in principle incompatible with the common market. The exceptions that are provided for in Article 92 (3) — the only ones potentially applicable in this case — require that the aid should serve the specified Community objectives rather than simply serving the interests of the aid recipient. These exceptions must be construed narrowly when any regional or industry aid scheme or any significant individual award under a general scheme is scrutinized. In particular, they may be invoked only when the Commission is satisfied that, without the aid, market forces alone would be insufficient to guide the recipients towards patterns of behaviour that would serve one of the said objectives.

To invoke the exceptions in the case of aid that did not serve such an objective would be to give unfair advantages to certain Member States and allow trading conditions between Member States to be affected and competition to be distorted without any justification on grounds of the Community interest.

In applying the principles set out above in its scrutiny of general aid schemes and significant individual awards under such schemes, the Commission must satisfy itself that the aid is justified by the contribution the recipient is making to one of the objectives specified in Article 92 (3) and is necessary to that end. Where this cannot be demonstrated, and particularly where the investment to be aided would be undertaken in any case, it is evident that the aid does not serve the objectives specified in the exception clauses, but does little more than bolster the financial position of the recipient.

The four aid schemes in question do not have any industry or regional specificity. They are therefore general aid schemes, the awards under which may vary considerably in size and also in their effects on

competition and intra-Community trade depending on the industry and firm concerned, the scale of the aided investment and the intensity of the aid.

In significant cases the aid the French Government gives under these schemes is likely to strengthen the recipients' position *vis-à-vis* firms competing with them in intra-Community trade. The French Government has, however, been unable to give, or the Commission to discover, any justification for a finding that in such cases the schemes satisfy the conditions for application of one of the exceptions provided for in Article 92 (3). Furtherance of the priority industrial interests of France, for example, or industrial modernization as such cannot be said to be sufficiently in the Community interest to justify application of one of the exceptions, for in significant cases the schemes are likely to affect trading conditions to an extent contrary to the common interest by strengthening the position of the aided firms *vis-à-vis* their competitors in the Community.

Therefore, significant awards of aid in the form of special investment loans, subsidized loans to enterprises, additional refinancing loans or FIM loans cannot be considered to satisfy the conditions for application of one of the exceptions provided for in Article 92 (3).

The Commission also has a duty to enforce the Community codes on aid to particular sensitive industries such as steel, shipbuilding, man-made fibres and textiles and clothing.

The French Government granted aid in the form of FIM loans before the Commission had taken a final decision under Article 93 (2). This aid must consequently be considered to be illegal and in significant cases where it is found to be incompatible with Article 92 the Commission is entitled to order its recovery. To enable the Commission to determine the compatibility of such individual awards, the French Government must be required to notify it of such cases before 20 February 1985.

The French Government should also be reminded of its obligation under Article 93 (3) to inform the Commission of any alteration of the aid schemes involving loans covered by this Decision,

HAS ADOPTED THIS DECISION:

Article 1

The Commission has no objection to the implementation of the aid schemes entitled special investment loans (*prêts spéciaux pour l'investissement*), subsidized loans to enterprises (*prêts aidés aux entreprises*), additional refinancing loans (*prêts supplémentaires de refinancement*) and Industrial Modernization Fund loans (*prêts du Fonds Industriel de Modernisation — FIM*), on condition that the French Government notifies significant cases to it in advance in accordance with Article 93 (3) of the Treaty to enable it to determine whether or not the aid in such cases is compatible with Article 92 (1) of the Treaty.

Article 2

For the purposes of the notifications required by Article 1, significant cases are, in relation to both the existing and the new schemes, those in which the following thresholds are exceeded:

- any case in which the intensity of the aid exceeds 15 % net grant equivalent of the investment,
- in cases in which the intensity of the aid is over 10 % but not more than 15 % net grant equivalent of the investment, those in which the investment exceeds 3 million ECU,
- in cases in which the intensity of the aid is over 5 % but not more than 10 % net grant equivalent of the investment, those in which the investment exceeds 6 million ECU.
- in cases in which the intensity of the aid is not more than 5 % net grant equivalent of the investment, those in which the investment exceeds 9 million ECU.

