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Legislation

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II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 2 October 1974

on the conclusion of the Agreement between the European Economic Community and the Republic of Peru on the supply of butteroil as food aid

(74/607/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113, 114 and 228 thereof;

Having regard to the recommendation from the Commission;

Whereas by Regulation (EEC) No 530/74 ⁽¹⁾ the Council decided to make 700 metric tons of butteroil available to the Republic of Peru,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement between the European Economic Community and the Republic of Peru on the supply of butteroil as food aid, the text of which is annexed hereto, is hereby concluded on behalf of the Community.

Article 2

The President of the Council is hereby authorized to designate the persons empowered to sign the Agreement, and to confer on them the powers necessary to bind the Community.

Done at Luxembourg, 2 October 1974.

For the Council

The President

Ch. BONNET

⁽¹⁾ OJ No L 65, 7. 3. 1974, p. 1.

AGREEMENT

between the European Economic Community and the Republic of Peru on the supply
of butteroil as food aid

THE COUNCIL OF THE EUROPEAN COMMUNITIES,
of the one part,

THE GOVERNMENT OF THE REPUBLIC OF PERU,
of the other part,

HAVE DECIDED to conclude this Agreement, and to this end have designated as their
Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE REPUBLIC OF PERU:

WHO HAVE AGREED AS FOLLOWS:

Article I

The European Economic Community, hereinafter referred to as the 'Community', shall supply as a gift to the Republic of Peru, hereinafter referred to as the 'country of destination', 700 metric tons of butteroil of the quality and with the packaging specified in Annex I, which forms an integral part of this Agreement.

Article II

Deliveries shall be made in accordance with the arrangements set out in Annex II which forms an integral part of this Agreement.

Article III

The country of destination undertakes to make all the necessary arrangements for the transport and

insurance of the delivered product from the points of delivery to their place of destination.

It undertakes to exercise the greatest care to ensure that the tendering arrangements for sea transport do not prejudice the free play of competition. Any problems arising in this connection shall be the subject of consultations under Article VIII of this Agreement.

Article IV

The country of destination undertakes to use the product received as aid for purposes of consumption and to apply, for the sale of the product on its market, the prices normally charged on that market for products of comparable quality.

The proceeds from this sale shall be paid into a special account at the central bank of that country

and allocated to the financing of one or more development schemes in accordance with the procedure to be agreed between the recipient country and the Community.

Article V

The Contracting Parties undertake to implement this Agreement in such a way as to avoid any prejudice to the normal structure of domestic production and international trade. To this end, they shall take any measures required to ensure that aid supplies are in addition to, and do not replace, commercial transactions which might reasonably be expected in the absence of such supplies.

Article VI

The country of destination shall take all appropriate measures to prevent:

- the re-export of the product received as aid and of products derived therefrom;
- the export, commercially or otherwise, within six months of the last delivery, either of local produce of the same nature as that used to produce the flour received as aid or of any products or by-products resulting from it.

Article VII

The country of destination undertakes to inform the Community of the circumstances surrounding the implementation of this Agreement. For this purpose, it shall provide the Commission of the European Communities with the following details:

1. immediately after the unloading of each cargo: port and date of arrival of vessel; nature, quantity and any observations as to the quality of the products unloaded; date on which unloading was completed; costs of sea transport and of insurance relating thereto;
2. every three months until the quantities received as aid have been fully used: quantities sold, how they have been sold; selling prices; normal selling costs on the market of the country of destination; insurance costs and, where appropriate, transport costs from the port of discharge to the places of destination;
3. on 15 January every year until the special account has been fully used:
 - (a) state of this account (deposits and withdrawals) on 31 December of the preceding year;
 - (b) progress achieved in the project or projects, with an indication of the total amount of financing carried out at that stage.

Article VIII

At the request of either of them, the Contracting Parties shall consult each other on any questions concerning the implementation of this Agreement.

Article IX

This Agreement is drawn up in duplicate in the Danish, Dutch, English, French, German, Italian and Spanish languages, each of these texts being authentic.

ANNEX I

BUTTEROIL

QUALITY AND PACKAGING REQUIREMENTS

I. Quality

(a) *Product characteristics:*

Concentrated milk fat containing no less than 99.8% of pure fats.

(b) *Standard composition:*

(Analysis made at time of manufacture and packing):

- moisture and non-fat ingredients of milk: not more than 0.2% ;
- fats: not less than 99.8% ;
- free fatty acids: not more than 0.5 % (expressed as oleic acid);
- peroxide level/kg: not more than one unit (in milli equivalents of active oxygen per kg);
- taste: pure;
- smell: absence of smell extraneous to butteroil

II. Conditions of packaging

(a) Metal cans of 20 kg — one can per carton.

(b) Marking on the packaging (in Spanish):

‘Butteroil – Donativo de la Comunidad Económica Europea a la República del Perú’.

ANNEX II

ARRANGEMENTS REFERRED TO IN ARTICLE II OF THE AGREEMENT

CHAPTER I

Article 3

General provisions

Before implementing the procedure for appointing the agent of the Community referred to in Article 2, the Commission of the European Communities and the country of destination shall establish by joint agreement the period during which delivery must begin.

Article 1

Delivery shall be effected and all risk shall pass from the Community to the country of destination at the moment at which the goods are put down at the point of exportation named by the Commission of the European Communities at the berth specified by the country of destination of its agent referred to in Article 2 and under the terms specified in this Annex. Without prejudice to Articles 7 and 8 the Community shall bear all costs prior to delivery and the country of destination those after delivery.

Article 2

For the purpose of implementing the provisions of this Annex the Community shall appoint — if necessary for each consignment — an agent whose name and address it shall make known to the country of destination immediately following his appointment. For each port of shipment the country of destination shall appoint an agent whose name and address it shall make known to the Community with all dispatch and if possible before the appointment of the agent of the Community.

CHAPTER II

Obligations of the Community

Article 4

Where the Community is not in a position to carry out delivery on the date, and, if applicable, according to the schedule laid down in Article 6, all costs arising for the country of destination — in particular demurrage void freight and dead freight — shall be borne by the Community.

The charges and the arrangements relating to demurrage laid down in the contract concluded between the country of destination and the carrier must have previously been agreed by the country of destination and the agent of the Community.

The other costs referred to in the first subparagraph shall be refunded by the Community only if they have been

paid by the country of destination with the approval of the Community.

Article 5

Where it is impossible for the Community to supply all or part of the goods on the date and within the time limits provided for in Article 6 the agents of the Community and of the country of destination may, without prejudice to Article 4, agree on a new date and a new time limit for the delivery of all the goods or of the undelivered part thereof.

CHAPTER III

Obligations of the country of destination

Article 6

After contacting the Community, the country of destination shall procure to transport all the quantities provided for in Article I of the Agreement one or more vessels of dimensions corresponding to the normal capacity of the port of shipment; these vessels must be ready for loading on a date falling within the period referred to in Article 3.

The agent of the country of destination shall inform the Community of this date and of the date for commencement of delivery as soon as he knows them, if possible 20 days in advance and in any case 10 days before the date for commencement of delivery.

He shall establish with the agent of the Community the schedule according to which delivery shall take place.

Article 7

Where the country of destination is unable to begin loading on the date provided for in the first subparagraph of Article 6, the agent of the country of destination shall inform the agent of the Community without delay.

In this event the agents of the Community and of the country of destination may agree on a new date for the commencement of delivery and, if applicable, a new schedule. The costs arising from the delay in loading shall in all cases except *force majeure* be borne by the country of destination.

Should the new date provided for in the second subparagraph be more than 30 clear days after the date for loading provided for in the first subparagraph of Article 6, the Community may dispose of the goods without prejudice to its commitment under Article I of this Agreement.

Article 8

Where the quantity made available for loading on a vessel cannot be loaded on board in its entirety, the country of destination shall inform the Community as soon as possible, and no later than 15 clear days after loading has been completed, whether it intends to accept or to renounce the balance.

In the former case the second and third subparagraphs of Article 7 shall apply to the balance, if delivery has not yet taken place.

In the latter case the Community may consider that it has discharged its commitment to the country of destination under Article I of this Agreement and shall bear the costs resulting from renunciation.

In any event, after an interval of 15 clear days and in the absence of any notice on the part of the country of destination, renunciation shall be deemed to have taken place.

Article 9

Upon delivery of the goods, the country of destination shall hand over to the agent of the Community a certificate of acceptance stating the port of shipment, date of acceptance and the nature and quantity of the goods accepted, together with any comments on the quality of the goods.

Information on the signing of the Agreement between the European Economic Community and the Republic of Peru on the supply of food aid

The Agreement between the European Economic Community and Peru on the supply of butteroil as food aid, which the Council decided to conclude on 2 October 1974, was signed in Brussels on 3 October 1974, on behalf of the Council of the European Communities by:

Mr Etienne Burin des Rozières, Ambassador Extraordinary and Plenipotentiary, Chairman of the Permanent Representatives Committee, and

Mr Hans-Broder Krohn, Director-General for Development and Cooperation of the Commission of the European Communities,

and on behalf of the Government of Peru by:

Mr Julio C. Doig S., Ambassador Extraordinary and Plenipotentiary, Head of the Mission of Peru to the European Economic Community.

COUNCIL DECISION

of 3 October 1974

on the conclusion of the Agreement between the European Economic Community and the Republic of Peru on the supply of common wheat as food aid

(74/608/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113, 114 and 228 thereof;

Having regard to the recommendation from the Commission;

Whereas the European Economic Community has concluded the 1971 Food Aid Convention;

Whereas by its letter of 4 June 1973, the Republic of Peru has requested food aid;

Whereas in view of the cereal supply situation in Peru, that country should be accorded, by way of gift, 5 000 metric tons of common wheat under the Community food-aid programme for 1973/74,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement between the European Economic Community and the Republic of Peru on the supply of common wheat as food aid, the text of which is annexed to this Decision, is hereby concluded on behalf of the Community.

Article 2

The President of the Council is hereby authorized to designate the persons empowered to sign the Agreement, and to confer on them the powers necessary to bind the Community.

Done at Luxembourg, 3 October 1974.

*For the Council**The President*

P. ABELIN

AGREEMENT

**between the European Economic Community and the Republic of Peru on the supply
of common wheat as food aid**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,
of the one part,

THE GOVERNMENT OF THE REPUBLIC OF PERU,
of the other part,

HAVE DECIDED to conclude this Agreement, and to this end have designated as their
Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE REPUBLIC OF PERU:

WHO HAVE AGREED AS FOLLOWS:

Article I

As part of its food-aid programme (cereals) for 1973/74, the European Economic Community, hereinafter referred to as the 'Community', shall supply the Republic of Peru, hereinafter referred to as the 'country of destination', by way of gift, with 5 000 metric tons of common wheat.

It undertakes to exercise the greatest possible care to ensure that the tendering arrangements for the transport by sea shall not be prejudicial to the free play of fair competition. Any problems arising in this connection shall be the subject of consultations under Article VIII.

Article II

Deliveries will be made in bulk fob in accordance with the detailed rules set out in the Annex which is an integral part of this Agreement.

