

## II

*(Acts whose publication is not obligatory)*

## COUNCIL

## COUNCIL DECISION

of 16 March 1987

**on national aid, in the form of partial coverage of the social security contributions of certain milk producers, to be granted by the French Government**

(87/197/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the request submitted by the Government of the French Republic on 11 February 1987,

Whereas Articles 92, 93 and 94 of the Treaty concerning national aid have become applicable to the production of, and trade in, milk and milk products by virtue of Article 23 of Council Regulation (EEC) No 804/68 of 27 June 1968 on the common organization of the market in milk and milk products<sup>(1)</sup>, as last amended by Regulation (EEC) No 773/87<sup>(2)</sup>;

Whereas the financial situation of a large number of small milk producers in France is at present calamitous, with the result that they can no longer meet the cost of social security contributions;

Whereas these financial difficulties are due primarily to the small size of their holdings, which prevents the great majority of those producers from continuing milk production under economically viable conditions in the context of the Community measures taken since 1984 to control milk surpluses;

Whereas the non-payment of social security contributions gives rise to a scarcely acceptable situation in which such

producers and their families are without social security and medical insurance cover;

Whereas the French Government has contemplated bearing the cost for the 1986/1987 milk year, by way of national aid, of part of the annual average amount of the social security contributions payable by the producers in question;

Whereas the primary purpose of the planned national aid concerned is, according to the explanations provided by the French Government, to encourage, under socially acceptable conditions, conversion of the dairy farms concerned to other types of production;

Whereas the French Government communicated this aid plan to the Commission, which considered it incompatible with the common market and with Regulation (EEC) No 804/68 in particular;

Whereas, on the one hand, the purpose of the planned aid is to solve an extremely serious social problem of a specific nature and, on the other hand, its implementation can contribute, through the discontinuation of milk production by the producers concerned, to achievement of the objective of stabilizing the milk market pursued by the Community institutions;

Whereas there are accordingly exceptional circumstances which make it possible to regard the national aid in question, by way of derogation and to the extent and for the period strictly necessary to overcome the particular problem of absence of social security cover, as being compatible with the common market,

<sup>(1)</sup> OJ No L 148, 28. 6. 1968, p. 13.

<sup>(2)</sup> See page 1 of this Official Journal.

HAS ADOPTED THIS DECISION:

*Article 2*

This Decision is addressed to the French Republic.

*Article 1*

The national aid in the form of a contribution to social security contributions to be granted by the French Government to small milk producers who at present can no longer meet the cost of those contributions shall, for the 1986/1987 milk year, be regarded as compatible with the common market within an overall limit of FF 100 million.

Done at Brussels, 16 March 1986

*For the Council*

*The President*

L. TINDEMANS

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