COMMISSION DECISION

of 25 June 1974

amending Commission Decision No 74/134/ECSC of 18 February 1974 on the application to the United Kingdom of Article 37 of the ECSC Treaty

(74/345/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 37 thereof;

Having regard to Commission Decision No 74/134/ECSC [1] of 18 February 1974, and in particular Article 5 thereof;

Having regard to the application of 18 June 1974 by the United Kingdom;

Having consulted the Council of the European Communities;

Whereas as a result of the events which took place in the United Kingdom at the end of 1973 and the beginning of 1974, which led the Commission to take Decision No 74/134/ECSC of 18 February 1974, British coal production remains considerably below normal levels;

Whereas 18 900 000 metric tons were produced during the nine weeks ending on 11 May 1974 (the most recent figures available) as compared with 23 100 000 metric tons for the same period in 1973; whereas the normal rate of production is not likely to be reached by the end of the summer of 1974, taking into consideration the holiday period;

Whereas the level of stocks remains considerably below the level recorded before these events; whereas, in particular, the stocks at the power stations were particularly low and during May 1974, at about 10 000 000 metric tons compared with 17 000 000 metric tons for May 1973; whereas the amount of these stocks was only 500 000 metric tons higher than at the end of the miners' strike;

Whereas it is not possible at short notice to find other sources of supply for the power stations;

Whereas, moreover, the present stocks at the power stations are unequally distributed between the various regions of the United Kingdom and between the various generating plants within these regions;

Whereas, whenever the total stock falls below 7 000 000 metric tons, the two 'Electricity Generating Boards' will no longer be able to satisfy all demands, because at such time certain generating plants would have no more usable coal;

Whereas the redistribution of existing stocks, with a view to avoiding such a situation, would be technically difficult and economically far too expensive;

Whereas the British Government has calculated that there will not be more than 13 000 000 metric tons available for the generating plants at the beginning of next winter, which will be considerably below the desirable minimum level of stocks of 16 000 000 and 17 000 000 metric tons; whereas the calculated stocks again represent no more than three weeks of winter time electricity production;

Whereas, as far as iron and steel products are concerned, according to the latest information given to the Commission, 1 890 000 metric tons of crude steel were produced in May 1974, representing 83 % of the monthly production reached before the crisis; whereas during the first five months of 1974 the production of crude steel is one month behind the normal production; whereas the damage to the refractory linings of those blast furnaces which were shut down during the coal miners' strike is the main obstacle to a total resumption of iron and steel production; whereas it is not possible at short notice to find other sources of supply of such products;

Whereas these difficulties are likely to persist during the summer months;

Whereas in such conditions the economic situation in the United Kingdom would be aggravated by deliveries of coal and steel products to other Member States in accordance with the system of free circulation of goods such as is provided for by the

[1] OJ No L 74, 19. 3. 1974, p. 20.

ECSC Treaty and the Act annexed to the Treaty of Accession;

Whereas, as far as coal as defined in heading No 27.01 of the Common Customs Tariff is concerned, the special and exceptional situation which led to the Decision of 18 February 1974 has not yet been overcome; whereas such a situation is likely to deteriorate again if the measures taken by the Commission to bring it to an end were not renewed; in particular with a view to furthering a significant increase of exports to other Member States;

Whereas, however, it now appears, as far as iron and steel products are concerned, that it is possible to diminish the consequences of the situation by measures less disturbing the operation of the common market than by the measures taken by the Commission in the Decision of 18 February 1974;

Whereas, the Commission therefore considers that the Decision of 18 February 1974 should be amended;

Whereas, on the other hand, such measures are needed to enable this sector of the Community to recover from the serious and exceptional difficulties mentioned;

Whereas in order to safeguard the vital interests of the Community and in particular the free movement of goods, measures taken under Article 37 must be strictly exceptional; whereas these measures must be temporary and therefore the present Decision must cease to be operational by 1 October 1974 at the latest,

HAS ADOPTED THIS DECISION:

Article 1

In its application to coal, as defined in heading No 27.01 of the Common Customs Tariff, Commission Decision No 74/134/ECSC of 18 February 1974 shall remain in operation until 1 October 1974.

The British Government shall ensure that the application of the measures authorized will entail no greater restriction on the free movement of goods than is strictly necessary to attain the object of these measures, and will in particular further a significant increase of exports to other Member States.

Article 2

In their application to iron and steel products, as defined by Article 81 of the ECSC Treaty (excluding those covered by heading No 73.03 of the Common Customs Tariff):

1. Article 2 of Decision No 74/134/ECSC of the 18 February 1974 is deleted and the following inserted:

   '1. The United Kingdom shall set up an "Open General Export Licence" system, covering iron and steel products, as defined in Article 81 of the ESCS Treaty (except those covered by heading No 73.03 of the Common Customs Tariff).

   2. After the entry into operation of this Decision, the United Kingdom may after consultation with the Commission, apply a licencing system with a view to:

   — limiting exports of these products to third countries;

   — controlling and, in so far as it is necessary to do so, limiting deliveries of such products to other Member States; such system may however under no circumstances be more restricting as far as each product is concerned than that applied to exports to third countries.

   3. The British Government shall ensure that the application of the measures authorized will entail no greater restriction on the free movement of goods than is strictly necessary to attain the object of the measures, and will in particular further a significant increase of exports to other Member States.'

2. Article 6 of Decision No 74/134/ECSC of 18 February 1974 is deleted and the following is substituted:

   'Without prejudice to Article 5 this Decision shall remain in operation until 1 October 1974.'

Article 3

This Decision shall come into operation on 1 July 1974.

Article 4

This Decision is addressed to the Member States.

Done at Brussels, 25 June 1974.

For the Commission

The President

François-Xavier ORTOLI