In addition, the French Republic shall submit, by the end of the first quarter of each year, a report on each of the schemes for the previous year stating the total amount of the awards made under the scheme, the total value of the aided investment and the number of awards, subdivided by industry according to the European Communities Statistical Office's General Industrial Classification of Economic Activities.

Article 3

The Community codes on aid to the steel, man-made fibres, shipbuilding and textile and clothing industries must be observed.

Article 4

The French Republic shall notify to the Commission before 20 February 1985, in accordance with Article 93 (3) of the Treaty, all significant cases as defined in Article 2 in which FIM loans have already been granted.

Article 5

The French Republic shall inform the Commission before 20 February 1985 of the measures it has taken to comply with this Decision.

Article 6

The French Republic shall inform the Commission in accordance with Article 93 (3) of the Treaty of any alteration of the aid schemes involving loans covered by this Decision.

Article 7

This Decision is addressed to the French Republic.

Done at Brussels, 19 December 1984.

For the Commission

Frans ANDRIESSEN

Member of the Commission

COMMISSION DECISION

of 22 May 1985

concerning an aid scheme for potable spirits producers in France

(Only the French text is authentic)

(85/379/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first subparagraph of Article 93 (2) thereof,

Having regard to Council Regulation (EEC) No 337/79 of 5 February 1979 on the common organization of the market in wine ⁽¹⁾, as last amended by Regulation (EEC) No 798/85 ⁽²⁾,

Having given notice to the parties concerned to submit their comments in accordance with the first subparagraph of Article 93 (2) of the EEC Treaty,

Whereas :

I

On 3 October 1983, the French Government notified the Commission under Article 93 (3) of the EEC Treaty of a scheme to assist producers of potable spirits, to be implemented subject to the Commission's approval.

By telex dated 6 October 1983, followed by a telexed reminder on 17 November 1983, the Commission asked the French Government to supply further information about the scheme.

In a letter dated 7 December 1983, the French Government sent the Commission a brief reply.

On 31 January 1984, the Commission again contacted the French Government requesting further details.

By letter dated 13 March 1984 and by telex dated 30 March 1984, the French Government asked the Commission to give it more time to reply.

By telex dated 11 April 1984, the French Government sent the Commission additional information, pointing out, however, that the details of certain aids still had to be worked out.

The scheme provides for FF 12 million in grants to armagnac and calvados producers for storage and

maturing operations. The anticipated duration of the scheme is three years.

The French Government gives as the main reason for awarding such aid the fact that the spirits producers in question are faced with structural and economic difficulties.

II

Armagnac and calvados are products which compete with spirits and alcoholic beverages produced in other Member States, notably whisky, brandies and gin. In 1982, intra-Community trade in all these products was worth approximately 800 million ECU.

In recent years, a fall in the consumption of these products has been recorded in most Member States.

This is due, on the one hand, to the general economic recession and, on the other, to the increase in the taxes and excise duties levied on such products.

In France, sales of alcoholic beverages other than wine and beer fell by 4 % in 1983 compared with 1980. Over the same period, sales of cognac fell by 26,5 %, of armagnac by 17 % and of calvados by 32 %. On the other hand, sales of grain spirits (whisky, gin, etc.) increased by 41 %. The considerable drop in cognac, armagnac and calvados sales is due especially to an increase in the taxes on those products.

Armagnac production is dependent on production of the region's wines and sometimes varies considerably from year to year.

Exports to Community countries account for approximately 50 % of sales on the French market.

As with armagnac, calvados production varies greatly from one year to the next depending on the apple harvest in Normandy.

In 1982, exports to Community countries accounted for approximately 30 % of sales on the French market and 84 % of total calvados exports.

III

Following scrutiny of the planned aid under Article 93 (3) of the EEC Treaty, effected on the basis of the analysis of the market in the products concerned on the one hand, and having regard to the additional information furnished by the French authorities on

⁽¹⁾ OJ No L 54, 5. 3. 1979, p. 1.

⁽²⁾ OJ No L 89, 29. 3. 1985, p. 1.

the other, the Commission decided on 30 May 1984 to initiate the procedure provided for in Article 93 (2) EEC in respect of the aids for the private storage and maturing of armagnac and calvados on account of their effects on trade between Member States. The expected cost of financing these measures is FF 12 million.

