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trade union information

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1. STATEMENT TO EUROPEAN PARLIAMENT BY THE COMMISSION PRESIDENT
MR JENKINS ON 18 JULY

My opening remarks, Mr President, are to you. It is my great pleasure on behalf of the Commission to welcome you to your high office, the highest office which it is within the powers of your fellow Members to bestow. I offer you my congratulations; I offer you the warm and full-hearted cooperation of the Commission in the pursuit of our common objectives; and, on a more personal level, I welcome you to one of the Community's smallest clubs, the union of Presidents, and look forward to working with you in the same spirit of close friendship as I have been able to undertake with your distinguished predecessor. Yours is a great and historic task: to preside over, to guide, perhaps occasionally even to chide a new Parliament, the product of the first international elections in history. And this week the European Parliament, democratically elected by over 100 million citizens of Europe, comes of age. It comes of age, moreover, at a crucial time for the Community, both its institutions and its citizens. While it is fitting that we should celebrate what we have achieved today, it is right too that we should recognize that to sustain the impetus of the European ideal, to withstand the deep-seated problems which now confront us, we - whether Parliament, Commission or Council - shall need all our combined strength and inherent unity.

The first task before this House, collectively and individually, is to carry to the people of Europe those issues which are of concern and of importance to all within the Community. Your concern and your opportunity is to ensure that Community issues, not the narrow lines of national politics, dominate the discussion. It is an opportunity to demonstrate to millions of our citizens that their votes really mattered and to convince those who abstained - my own country comfortably carried off the wooden spoon of discredit in this respect - that the Community and its Parliament are living organs of concern for the issues which touch closely on their daily lives. To achieve this, it will be necessary for this House to engage itself directly with the major problems which confront the Community and its Member States.

I do not hide from this House my view that we stand on the threshold of a sombre decade. Our difficulties were great enough a year ago. The prospects for sustained growth and employment were at best uncertain. Now the resurgence of the energy crisis, predictable in substance if not in time, has made us painfully aware of the most important constraint on the future of our economy. We have sustained a major transfer of real resources, of real income, away from us as a result of the recent oil price increases. That is something which we cannot just pretend has not happened. In these circumstances we cannot do other than on constant policies, predict lower growth, higher inflation and more unemployment. That is a reason, not for supineness, but for the urgent evolution of new policies to mitigate and then, over as short a period as possible, to overcome our present vicissitudes.

I will return to these matters tomorrow. But what is absolutely clear is that the ability of the Community to survive and to prosper depends on our joint determination to preserve what we have already achieved, to build on those achievements and above all to keep a vision and commitment to make progress towards greater European unity. That vision - a constant reaffirmation of our will to move forward - matters far more than rather sterile blueprints about the exact form of political organization at which we shall ultimately arrive. It will not in my view be something which can be found in the traditional textbooks of political science. We cannot simply look it up under a model labelled federal or confederal. It will have a unique of its own arising out of a balance between our need for unity on major issues and our strong and even disparate national traditions. But of one thing I am absolutely certain: there is a much greater danger of advancing too slowly rather than too fast.

This House has an essential role to play in this process. Of course, the relationships between the different institutions of the Community are complex and created in a spirit of balance. No one institution is dependent upon another: each has its prerogatives; each has its duties; each has its obligations. Within that balance, it is the concern and duty of the Commission to act as the motor of the Community, to initiate policy and also to undertake the management and execution of existing policies. We should not only defend the frontiers of Community competence, but also, with a sense both of adventure and of realism endeavour to push them forward where a practical and relevant case can be established. Having said that, however, it is clear that this Parliament, resting as it does on a wide popular support and commanding a new democratic authority, represents an important evolution for the Community. It is right that it should exercise to the fullest possible extent its powers to question and to subject to criticism the way in which the Commission exercises its powers and the way in which the Council of Ministers reaches or does not reach its decisions. We need the spur of constructive advice and imagination and we will welcome all your efforts in that direction. It is right too that the Parliament, as a major partner with the Commission and the Council in the formulation of the Community's budget, should assert itself in the development of the financial muscle which underlies Community policies. This is an area of potentially great significance for the internal development of the Community where this House will have an essential influence. Equally, it is right that the Parliament should aim to broaden the basis of popular support for the Community's institutions and create a greater sense of involvement in policies.

