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COMMISSION DECISION

of 23 September 1966

on the aid instituted by the Government of the French Republic for the purchase of aircraft

(Only the French text is authentic)

(66/556/EEC)

THE COMMISSION OF THE EUROPEAN ECONOMIC COMMUNITY,

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

Whereas Decree No 54-109 of 28 January 1954, as several times amended, lays down the conditions for granting subsidies for the purchase of aircraft; whereas this aid, which existed before the entry force of the Treaty, was reviewed in accordance with Article 93 (1) of the Treaty and consequently amended by Decree No 64-341 of 16 April 1964;

Whereas, however, as regards gliders only, that Decree retained it as a condition for the grant by the State of non-reimbursable aid that the gliders should have been built in France;

Whereas the total amount of the subsidies for the purchase of gliders is between 30 % and 80 % of the price of the craft (taxes and duties included), depending on the type of glider and the category of purchaser; whereas, although the subsidy for accessory equipment is granted without regard to the origin of the goods, this is of minor importance compared with the subsidy granted in respect of the glider itself;

Whereas this aid encourages users, in particular recognized associations, to purchase gliders built in France in preference to those manufactured in other Member States; whereas whatever appropriations the French budget provides for, the purposes tend to distort competition by favouring the French production of gliders; whereas, moreover, it has given rise to a complaint to the Commission on the part of another Member State;

Whereas, therefore, the aid falls under Article 92 (1) of the Treaty;

Whereas the provisions of Article 92 (2) of the Treaty clearly do not apply to this case;

Whereas the French Government has neither asked for any one of the provisions of Article 92 (3) of the Treaty to be applied, nor supplied the information required by the Commission for such purpose;

Whereas, therefore, the discriminatory nature of the aid instituted by the Decree of 28 January 1954, as amended in particular in 1964, renders it incompatible with the common market,

HAS ADOPTED THIS DECISION:

Article 1

The French Republic shall, before 23 December 1966, take the necessary measures either to abolish the aid for the purchase of gliders instituted by Decree No 54-109 of 28 January 1954, as amended in particular by Decree No 64-341 of 16 April 1964, or so to amend it that the aid is granted to purchasers on the same terms for gliders built in other Member States as for gliders built in France.

Article 2

This Decision is addressed to the French Republic.

Done at Brussels, 23 September 1966.

For the Commission

The President

Walter HALLSTEIN