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# European Communities

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## EUROPEAN PARLIAMENT

# Working Documents

1980 - 1981

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24 June 1980

DOCUMENT 1-266/80

## Report

drawn up on behalf of the Committee on Budgets

on the proposal from the Commission of the European Communities to the Council (Doc. 1-157/80) for a decision with regard to contributions to be granted to the European Coal and Steel Community out of the General Budget of the European Communities

Rapporteur: Mrs M. HOFF



By letter of 5 May 1980 the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposal from the Commission to the Council for a decision with regard to contributions to be granted to the European Coal and Steel Community out of the General Budget of the European Communities (Doc. 1-157/80).

On 14 May 1980 the President of the European Parliament referred this proposal to the Committee on Budgets as the committee responsible and to the Committee on Social Affairs and Employment for its opinion.

On 28 May 1980 the Committee on Budgets appointed Mrs Hoff rapporteur.

At its meeting of 16 June 1980 the committee adopted the motion for a resolution by 22 votes to 3 with one abstention.

Present: Mr Lange, chairman; Mr Notenboom, Mr Spinelli, Mr Rossi, vice-chairmen; Mrs Hoff, rapporteur; Mr Adonnino, Mr Ansquer, Mr Baillet, Mr Balfe, Mr Barbi, Mrs Beserup, Mr Bonde, Mr Dankert, Mr Fich, Mr Forth, Mrs Gaspard, Mr Gouthier, Mr Hord, Mr R. Jackson, Mr Langes, Mr Nord, Lord O'Hagan, Mr K. Schön, Mrs Scrivener, Mr Simmonet and Mr J.M. Taylor.

The opinion of the Committee on Social Affairs and Employment is attached.

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The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a decision with regard to contributions to be granted to the European Coal and Steel Community out of the General Budget of the European Communities

The European Parliament,

- having regard to the first proposal, now withdrawn, for a Council decision allocating to the European Coal and Steel Community a special financial contribution (COM (79) 345 final),
  - having regard to the Commission's new budget proposals of 29 February 1980 for the 1980 financial year,
  - having regard to the new proposal for a Council decision with regard to contributions to be granted to the ECSC<sup>1</sup>,
  - having been consulted by the Council (Doc. 1-157/80),
  - having regard to the opinion of the Committee on Social Affairs and Employment and the report of the Committee on Budgets (Doc. 1-266/80),
1. Declares that the difficulties currently experienced by the Community's coal and steel industry must be alleviated by a Community programme on the restructuring of these branches of industry, and is aware that Community measures cannot be confined to streamlining production and adapting productivity to the requirements of competition on the world market, but must also include social measures designed to improve the serious situation on the labour market;
  2. Welcomes the fact that the Commission, in its new budget proposal of 29 February 1980 for the 1980 financial year, has now, in accordance with Parliament's original demands, classified contributions to the ECSC as non-compulsory expenditure;
  3. Acknowledges that the Commission has now taken a vital step in the right direction in proposing that the amount of the contributions provided for should be determined under the annual budgetary procedure;

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<sup>1</sup> OJ No. C 118, 13 May 1980, p.6

4. Emphasizes however that the budget decision made in the first reading, and which was endorsed in the new budget proposal of 29 February 1980 for the 1980 financial year, will constitute, after adoption of the budget, an adequate legal basis for the transfer of the relevant appropriations to the ECSC;
5. Rejects therefore the proposed legislative decision by the Council, according to which the transfer must again be decided in a single article, as such a decision will be unnecessary when the 1980 budget has finally been legally adopted.

EXPLANATORY STATEMENT

I. Social policy content

1. The relevant committee has already commented fully on the social measures concerned, knowledge of which will be assumed here. These measures are contained in :

- Commission communication on the social aspects of the restructuring of the steel industry (COM (79) 199 final of 4 May 1979)
- revised draft of Commission decision concerning the creation of special temporary allowances (COM (79) 436 final of 20 July 1979)

II. The political objectives of Parliament

2. Parliament considers it necessary not only to tackle the crisis in the Community's coal and steel industry with measures consisting of streamlining production and adapting productivity in those industries to the requirements of competition on the world market but also to make a corresponding contribution to alleviating the social difficulties and improving the situation on the labour market.

3. For this purpose the Community has at its disposal the following main instruments:

- (a) the Social Fund and all the other social policy measures under the EC Treaties, in particular in application of Article 235 of the EEC Treaty,
- (b) special measures under the ECSC Treaty based on Article 95 thereof,
- (c) the traditional instruments of the ECSC Treaty, in particular the aids to adjustment based on Article 56 thereof.

4. Parliament considers it crucial that the budgetary appropriations adopted for 1980 should be used, and that they should be used to attain the objectives set out in the proposals of the Commission and those of Parliament referred to in the recitals.

III. Decision of Parliament with regard to Article 54 of the Commission budget for 1980

5. During the first reading Parliament decided to enter in the new Chapter 54

30 m EUA in payment appropriations and  
100 m EUA in commitment appropriations.

6. In its new budget proposal the Commission has a provision for 30 million EUA in payment appropriations and the continuation of the programme in subsequent years. This is roughly in line with Parliament's views. In particular, it has classified the appropriations as non-compulsory expenditure.

7. In addition, the Commission has made a vital step in the right direction by providing that the final amount of contributions to the ECSC should be determined under the budgetary procedure.