The country of destination undertakes to use the product received as aid for purposes of consumption and to apply, for the sale of the product on its market, the prices normally charged on that market for products of comparable quality.

Article III

The country of destination undertakes to make all necessary arrangements for the transport and insurance of the product from point of delivery to places of destination.

Article IV

The proceeds from this sale shall be paid into a special account at the central bank of that country and allocated to the financing of one or more development schemes in accordance with the procedure to be agreed between the recipient country and the Community.

Article V

The Contracting Parties undertake to implement this Agreement in such a way as to avoid any prejudice to the normal structure of domestic production and international trade. To this end they shall take any measures required to ensure that aid supplies are in addition to, and do not replace, commercial transactions which might reasonably be expected in the absence of such supplies. In particular, the country of destination undertakes to import commercially from whatever source between 1 July 1974 and 30 June 1975 a minimum quantity of 646 200 metric tons of common wheat, or its equivalent in flour of common wheat.

Article VI

The country of destination shall take all appropriate measures to prevent:

- the re-export of the product received as aid and of products resulting from such supplies;
- the export, commercially or otherwise, within six months of the last delivery, either of local produce of the same nature as that used to produce the flour received as aid or of any products or by-products resulting from it.

Article VII

The country of destination undertakes to inform the Community of the mode of implementation of this Agreement. To this end it shall provide the Commission of the European Communities with the following information:

1. immediately after the discharge of each cargo: port and date of arrival of vessel; nature, quantity and any observations as to the quality of the product discharged; date on which discharge was completed; costs of sea transport and of insurance relating thereto;
2. every three months until the quantities received as aid have been fully used: quantities sold, how they have been sold; selling prices; normal selling costs on the market of the country of destination; insurance costs and, where appropriate, transport costs from the port of discharge to the places of destination;
3. on 15 January every year until the special account has been fully used:
 - (a) state of this account (deposits and withdrawals) on 31 December of the preceding year;
 - (b) progress achieved in the project or projects, with an indication of the total amount of financing carried out at that stage.

Article VIII

At the request of either of them, the Contracting Parties shall consult each other on any questions concerning the implementation of this Agreement.

Article IX

This Agreement shall be drawn up in duplicate in the Danish, Dutch, English, French, German, Italian and Spanish languages, each of these texts being authentic.

ANNEX

DELIVERY PROCEDURES

CHAPTER I

General provisions

Article 1

Delivery shall be effected and all risk shall pass from the Community to the country of destination at the moment

at which the goods are put down at the point of exportation named by the Commission of the European Communities at the berth specified by the country of destination or its agent referred to in Article 3 and under the terms specified in this Annex. Without prejudice to Articles 8 and 9 the Community shall bear all costs prior to delivery and the country of destination those after delivery.

Article 2

On delivery of the goods, a tolerance of 5% less than the quantity to be supplied in accordance with Article I of the Agreement is permitted.

Article 3

For the purpose of implementing the provisions of this Annex the Community shall appoint — if necessary for each consignment — an agent whose name and address it shall make known to the country of destination immediately following his appointment. For each port of shipment the country of destination shall appoint an agent whose name and address it shall make known to the Community with all dispatch and if possible before the appointment of the agent of the Community.

Article 4

Before implementing the procedure for appointing the agent of the Community referred to in Article 3, the Commission of the European Communities and the country of destination shall establish by joint agreement the period during which delivery must begin.

CHAPTER II

Obligations of the Community

Article 5

Where the Community is not in a position to carry out delivery on the date, and, if applicable, according to the schedule laid down in Article 7, all costs arising for the country of destination — for example, demurrage, void freight and dead freight — shall be borne by the Community.

The charges and the arrangements relating to demurrage laid down in the contract concluded between the country of destination and the carrier must have previously been agreed by the country of destination and the agent of the Community.

The other costs referred to in the first paragraph shall be refunded by the Community only if they have been paid by the country of destination with the approval of the Community.

Article 6

Where it is impossible for the Community to supply all or part of the goods on the date and within the time limits provided for in Article 7, the agents of the Community and of the country of destination may, without prejudice to Article 5, agree on a new date and a new time limit for the delivery of all the goods or of the undelivered part thereof.

CHAPTER III

Obligations of the country of destination

Article 7

After contacting the Community, the country of destination shall procure to transport all the quantities provided for in Article I of the Agreement, one or more vessels of dimensions corresponding to the normal capacity of the port of shipment; these vessels must be ready for loading on a date falling within the period referred to in Article 4.

The agent of the country of destination shall inform the Community of this date and of the date for commencement of delivery as soon as he knows them, if possible 20 clear days in advance and in any case 10 clear days before the date for commencement of delivery.

He shall establish with the agent of the Community the schedule according to which delivery shall take place.

Article 8

Where the country of destination is unable to begin loading on the date provided for in the first paragraph of Article 7, the agent of the country of destination shall inform the agent of the Community without delay.

In this event the agents of the Community and of the country of destination may agree on a new date for the commencement of delivery and, if applicable, a new schedule. The costs arising from the delay in loading shall in all cases except *force majeure* be borne by the country of destination.

Should the new date provided for in the second paragraph be more than 30 clear days after the date for loading provided for in the first paragraph of Article 7, the Community may dispose of the goods without prejudice to its commitment under Article I of this Agreement.

Article 9

Where the quantity made available for loading on a vessel cannot be loaded on board in its entirety, the country of destination shall inform the Community as soon as possible, and no later than 15 clear days after loading has been completed, whether it intends to accept or to renounce the balance.

In the former case the second and third paragraphs of Article 8 shall apply to the balance, if delivery has not yet taken place.

In the latter case the Community may consider that it has discharged its commitment to the country of destination

under Article I of this Agreement and shall bear the costs resulting from renunciation.

In any event, after an interval of 15 clear days and in the absence of any notice on the part of the country of destination, renunciation shall be deemed to have taken place.

Article 10

Upon delivery of the goods, the country of destination shall hand over to the authorized agent of the Community a certificate of acceptance which shall set out the port of shipment, date of acceptance and the nature and quantity of the goods accepted, together with any comments on the quality of the goods. A copy of the certificate shall be sent to the Commission of the European Communities.

Information on the signing of the Agreement between the European Economic Community and the Republic of Peru on the supply of food aid

The Agreement between the European Economic Community and Peru on the supply of common wheat as food aid, which the Council decided to conclude on 3 October 1974, was signed in Brussels on 7 October 1974, on behalf of the Council of the European Communities by:

Mr Etienne Burin des Rozières, Ambassador Extraordinary and Plenipotentiary, Chairman of the Permanent Representatives Committee, and

Mr Hans-Broder Krohn, Director-General for Development and Cooperation of the Commission of the European Communities,

and on behalf of the Government of Peru by:

Mr Julio C. Doig S., Ambassador Extraordinary and Plenipotentiary, Head of the Mission of Peru to the European Economic Community.

COUNCIL DECISION

of 21 October 1974

on the conclusion of the Agreement between the European Economic Community and the Arab Republic of Yemen on the supply of common wheat as food aid

(74/609/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113, 114 and 228 thereof;

Having regard to the recommendation from the Commission;

Whereas the European Economic Community has concluded the 1971 Food Aid Convention;

Whereas by its letter of 8 August 1973, the Arab Republic of Yemen has requested food aid;

Whereas in view of the cereal supply situation in that country, the latter should be accorded, under the Community food-aid programme for 1973/74 and by way of gift, 10 000 metric tons of common wheat,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement between the European Economic Community and the Arab Republic of Yemen on the supply of common wheat as food aid is hereby concluded on behalf of the Community.

The text of the Agreement is annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the persons empowered to sign the Agreement and to confer on them the necessary powers to bind the Community.

Done at Luxembourg, 21 October 1974.

*For the Council**The President*

Ch. BONNET

AGREEMENT

between the European Economic Community and the Arab Republic of Yemen on the supply of common wheat as food aid

THE COUNCIL OF THE EUROPEAN COMMUNITIES,
of the one part,

THE GOVERNMENT OF THE ARAB REPUBLIC OF YEMEN,
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THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE ARAB REPUBLIC OF YEMEN:

WHO HAVE AGREED AS FOLLOWS:

Article I

As part of its food-aid programme (cereals) for 1973/74, the European Economic Community, hereinafter referred to as the 'Community', shall supply the Arab Republic of Yemen, hereinafter referred to as the 'country of destination', by way of gift, with 10 000 metric tons of common wheat.

Article II

Deliveries will be made in bulk fob in accordance with the detailed rules set out in the Annex which is an integral part of this Agreement.

Article III

The country of destination undertakes to make all necessary arrangements for the transport and

insurance of the product from point of delivery to places of destination.

It undertakes to exercise the greatest possible care to ensure that the tendering arrangements for the transport by sea shall not be prejudicial to the free play of fair competition. Any problems arising in this connection shall be the subject of consultations under Article VIII.

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The country of destination undertakes to use the product received as aid for purposes of consumption and to apply, for the sale of the product on its market, the prices normally charged on that market for products of comparable quality.

The proceeds from this sale shall be paid into a special account at the central bank of that country

and allocated to the financing of one or more development schemes in accordance with the procedure to be agreed between the recipient country and the Community.

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The Contracting Parties undertake to implement this Agreement in such a way as to avoid any prejudice to the normal structure of domestic production and international trade. To this end they shall take any measures required to ensure that aid supplies are in addition to, and do not replace, commercial transactions which might reasonably be expected in the absence of such supplies. In particular, the country of destination undertakes to import commercially from whatever source between 1 July 1974 and 30 June 1975 a minimum quantity of 100 300 metric tons of common wheat, or its equivalent in flour of common wheat.

Article VI

The country of destination shall take all appropriate measures to prevent:

- the re-export of the product received as aid and of products resulting from such supplies;
- the export, commercially or otherwise, within six months of the last delivery, either of local produce of the same nature as that used to produce the flour received as aid or of any products or by-products resulting from it.

Article VII

The country of destination undertakes to inform the Community of the mode of implementation of this Agreement. To this end it shall provide the

Commission of the European Communities with the following information:

1. immediately after the discharge of each cargo: port and date of arrival of vessel; nature, quantity and any observations as to the quality of the product discharged; date on which discharge was completed; costs of sea transport and of insurance relating thereto;
2. every three months until the quantities received as aid have been fully used: quantities sold, how they have been sold; selling prices; normal selling costs on the market of the country of destination; insurance costs and, where appropriate, transport costs from the port of discharge to the places of destination;
3. on 15 January every year until the special account has been fully used:
 - (a) state of this account (deposits and withdrawals) on 31 December of the preceding year;
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DELIVERY PROCEDURES

CHAPTER I

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Article 1

Delivery shall be effected and all risk shall pass from the Community to the country of destination at the moment at which the goods are put down at the point of exportation named by the Commission of the European Communities at the berth specified by the country of destination or its agent referred to in Article 3 and under the terms specified in this Annex. Without prejudice to Articles 8 and 9 the Community shall bear all costs prior to delivery and the country of destination those after delivery.