Against that background the Commission regards it as an obligation and priority to do all within its power to create and to sustain a positive and creative relationship with this House. First, I and my colleagues will make ourselves available to the fullest possible extent to the Parliament and to its committees. We hope to have early discussions about ways and means of securing the Commission's maximum participation in and assistance at your deliberations. Second, we believe that it is important from the outset that there should be the opportunity for wider and earlier discussion of major proposals which we take to the Council. Here it seems to us essential that there should be a greater understanding of important issues at a Community level and we would be willing to prepare, where appropriate, discussion documents as a basis for Parliamentary debate of broad policy issues in advance

of formulating proposals for the Council. Third, the Commission will take the lead in seeking to improve the processes of consultation between the three institutions. We are currently studying how to improve the conciliation procedure which resulted from an earlier Commission initiative.

2. RIGHT OF RESIDENCE FOR COMMUNITY NATIONALS - BRUSSELS, 26 JULY

On the initiative of Mr. Davignon, the Commission has put forward for the approval of the Member States a proposal aimed at establishing a right of residence for nationals of Member States who wish to live in another Community country without being gainfully employed there.

Hitherto, migrants of this type mainly students and other young people in the 18 plus age-group have had no such right and have been treated in the same way as nationals of non-member countries.

Essentially, the proposed Directive would guarantee a right of residence to any national of a Member State over the age of 18 who could prove that he had at his disposal the minimum subsistence income required by the legislation of the Member State concerned.

The proposal put forward by Mr Davignon is intended to fill a gap in Community law without changing the existing system (it simply extends the right already granted to migrant workers and their families). It is also a response to the call for action launched at the December 1974 Paris summit and the European Parliament's Resolution on the granting of special rights to the citizens of the Community.

As far as the practical implementation of the right of residence is concerned, the Commission suggests the introduction of residence permits issued for periods of not less than five years.

Let us take a hypothetical example to indicate the practical consequences of the proposed Directive:

An Italian girl whose parents live in Belgium completes her university studies in France. All she needs in order to be entitled to a right of residence is to have at her disposal an income at least equal to the minimum subsistence figure prescribed by French legislation.

The residence permit will be renewed automatically at the end of the first period for which it is valid (at least five years) unless it is proved that this condition (minimum subsistence income) is no longer satisfied.

In addition, it is proposed that the validity of the permit should not be affected by breaks in residence not exceeding twelve months, absence on military or "alternative" service or absence on medical grounds.

Finally, any members of a permit holder's family who are not nationals of a Member State will receive a residence document with the same validity as that issued to the Community national on whom they are dependent.

According to the terms of the proposal, the Member States will only be able to derogate from the provisions regarding automatic right of residence on grounds of public policy, public security or public health.

Member States will be required to introduce the necessary measures to comply with this Directive within twelve months of its notification.

3. SHIPBUILDING: FIRST READING OF THE SCRAP-AND-BUILD PROGRAMME - BRUSSELS, 26 JULY

During its final meeting before the holidays, the Commission gave a first reading to a major Communication on the shipbuilding industry presented by Mr Davignon and Mr Burke.

The Communication in question concerns a scheme to promote the scrapping and building of ocean-going ships. If adopted, this scheme would be implemented over the period 1980-82 and would, it is hoped, enable some 35,000 to 44,000 jobs to be preserved in shipyards plus roughly the same number in related industries and industries supplying materials for shipbuilding.

With a quantitative objective of 1 million cgrt (1) to be built and 2 million cgrt to be scrapped per year over the three-year period, the cost of the scheme would amount at the most to 145 million EUA per year.

One of the main issues to be decided is whether the scheme requires Community financing and management or whether a harmonized national approach would be more advisable. The Commission has not yet indicated its preferences in this regard.

When the Commission has looked at the matter again after the recommencement of meetings in September, it will put forward its suggestions in a suitable form for Parliament and the Council to begin preliminary discussions on the principles and features of a scrap-and-build scheme. On the basis of the results of these discussions, the Commission will then, at the earliest possible moment, present formal proposals for the implementation of such a scheme.

(1) Compensated gross registered tons: the gross registered tonnage of a vessel is not an accurate reflection of the shipbuilding work which has gone into it (since the latter is also dependent on the vessel's sophistication) and new coefficients have therefore been established by the OECD for different ship types and sizes (GRT x coefficient = CGRT).