8. The Committee on Budgets cannot however agree that a further legislative act, in addition to this unequivocal stipulation of the budget, is necessary for the transfer of appropriations to the ECSC budget pursuant to Article 235.

It must be pointed out in this connection that a Council decision based on Article 95 of the ECSC Treaty is necessary for the utilization in the ECSC context of appropriations transferred in this way.

If it is also borne in mind that pursuant to the ECSC Treaty the European Coal and Steel Community can receive non-repayable transfers, it is difficult to see why there is a need for a further legal act based on Article 235 in addition to the budget decision, which requires no further explanation, and in addition to the Council decision based on Article 95 of the ECSC Treaty.

9. In the light of the above the following conclusions may be drawn:

- Parliament supports the proposed social measures,
- it repeats the decision already taken in the budgetary procedure to pay 30 Million EUA in payment appropriations as a contribution to the ECSC from the general Community budget,
- implementation of the measures under the ECSC Treaty requires a decision based on Article 95 of the ECSC Treaty,
- no further legislative act is necessary under Article 235 in addition to the above-mentioned decisions,
- the proposal for a decision should therefore be rejected.

OPINION OF THE COMMITTEE ON SOCIAL AFFAIRS AND EMPLOYMENT

Draftsman: Mr J. PETERS

On 29 May 1980 the Committee on Social Affairs and Employment appointed Mr Peters draftsman, confirming the appointment originally made on 1 October 1979.

It considered the draft opinion at its meeting of 29 May 1980 and adopted it unanimously.

Present: Mr van der Gun, chairman; Mr Peters, vice-chairman and draftsman; Mr Albers (deputizing for Mr Dido), Mr Boyes, Miss Brookes, Mr Calvez, Mrs Cassanmagnago Cerretti, Mr Ceravolo, Mrs Clwyd, Mr Dalsass (deputizing for Mr Estgen), Mr Ghergo (deputizing for Mr Barbagli), Mrs Kellett-Bowman (deputizing for Mr Spencer), Mr McCartin, Mr van Minnen, Mrs T. Nielsen, Mr Oehler, Mr Prag, Miss Roberts, Mrs Salisch, Mr Sarre, Mr Vandewiele (deputizing for Mr Nordlohne), Mr Verhaegen, Mr Veronesi (deputizing for Mrs Baduel Glorioso).

The Committee on Social Affairs and Employment,

substantially reaffirming the view stated in the opinion adopted on 30 October 1979<sup>1</sup> invites the Committee on Budgets to include in its resolution the following points:

1. Approves the granting to the European Coal and Steel Community out of the General Budget of the Communities of contributions for community financing of special temporary allowances to steel workers under the Community restructuring programme<sup>2</sup>;
2. Points out that from a legal standpoint such a transfer is perfectly compatible with the terms of Article 49 of the ECSC Treaty which provides expressly that the High Authority may receive gifts;
3. Confirms, from a social standpoint, the urgent need to finance the special temporary allowances in question which are intended to help alleviate the serious effects on jobs of restructuring in the steel industry and to provide tangible evidence of Community solidarity;
4. Takes the opportunity to state the general principle that whenever industrial restructuring is required, it is necessary to implement an organic set of measures designed to deal with the social and regional problems that follow such restructuring;
5. Emphasizes that the initiative of the Commission of the European Communities to make additional funds available for new social measures in the steel industry can be traced back to an express request made by the European Parliament on 16 February 1979<sup>3</sup> and subsequently adopted on 7 November 1979 by the directly elected Parliament when it approved an ad hoc amendment<sup>4</sup> in the first stage of the budget procedure for the financial year 1980;

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<sup>1</sup> See PE 59.984/fin.

<sup>2</sup> See COM(79) 436 fin.

<sup>3</sup> See OJ No 67/79, 12.3.1979 - Resolution on the Laurain Report paragraph 5 - 'Regrets that, on 6 February 1979, the Council saw fit to limit to 28 million EUA the ECSC's additional resources for 1979 despite the fact that, on 19 December 1978, the governments had expressed unanimous support for all aspects of the Community iron and steel policy, including the social aspects; therefore asks the Commission to submit to the Council a new request for additional financial resources for the ECSC so as to be able to cope with the social, regional and industrial consequences of the iron and steel policy without having to raise the ECSC levy';

<sup>4</sup> See Amendment No. 360

6. Agrees with the procedure whereby the amount of the contributions will be fixed annually as part of the budget procedure;
7. Supports the requests from the Commission in the new preliminary draft budget for 1980<sup>1</sup> for a non-differentiated appropriation of 30 m EUA within the framework of non-compulsory expenditure; but attaches very great importance to the need to ensure that, in the light of estimates which must still be regarded as valid<sup>2</sup>, the total expenditure on the measures in question over the three-year implementation period should not be less than 100 m EUA;
8. Points out further that an appropriation of that size must be considered as the minimum that the Community can and should do;
9. Calls urgently upon all the Community institutions to ensure that the proposal under consideration is adopted as early as possible so as to avoid losing any more precious time in technical and legal disputes which having regard to the aim of the social measures to be financed, would be inopportune, of secondary importance and would be interpreted by the workers concerned as pretexts for withholding that Community solidarity which has so often been invoked, just when it is most urgently needed.

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<sup>1</sup> See COM (80) 45 fin.

<sup>2</sup> See COM (79) 345 fin. p. 3 - Doc. 219/79