Article 2

On delivery of the goods, a tolerance of 5 % less than the quantity to be supplied in accordance with Article I of the Agreement is permitted.

Article 3

For the purpose of implementing the provisions of this Annex the Community shall appoint — if necessary for each consignment — an agent whose name and address it shall make known to the country of destination immediately following his appointment. For each port of shipment the country of destination shall appoint an agent whose name and address it shall make known to the Community with all dispatch and if possible before the appointment of the agent of the Community.

Article 4

Before implementing the procedure for appointing the agent of the Community referred to in Article 3, the Commission of the European Communities and the country of destination shall establish by joint agreement the period during which delivery must begin.

CHAPTER II

Obligations of the Community

Article 5

Where the Community is not in a position to carry out delivery on the date, and, if applicable, according to the

schedule laid down in Article 7, all costs arising for the country of destination — for example, demurrage, void freight and dead freight — shall be borne by the Community.

The charges and the arrangements relating to demurrage laid down in the contract concluded between the country of destination and the carrier must have previously been agreed by the country of destination and the agent of the Community.

The other costs referred to in the first paragraph shall be refunded by the Community only if they have been paid by the country of destination with the approval of the Community.

Article 6

Where it is impossible for the Community to supply all or part of the goods on the date and within the time limits provided for in Article 7, the agents of the Community and of the country of destination may, without prejudice to Article 5, agree on a new date and a new time limit for the delivery of all the goods or of the undelivered part thereof.

CHAPTER III

Obligations of the country of destination

Article 7

After contacting the Community, the country of destination shall procure, to transport all the quantities provided for in Article I of the Agreement, one or more vessels of dimensions corresponding to the normal capacity of the port of shipment; these vessels must be ready for loading on a date falling within the period referred to in Article 4.

The agent of the country of destination shall inform the Community of this date and of the date for commencement of delivery as soon as he knows them, if possible 20 clear days in advance and in any case 10 clear days before the date for commencement of delivery.

He shall establish with the agent of the Community the schedule according to which delivery shall take place.

Article 8

Where the country of destination is unable to begin loading on the date provided for in the first paragraph of

Article 7, the agent of the country of destination shall inform the agent of the Community without delay.

In this event the agents of the Community and of the country of destination may agree on a new date for the commencement of delivery and, if applicable, a new schedule. The costs arising from the delay in loading shall in all cases except *force majeure* be borne by the country of destination.

Should the new date provided for in the second paragraph be more than 30 clear days after the date for loading provided for in the first paragraph of Article 7, the Community may dispose of the goods without prejudice to its commitment under Article I of this Agreement.

Article 9

Where the quantity made available for loading on a vessel cannot be loaded on board in its entirety, the country of destination shall inform the Community as soon as possible, and no later than 15 clear days after loading has been completed, whether it intends to accept or to renounce the balance.

In the former case the second and third paragraphs of Article 8 shall apply to the balance, if delivery has not yet taken place.

In the latter case the Community may consider that it has discharged its commitment to the country of destination under Article I of this Agreement and shall bear the costs resulting from renunciation.

In any event, after an interval of 15 clear days and in the absence of any notice on the part of the country of destination, renunciation shall be deemed to have taken place.

Article 10

Upon delivery of the goods, the country of destination shall hand over to the authorized agent of the Community a certificate of acceptance which shall set out the port of shipment, date of acceptance and the nature and quantity of the goods accepted, together with any comments on the quality of the goods. A copy of the certificate shall be sent to the Commission of the European Communities.

Information on the signing of the Agreement between the European Economic Community and the Arab Republic of Yemen on the supply of food aid

The Agreement between the European Economic Community and Yemen on the supply of common wheat as food aid, which the Council decided to conclude on 21 October 1974, was signed in Brussels on 24 October 1974, on behalf of the Council of the European Communities by:

Mr Etienne Burin des Roziers, Ambassador Extraordinary and Plenipotentiary, Chairman of the Permanent Representatives Committee, and

Mr Hans-Broder Krohn, Director-General for Development and Cooperation of the Commission of the European Communities,

and on behalf of the Government of Yemen by:

Mr Ahmed Kard Barakat, Ambassador Extraordinary and Plenipotentiary, Head of the Mission of Yemen to the European Economic Community.

COUNCIL DECISION

of 21 October 1974

on the conclusion of the Agreement between the European Economic Community and the Republic of Lebanon on the supply of common wheat as food aid

(74/610/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113, 114 and 228 thereof;

Having regard to the recommendation from the Commission;

Whereas the European Economic Community has concluded the 1971 Food Aid Convention;

Whereas by its letter of 16 October 1973, the Republic of Lebanon has requested food aid;

Whereas in view of the cereal supply situation in that country, the latter should be accorded, under the Community food-aid programme for 1973/74 and by way of gift, 5 000 metric tons of common wheat,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement between the European Economic Community and the Republic of Lebanon on the supply of common wheat as food aid is hereby concluded on behalf of the Community.

The text of the Agreement is annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the persons empowered to sign the Agreement and to confer on them the necessary powers to bind the Community.

Done at Luxembourg, 21 October 1974.

For the Council

The President

Ch. BONNET

AGREEMENT

**between the European Economic Community and the Republic of Lebanon on the supply
of common wheat as food aid**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,
of the one part,

THE GOVERNMENT OF THE REPUBLIC OF LEBANON,
of the other part,

HAVE DECIDED to conclude this Agreement, and to this end have designated as their
Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE REPUBLIC OF LEBANON:

WHO HAVE AGREED AS FOLLOWS:

Article I

As part of its food-aid programme (cereals) for 1973/74, the European Economic Community, hereinafter referred to as the 'Community', shall supply the Republic of Lebanon, hereinafter referred to as the 'country of destination', by way of gift, with 5 000 metric tons of common wheat.

It undertakes to exercise the greatest possible care to ensure that the tendering arrangements for the transport by sea shall not be prejudicial to the free play of fair competition. Any problems arising in this connection shall be the subject of consultations under Article VIII.

*Article IV**Article II*

Deliveries will be made in bulk fob in accordance with the detailed rules set out in the Annex which is an integral part of this Agreement.

The country of destination undertakes to use the product received as aid for purposes of consumption and to apply, for the sale of the product on its market, the prices normally charged on that market for products of comparable quality.

Article III

The country of destination undertakes to make all necessary arrangements for the transport and insurance of the product from point of delivery to places of destination.

The proceeds from this sale shall be paid into a special account at the central bank of that country and allocated to the financing of one or more development schemes in accordance with the procedure to be agreed between the recipient country and the Community.

Article V

The Contracting Parties undertake to implement this Agreement in such a way as to avoid any prejudice to the normal structure of domestic production and international trade. To this end they shall take any measures required to ensure that aid supplies are in addition to, and do not replace, commercial transactions which might reasonably be expected in the absence of such supplies. In particular, the country of destination undertakes to import commercially from whatever source between 1 July 1974 and 30 June 1975 a minimum quantity of 275 500 metric tons of common wheat, or its equivalent in flour of common wheat.

Article VI

The country of destination shall take all appropriate measures to prevent:

- the re-export of the product received as aid and of products resulting from such supplies;
- the export, commercially or otherwise, within six months of the last delivery, either of local produce of the same nature as that used to produce the flour received as aid or of any products or by-products resulting from it.

Article VII

The country of destination undertakes to inform the Community of the mode of implementation of this Agreement. To this end it shall provide the Commission of the European Communities with the following information:

1. immediately after the discharge of each cargo: port and date of arrival of vessel; nature, quantity and any observations as to the quality of the product discharged; date on which discharge was completed; costs of sea transport and of insurance relating thereto;
2. every three months until the quantities received as aid have been fully used: quantities sold, how they have been sold, selling prices; normal selling costs on the market of the country of destination; insurance costs and, where appropriate, transport costs from the port of discharge to the places of destination;
3. on 15 January every year until the special account has been fully used:
 - (a) state of this account (deposits and withdrawals) on 31 December of the preceding year;
 - (b) progress achieved in the project or projects, with an indication of the total amount of financing carried out at that stage.

Article VIII

At the request of either of them, the Contracting Parties shall consult each other on any questions concerning the implementation of this Agreement.

Article IX

This Agreement shall be drawn up in duplicate in the Danish, Dutch, English, French, German and Italian languages, each of these texts being authentic.

ANNEX

DELIVERY PROCEDURES

CHAPTER I

General provisions

Article 1

Delivery shall be effected and all risk shall pass from the Community to the country of destination at the moment

at which the goods are put down at the point of exportation named by the Commission of the European Communities at the berth specified by the country of destination or its agent referred to in Article 3 and under the terms specified in this Annex. Without prejudice to Articles 8 and 9 the Community shall bear all costs prior to delivery and the country of destination those after delivery.

Article 2

On delivery of the goods, a tolerance of 5 % less than the quantity to be supplied in accordance with Article I of the Agreement is permitted.

Article 3

For the purpose of implementing the provisions of this Annex the Community shall appoint — if necessary for each consignment — an agent whose name and address it shall make known to the country of destination immediately following his appointment. For each port of shipment the country of destination shall appoint an agent whose name and address it shall make known to the Community with all dispatch and if possible before the appointment of the agent of the Community.

Article 4

Before implementing the procedure for appointing the agent of the Community referred to in Article 3, the Commission of the European Communities and the country of destination shall establish by joint agreement the period during which delivery must begin.

CHAPTER II

Obligations of the Community

Article 5

Where the Community is not in a position to carry out delivery on the date, and, if applicable, according to the schedule laid down in Article 7, all costs arising for the country of destination — for example, demurrage, void freight and dead freight — shall be borne by the Community.

The charges and the arrangements relating to demurrage laid down in the contract concluded between the country of destination and the carrier must have previously been agreed by the country of destination and the agent of the Community.

The other costs referred to in the first paragraph shall be refunded by the Community only if they have been paid by the country of destination with the approval of the Community.

Article 6

Where it is impossible for the Community to supply all or part of the goods on the date and within the time limits provided for in Article 7, the agents of the Community and of the country of destination may, without prejudice to Article 5, agree on a new date and a new time limit for the delivery of all the goods or of the undelivered part thereof.

CHAPTER III

Obligations of the country of destination

Article 7

After contacting the Community, the country of destination shall procure, to transport all the quantities provided for in Article I of the Agreement, one or more vessels of dimensions corresponding to the normal capacity of the port of shipment; these vessels must be ready for loading on a date falling within the period referred to in Article 4.

The agent of the country of destination shall inform the Community of this date and of the date for commencement of delivery as soon as he knows them, if possible 20 clear days in advance and in any case 10 clear days before the date for commencement of delivery.

He shall establish with the agent of the Community the schedule according to which delivery shall take place.

Article 8

Where the country of destination is unable to begin loading on the date provided for in the first paragraph of Article 7, the agent of the country of destination shall inform the agent of the Community without delay.

In this event the agents of the Community and of the country of destination may agree on a new date for the commencement of delivery and, if applicable, a new schedule. The costs arising from the delay in loading shall in all cases except *force majeure* be borne by the country of destination.