Worsening situation

At all events, the Commission considers the arguments in favour of action along these lines to have been further strengthened by the fact that the shipbuilding crisis has proved even more serious than was expected in 1977, especially as a result of the energy crisis. In its Communication to the Council of 6 December 1977, the Commission stressed the need for action to support the reorganization of the shipbuilding industry, forecasting that the level of production in the Community would fall to 2.4 million cgrt at the beginning of the 'eighties. At the time, it was felt in some quarters that the Commission was being too pessimistic. According to the results of various surveys which have since become available, the level of production for this period will in fact be around or slightly below 2 million cgrt. Furthermore, orders are running at a level appreciably below 2 million cgrt.

The downward trend in the level of orders for new vessels also brings with it considerable dangers in terms of repercussions on employment. If the efforts being undertaken to reduce production capacities are not accompanied by action taken to reactivate demand, some 50,000 jobs will be at risk in shipbuilding alone (disregarding repair yards and related industries. For detailed figures, see the annex to this article.

Strategic importance of the industry

In the Resolution which they adopted on 19 September 1978 in response to the Commission's Communication of December 1977, the nine Member States stressed the strategic importance of shipbuilding for the Community and the need to maintain "a healthy and competitive shipbuilding industry whose scale of activity should be consistent with the size of the Community's maritime trade".

The Community's share of the world fleet is continuing to decline, having fallen from 33.6 % in 1960 to approximately 18 % in 1979, i.e. well below the Community's share in international trade and the proportion of world shipping demand which it generates.

During the nine-month period from 1 July 1978 to 1 April 1979, the Community fleet even underwent a considerable reduction in absolute value of 2.4 million grt (1), i.e. more than 3 % of its trading fleet of 72.4 million grt. This trend is liable to result in the share of world demand won by Community shipowners - which is already too low - declining still further.

Given that orders from Community shipowners already account for more than 75 % of the total volume of orders placed with the Community industry, a scrap-and-build scheme should help not only to provide the shipbuilding industry with a basic work load but also to reduce excess tonnage and make the Community fleet more competitive. In addition, the scrapping of obsolescent ships and their replacement with new vessels would assist in combating marine pollution and furthering the safety of ships.

(1) Gross registered tons: the gross registered tonnage of a vessel corresponds to the cubic capacity of the compartments covered by the main deck, between-decks and superstructure of the vessel, excluding all open spaces - 1 ton = 100 cu.ft., i.e. 2.83 m³.

Bringing other industrialized countries into the dialogue

It is clear that, as in the case of the steel industry, the ship-building crisis is affecting shipyards throughout the industrialized world (only the Eastern European countries, notably Poland, and Korea, Taiwan and Brazil are continuing to increase their production capacities regularly).

Scrap-and-build, which is in essence an anti-cyclical measure, would have an even greater impact on capacity reduction if non-member countries were to take similar steps.

It is the Commission's belief, however, that these countries will not take any action unless the Community first announces its own intentions.

It should be pointed out in this context that three European countries (Spain, Greece and Sweden) have already reacted favourably - during a recent general discussion on the broad principles for a scrap-and-build scheme held by the OECD in Paris.

Criteria - not all vessels to be eligible for aid under scrap-and-build

In order to benefit from the arrangement provided, the ships to be scrapped will have to meet certain eligibility criteria, particularly with a view to excluding as far as possible ships which would anyway be scrapped during the period scheduled for the scheme.

Scrapping

The Commission considers that the shipowner should be allowed to put forward for scrapping in the context of a scrap-and-build operation both ocean-going ships which have been registered in one of the Member States for not less than 12 months prior to the scrapping contract and ships which do not fulfil this condition. However, at least one ship fulfilling the condition should be included in each contract. The fleets under the flags of the Member States are in general of quite recent construction, so that not enough tonnage for scrapping is available taking Community-registered ships alone to enable the target of 2 million cgrt per year to be attained.

Building

As regards the other side of the scheme, the Commission considers that provision should also be made for ships built in the context of a scrap-and-build operation to be compulsorily registered in one of the Member States for a certain period. It would be quite unacceptable for such a ship to be transferred on the day following its delivery to the register of a non-member State to compete subsequently against the Community fleets.

In consequence, the Commission suggests that transfer of the registration to a non-Community country within a period of six years after delivery should impose on the shipowner the obligation to repay at least part of the subsidy he received.

Scrap-and-build will be temporary and dependent on market forces

The Commission hopes that this scheme - primarily intended to generate additional demand from Community shipowners - will also lead to a reduction in aids aimed at encouraging orders from shipowners in non-member countries who are in fierce competition with Community fleets.