Under the procedure provided for in Article 93 (2) of the EEC Treaty, the Commission gave the French Government and the other Member States and interested parties other than the Member States notice to submit their comments.

The French Government replied on 1 August 1984 to the Commission's letter of formal notice of 8 June 1984, arguing, among other things, that in respect of the aids for the private storage of armagnac and calvados those products are produced using traditional methods in rural areas giving rise to a high manufacturing cost for the producers concerned.

Of the other Member States, the United Kingdom Government supports the Commission's action in initiating the Article 93 (2) EEC procedure; it points out in particular that United Kingdom spirits producers face serious difficulties in exporting their products and that the French aids cause distortions of competition in the spirits and comparable products sector.

Of the interested parties other than the Member States, the Scotch Whisky Association expressed similar concern in its letter to the Commission dated 28 February 1984.

IV

By notifying in good time its proposal to provide assistance to spirits producers, the French Government has fulfilled its obligation under Article 93 (3) of the EEC Treaty.

In the sector of alcoholic beverages, and more particularly of spirits, there are substantial trade flows between Member States and competition is intense, partly because there is surplus production capacity and partly because consumption of such products is either at a standstill or is declining. When State aids strengthen the competitive position of certain firms whose products for the subject-matter of intra-Community trade, the latter must be deemed to be affected by those aids. In the present case, by reducing certain costs or increasing the income of the recipient firms, the planned aids may affect trade between Member States and distort or threaten to distort competition by favouring certain undertakings within the meaning of

Article 92 (1) of the EEC Treaty, which provides that such aids are incompatible with the common market.

The exceptions to this principle do not apply in this case in view of the features of the planned aids and the fact that they do not seek to satisfy the conditions for application of those exceptions.

Article 92 (3) of the EEC Treaty specifies which aids may be considered compatible with the common market. Such compatibility is determined in the light of objectives pursued in the interest of the Community and not in that of a single Member State.

In order to safeguard the proper functioning of the common market, and having regard to the principle embodied in Article 3 (f) of the EEC Treaty, the exceptions to the incompatibility of aids provided for in Article 92 (3) of the EEC Treaty must be construed narrowly when any aid is scrutinized.

In particular, they may be invoked only where the Commission is satisfied that, without the aid, market forces alone would be insufficient to guide the recipients towards patterns of behaviour that would serve one of the said objectives.

To apply the said exceptions in the case of aid that did not serve such an objective or where aid is not necessary for that purpose would be to place the industries or firms of certain Member States at an unfair advantage. Their financial position would be bolstered as a result, whereas trading conditions between Member States would be affected and competition distorted without any justification on grounds of the common interest within the meaning of Article 92 (3).

The proposed assistance for the storage and maturing of armagnac and calvados spirits would relieve the recipients of certain costs inherent in those operations. In fact, the operations are intended to enable them to sell later a better quality product at a higher price. This means that the producer foregoes an immediate income and pays certain costs, which are covered, however, by a higher return at some point in the future. Both in France and in other Member States, however, spirits competing with armagnac and calvados undergo similar treatment without their producers qualifying for assistance to cover part of the cost.

To agree to such aid being granted to armagnac and calvados producers alone would, under the circumstances, be tantamount to inflicting on their competitors a disadvantage which might be reflected in an unwarranted drop in their sales.

The aid is operating aid involving no restructuring, redeployment or innovation.

V

In view of the above, the prohibition provided for in Article 92 (1) cannot be waived under paragraph 2 of that Article, given that the exceptions provided for in that paragraph are clearly not applicable in the present case.

Nor do the aids for the private storage and maturing of armagnac and calvados satisfy the conditions for the application of one of the exceptions provided for in Article 92 (3) of the EEC Treaty.

With regard to the exceptions contained in subparagraphs (a) and (c) of Article 92 (3) for aids to promote the development of certain areas, the Armagnac and Calvados areas are not ones where the standard of living is abnormally low or where there is serious underemployment within the meaning of subparagraph (a).

The operating aids planned by the French Government are not likely to contribute to the development of certain economic areas within the meaning of subparagraph (c).