Should the new date provided for in the second paragraph be more than 30 clear days after the date for loading provided for in the first paragraph of Article 7, the Community may dispose of the goods without prejudice to its commitment under Article I of this Agreement.

Article 9

Where the quantity made available for loading on a vessel cannot be loaded on board in its entirety, the country of destination shall inform the Community as soon as possible, and no later than 15 clear days after loading has been completed, whether it intends to accept or to renounce the balance.

In the former case the second and third paragraphs of Article 8 shall apply to the balance, if delivery has not yet taken place.

In the latter case the Community may consider that it has discharged its commitment to the country of destination under Article I of this Agreement and shall bear the costs resulting from renunciation.

In any event, after an interval of 15 clear days and in the absence of any notice on the part of the country of

destination, renunciation shall be deemed to have taken place.

Article 10

Upon delivery of the goods, the country of destination shall hand over to the authorized agent of the Community

a certificate of acceptance which shall set out the port of shipment, date of acceptance and the nature and quantity of the goods accepted, together with any comments on the quality of the goods. A copy of the certificate shall be sent to the Commission of the European Communities.

Information on the signing of the Agreement between the European Economic Community and the Republic of Lebanon on the supply of food aid

The Agreement between the European Economic Community and Lebanon on the supply of common wheat as food aid, which the Council decided to conclude on 21 October 1974, was signed in Brussels on 24 October 1974, on behalf of the Council of the European Communities by:

Mr Etienne Burin des Rozières, Ambassador Extraordinary and Plenipotentiary, Chairman of the Permanent Representatives Committee, and

Mr Hans-Broder Krohn, Director-General for Development and Cooperation of the Commission of the European Communities,

and on behalf of the Government of Lebanon by:

Mr Kesrouan Labaki, Ambassador Extraordinary and Plenipotentiary, Head of the Lebanese Mission to the European Economic Community.

COUNCIL DECISION**of 7 November 1974****on the conclusion of the Agreement between the European Economic Community and the Arab Republic of Syria on the supply of flour of common wheat as food aid****(74/611/EEC)**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113, 114 and 228 thereof;

Having regard to the recommendation from the Commission;

Whereas the European Economic Community has concluded the 1971 Food Aid Convention;

Whereas by its letter of 8 August 1973, the Arab Republic of Syria has requested food aid;

Whereas in view of the cereal supply situation in that country the latter should be accorded under the Community food-aid programme for 1973/74, and by way of gift, 8 500 metric tons of common wheat, in the form of 5 629 metric tons of flour of common wheat,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement between the European Economic Community and the Arab Republic of Syria on the supply of flour of common wheat as food aid is hereby concluded on behalf of the Community.

The text of the Agreement is annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the persons empowered to sign the Agreement and to confer on them the necessary powers to bind the Community

Done at Brussels, 7 November 1974.

*For the Council**The President*

A. JARROT

AGREEMENT

between the European Economic Community and the Arab Republic of Syria on the supply of flour of common wheat as food aid

THE COUNCIL OF THE EUROPEAN COMMUNITIES,
of the one part,

THE GOVERNMENT OF THE ARAB REPUBLIC OF SYRIA,
of the other part,

HAVE DECIDED to conclude this Agreement, and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE ARAB REPUBLIC OF SYRIA:

WHO HAVE AGREED AS FOLLOWS:

Article I

As part of its food-aid programme (cereals) for 1973/74, the European Economic Community, hereinafter referred to as the 'Community', shall supply the Arab Republic of Syria, hereinafter referred to as the 'country of destination', by way of gift, with 8 500 metric tons of common wheat in the form of 5 629 metric tons of flour of common wheat.

Article II

Deliveries will be made fob in new cotton sacks each having a net weight of 50 kg in accordance with the detailed rules set out in the Annex which is an integral part of this Agreement.

Article III

The country of destination undertakes to make all necessary arrangements for the transport and

insurance of the product from point of delivery to places of destination.

It undertakes to exercise the greatest possible care to ensure that the tendering arrangements for the transport by sea shall not be prejudicial to the free play of fair competition. Any problems arising in this connection shall be the subject of consultations under Article VIII.

Article IV

The country of destination undertakes to use the product received as aid for purposes of consumption and to apply, for the sale of the product on its market, the prices normally charged on that market for products of comparable quality.

The proceeds from this sale shall be paid into a special account at the central bank of that country and allocated to the financing of one or more development schemes in accordance with the

procedure to be agreed between the recipient country and the Community.

Article V

The Contracting Parties undertake to implement this Agreement in such a way as to avoid any prejudice to the normal structure of domestic production and international trade. To this end they shall take any measures required to ensure that aid supplies are in addition to, and do not replace, commercial transactions which might reasonably be expected in the absence of such supplies. In particular, the country of destination undertakes to import commercially from whatever source between 1 July 1974 and 30 June 1975 a minimum quantity of 102 000 metric tons of common wheat, or its equivalent in flour of common wheat.

Article VI

The country of destination shall take all appropriate measures to prevent:

- the re-export of the product received as aid and of products resulting from such supplies;
- the export, commercially or otherwise, within six months of the last delivery, either of local produce of the same nature as that used to produce the flour received as aid or of any products or by-products resulting from it.

Article VII

The country of destination undertakes to inform the Community of the mode of implementation of this Agreement. To this end it shall provide the Commission of the European Communities with the following information:

1. immediately after the discharge of each cargo: port and date of arrival of vessel; nature, quantity and any observations as to the quality of the product discharged; date on which discharge was completed; costs of sea transport and of insurance relating thereto;
2. every three months until the quantities received as aid have been fully used; quantities sold, how they have been sold; selling prices; normal selling costs on the market of the country of destination; insurance costs and, where appropriate, transport costs from the port of discharge to the places of destination;
3. on 15 January every year until the special account has been fully used:
 - (a) state of this account (deposits and withdrawals) on 31 December of the preceding year;
 - (b) progress achieved in the project or projects, with an indication of the total amount of financing carried out at that stage.

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At the request of either of them, the Contracting Parties shall consult each other on any questions concerning the implementation of this Agreement.

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at which the goods are put down at the point of exportation named by the Commission of the European Communities at the berth specified by the country of destination or its agent referred to in Article 3 and under the terms specified in this Annex. Without prejudice to Articles 8 and 9 the Community shall bear all costs prior to delivery and the country of destination those after delivery.

Article 2

On delivery of the goods, a tolerance of 5 % less than the quantity to be supplied in accordance with Article I of the Agreement is permitted.

Article 3

For the purpose of implementing the provisions of this Annex the Community shall appoint — if necessary for each consignment — an agent whose name and address it shall make known to the country of destination immediately following his appointment. For each port of shipment the country of destination shall appoint an agent whose name and address it shall make known to the Community with all dispatch and if possible before the appointment of the agent of the Community.

Article 4

Before implementing the procedure for appointing the agent of the Community referred to in Article 3, the Commission of the European Communities and the country of destination shall establish by joint agreement the period during which delivery must begin.

CHAPTER II

Obligations of the Community

Article 5

Where the Community is not in a position to carry out delivery on the date, and, if applicable, according to the schedule laid down in Article 7, all costs arising for the country of destination — for example, demurrage, void freight and dead freight — shall be borne by the Community.

The charges and the arrangements relating to demurrage laid down in the contract concluded between the country of destination and the carrier must have previously been agreed by the country of destination and the agent of the Community.

The other costs referred to in the first paragraph shall be refunded by the Community only if they have been paid by the country of destination with the approval of the Community.

Article 6

Where it is impossible for the Community to supply all or part of the goods on the date and within the time limits provided for in Article 7, the agents of the Community and of the country of destination may, without prejudice to Article 5, agree on a new date and a new time limit for the delivery of all the goods or of the undelivered part thereof.

CHAPTER III

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Article 7

After contacting the Community, the country of destination shall procure, to transport all the quantities provided for in Article I of the Agreement, one or more vessels of dimensions corresponding to the normal capacity of the port of shipment; these vessels must be ready for loading on a date falling within the period referred to in Article 4.

The agent of the country of destination shall inform the Community of this date and of the date for commencement of delivery as soon as he knows them, if possible 20 clear days in advance and in any case 10 clear days before the date for commencement of delivery.

He shall establish with the agent of the Community the schedule according to which delivery shall take place.

Article 8

Where the country of destination is unable to begin loading on the date provided for in the first paragraph of Article 7, the agent of the country of destination shall inform the agent of the Community without delay.

In this event the agents of the Community and of the country of destination may agree on a new date for the commencement of delivery and, if applicable, a new schedule. The costs arising from the delay in loading shall in all cases except *force majeure* be borne by the country of destination.

Should the new date provided for in the second paragraph be more than 30 clear days after the date for loading provided for in the first paragraph of Article 7, the Community may dispose of the goods without prejudice to its commitment under Article I of this Agreement.

Article 9

Where the quantity made available for loading on a vessel cannot be loaded on board in its entirety, the country of destination shall inform the Community as soon as possible, and no later than 15 clear days after loading has been completed, whether it intends to accept or to renounce the balance.

In the former case the second and third paragraphs of Article 8 shall apply to the balance, if delivery has not yet taken place.

In the latter case the Community may consider that it has discharged its commitment to the country of destination

under Article I of this Agreement and shall bear the costs resulting from renunciation.

In any event, after an interval of 15 clear days and in the absence of any notice on the part of the country of destination, renunciation shall be deemed to have taken place.

Article 10

Upon delivery of the goods, the country of destination shall hand over to the authorized agent of the Community a certificate of acceptance which shall set out the port of shipment, date of acceptance and the nature and quantity of the goods accepted, together with any comments on the quality of the goods. A copy of the certificate shall be sent to the Commission of the European Communities.

**Information on the signing of the Agreement between the European Economic Community
and the Arab Republic of Syria on the supply of food aid**

The Agreement between the European Economic Community and Syria on the supply of flour of common wheat as food aid, which the Council decided to conclude on 7 November 1974, was signed in Brussels on 11 November 1974, on behalf of the Council of the European Communities by:

Mr Emile Cazimajou, Minister Plenipotentiary, Chairman of the Permanent Representatives Committee (deputies), and

Mr Durieux, Director for Development and Cooperation of the Commission of the European Communities,

and on behalf of the Government of Syria by:

Mr Kassem Mardam, Minister Plenipotentiary, Acting Chargé d'affaires at the Syrian Mission to the European Communities.