As with an aid scheme, it is impossible to guarantee unconditionally that the objective of scrap-and-build will be achieved. The success of the operation will depend both on market trends and on the attitude of the shipowners.

The system can operate only on a depressed shipping market, where freight rates are not profitable and the gap between second-hand market prices and scrapping prices is small and remains within limited margins. If the health of the market were restored, and consequently the gap between second-hand prices and scrapping prices widened beyond the set limits, the scheme would automatically shut off: the market forces alone would be sufficient to attain the objectives pursued. In any event, the operation requires flexible management, which means that the Commission must be able to suspend application of the scheme if it becomes clear that the effects are no longer compatible with the objectives pursued. This should also be the case in the event of very few additional orders being placed.

The scrap-and-build scheme is clearly designed as a temporary measure intended to facilitate the restructuring of the industry. It is thus only one of a number of measures to be taken in the context of more general action in the shipbuilding and shipping industries, for which guidelines were laid down in the Communication to the Council of 6 December 1977. Further measures are provided for in a proposed Council Regulation on the use of the special appropriations for this sector which would allow financial contributions not only for the reorganization of Community ship yards but also for the redevelopment of regions affected by such reorganizations (20 million EUA proposed by the Commission).

Country / Region	Total orderbook as at 31 March 1979	
	in 1000 cgrt	%
European Communities	4,780.7	21.1
Rest of AWES (1)(2)	3,918.3	17.3
(Western Europe)	(8,698.9)	(38.5)
Japan	4,978.3	22.0
Eastern Bloc (1)	2,513.5	11.1
Other regions	6,430.6	28.4
Total	22,621.3	100.0

(1) Incomplete.

(2) AWES: Association of West European Shipbuilders. Members outside the European Community are the shipbuilders' associations of Finland, Sweden, Norway, Spain and Portugal.

Total orderbook as at 31 March 1979, in 1000 cgrt

	Total	of which to be completed during		
		1979	1980	1981
Belgium	222.5	105.5	117.0	-
Denmark	485.5	275.8	144.7	65.0
France	1,022.9	468.1	399.6	155.2
Germany	748.2	521.9	158.7	67.5
Ireland	6.0	3.0	3.0	-
Italy	750.7	437.6	272.0	41.1
Netherlands	522.4	384.2	123.3	14.9
United Kingdom	1,022.6	717.8	286.6	18.1
Total Community	4,780.7	2,914.0	1,505.0	361.7

The following table shows the development of market shares of principal shipbuilding regions:

	1976 1000 cgrt %	1977 1000 cgrt %	1978 1000 cgrt %
<u>COMPLETIONS</u>			
EC - 9	5140.1 23.3	4375.2 20.6	3529.9 21.3
Rest AWES (1)	3145.7 14.2	3278.6 15.5	2303.1 13.9
(Western Europe)	(8285.8)(37.5)	(7654.1)(36.1)	(5832.9)(35.2)
Japan	8348.0 37.8	8358.0 39.5	6120.5 37.0
Eastern Block (2)	5444.4 24.7	2471.3 11.7	2132.3 12.9
Other Regions		2698.1 12.7	2461.1 14.9
World Total	22078.2 100.0	21181.5 100.0	16546.7 100.0
<u>NEW ORDER INTAKE</u>			
EC - 9	2756.6 17.2	2540.9 18.1	2012.6 18.6
Rest AWES (1)	1903.0 11.9	2076.6 14.8	1367.8 12.7
(Western Europe)	(4659.6)(29.1)	(4617.3)(32.9)	(3380.6)(31.3)
Japan	7337.5 45.9	6245.9 44.5	4333.9 40.1
Eastern Block (2)	3985.3 24.9	1207.8 8.6	1146.8 10.6
Other Regions		1969.6 14.0	1935.0 17.9
World Total	15982.4 100.0	14040.7 100.0	10796.7 100.0

- (1) AWES : Association of West European Shipbuilders. Members outside the European Community are the shipbuilders' associations of Finland, Sweden, Norway, Spain and of Portugal.
- (2) Information incomplete

<u>All Merchant ships</u>	World 1000 grt	Community 1000 grt %
1.7.1960	129 769.5	43 620.5 33.6
1.7.1970	227 490.0	57 369.4 25.2
1.7.1975	342 162.4	74 283.3 21.7
1.7.1977	393 678.4	76 392.6 19.4
1.7.1978	406 002.0	76 930.1 18.9

COMPLETIONS IN 1999 CGRT (1)

