Some recent pronouncements by Commissioner Brittan indicate that the increased emphasis being placed on the application of Articles 92 and 93 of the EEC Treaty to major existing aid schemes is starting to have a significant impact. The Commissioner has called for four EC Member States, the U.K., Italy, Belgium and the Netherlands, to abandon major investment aid schemes.[53] The basis for these objections was the generality of the schemes. The Commission was concerned that this had led, or could lead, to *ad hoc* interventions in the marketplace to the detriment of both competition and better targeted sectoral or regional aid programmes. Objections to other such aid programmes are anticipated as the Commission continues with its avowed policy to examine the compatibility of all major existing aid schemes with EC competition policy.

2.2 The Framework on Aid to the Motor Vehicle Industry

In connection with the Europe 1992 initiative, the EC Commission is also taking measures that are specifically designed to impose stricter controls on state aids in areas where they have traditionally run at a high level. One such area is the European motor vehicle industry. Widespread state aid to manufacturers has long been an important feature of this industry. Between 1981 and 1986, this aid added to more than 11 billion ECU (about $17 billion Cdn.). More than half of this amount was channelled to loss-making state-owned manufacturers. However, substantial amounts were provided to most major European car manufacturers.[54]

Establishing effective controls on this aid is considered by EC competition authorities to be essential for the integration of the internal market for automobiles by 1992. To this end, the EC Commission, in July 1988, introduced the Framework on State Aid to the EC Motor Vehicle Industry.[55] This framework is intended to promote stricter compliance of aid granted to car manufacturers with Community competition policy by increasing its transparency, and ensuring proper notification of aids to the EC Commission. The Framework requires that Member States, after January 1, 1989, notify the EC Commission of proposals to provide aid in any form to motor vehicle manufacturers that is in excess of 12 million ECU ($19 million Cdn.). This obligation applies with respect to aid granted under both new and existing programmes.