COMMISSION

COMMISSION DECISION

of 16 October 1974

approving aids from the United Kingdom for the financial year 1973/74 for the benefit of undertakings in the coal industry

(Only the English text is authentic)

(74/612/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

in £ 1 000 000

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 coal and coke, and in particular Article 9 (1) thereof;

Having consulted the Council;

Whereas the British Government has informed the Commission, pursuant to Article 2 of Decision No 3/71/ECSC, of the financial measures which it proposed to implement directly or indirectly for the benefit of the coal industry during the 1973/74 coal marketing year⁽³⁾; whereas of these measures the following aids require approval pursuant to the aforementioned Decision;

Whereas the British Government proposes to grant to the British coal industry the following aids for the 1973/74 coal marketing year:

To cover expenditure on pensions 19.8

For severance payments to redundant miners and/or for the vocational retraining of staff 10.0

To cover the NCB's expenditure resulting from the early retirement of staff 4.5

To cover expenditure on the supply of concessionary coal to redundant miners aged from 55 to 65 years 0.4

For the retraining and retention of staff 3.7

Aid in respect of pithead stocks 3.7

To cover the NCB's estimated operating losses during the 1973/74 coal marketing year 75.0

Aid in respect of coal for power stations ± 15.4

Whereas the aforementioned aids are in accordance with the criteria laid down in Articles 6 to 9 of Decision No 3/71/ECSC for the admissibility of such State assistance;

Whereas aid towards the covering of expenditure on pensions was introduced by the 1973 Coal Industry Act, which makes provision for a maximum payment of £ 60 million for the financial years 1973/74 to 1975/76; for 1973/74 provision has been made for a first instalment of £ 19.8 million;

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

⁽²⁾ OJ No L 259, 15. 9. 1973, p. 41.

⁽³⁾ The 1973/74 coal marketing years runs from the beginning of April 1973 to the end of March 1974.

Whereas such aid is granted to retired miners; whereas the pensions granted by the NCB are not related to the production of coal and are covered in part by the aid;

Whereas the purpose and form of the aid show that the measure is in accordance with the criteria set out in Article 6 (1) (1);

Whereas aid towards severance payments for miners about to be made redundant and/or for the vocational retraining of staff was introduced by the 1965 Coal Industry Act; whereas the Coal Industry Act of 1973 continues the aid and makes provision for payment of a maximum of £ 60 million for the financial years 1973/74 to 1975/76; whereas for 1973/74 provision has been made for a first instalment of £ 10 million;

Whereas such aid is granted in respect of miners leaving mining as a result of the closure of pits, and also of those being retrained and/or re-employed in coal mining;

Whereas the purpose and form of the aid show that the measure is in accordance with the criteria set out in Article 6 (1) (1) and 7 (3) of Decision No 3/71/ECSC;

Whereas aid towards the covering of the NCB's expenditure resulting from the early retirement of staff was introduced by the 1967 Coal Industry Act; whereas for 1973/74 provision has been made for a first instalment of £ 4.5 million;

Whereas such aid is granted to miners retired prematurely; whereas such retirement was necessary on account of the drop in production (as a result of marketing difficulties) in 1967/70; whereas the expenditure on pensions incurred by the NCB is not related to the production of coal and is covered in full by the aid;

Whereas the purpose and form of the aid show that the measure is in accordance with the criteria set out in Article 6 (1) of Decision No 3/71/EEC;

Whereas the aid towards the covering of the NCB's expenditure on the supply of concessionary coal to redundant miners is granted in respect of expenditure which is not related to the production of coal; whereas the NCB's expenditure on the supply of concessionary coal to miners between the ages of 55 and 60 made redundant during 1973 is fully reimbursed by the British Government, up to the age of 60, while thereafter, and for miners made redundant between the ages of 60 and 65, the aid is to cover 50 % of the expenditure on the supply

of concessionary coal; whereas the amount of aid provided for 1973/74 is £ 400 000;

Whereas the purpose and form of the aid show that the measure is in accordance with the criteria set out in Article 6 (1) (1) of Decision No 3/71/ECSC;

Whereas the aid towards the retraining and retention of staff is a supplement to be paid by the British Government to help to cover the estimated sum of £ 7.5 million which the NCB will have to spend on the regrouping of staff which will be required as part of the rationalization programme; whereas, in order to ensure that qualified workers are retained, the costs falling on the miners affected by the regroupment schemes must be reimbursed to them by the NCB; whereas such costs include removal costs, resettlement costs, travel expenses and compensation for a temporary loss of income;

Whereas the British Government is to contribute £ 3.7 million towards such costs to be borne by the NCB in respect of 1973/74;

Whereas the purpose and form of the aid show that the measure is in accordance with the criteria set out in Article 7 (3) of Decision No 3/71/ECSC;

Whereas provision is made for aid in respect of pithead stocks in the 1973 coal industry Act; whereas the British Government therefore proposes to grant the NCB a supplement for the years 1973/74 and 1975/76 to cover the cost of maintaining pithead stocks, up to a maximum of £ 40 million; whereas provision has been made for an initial sum of £ 3.9 million to be granted for 1973/74;

Whereas the purpose and form of the aid show that the measure is in accordance with the criteria set out in Article 8 of Decision No 3/71/ECSC;

Whereas the aid, amounting to £ 90.4 million, proposed by the British Government in respect of the period 31 March 1973 to the end of March 1974 to cover losses (including £ 75 million to cover operating losses in the 1973/74 coal marketing year and £ 15.4 million as aid in respect of coal for power stations) can be regarded as compatible with the provisions of Article 9 of Decision No 3/71/ECSC;

Whereas the covering of operating losses for the 1973/74 coal marketing year relates to losses sustained in current production; whereas the Coal Industry Act provides for a maximum of £ 210 million for the coal marketing years 1973/74 and

1975/76; whereas the initial payment already authorized amounts to £ 75 million;

Whereas aid in respect of coal for power stations is granted to the NCB by the 1973 Coal Industry Act and relates to supplementary quantities of coal purchased by British power stations; whereas the 1973 Coal Industry Act provides provisionally for a maximum of £ 50 million of aid to be granted for the period 1973/74 to 1975/76; whereas the initial sum for 1973/74 is £ 15.4 million;

Whereas the increased production in 1973 compared to 1972 (approximately + 20 million metric tons) can be attributed not to the grant of aids to cover losses but to 'catching up', as a sharp decline in production occurred in 1972 as a result of strikes;

Whereas in 1973, 17 small pits with an annual production capacity of approximately 1.3 million metric tons were closed; whereas such closures affected approximately 8 000 employees; whereas if the further 8 000 persons who will probably be made redundant as a result of rationalization are added to this figure, the total number of persons made redundant in 1973 comes to approximately 16 000;

Whereas not only large parts of the coal-mining regions but also other parts of the country have a weak economic structure; whereas a rapid restructuring is not possible at present;

Whereas, in view of this situation it is clear that if the NCB had to cease its activities and dismiss overnight more than 300 000 employees, whose jobs it at present provides, insurmountable regional and social difficulties would arise; whereas in view of these circumstances it follows that the covering of operating losses is in accordance with the provisions of Article 9 (1) (1);

Whereas it must be pointed out, furthermore, that the aid to cover losses on the operation of mines does not exceed the estimated overall operating losses; whereas the aid is therefore in accordance with the provisions of Article 9 (2) of Decision No 3/71/ECSC;

Whereas an examination of the compatibility of the British aid with the proper functioning of the common market (Article 3 (1) of Decision No 3/71/ECSC) must relate not only to the aids provided for in this Decision but also to all other financial measures for the benefit of the British coal industry (Article 3 (2) of Decision No 3/71/ECSC);

Whereas calculations reveal that the total British aids, including those outside the framework of Article 4 of Decision No 3/71/ECSC, will amount to £ 151.8 million (= 303.6 u.a. = 2.33 u.a./metric ton); whereas compared to all other Community countries the proposed aid for the British coal industry is the lowest per metric ton produced;

Whereas the following remarks must be made in respect of the compatibility of the total amount of British aids with the proper functioning of the common market:

- the compatibility of the tonnage forecasts drawn up for the British coal industry for 1973 with the Community's overall supply position in respect of coal and coke is in accordance with the provisions of Article 3 (1) (1) of Decision No 3/71/ECSC;
- the grant of aid does not mean that any restriction of the trade in coal between the United Kingdom and the other Community countries has been made for 1973 (Article 3 (1) (1) of Decision No 3/71/ECSC);
- price alignments to meet those of other producers in the Community have not been notified to the Commission for 1973 in respect of British coal;
- the prices of British coking coal and steam coal do not amount to indirect aid to industrial consumers of coal;
- the closure of unprofitable pits leads to rationalization and the concentration of production on pits where productivity is highest;

Whereas it can therefore be said that the British aids for the benefit of the coal industry are compatible with the proper functioning of the common market;

Whereas this also applies if account is taken of aids granted to the coal industry under Decision No 73/287/ECSC;

Whereas, pursuant to Article 11 (1) of Decision No 3/71/ECSC, the Commission must ensure that the aids authorized are used for the purposes set out in Articles 6 to 9 of that Decision; whereas the Commission must be informed in particular of the amount and apportionment of these aids and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION:

Article 1

The Government of the United Kingdom is hereby authorized to grant the following aids for the benefit of the British coal industry for 1973/74:

1. assumption of responsibility for expenditure on pensions for retired miners (£ 19.8 million);
2. severance payments to miners made redundant as a result of the closure of pits and/or for miners to be retrained or re-employed, up to a maximum of £ 10 million;
3. reimbursement in full of the NCB's expenditure resulting from the early retirement of miners (£ 4.5 million);
4. assumption of responsibility for the costs of supplying concessionary coal to redundant miners aged between 55 and 65 years, up to a maximum of £ 400 000;
5. supplement to cover the NCB's expenditure on the regrouping of staff which will be required as part of the rationalization programme, up to a maximum of £ 3.7 million;
6. supplement to cover the cost of maintaining pithead stocks, up to a maximum of £ 3.7 million;

7. supplement to cover the NCB's estimated losses on mine operations during the 1973/74 coal marketing year, up to a maximum of £ 75 million;

8. payment to the NCB of aid for power station coal in respect of supplementary quantities of coal purchased by the British power stations, up to but not exceeding a maximum of £ 15.4 million.

Article 2

The British Government shall notify the Commission by 30 November 1974 of the details of the aids granted pursuant to this Decision, and in particular as regards the amounts paid and the manner in which they are apportioned.

Article 3

This Decision is addressed to the United Kingdom.

Done at Brussels, 16 October 1974.

For the Commission

The President

François-Xavier ORTOLI

COMMISSION DECISION

of 16 October 1974

approving additional aids to be granted by the Federal Republic of Germany for the benefit of undertakings in the coal industry in respect of the calendar years 1971, 1972 and 1973

(Only the German text is authentic)

(74/613/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 intervention 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 coal and coke, and in particular Article 9 (1) thereof;

Having consulted the Council;

Whereas on 14 November 1973 the Commission of the European Communities adopted Decision No 73/397/ECSC ⁽³⁾; whereas this Decision approved the aid proposed by the Government of the Federal Republic of Germany for the benefit of the coal industry in respect of 1972 to the extent that it had been included and examined by the Commission in the 'supplementary report on financial intervention by Member States in 1972 for the benefit of the coal industry' ⁽⁴⁾;

Whereas, as stated in that report ⁽⁵⁾, the Federal Government had adopted a number of measures to aid the largest German coal undertaking, the Ruhrkohle AG (RAG); included the entry in November 1971 in the Official Debt Register (Schuldbuck) of a claim (Schuldbuckforderung) in favour of RAG in an amount of DM 1 000 million;

Whereas the purpose of that measure was to improve the undertaking's liquidity position, RAG being able to use its claim as security in order to obtain additional credit from the banks;

Whereas, according to the annual reports for 1971 and 1972 published by RAG:

— in 1971 operating losses of DM 178 million were not covered by financial assistance from public funds but carried forward to the 1972 financial year;

— in 1972 operating losses rose by DM 567 million;

Whereas RAG's total losses therefore amounted to DM 745 million at the end of 1972;

Whereas, in order to ease RAG's critical position the Federal Government has authorized the release of DM 650 million from the specially created stabilization reserve (which was to be funded out of the company's registered claim), in order to cover part of the operating losses sustained in 1971 and 1972; whereas, following the implementation of this measure RAG still had at the end of 1972 uncovered losses of DM 95 million, which were carried forward to the 1973 financial year;

Whereas RAG's registered claim was thus used not only to improve its liquidity position but also to cover losses;

Whereas RAG's total losses of DM 745 million at the end of 1972 exceeded its share capital of DM 500 million by almost 150%, so that it would no longer have been possible for the undertaking to stay in business;

Whereas the economic and social situation in the Land North Rhine-Westphalia, where RAG carries on

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

⁽²⁾ OJ No L 259, 15. 9. 1973, p. 41.