As regards the exceptions provided for in subparagraph (b) of Article 92 (3), it is obvious that the aids in question are not intended to support a project of common European interest or to remedy a serious disturbance in the French economy.

Lastly, as to the exception in subparagraph (c) of Article 92 (3) regarding aid to facilitate the development of certain economic activities, the aids in question, being intended to cover certain operating costs, cannot have a development effect within the meaning of that exception. Moreover, the fact that a substantial proportion of the products which are to qualify for

assistance is exported to other Member States makes it impossible to take the view that trading conditions would not be affected to an extent contrary to the common interest.

Consequently, the planned aids do not satisfy the conditions necessary for application of one of the exceptions in Article 92 (3) of the EEC Treaty,

HAS ADOPTED THIS DECISION:

Article 1

The aids for the private storage and maturing of armagnac and calvados, notified to the Commission by letter dated 29 September 1983, are incompatible with the common market and France may not implement them.

Article 2

France shall take the measures necessary to comply with this Decision within one month of its notification and shall inform the Commission thereof within the same period.

Article 3

This Decision is addressed to the French Republic.

Done at Brussels, 22 May 1985.

For the Commission

Peter SUTHERLAND

Member of the Commission

COMMISSION OF THE EUROPEAN COMMUNITIES

EUROPEAN PERSPECTIVES

THE EUROPEAN MONETARY SYSTEM

Origins, operation and outlook

by J. van Ypersele

with the collaboration of J.-C. Koeune

Preface by Robert Triffin

Since 13 March 1979, the exchange rates of the European Community currencies (with the exception of sterling and the drachma) have been regulated by the European Monetary System. The creation of the EMS arose from two complementary concerns: to stabilize exchange relationships between European currencies and to base this external stability on a better convergence of the Community's economies toward internal stability.

This book tries to answer the questions likely to be raised by the educated person over the mechanisms and the economic significance of the EMS, as well as its first results and its prospects.

Chapter I explains the motives behind this European initiative in a world where, following the demise of the Bretton Woods system, the 'floating' of the major currencies was accompanied in practice by enormous international monetary instability that hindered investment and economic recovery.

The creation, through the EMS, of a 'zone of monetary stability in Europe' was only the latest in the succession of efforts, in the monetary area, to pursue European economic integration. Chapter II recalls those previous attempts, from the statement of a number of objectives in the Rome Treaty to the concerted floating of European currencies in the 'snake'.

Chapter III examines the substance of the EMS and its machinery (exchange rate and intervention mechanism, role of the ECU, credit mechanisms), explaining the new elements in these mechanisms compared with the snake, and analysing the conditions required in theory for their proper functioning.

Chapter IV illustrates, with the help of statistical analyses, how the EMS actually operated during its first five years. Despite an international environment more volatile than ever, the performance has been good as far as exchange rates are concerned, and on the convergence front, though much still remains to be done, definite progress has been made towards internal stability since the last two parity realignments. In conclusion, the chapter looks at the recent rapid development in the private use of the ECU.

Finally, Chapter V deals with the future of the EMS. It describes the transition to the institutional phase (which has been put off) and underlines the urgent need for a better convergence of the participating economies. A number of possible reforms that would be likely to reinforce the system and to improve its capacity to withstand outside shocks are also set out.

145 pp.

CB-41-84-127-EN-C

ISBN 92-825-3468-5

Price (excluding VAT) in Luxembourg:

BFR 240

IRL 3.80

UKL 3.00

USD 4.50



OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES
L-2985 Luxembourg

EUROPEAN PARLIAMENT

OFFICIAL HANDBOOK OF THE EUROPEAN PARLIAMENT

1984

- Biographies of Members
- Membership of parliamentary bodies
- Results of the 1984 elections
- Organization of the services of the general secretariat of the European Parliament and the political groups
- Useful addresses
- Changes made after 1 December 1984

333 pp.

AX-41-84-224-EN-C ISBN 92-823-0082-X

Published in: Danish, Dutch, English, French, German, Greek, Italian

Price (excluding VAT) in Luxembourg:

BFR 350 IRL 5.70 UKL 4.80 USD 6



OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES
L-2985 Luxembourg