

COMMISSION DECISION

of 16 October 1974

approving aids to be granted by the Kingdom of the Netherlands for the benefit of undertakings in the coal industry in respect of the calendar year 1973

(Only the Dutch text is authentic)

(74/616/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 on coking coals and coke, and in particular Article 9 (1) thereof;

Have consulted the Council;

Whereas the Netherlands Government has informed the Commission, pursuant to Article 2 of Decision No 3/71/ECSC, of the financial measures which it proposes to implement directly or indirectly for the benefit of the coal industry in respect of 1973; whereas the following aids require approval pursuant to the aforementioned Decision;

Whereas the Netherlands Government has made provision for aid amounting to Fl 26.9 million for privately-owned pits for 1973 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 1973 Fl 5.1 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 differences between the costs and revenue of the pits;

Whereas the privately-owned pits are also to receive aid in the form of a lump sum of Fl 4 million to cover expenditure incurred as a result of the closure of pits; whereas this aid is designed to cover costs amounting to that sum and attributable to exceptional expenditure incurred by the undertakings whose pits have been closed; whereas the nature and amount of the aid is in accordance with the provisions of Article 6 (2) of Decision No 3/71/ECSC;

Whereas the state-owned pits are to receive for 1973 interest amounting to Fl 700 000 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 reduce the difference between the costs and revenue of the pits;

Whereas the aid amounting to Fl 6 million from the Netherlands Government for the state-owned pits for 1973 is in fact the aid promised in 1971; whereas this aid has already been approved by the Commission memorandum on financial interventions by Member States in 1971 for the benefit of the coal industry; No XVII/191/1/71, pp. 59 *et seq.*; Commission Decision No 72/141/ECSC of 6 March 1972; *Official Journal of the European Communities*, No L 70 of 23 March 1972, pp. 22 *et seq.*;

Whereas the aforementioned aids are in accordance with the criteria laid down in Articles 6 and 9 of Decision No 3/71/ECSC;

Whereas the Netherlands Government plans to cut back production to a very great extent; whereas the Netherlands coal production was only 1.8 million metric tons in 1973 compared to 2.9 million metric tons in 1972; whereas losses on mine operations in the Netherlands increased between 1971 and 1972; whereas revenue covered only 71% of the pits' production costs; whereas the pits would no longer

⁽¹⁾ OJ No L 3, 5. 1. 1971, pp. 7 *et seq.*

⁽²⁾ OJ No L 259, 15. 9. 1973, p. 41.

be viable without aid from the public authorities; whereas there was no improvement in the position in 1973;

Whereas the drop in production and the implementation of rationalization measures in 1973 led to a reduction of approximately 3 700, i.e. approximately 43% of the number of persons employed in the Netherlands coal industry; whereas one pit was closed in 1973, so that only two pits were still in operation by the end of 1973; whereas in 1973 the Netherlands coal industry was passing through a phase in which production was being stopped; whereas in view of this trend the aids proposed for 1973 to cover operating costs help to prevent economic and social difficulties from arising and are therefore in accordance with the provisions of Article 9 (1) (1) of Decision No 3/71/ECSC;

Whereas it must furthermore be pointed out that the operating losses sustained by the privately-owned pits in 1973 have been estimated by the Netherlands Government at an amount approximately equal to that of the proposed aid to cover losses;

Whereas, in view of the special situation prevailing in the Netherlands, which has reduced its coal production and concentrated it on only a few pits, and in view of the uncertainties as regards future costs, the proposed aid for the benefit of privately-owned pits is in accordance with the provisions of Article 9 (2) of Decision No 3/71/ECSC;

Whereas the aids proposed by the Netherlands Government for 1973 are not such as to impair the proper functioning of the common market, although the amount of aid proposed for 1973 within the framework of Articles 6 and 9 of Decision No 3/71/ECSC is Fl 19.32 (5.42 u.a.) per metric ton produced and is thus lower than the corresponding aid to be granted to the Belgian and French coal industries but higher than that to be granted to the German and British coal industries;

Whereas these conclusions are based on the following findings:

- supplies of Netherlands coal to other Community countries fell considerably in 1973;
- the amount of Community coal purchased by the Netherlands is very low, which the amount of coal imported from non-member countries rose in 1973 by more than 50% as against 1972;

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

Whereas in view of the above findings it may be concluded that the competitive position of the Limburg coalfield in relation to the other coalfields in the Community has not changed in 1973;

Whereas, pursuant to Article 11 (1) of Decision No 3/71/ECSC, the Commission must satisfy itself that the approved aid is used for the purposes indicated in Articles 6 to 9 of Decision No 3/71/ECSC; whereas in order to do so the Commission 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 1973 aid in an amount not exceeding Fl 36 million for the benefit of the privately-owned pits in the Netherlands and in respect of the like period in an amount of Fl 700 000 for the benefit of the state-owned pits.

Article 2

The Government of the Kingdom of the Netherlands shall notify the Commission by 30 November 1974 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, 16 October 1974.

For the Commission

The President

François-Xavier ORTOLI