⁽³⁾ OJ No L 346, 17. 12. 1973, pp. 15 *et seq.*

⁽⁴⁾ Doc. SEC(73) 2272 fin., pp. 3 *et seq.*

⁽⁵⁾ Doc. SEC(73) 2272 fin., pp. 4 *et seq.*

the greater part of its activities, is at present relatively favourable, although there are still problems in certain fields, mostly in connection with coal-mining⁽¹⁾; whereas, however, this situation would change if RAG had to cease its activities and dismiss, within a relatively short period of time, the 170 000 employees whose jobs at present it provides; whereas in the circumstances it follows that the covering of losses is compatible with the provisions of the first subparagraph of Article 9 (1), since the effect of this is to prevent a drop in production due to market forces which would result in serious economic and social upheavals in an area where, in the short term, there is insufficient employment for such a large number of workers;

Whereas, as regards the appropriateness of the aid having regard to the difference between production costs and revenue, it can be seen that the aid will cover only approximately 87% of the total operating losses for 1971 and 1972; whereas the operating losses stem almost exclusively from the collieries; whereas the aids therefore comply with the provisions of Article 9 (2) of Decision No 3/71/ECSC;

Whereas the aid is to be paid for two previous financial years (1971 and 1972); whereas other aids granted by the public authorities to the undertaking during those two financial years, and included and examined in the Commission memorandum, were counted as exceptional income when determining the amount of the losses; whereas the payment of the aid in respect of the previous years is therefore compatible with the provisions of Article 9 (5) of Decision No 3/71/ECSC;

Whereas it can be concluded from the explanation given above that the covering by the public authorities of part of the operating losses sustained by RAG in the financial years 1971 and 1972 is compatible with the provisions of Article 9 of Decision No 3/71/ECSC;

Whereas, for the purposes of an examination of the compatibility of the aid to cover operating losses sustained by RAG with the proper functioning of the common market (Article 3 (1) of Decision No 3/71/ECSC), the total amount of DM 650 million must be divided proportionally between the financial years 1971 and 1972 and added to the amounts of aid already approved by the Commission for 1971/72;

Whereas 87% of the operating losses sustained by RAG are to be covered by the aid; whereas if this percentage is applied to each of the financial years the aid (DM 650 million) can be broken down into DM 155 million for 1971 and DM 495 million for 1972 (42.3 million u.a. and 135.2 million u.a. respectively);

Whereas the following amounts of aid are to be granted to the entire coal industry in the Federal Republic of Germany in 1971 and 1972;

<i>million units of account</i>		
	1971	1972
Original amounts	210.1	261.1
Additional amounts	42.3	135.2
Total	252.4	396.3
Aid per metric ton	2.16	3.65

Whereas the total amount of German aid for 1972 is 143.9 million units of account (= + 57% higher than for 1971); whereas the increase in the amount of aid per metric ton amounts to 69%;

Whereas, as far as can be seen from the overall foreign trade figures, this has had no unfavourable effects on the trade in coal within the Community;

Whereas, although aid towards the covering of the losses sustained by RAG has reduced the difference between the amount of subsidies granted in Germany and in the other Member States, it has, however, at the same time, created a difference between the subsidies granted to RAG and those granted to the other German undertakings in 1972, since the aid was for the benefit of one undertaking only; whereas, on account of this and in view of the increase in the number of price alignment agreements concluded in 1972, the Commission has examined the competitive situation; whereas it was found that the various German undertakings in the coal industry were in competition with RAG in respect of certain parts of their production, but that there were no substantial indications that the aid granted to RAG to cover its losses had led to a distortion of competition on the common market in coal; whereas the quantities of coal sold at the aligned prices in 1972 were in fact greater than those sold in 1971; whereas such alignment agreements were

⁽¹⁾ See the Commission Decision of 17 February 1971 concerning investment premiums in the German coal-mining regions (OJ No L 57, 10. 3. 1971, p. 19).

concluded exclusively between undertakings which did not belong to RAG; whereas such price agreements did not arise as a result of the special aid granted to RAG but are an indirect result of competition between the German coal industry as a whole and coal and other energy substitutes imported from non-member countries; whereas the prices applied by RAG do not enable it to undercut the prices of the imported energy substitutes;

Whereas, in view of the situation prevailing in 1972, the Commission has no reason to doubt that the common market in coal is functioning properly; that it could become necessary, in order that the common market in coal may continue to function properly, to impose limits; whereas it would, however, like to remind the Federal Government on any further increase in the differences between aids granted to individual undertakings;

Whereas it has also been found that:

- the prices charged by RAG for coking coal and boiler coal do not amount to indirect aid to industrial consumers of coal;
- the closure of five unprofitable pits belonging to RAG (annual output = approximately five million metric tons) in 1972 has led to rationalization and concentration of production on pits where productivity is highest;

Whereas it can therefore be said in conclusion that the release of DM 650 million from the specially created stabilization reserve — that is funds to be provided under RAG's registered claim — in order to cover operating losses sustained in 1971 and 1972 is compatible with the proper functioning of the common market;

Whereas, furthermore, the Government of the Federal Republic of Germany notified the Commission, pursuant to Article 2 of Decision No 3/71/ECSC, of the financial interventions, direct or indirect, proposed for the benefit of the coal industry during 1973; whereas the aids listed below are subject to authorization pursuant to the Decision referred to above:

Aids as follows to be paid through the 'Aktionsgemeinschaft Deutsche Steinkohlenreviere GmbH' in respect of pit closure:

	<i>in DM 1 000 000</i>
— aid in respect of equalization of burdens (Lastenausgleich) payments	21.0
— closure premiums	75.0
Total	96.0

Aid to water supply undertakings in respect of expenditure incurred in removing underground water from closed pits	30.0
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Premiums to staff in respect of shifts worked underground (coal-winning premium)	110.0
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Investment aids to individual projects under an overall investment programme	160.0
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Payment of the instalments owed by RAG in respect of state-guaranteed compensation to the former mine-owning companies	56.9
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Whereas the aids listed above satisfy the requirements set out in Articles 6 to 9 of Decision No 3/71/ECSC in respect of the admissibility of such support measures taken by a State;

Whereas the aid to be paid through the 'Aktionsgemeinschaft Deutsche Steinkohlenreviere' may be granted only on condition that it is used in connection with 'a total or partial closure of pits' (Article 6 (1) of Decision No 3/71/ECSC);

Whereas the amounts of such aids do not exceed the permissible level;

Whereas as regards the aid in respect of 'equalization' payments the government has taken into account the fact that the closure of a pit, leads to the destruction to a considerable degree of the original fixed assets; whereas the aid which consists in the remission of two-thirds of the levy payable on assets and 'credit gains' (Vermögens- und Kreditgewinnabgabe) to the Equalization Fund (Lastenausgleichsfonds) is in any case considerably lower than the amount of capital lost as a result of the closure of the pits and is therefore within the limits laid down in Article 6 of Decision No 3/71/ECSC;

Whereas the closure premium paid to the undertakings in the coal industry by the Aktionsgemeinschaft Deutsche Steinkohlenreviere in respect of the closures amounts to a lump sum of DM 15 per metric ton produced; whereas this amount was calculated on the basis of the balance sheet of the Ruhrkohle AG for 1971; whereas this gives the following picture of the future obligations of the undertakings in the coal industry in respect of mining damage, pensions and miners' concessionary coal allowances;

Continuing obligations in respect of mining damage and social charges

	<i>in DM per metric ton produced</i>		
	1969	1970	1971
Mining damage	10.58	12.16	13.29
Pensions	5.62	5.54	6.47
Miners' concessionary coal	6.11	6.05	6.29
Total	22.31	23.75	26.05

Whereas it is only the charges listed above which exceed the closure premium of DM 15 per metric ton granted by the Federal Government;

Whereas the lump sum aid granted does not therefore exceed the expenditure on the closure of pits and is therefore compatible with the provisions of Article 6 (2) of Decision No 3/71/ECSC;

Whereas the payment of aid amounting to DM 30 million for the removal of underground water from closed pits is likewise compatible with Article 6 (1) of Decision No 3/71/ECSC;

Whereas the aid towards the payment of the coal-winning premium helps the coal industry to achieve a stable situation as regards qualified workers, which is absolutely imperative if its productivity is to increase; whereas the undertakings are moreover involved in expenditure on the recruitment, training, retraining and retention of staff which greatly exceeds the amount of the contribution to this premium;

Whereas the purpose and amount of the coal-winning premium show that this measure is compatible with Article 7 (3) of Decision No 3/71/ECSC;

Whereas the purpose of the investment aids is to increase the economic viability of the German coal industry; whereas such aid is to be granted to those

undertakings of an optimal size within the meaning of Section 18 of the Law of 15 May 1968 concerning the redeployment and recovery of the German coal industry and the German coal mining regions; whereas the undertakings may use the aid only for investments in pits, auxiliary installations and processing plant; whereas a maximum of 30% of purchase costs and/or manufacturing costs in respect of the investment projects may be covered by the aid;

Whereas it is not yet possible to indicate how the aid for 1973 will be apportioned among the individual projects; whereas this will not be possible before the end of 1973;

Whereas the purpose and amount of the aid applied for show that this measure is compatible with the provisions of Article 7 (2) of Decision No 3/71/ECSC; whereas the Federal Government is bound to notify the Commission at least once a year in the case of each project of the objectives pursued, the amounts invested and the amount of aid granted;

Whereas provision has been made for 1973 for the public authorities in lieu of RAG to pay an instalment of DM 56.9 million to the former pit owners, who have a state-guaranteed claim to compensation *vis-à-vis* RAG;

Whereas in 1972 RAG suffered losses and will once again suffer high losses in 1973; whereas the payment of the instalments by the public authorities is to be regarded as a measure aimed at preventing RAG from becoming bankrupt and thereby jeopardizing the jobs of approximately 160 000 persons;

Whereas payment by the Federal Government of the instalments in respect of state-guaranteed compensation is therefore compatible with the provisions of the first subparagraph of Article 9 (1) of Decision No 3/71/ECSC;

