COMMISSION DECISION

of 10 July 1975

authorizing the Kingdom of the Netherlands to grant aids to coal mining undertakings in respect of the calendar year 1974

(Only the Dutch text is authentic)

(75/547/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Articles 2, 3, 4 and 5 thereof;

Having regard to Commission Decision No 3/71/ECSC (1) of 22 December 1970 on Community rules for interventions by Member States for the benefit of the coal industry;

Having regard to Decision No 73/287/ECSC (2) of 25 July 1973 concerning coking coal and coke for the iron and steel industry in the Community, and in particular Article 9 (2) thereof;

Having consulted the Council;

Whereas the Netherlands Government has informed the Commission under Article 2 of Decision No 3/71/ECSC of financial measures, both direct and indirect, which it intends to take during 1974 for the benefit of the coal industry; whereas of those measures the aids listed below require authorization under the abovementioned Decision;

Whereas the Netherlands Government has made provision for aid amounting to Fl 56·3 million for privately-owned pits for 1974 to cover operating losses; whereas the Netherlands Government considers that this amount should enable pit closures to take place at a suitable rate;

Whereas, furthermore, privately-owned pits are to receive for 1974 Fl 5·0 million in interest on defaulted payments in respect of aid promised by the Netherlands Government in previous years but not paid until a later date; whereas this payment will also help to reduce the difference between the costs and revenue of the pits;

Whereas the aforementioned aids are in accordance with the criteria laid down in Article 9 of Decision No 3/71/ECSC;

Whereas coal production in the Netherlands was stopped at the end of 1974; whereas existing welfare plans and plans for setting up new jobs made it possible to reduce the number of persons employed to several hundred by 31 December 1974; whereas additional plans have been drawn up to enable these workers also to be re-integrated into the economy without hardship;

Whereas production costs have risen very sharply as production has been run down; whereas in spite of several price increases revenue has not risen to the same extent, so that in 1974 pit operating losses showed a sharp increase compared with the previous year;

Whereas the aids are not expected to exceed the probable pit operating losses;

Whereas, in view of the special situation prevailing in the Netherlands, which stopped its coal production at the end of 1974, and in view of the points set out above, the proposed aids to the Netherlands coal industry may be regarded as compatible with the provisions of Article 9 of Decision No 3/71/ECSC;

Whereas the aid proposed by the Netherlands Government for 1974 is not such as to impair the proper functioning of the common market, although the aid proposed for 1974 under Article 9 of Decision No 3/71/ECSC amounts to Fl 61·30 (18·24 units of account) per metric ton produced and is therefore at a higher level than in any other Member State;

Whereas these conclusions are based on the following findings:

— supplies of Netherlands coal to other Community countries fell considerably in 1974,

— the amount of Community coal purchased by the Netherlands showed a relatively sharp increase in 1974; the amount of coal imported from non-member countries rose in 1974 by more than 30 % as compared with 1973. As a result of stopping domestic production, the Netherlands must now look to imports for its coal supplies,

(1) OJ No L 3, 5. 1. 1971, p. 7.
(2) OJ No L 259, 15. 9. 1973, p. 41.

— no further price alignment agreements were concluded,

— the aids to the coal industry cannot amount to indirect aid to industrial consumers of coal as domestic coal for private consumption is the only coal produced now;

Whereas having regard to these considerations it may generally be said that the aids proposed for 1974 are compatible with the proper functioning of the common market;

Whereas, pursuant to Article 11 (1) of Decision No 3/71/ECSC, the Commission must satisfy itself that the aids authorized used for the purposes indicated in Article 9 of Decision No 3/71/ECSC; whereas in order to do so it must be informed in particular of the amount of these aids and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION:

Article 1

The Government of the Kingdom of the Netherlands is hereby authorized to grant in respect of the calendar year 1974 aid of an amount not exceeding Fl 61·3 million for the benefit of the Netherlands coal industry.

Article 2

The Government of the Kingdom of the Netherlands shall notify the Commission by 15 November 1975 of details of the aids granted pursuant to this Decision, in particular as regards the amounts paid and the manner in which such amounts are apportioned.

Article 3

This Decision is addressed to the Kingdom of the Netherlands.

Done at Brussels, 10 July 1975.

For the Commission

The President

François-Xavier ORTOLI