II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 23 September 1977

approving aids from the French Republic to the coal-mining industry during the year 1976

(Only the French text is authentic)

(77/621/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 528/76/ECSC of 25 February 1976 regarding the Community system of measures taken by the Member States to assist the coal-mining industry [1],

Having consulted the Council,

Whereas the French Government has informed the Commission, pursuant to Article 2 of the above Decision, of the financial measures which it intends to implement directly or indirectly for the benefit of the coal industry during 1976 ; whereas of these measures the following may be approved pursuant to that Decision ;

Whereas the French Government has provided for the grant to Charbonnages de France in 1976 of aid amounting to FF 1 405 800 000, to permit the economic restructuring of the coalfields to proceed in an appropriate manner ;

Whereas the French Government also proposes to grant to Charbonnages de France in 1976 additional aid amounting to FF 185 500 000 to cover outstanding or fresh financial losses ; whereas this aid is paid not to the coalfields but only to the central administration of Charbonnages de France to cover outstanding losses incurred by the central administration and/or to prevent such losses increasing as a result of expenditure on interest on new loans ;

Whereas the abovementioned aids meet the criteria laid down in the Decision for the admissibility of such state assistance ;

Whereas the aid of FF 1 591 300 000 proposed by the French Government for 1976 to cover losses (of which FF 1 405 800 000 is to cover the coalfields' losses on mining and FF 185 500 000 to cover the losses sustained by the central administration of Charbonnages de France) will be substantially less than the likely operating losses of Charbonnages de France ;

Whereas, as regards the individual coalfields, the Nord/Pas-de-Calais and Centre-Midi coalfields are to receive aid of FF 743 100 000 and FF 410 500 000 respectively to cover losses in respect of 1976 ; whereas this aid will be far from covering losses on mining in these fields, since they will still incur relatively high real-asset losses even with the aid ; whereas these real-asset losses are the result of pit closures ; whereas in 1976 two pits were closed in the coalfields, affecting some 2 000 employees ; whereas planning for production in these fields calls for further cutbacks combined with measures to re-deploy redundant miners, in order to avoid severe economic and social disturbances in these areas where the provisions of other jobs is still inadequate ; whereas the aids for

[1] OJ No L 63, 11. 3. 1976, p. 1.

these coalfields therefore comply with Article 12 (1) (1) and Article 12 (2) of the Decision ;

Whereas the aid to cover losses in the Lorraine field amounts to FF 252 200 000 ; whereas this does not fully cover losses incurred on mining but will largely do so ; whereas production from this field should as far as possible be kept up, since coking coal is important for supplying the steel industry ; whereas consequently the amount and purpose of the aid comply with Article 12 (1) (2) of the Decision ;

Whereas, in accordance with Article 3 (2) of the Decision, the examination of the compatibility of the proposed aids with the proper functioning of the common market must also extend to all other financial measures to support current production in 1976 ;

Whereas the sum of all these aids to support current production by the French coal industry is FF 312 200 000, or 14·19 European units of account per tonne, for 1976 ; whereas this is higher than corresponding German and British aids but lower than Belgian aid ;

Whereas the following points must be made about the compatibility of the proposed aid with the proper functioning of the common market :

— there were no supply difficulties on the French coal market in 1976 ;
— French coal exports to other Community countries fell in 1976 compared with 1975 ;
— hardly any price alignment agreements were entered into for French coal in 1976 ;
— industrial consumers of coal were not indirectly aided in 1976 through the prices of French coking coal and steam coal ;
— the closure of two marginal pits results in rationalization and the concentration of production on pits where productivity is highest ;

Whereas it may accordingly be concluded that the aids proposed in 1976 for current production by the French coal industry are compatible with the proper functioning of the common market ;

Whereas this holds good even when account is taken of aids to coal mines under Decision 73/287/ECSC ;

Whereas, pursuant to Article 14 (1) of the Decision, the Commission must satisfy itself that the approved aids are used exclusively for the purposes set out in Articles 7 to 12 that Decision ; whereas consequently the Commission is to be notified in particular of the amount of the aid and the manner in which it is apportioned,

HAS ADOPTED THIS DECISION :

Article 1

The Government of the French Republic is authorized to grant to the coal industry the following aids for 1976 :

(a) an amount not exceeding FF 1 405 800 000 to cover losses on mining ;
(b) an amount not exceeding FF 185 500 000 to cover the financial losses sustained by the central administration of Charbonnages de France.

The aids referred to in (a) and (b) above shall not exceed actual losses.

Article 2

The French Republic shall notify the Commission by 30 November 1977 of details of the aids granted pursuant to this Decision and in particular of the amounts paid and the manner in which they are apportioned.

Article 3

This Decision is addressed to the French Republic.

Done at Brussels, 23 September 1977.

For the Commission

Guido BRUNNER

Member of the Commission