Whereas as regards the appropriations of the aid having regard to the difference between production costs and revenue it is found that the aid will cover only a fraction of the operating losses which RAG can be expected to have sustained during 1973; whereas such aid is therefore compatible with the provisions of Article 9 (2) of Decision No 3/71/ECSC;

Whereas the examination of the compatibility of the German aid with the proper functioning of the common market must include all direct and indirect measures to be taken for the benefit of the coal industry in 1973 (Article 3 (2) of Decision No 3/71/ECSC);

Whereas on that basis of calculation the total cost of the proposed direct and indirect measures amounts to 410.2 million units of account, i.e. 4.04 units of account per metric ton produced; whereas this means a 3.5% increase in the total amount of aid compared to 1972; whereas the amount of aid per metric ton will rise from 3.65 units of account to 4.04 units of account i.e. by 10.7%;

Whereas the German coal industry receives less aid (per metric ton) than the Belgian, French and Dutch industries; whereas the German aids are, however, twice as high as those granted in the United Kingdom;

Whereas the following remarks can be made on the compatibility of the total amount of the German aids with the proper functioning of the common market:

- such amount is consistent with the tonnage forecasts for 1973, having regard to the Community's overall supply position in respect of coke and coal, so that the requirements of the first subparagraph of Article 3 (1) of Decision No 3/71/ECSC are satisfied;
- there has been no noticeable decline in trade in coal between the Federal Republic of Germany and the other Community countries in 1973;
- as regards the prices of German coal, more price alignment agreements were concluded in 1972 than in 1971;
- the prices of German coking coal and boiler coal in 1973 did not amount to indirect aid to industrial consumers of coal;
- the closure of unprofitable pits will lead to rationalization and the concentration of production in pits where productivity is highest;

Whereas it can therefore be concluded that the German aids for the benefit of the coal industry are compatible with the proper functioning of the common market;

Whereas this applies even when account is taken of those aids paid to the coal mines under Decision No 73/287/ECSC;

Whereas, pursuant to Article 11 (1) of Decision No 3/71/ECSC, the Commission must ensure that the aids authorized are employed for the purposes set out in Articles 6 to 9 of that Decision; whereas the Commission must be informed in particular of the amount of the aid and of the manner in which it is appointed,

HAS ADOPTED THIS DECISION:

Article 1

The Government of the Federal Republic of Germany is hereby authorized to grant to RAG in respect of the calendar years 1971 and 1972 aid in an amount of DM 650 million to cover operating losses. The following aids may be granted in respect of the calendar year 1973 for the benefit of the German coal industry as a whole:

1. remission of two-thirds of the obligations of pits due to be closed in respect of the levy on assets and 'credit gains' (Vermögens- und Kreditgewinnabgabe);
2. payment of a closure premium, in an amount of DM 15 per metric ton produced, through the 'Aktionsgemeinschaft Deutsche Steinkohlenreviere';
3. reimbursement of the cost of pumping out underground water from closed pits, up to a maximum of DM 30 million;
4. partial remission of the wages tax due from undertakings in the coal industry; up to a maximum of DM 110 million;
5. grant of investment aid in an amount not exceeding DM 160 million to undertakings in the coal industry in order to encourage investment;
6. payment of instalments owed by RAG in respect of the state-guaranteed compensation of the former mine-owning companies, up to a maximum of DM 56.9 million.

Article 2

The Federal Government 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.

Done at Brussels, 16 October 1974.

Article 3

This Decision is addressed to the Federal Republic
of Germany.

For the Commission

The President

François-Xavier ORTOLI

COMMISSION DECISION

of 16 October 1974

approving additional aid to be granted by the Kingdom of Belgium for the benefit of undertakings in the coal industry in respect of the calendar year 1972 and aid to be granted by the Kingdom of Belgium to that industry in respect of the calendar year 1973

(Only the French and Dutch texts are authentic)

(74/614/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 coal and coke, and in particular Article 9 (1) thereof;

Having consulted the Council;

Whereas on 14 November 1973 the Commission of the European Communities adopted Decision No 73/395/ECSC ⁽³⁾; whereas this Decision approved the aid proposed by the Belgian Government for the benefit of the coal industry in respect of 1972 to the extent that it had been included, and examined by the Commission, in the 'supplementary report on financial intervention by Member States in 1972 for the benefit of the coal industry' ⁽⁴⁾;

Whereas, as explained in that report ⁽⁵⁾, the Belgian Government had asked the Commission to approve aids amounting to Bfrs 4 808.5 million to cover operating losses, to be granted within the framework of Article 9 of Decision No 3/71/ECSC;

Whereas in a letter of 11 July 1973 the Belgian Government asked the Commission to approve the grant of an additional Bfrs 428.7 million, i.e. an increase of approximately 9% to bring the total

amount of aid to cover operating losses up to Bfrs 5 237.2 million; whereas the total amount can be broken down as follows between the coalfields:

(in Bfrs 1 000 000)			
	Campine	Southern coalfields	Total
Original amounts	1 731.5	3 077.0	4 808.5
Additional amounts	401.5	27.2	428.7
Total	2 133.0	3 104.2	5 237.2
Increase	+23.2 %	+0.9 %	+8.9 %

Whereas the Belgian Government also informed the Commission that the aid towards the cost of pumping underground water out of pits had been reduced by Bfrs 17.6 million from Bfrs 50 million to Bfrs 32.4 million, and the aid for vocational training by Bfrs 8.1 million from Bfrs 12.9 million to Bfrs 4.8 million;

Whereas, considering the total amount of aid for the benefit of the Belgian coal industry, the net increase for 1972 therefore amounts to Bfrs 403 million; whereas the additional Belgian aid is almost exclusively for the benefit of the Campine coalfield as opposed to the southern coalfields; whereas the increase in aid for the southern coalfields amounts to only 0.9%;

Whereas in the case of the Campine coalfield a further 23% increase in the amount of aid was required because the original estimates of the aid to be granted would have been sufficient to cover only 55% of the operating losses; whereas the increase in the amount of aid to be granted means that 66% of the operating losses can now be covered, so that the only productive undertaking in the Campine coalfield (Kempense Steenkolenmijnen) is in a position to meet its current financial commitments;

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

⁽²⁾ OJ No L 259, 15. 9. 1973, p. 41.

⁽³⁾ OJ No L 346, 17. 12. 1973, pp. 11 *et seq.*

⁽⁴⁾ Doc. SEC(73) 2272 fin., pp. 13 *et seq.*

⁽⁵⁾ Doc. SEC(73) 2272 fin., p. 16.

Whereas, although provision was originally made for a total of Bfrs 323 per metric ton (= 6.46 u.a.) in direct aid to be paid in respect of the Campine coalfield ⁽¹⁾, the amount has now been increased to Bfrs 369 per metric ton (= 7.38 u.a.);

Whereas this increase of approximately one unit of account per metric ton does not require further points to be examined in addition to those already examined in Document SEC(73) 2272 final; whereas the regional and social problems in that coalfield remain unchanged; whereas the aid offsets only part of the difference between costs and revenue;

Whereas these findings indicate that the increase in aid to cover operating losses proposed by the Belgian Government in respect of 1972 is not contrary to the provisions of Article 9 of Decision No 3/71/ECSC;

Whereas the additional increase in aid provided for by the Belgian Government for 1972 is not such as to impair the proper functioning of the common market, although the total amount to be calculated in accordance with Articles 6 to 9 of Decision No 3/71/ECSC now yields a figure of Bfrs 533 (10.68 u.a.) per metric ton produced and is thus the highest in comparison with the other Community coal producers;

Whereas these conclusions are based on the following findings:

Whereas an investigation carried out by the Commission revealed that the level of prices for Belgian coal for domestic use is determined primarily by the prices of Russian anthracite, and for Belgian coking coal by the equivalent US prices; whereas light heating oil plays no significant role in the formation of prices of domestic coal; whereas Russian anthracite plays an important part in the formation of prices in northern France, Belgium and the Netherlands; whereas the annual quantities sold in those areas are based on the coal import policies implemented by the governments concerned; whereas the problems in this connection therefore fall within the scope of the general energy and coal policy and can be dealt with only within that framework; whereas on account of the import of cheap Russian anthracite and low-price Australian and American coking coal, Belgian producers are obliged to adjust their prices; whereas the Commission has not observed any cases of Belgian producers undercutting the prices of imported products;

Whereas the Commission is therefore of the opinion that the proposed increase in aids for the benefit of the Belgian coal industry to cover losses in respect of 1972 can be regarded as compatible with the proper functioning of the common market;

Whereas, furthermore, the Belgian Government has informed the Commission, pursuant to Article 2 of Decision No 3/71/ECSC, of the direct and indirect aid which it proposes to grant for the benefit of the coal industry for 1973; whereas the aids listed below require authorization pursuant to the aforementioned Decision;

Whereas the Belgian Government proposes to grant aid amounting to Bfrs 218.1 million towards the financing of investments for 1973; whereas this amount should enable those undertakings not due for closure in 1973 to make the necessary investments;

Whereas the Belgian Government also proposes to grant the undertaking *Espérance et Bonne Fortune* aid amounting to Bfrs 50 million; whereas that undertaking has been involved in additional expenditure for the removal of underground water which entered their mine as a result of the closure of shaft 2 of the Gosson-Kessales mining company in Montegnée and of the Bure-aux-Femmes shaft of the Patience at Beaujone undertaking;

Whereas the Belgian Government has also made provision for payments amounting to Bfrs 7.6 million to enable the undertakings in the coal industry to be reimbursed in respect of their expenditure on the vocational training of miners; whereas this aid will enable approximately 19% of the expenditure by the Belgian coal industry in this connection in 1973 to be covered;

Whereas the Belgian Government has also made provision for payments amounting to Bfrs 5 158.7 million in order to ensure that the closure programme is executed at what the Belgian Government considers to be a suitable rate; whereas that amount is designed to cover the operating losses set out in a standard book of charges relating to all subsidized pits;

Whereas the aforementioned aids are in accordance with the criteria laid down in Articles 6, 7 and 9 of Decision No 3/71/ECSC for the admissibility of such state aid;

⁽¹⁾ Doc. SEC(73) 2272 fin., p. 24.

