

JUDGMENT OF THE COURT  
OF 7 FEBRUARY 1979 <sup>1</sup>

Government of the Federal Republic of Germany  
v Commission of the European Communities

"EAGGF"

Case 18/76

1. *Agriculture — Common agriculture policy — Financing by the EAGGF — Principles — Assumption of financial responsibility for amounts paid by the Member States — Conditions*  
(Regulation No 729/70 of the Council, Arts. 2, 3, and 8)
  2. *Agriculture — Common agriculture policy — Principles of management — Equality of treatment for traders — Different interpretations of Community law by the Member States — Distortions of competition — Financing by the EAGGF — Not permissible*  
(EEC Treaty, Arts. 39 and 40; Regulation No 729/70 of the Council)
  3. *Agriculture — Common agricultural policy — Financing — Charging of the expenditure to the EAGGF or to the Member States — Transaction undertaken in the context of the procedure for discharging the accounts*  
(Regulation No 729/70 of the Council, Art. 5 (2) (b))
  4. *Agriculture — Common organization of the markets — Milk and milk products — Aid for skimmed-milk powder used for animal feedingstuffs — Detailed rules for the grant thereof — Formalities relating to proof — Imperative nature*  
(Regulation No 986/68 of the Council; Regulations Nos 1106/68 and 332/70 of the Commission)
  5. *Agriculture — Common organization of the markets — Milk and milk products — Butter from public stocks — Sale at reduced prices for export — Time-limit for exportation — Relevant date — Date of conclusion of the contract of sale*  
(Regulation No 1308/68 of the Commission, Art. 3)
1. Cases where, viewed objectively, Community law has been incorrectly applied on the basis of an interpretation adopted in good faith by the national authorities cannot fall under Article 8 of Regulation No 729/70 but must, on the contrary, be examined in the light of the general

<sup>1</sup> — Language of the Case: German

- provisions of Articles 2 and 3 of the same regulation, according to which refunds granted and intervention undertaken "in accordance with the Community rules" within the framework of the common organization of agricultural markets are to be financed by the EAGGF; those provisions permit the Commission to charge to the EAGGF only sums paid in accordance with the rules laid down in the various sectors of agricultural production while leaving the Member States to bear the burden of any other sum paid, and in particular any amounts which the national authorities wrongly believed themselves authorized to pay in the context of the common organization of the markets.
2. The management of the common agriculture policy in conditions of equality between traders in the Member States requires that national authorities of a Member State should not, by the expedient of a wide interpretation of a given provision, favour traders in that State to the detriment of those in other States where a stricter interpretation is applied. If such distortion of competition between Member States arises despite the means available to ensure the uniform application of Community law throughout the Community it cannot be financed by the EAGGF but must, in any event, be borne by the Member State concerned.
  3. Since, up to the present, no specific procedure for attributing expenditure incurred in connexion with the common agricultural policy has been laid down by Community law for the purpose of settling differences between the Community and the Member States, the discharge of the accounts by the Commission pursuant to Article 5 (2) (b) of Regulation No 729/70 necessarily entails the attribution of expenditure either to the Commission or to the Member State concerned.
  4. As the objective of the Community provisions relating to the detailed rules for the grant of aid for skimmed-milk powder intended for animal feeding-stuffs is to exclude the possibility of double payment and the possibility of the goods being returned to ordinary commercial channels, the formalities relating to proof required by those provisions must be strictly adhered to for that purpose, and in particular to forestall any fraudulent practice intended to evade the supervisory measures. Consequently, the regulatory provisions in question do not allow the proofs required by them to be furnished by other means.
  5. The period of 30 days laid down in Article 3 of Regulation No 1308/68 for the exportation to third countries of butter from public stocks which has been sold at a reduced price must be calculated from the date of the conclusion of the contract of sale and not from the date when the butter left the store.