	1976	1977	1978	1st qu. 1979
Belgium	139.8	82.2	165.2	32.2
Denmark	560.6	496.0	362.5	116.4
France	672.4	609.6	430.6	95.2
Germany	1468.0	1364.6	1029.1	139.1
Ireland	20.3	21.7	5.0	15.0
Italy	353.9	462.0	305.2	61.4
Netherlands	940.0	556.4	513.9	146.4
United Kingdom	985.1	782.8	718.4	141.7
TOTAL Community	5140.1(2)	4375.2	3529.9	747.3

NEW ORDER INTAKE IN 1000 CGRT (1)

Belgium	75.0	115.2	59.4	21.5
Denmark	317.1	281.0	263.8	38.9
France	63.6	61.6	214.1	103.5
Germany	726.1	707.7	535.8	154.7
Ireland	19.2	5.0	3.0	-
Italy	301.5	148.9	330.0	4.1
Netherlands	626.4	732.4	376.5	39.7
United Kingdom	627.6	489.3	230.2	41.6
TOTAL Community	2756.6	2540.9	2012.6	403.9

(1) 1976 : cgrt based on AWES coefficients
from 1977: cgrt based on new OECD coefficients

(2) Estimated production on the basis of new OECD coefficients:
about 4.8 million cgrt in 1976.

EMPLOYMENT IN SHIPBUILDING IN THE COMMUNITY
(new building activities only)

	1975	1978	1979
Belgium	6138	5140	5120 March 1979
Denmark	16630	12000	11100 March 1979
France (2)	27628	22010	21850 1st qu. 79
Germany (1)	46800	32400	26800 planned
Ireland	869	840	800 estimated
Italy	25000	20000	19800 est. March 1979
Netherlands	28739	22400	21800 estimated
United Kingdom (1)	54550	41050	37950 - 31000 est.
Total	206354	155840	(145220 - 138270)

(1) Excluding naval shipbuilding

(2) Employment in shipyards with a workforce of more than 150

4. COMMISSION'S SECOND ENERGY RESEARCH PROGRAMME APPROVED - BRUSSELS, JULY

The second four-year energy research programme submitted by the Commission, as proposed by Mr Guido Brunner, has just been approved by the Council. This almost triples expenditure on solar energy research and doubles the effort put into energy conservation. However, the level of expenditure proposed by the Commission and approved by the European Parliament has been reduced by the Council from 125 million to 105 million EUA.

The new programme, which runs from July 1979 to June 1983, represents a continuation of the first four-year energy research and development programme, which got under way in July 1975. With the funds it provides the Community will be able to finance several hundred cost-sharing contracts with industrial undertakings, universities and research establishments in the Member States, even though the reduction in the allocation of funds means that it will not be able to carry out all the projects which had been planned.

The programme is divided into five sub-programmes: (the figures in brackets indicate the funds allotted under the 1975-79 programme)

- energy conservation 27 million EUA (11.38 million EUA);
- production and use of hydrogen 8 million EUA (13.24 million EUA);
- solar energy 46 million EUA (17.50 million EUA);
- geothermal energy 18 million EUA (13.00 million EUA);
- energy systems analysis and strategy studies 6 million EUA (3.88 million EUA).

In the solar energy sector, major importance continues to be attached to photoelectric energy generation, advanced solar heating technologies and the generation of energy from biomass, which are particularly promising under the conditions in the Community. Funds are also being provided for the completion and testing of the 1 MW solar power station which is being built in Sicily.

Research on energy conservation relates to the three most important energy-consuming sectors: households, industry and transport. Two other important areas are also covered: energy conversion and the transport and storage of secondary energy.

In financing the production and use of the hydrogen sub-programme, account is being taken of the fact that only in the long term will hydrogen be competitive as an energy carrier, although it is already important as a chemical starting material.

In the geothermal sector, efforts will concentrate on locating promising areas, on assessing their geothermal potential and on research in connection with the exploitation of hot rocks.

These four technical sub-programmes are concerned with developing prototypes and carrying out pilot projects, so as to bring the technology as swiftly as possible to the stage where demonstration and application can begin.

The systems analysis and strategy studies sub-programme is meant to improve and further develop the models produced under the first four-year programme. It is also intended to use these models to assess the effects on the Community of energy developments in the world at large.