Whereas the purpose of the aid to finance investment projects in the undertakings benefiting from the aid is in accordance with the provisions of Article 7 (2) of Decision No 3/71/ECSC; whereas such aid is to be used to cover part of the expenditure on concentration, mechanization and automation of mine workings, in order to enable the coal to be more intensively upgraded and better cleaned; whereas the information given to the Commission also reveals that the undertakings benefiting from the aid will not be applying for loans at a reduced rate of interest under Article 54 of the ECSC Treaty;

Whereas the reimbursement of the cost of pumping underground water out of the closed pits is a measure of the type described in Article 6 (1) (2) of Decision No 3/71/ECSC; whereas the removal of the underground water was necessitated by the closure of the Gosson-Kessales and Bure-aux-Femmes pits; whereas the amount of the aid does not exceed the actual pumping costs incurred by the additional operations to remove underground water;

Whereas the aids to undertakings in the coal industry for the vocational training of miners are in accordance with the criteria laid down in Article 7 (3) of Decision No 3/71/ECSC; whereas that aid is designed to contribute towards covering expenditure on the training of miners;

Whereas the other aids amounting to Bfrs 5 158·7 million for which provision has been made by the Belgian Government for 1973 can be regarded as being in accordance with the provisions of Article 9 of Decision No 3/71/ECSC; whereas the Belgian coal industry's financial situation deteriorated in 1972 compared to 1971; whereas in 1972 revenue covered 63·7% of the pits' total costs; whereas a further deterioration of the revenue situation can be expected in 1973;

Whereas the Belgian Government has decided to close four pits in the southern coalfield so that only 12 pits would still be in operation by the end of 1973; whereas approximately 4 000 persons have been affected by those closures; whereas, compared to previous years in which an annual reduction of 2 000 to 3 000 in the number of staff had been achieved, the closures made in the southern coalfield for 1973 involve a larger number of redundancies, which seems both expedient and necessary in view of the very high amount of aid required by that coalfield;

Whereas, in the case of the Campine coalfield, the Belgian Government has pointed out that five large undertakings are still operating in that coalfield; whereas, since those undertakings cannot be closed down gradually, large numbers of employees will have to be made redundant at one time; whereas production was reduced by one million metric tons in 1973, so that approximately 2 000 underground workers were made redundant; whereas, according to the Belgian Government, suitable conditions do not yet exist to cope with larger numbers of redundancies; whereas regional and social difficulties must be avoided at all costs;

Whereas, in view of these social conditions in the regions of Belgium in which the coalfields are situated, the aid to be granted in respect of 1973 to cover operating costs can be considered, from a purely formal point of view, as being in accordance with the provisions of Article 9 (1) (1) of Decision No 3/71/ECSC;

Whereas it must be pointed out, furthermore, that the amounts of aid to cover losses on mine operation do not exceed the estimated actual operating losses; whereas they are therefore in accordance with the provisions of Article 9 (2) of Decision No 3/71/ECSC;

Whereas the aid proposed by the Belgian Government for 1973 is not such as to impair the proper functioning of the common market, although the total amount of aid as calculated in accordance with Articles 6, 7 and 9 of Decision No 3/71/ECSC yields a figure of Bfrs 615 (12·54 u.a.) per metric ton produced and is thus the highest in comparison with the other Community coal producers;

Whereas these conclusions are based on the following findings:

- the amount of the aid is consistent with the tonnage forecasts drawn up for 1973 for each Belgian coalfield or undertaking, having regard to the Community's overall supply position in respect of coke and coal, so that the requirements of the first subparagraph of Article 3 (1) of Decision No 3/71/ECSC are satisfied;
- no adverse effect on trade in coal between Belgium and the other Member States was observed in 1973;
- in the formation of prices for Belgian coal, no prices were aligned to equal those of cheaper coal produced in the Community in 1972 and no such price adjustments are expected to have been made in 1973;
- industrial consumers of boiler coal receive no indirect aid as a result of artificially low prices for Belgian coal;

— the closure of unprofitable pits will lead to rationalization and the concentration of production on pits where productivity is highest;

Whereas it may therefore be concluded that the aid proposed by the Belgian Government for 1973 will not impair the proper functioning of the common market;

Whereas this also applies if account is taken of the aids granted to the coal mines pursuant to Decision No 72/287/ECSC;

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 set out in Articles 6 to 9 of that Decision; whereas in order to do so the Commission must be informed in particular of the amount of the aid of the manner in which it is apportioned,

HAS ADOPTED THIS DECISION:

Article 1

The Government of the Kingdom of Belgium is hereby authorized to grant to the Belgian coal industry additional aid in respect of the calendar year 1972 in an amount of Bfrs 428.7 million.

The amount of Bfrs 428.7 million provided for 1972 shall be for the purpose of covering losses on mine operation.

The amount of Bfrs 5 434.4 million provided for 1973 shall include Bfrs 218.1 million to finance investment projects, Bfrs 7.6 million for the vocational training of mines and Bfrs 50 million for the removal of underground water which has entered the Esperance, Bonne Fortune pit.

Article 2

The Government of the Kingdom of Belgium 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 Belgium.

Done at Brussels, 16 October 1974.

For the Commission

The President

François-Xavier ORTOLI

COMMISSION DECISION

of 16 October 1974

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

(Only the French text is authentic)

(74/615/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 coal and coke, and in par-
ticular Article 9 (1) thereof;

Having consulted the Council;

Whereas the French 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 measures require approval
pursuant to the aforementioned Decision;

Whereas the French Government proposes to grant
to Charbonnages de France in respect of the year 1973
aid amounting to FF 155 million to cover exceptional
costs of reconversion; whereas the total amount is to
be distributed among the individual coalfields as
follows: Nord/Pas-de-Calais: FF 93 million, Lorraine:
FF 17 million, Centre-Midi: FF 45 million; whereas
the aid represents a reimbursement of the cost of
social measures implemented by Charbonnages de
France for the benefit of redundant or prematurely
retired miners;

Whereas the French Government also proposes to
grant to Charbonnages de France in respect of 1973
aid amounting to FF 1 043 million for the purpose
of enabling the economic restructuring of the coal-
fields to be carried out at a suitable rate; whereas
that amount is to be distributed among the individual
coalfields as follows: Nord/Pas-de-Calais: FF
488 000 000, Lorraine: FF 270·4 million and Centre-
Midi: FF 284·6 million.

Whereas the French Government also proposes to
grant to Charbonnages de France additional aid in
respect of 1973 amounting to FF 125 million to cover
outstanding losses incurred by the central adminis-
tration and/or to prevent such losses incurred by the
central administration and/or to prevent such losses
increasing in the future as a result of further loans
taken out by the administration; whereas the admin-
istration has already been obliged to take out loans,
even after the grant of aid, in order to meet its
current obligations;

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

Whereas the aid to cover exceptional costs of
conversion represents a reimbursement of non-oper-
ating expenditure borne by Charbonnages de France
on behalf of the French Government to enable social
measures for the benefit of redundant or prematurely
retired miners to be implemented in a more rational
way; whereas the following expenditure is proposed
for 1973: in respect of miners made redundant
because of pit closures: FF 54 million; in respect of
prematurely retired miners: FF 69 million; in respect
of compensation to retired miners under the C.A.N.
scheme: FF 31 million; and in respect of the reim-
bursement of heating costs of prematurely retired
miners: FF 1 million;

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

⁽²⁾ OJ No L 259, 15. 9. 1973, p. 41.

Whereas these social measures relate to persons no longer engaged in mining; whereas the expenditure Charbonnages de France in this connection is not regarded as operating expenditure and can therefore not be included in the cost of production; whereas the aid is designed to cover expenditure not directly connected with the production and marketing of coal; whereas the aid is therefore in accordance with the provisions of Article 6 (1) (1) of Decision No 3/71/ECSC;

Whereas the aid, amounting to FF 1 168 million, proposed by the French Government for 1973 to cover losses (of which FF 1 043 million to cover the coalfields' operating losses and FF 125 million to cover the losses sustained by the central administration of Charbonnages de France) can be regarded as being in accordance with the provisions of Article 9 of Decision No 3/71/ECSC; whereas in 1973 the revenue from production will on average probably cover only approximately 60 to 65% of the total production costs incurred by the French pits;

Whereas France's coal production fell by four million metric tons in 1973, i.e. by 14% compared to 1972; whereas in 1973 pit closures and rationalization led to a reduction of 8 000 to 9 000 (i.e. approximately 8.5% in the number of persons employed in the French coal industry; whereas, in addition to total figures in respect of developments in the employment situation in the coal industry, the French Government has also given the Commission details of the pit closures proposed for 1973; whereas according to that information six pits were to be closed and 3 578 miners made redundant in the Nord/Pas-de-Calais and Centre-Midi coalfields in 1973; whereas of those miners made redundant 2 716 persons are to be re-employed in the coal industry and 236 in other industries; whereas the information also showed that the number of persons employed in the coal industry, which fell by approximately 8 000 to 9 000 in 1973, was reduced not only because of pit closures but also because an increase in output per man-shift in the existing pits meant that not so many workers were needed, i.e. that a certain number became redundant;

Whereas it is agreeable that, in view of the size of the reduction in the total labour force, a greater reduction could give rise to difficulties of the type described in Article 9 (1) (1) of Decision No 3/71/ECSC; whereas the aid proposed for 1973 to cover operating losses is therefore in accordance with Article 9 (1) (1) of Decision No 3/71/ECSC;

Whereas it must be pointed out, furthermore, that the amount of the aid to cover losses on mine

operation and losses sustained by the central administration of Charbonnages de France does not exceed the estimated actual operating losses and is therefore in accordance with the provisions of Article 9 (2) of Decision No 3/71/ECSC;

Whereas the aid proposed by the French Government for 1973 is not such as to impair the proper functioning of the common market, although the total amount of aid to be calculated in accordance with Articles 6 to 9 of Decision No 3/71/ECSC yields a figure of FF 47.42 (8.54 u.a.) per metric ton produced and is thus relatively high in comparison with the aids for the German and British coal industries;

Whereas these conclusions are based on the following findings:

- the amount of the aid is consistent with the tonnage forecasts for 1973 having regard to the Community's overall supply position in respect of coal and coke;
- there has been no noticeable decline in trade in coal between France and the other Community countries;
- the number of price alignment agreements has fallen;
- industrial consumers of coking coal and boiler coal receive no indirect aid as a result of artificially low prices for French coal;
- the closure of unprofitable pits will lead to rationalization and the concentration of production on pits where productivity is highest;

Whereas it may therefore be concluded that the competitive position of the French coal industry did not change in 1973, either as regards the relative positions of the individual French coalfields or as regards the position of the entire French coal industry *vis-à-vis* the other Community coalfields;

Whereas this applies even when account is taken of those aids paid to the coal mines under Decision No 73/287/ECSC;

Whereas, pursuant to Article 11 (1) of Decision No 3/71/ECSC, the Commission must satisfy itself that the approved aids are employed for the purposes set out in Articles 6 to 9 of that Decision; whereas in order to do so the Commission must be notified in particular of the amount of the aid and of the manner in which it is apportioned,

HAS ADOPTED THIS DECISION:

(c) to cover losses sustained by the central administration of Charbonnages de France: FF 125 million.

Article 1

The Government of the Republic of France is hereby authorized to grant to the coal industry in respect of the calendar year 1973, the following aids:

(a) to cover operating losses

Nord/Pas-de-Calais coalfield FF 488.0 million

Lorraine coalfield FF 270.4 million

Centre-Midi coalfield FF 284.6 million

(b) to cover exceptional costs of reconversion

Nord/Pas-de-Calais coalfield FF 93 million

Lorraine coalfield FF 17 million

Centre-Midi coalfield FF 45 million

Article 2

The Republic of France 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 and scope of the rationalization measures.

Article 3

This Decision is addressed to the Republic of France.

Done at Brussels, 16 October 1974.

For the Commission

The President

François-Xavier ORTOLI

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