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(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 1 March 1978

approving aids from the French Republic to the coal-mining industry during the year 1977

(Only the French text is authentic)

(78/295/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to Commission Decision 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,

I

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 1977 ; whereas of these measures the following may be approved pursuant to that Decision ;

Whereas the French Government intends to grant to Charbonnages de France for 1977 aid amounting to FF 2 080 200 000, to permit the economic restructuring of the coalfields to proceed in an appropriate manner ;

Whereas the French Government also proposes to grant to the central administration of Charbonnages de France in 1977 aid amounting to FF 196 000 000 to cover the charges incurred in borrowing and transferred from the pits to the central administration of Charbonnages de France under the French Government's financial restructuring scheme ; whereas this aid is paid not to the coalfields but only to the central administration of Charbonnages de France ;

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

Whereas the aid of FF 2 276 200 000 proposed by the French Government for 1977 to cover losses (of which FF 2 080 200 000 is to cover the coalfields' losses on mining and FF 196 000 000 to cover the losses sustained by the central administration of Charbonnages de France) will not be higher than the likely operating losses of Charbonnages de France ;

1. Whereas, as regards the individual coalfields, the Nord/Pas-de-Calais and Centre-Midi coalfields are to receive aid to cover losses in respect of 1977 which 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-assest losses are the result of pit closures ; whereas in 1977 six coking plants, briquette works and pits are likely to be closed in the coalfields, affecting some 2 000 employees ; whereas planning for production in these fields calls for further cutbacks combined with measures to redeploy redundant miners, in order to avoid severe economic and social disturbances in these areas where the provision of other jobs is still inadequate ; whereas the aids for these coalfields therefore comply with the first subparagraph of Article 12 (1) and Article 12 (2) of the Decision ;

(1) OJ No L 63, 11. 3. 1976, p. 1.

2. Whereas the aid to cover losses in the Lorraine field will probably not fully cover losses incurred on mining but will largely do so ; whereas no pits will be closed in this coalfield in 1977 ; whereas production from this field should as far as possible be kept up, since coking coal is imported for supplying the steel industry ; whereas consequently the amount and purpose of the aid comply with the second subparagraph of Article 12 (1) of the Decision ;

II

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 1977 ;

Whereas for 1977 the sum of all these aids to support current production by the French coal industry is 415 000 000 European units of account, or 19·77 European units of account per tonne ; whereas this is higher than corresponding German and United Kingdom 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 1977,
— French coal exports to other Community countries fell in 1977 compared with 1976,
— hardly any price alignment agreements were entered into for French coal in 1977,
— industrial consumers of coal were not directly aided in 1977 through the prices of French coking coal and steam coal,
— the closure of marginal pits in the Nord/Pas-de-Calais and Centre-Midi coalfields 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 1977 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 ;

III

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 of 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 French coal industry the following aids for 1977 :

(a) an amount not exceeding FF 2 080 200 000 to cover losses on mining ;
(b) an amount not exceeding FF 196 000 000 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 31 May 1978 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, 1 March 1978.

For the Commission

Guido BRUNNER

Member of the Commission