5. ACTION PROPOSED TO COMBAT THE MAJOR ACCIDENT HAZARDS OF CERTAIN INDUSTRIAL ACTIVITIES - BRUSSELS, JULY

1. The rules proposed by the Commission

In response to discussions in the Council and the European Parliament, the Commission has spent two years of concentrated effort on preparing a proposal for a Directive on the major accident hazards of certain industrial activities.

This proposal, which has recently been forwarded to the Council, is based on the 1973 and 1977 action programmes on the environment and the 1978 action programme on safety and health at work. Its objectives are to:

- prevent major accidents which could be caused by certain industrial activities;
- limit their effects on human beings (workers and the population of surrounding areas) and on the environment.

The first part has the role of an outline directive intended to cover any industrial activity, including certain storage conditions which involve or may involve dangerous substances. Amongst other things, it requires a safety report to be made available to the competent authorities and specifies that workers and the population of surrounding areas must be informed of the risks and safety measures involved.

The second part applies more particularly to industrial activities which involve or may involve especially dangerous substances, clearly defined in a list and by means of criteria in the Directive, in excess of a specified quantity.

In this case, the manufacturer will have to send the competent authorities a more detailed safety report on the substances, installations and potential accident hazard situations. This report will contain, among other things, an analysis of the reliability of the installations and is intended to show the hazards which they entail for man and the environment and the safety measures needed as a result.

The proposal is aimed at major accident hazards, i.e. exceptional risks in abnormal operating conditions or, in other words, the risks which may arise when an industrial process gets out of control. It is obviously unrealistic to suppose that such hazards can be eliminated altogether, but they can be reduced through careful analysis of the risk factors, causes, etc. and the introduction of appropriate safety measures.

The likelihood of an accident can be appreciably reduced by taking safety measures commensurate with the nature and quantities of dangerous substances which are or may be present at any stage in the manufacturing process, monitoring the critical points in the process, anticipating the chains of events liable to lead to an accident and looking carefully at technological processes, sites, etc., with a view to reducing accident risks.

In addition, the Commission will set up a data bank on the accident hazards of industrial activities and major accidents which have actually occurred with a view to permitting an exchange of information which will ensure that the maximum profit is drawn from previous experience and thereby promote accident prevention.

2. Why rules are needed

Despite the technological progress achieved in the past few years, accident hazards involving serious, and not infrequently fatal, consequences both for large numbers of workers and for the general public and contaminating large areas remain substantial, as recent events have shown:

- 1974 : Flixborough in the United Kingdom: a major escape of cyclohexane caused an explosion followed immediately by a fire which killed 28 people, seriously injured 89 and caused 100 million dollars worth of damage.
- 1975 : Beek in the Netherlands: an explosion caused by propylene killed 14 people, seriously injured 104 and caused 40 million dollars worth of damage.
- 1976 : Seveso, Italy: escaping dioxane severely affected flora and fauna, killing thousands of animals; more than 730 people had to be evacuated and more than 5,000 were exposed in an area of several square miles; many cases of skin disease; long-term effects unknown.
- 1976 : Manfredonia, Italy: the explosion of a tower used for scrubbing the gases produced by the synthesis of ammonia released ten tons of arsenic; many people were exposed to it and an area of several square miles was contaminated.

These are a few examples of major accidents with serious consequences in terms of human suffering, both inside and outside the factory, and environmental damage. They underline the need to strengthen and render more specific the checks which industry and the public authorities are required to carry out on potentially dangerous industrial activities.

3. The legal situation in the Member States

There has long been a substantial body of laws and statutory and administrative instruments in the nine Member States of the Community designed to protect man and the environment.

Intended initially, more often than not, to make good any damage, they have over the years become increasingly focused on the protection first of all of man and then of the environment, either through new legislation or by transferring or extending the objectives of existing legislation.

Existing machinery for controlling and preventing certain forms of pollution and nuisance caused by human activities is thus split between several administrative authorities.

Focusing mainly on pollution control or the protection of workers in the normal operating conditions of industrial activities, the legislation in most cases fails to cover major accident hazards.

Three Member States - the Netherlands, the United Kingdom and Italy - have informed the Commission that they intend to issue specific rules concerning major accident hazards. One such law was promulgated in the Netherlands in 1977.

6. STEEL INDUSTRY: PROPOSAL FOR A DECISION IN CONNECTION WITH THE SOCIAL ASPECTS OF RESTRUCTURING PRESENTED TO THE COUNCIL ON 23 JULY

Following full consultation with all interested parties, via the ECSC Consultative Committee in particular, the Commission has now, on the initiative of Mr. Vredeling, presented to the Council a proposal for a Decision relating to the creation of special temporary allowances to help workers in the iron and steel industry in the framework of the Community restructuring plan. Before it can be adopted by the Commission, this Decision requires the unanimous assent of the Council in accordance with Article 95 of the ECSC Treaty.

The new text follows broadly the same lines as the arrangements proposed by the Commission in May. The proposed Decision relates to aid towards early retirement allowances and allowances paid in connection with the improvement of working conditions and the reorganization of working time. As regards the latter type of allowance, the following will be eligible for aid:

1. Workers whose working time is reduced with a view to enabling redundancies to be spread out over time in the event of the partial or complete closure of a firm. In this case, the allowance may not exceed 25 % of the difference between the wages normally due and the benefits granted in the case of short-time working.

2. Undertakings which introduce improvements in the work-cycle for the category of workers to which the Decision relates. In this case, the allowance must not exceed 25 % of wage costs and is limited to a maximum period of three years. The amount of the allowance is reduced to 3/4 of the initial sum during the second year and to half during the third year.
3. Workers affected by a reduction in over-time whose minimum income after the reduction is less than the average wage of an unskilled worker. Here again the 25 % ceiling applies and it is also specified that the allowance may not exceed an amount equivalent to that of the allowance calculated on the basis of the average wage (including over-time) of an unskilled worker. The maximum period for which the allowance may be granted is three years, the amount being reduced to 3/4 of the initial sum during the second year and to half during the third year.

As regards early retirement, aid will be granted towards allowances paid to steelworkers over a specified age (which may vary from Member State to Member State but must not be less than 55) who cease work and are not yet entitled to a statutory retirement pension. The minimum age may be reduced for workers in particularly arduous jobs, handicapped workers and workers employed on continuous shift work for at least 10 years.

As regards the financing of these measures, the Commission had already forwarded to the Council a proposal for a Decision allocating to the European Coal and Steel Community (ECSC) a special financial contribution of 100 million EUA from the general budget of the Communities for 1980. The Council's budgetary experts have, however, indicated that they cannot enter this contribution in the draft budget until the Council has stated its position on the substance of the Commission's proposal.

7. SUPPLEMENTARY ANSWER TO WRITTEN QUESTION NO 1062/78 BY
MR. BANGEMANN ON COMMUNITY MEASURES TO COMBAT THE CRISIS
IN THE STEEL INDUSTRY

In view of the worsening crisis in the steel industry and its disastrous social and economic impact on the regions concerned, an accurate assessment of the effectiveness of the use of Community resources in this sector can only be made if detailed figures are available on the utilization of financial instruments in this crisis area.

Can the Commission provide a table showing the following information:

- (a) the volume of funds, and the procedure for their deployment, allocated in the 1978 financial year from the Regional Fund, the Social Fund, the Commission budget (Title 3, Article 375), the ECSC budget and the European Investment Bank to the steel industry crisis areas concerned.
- (b) a breakdown showing the proportions of these funds received by each specific area?

1. European Regional Development Fund

The Regional Fund granted assistance totalling 185.59 million EUA in respect of 498 investment projects.

The breakdown by region and by investment category is as follows:

Region	Industry	Infra-structure	Mountain & hill farming infra-structure	Total
Nord-Pas-de-Calais	4.87	--	--	4.87
Lorraine	5.03	--	--	5.03
Saarland	2.62	1.62	--	4.24
Scotland	9.64	24.76	3.58	37.33
Wales	10.78	15.31	--	26.09
Northern England	5.06	22.97	--	28.03
Campania	4.43	63.99	0.65	69.07
North Rhine-Westphalia	4.29	0.28	--	4.57
Yorkshire and Humberside	1.15	5.21	--	6.36
TOTAL	47.87	134.14	3.58	185.59

2. ECSC

- (a) In 1978, 56 industrial loans (Article 54 of the ECSC Treaty) totalling 367.496 million EUA were granted in respect of projects in the steel industry in the Community.

The breakdown by region is as follows:

Country and region	Amount	Number of loans
<u>FEDERAL REPUBLIC OF GERMANY</u>		
Brunswick	1,195	1
Düsseldorf	31,491	6
Arnsberg	10,165	4
Freiburg	5,979	2
Total	48,830	13

Country and region	Amount	Number of loans
<u>FRANCE</u>		
Paris region	0,432	1
Picardy	2,083	1
Nord	2,954	1
Lorraine	53,477	7
Total	58,946	10
<u>ITALY</u>		
Piedmont	2,542	1
Liguria	7,625	1
Lombardy	32,606	4
Trentino	1,794	2
Veneto	0,598	2
Tuscany	22,497	2
Umbria	20,335	2
Apulia	9,805	1
Islands	14,526	1
Total	112,328	16
<u>LUXEMBOURG</u>	73,496	11
<u>NETHERLANDS</u>		
North Holland	41,996	1
<u>UNITED KINGDOM</u>		
Cleveland	9,915	2
Strathclyde	8,912	1
Total	18,827	3
<u>DENMARK</u>		
Frederiksborg	13,073	2
GRAND TOTAL	367,496	56

- (b) ECSC conversion loans totalling 200.68 million EUA were granted in respect of 12 investment projects; the interest rate subsidies amounted to 18.06 million EUA.

The breakdown by region is as follows:

Region	Loans	Interest rate subsidies
Ruhr	63.70	9.00
Lorraine	9.49	1.43
Wales	125.00	7.26
Luxembourg	2.49	0.37
Total	200.68	18.06

- (c) The breakdown of readaptation aids provided for in Article 56 (2) (b) of the ECSC Treaty and granted in 1978 to steel firms and iron ore mines is as follows:

Country and region	Allocation (in EUA)	Number of workers affected
<u>GERMANY</u>		
North Rhine-Westphalia	791,000	3,381
<u>BELGIUM</u>		
Wallonia	1,954,000	1,868
Flanders	479,750	318
Total	2,433,750	2,186
<u>DENMARK</u>	--	--
<u>FRANCE</u>		
East	12,413,500	9,349
<u>IRELAND</u>	--	--
<u>ITALY</u>		
Coastal region	1,197,000	1,462
North	53,000	266
Centre	70,750	800
Total	1,320,750	2,528

Country and region	Allocation (in EUA)	Number of workers affected
<u>LUXEMBOURG</u>	1,398,000	541
<u>NETHERLANDS</u>	--	--
<u>UNITED KINGDOM</u>		
Scotland	1,713,000	2,218
Wales	8,156,500	8,822
Northern England	936,250	1,385
Other regions	572,250	600
Total	11,378,000	13,025
GRAND TOTAL	29,735,000	31,010

3. European Social Fund

Assistance granted by the European Social Fund in regions hard-hit by the crisis in the steel industry is of an exceptional and indirect nature since these regions normally have recourse to the aids available under Article 56 of the ECSC Treaty.

In France, the Social Fund granted assistance amounting to 1,343,000 EUA in 1978 in respect of job-creating and advanced training schemes at the Houillères de Lorraine. In 1978, the Nord-Pas de Calais region also submitted an application for assistance from the Social Fund totalling some 600.000 EUA in respect of a series of redeployment measures for workers in the coal-mining industry and in the areas of Valenciennes and Boulogne. These measures involve the creation of new jobs in the motor vehicle industry, mechanical engineering, specialized welding (nuclear technology), and the refrigeration industry; the assistance approved totalled 375 000 EUA.

In Italy, assistance for the IRI has also benefited the steel-producing region of Taranto.

All the Member States have submitted national applications which also include programmes concerned directly or indirectly with steel-producing regions, but the applications are drawn up in such a way that these programmes cannot be separately distinguished.

4. European Investment Bank

In 1978, the EIB provided the following financing (loans and allocations from global loans) in respect of investment projects in steel-producing regions:

(million u.a.)

Country and region	Modernization of steel firms	Creation of new activities in areas affected by difficulties in the steel industry (2)	Other investments in regions in which steel firms are located (1)		Total
			Industry (2)	Infrastructure	
<u>Federal Republic of Germany</u>					
Saarland		1.4			1.4
<u>Belgium</u>					
Liège		1.1			1.1
<u>France</u>					
Lorraine/Nord (3)	9.5				9.5
Nord				100.0	100.0
Savoie				10.7	10.7
<u>Italy</u>					
Lombardy	18.2		1.9	10.3	30.4
Abruzzi	1.5		10.6	28.6	40.7
Campania			5.3	99.1	104.4
Apulia			10.4	25.4	35.8
Sicily			33.1	115.3	148.4
Apulia/Sicily (3)					
<u>United Kingdom</u>					
North		4.7		60.5	65.2
North-West		7.5			7.5
North/North-West (3)				44.6	44.6
Yorkshire and Humberside				46.1	46.1
Scotland			8.1	81.0	89.1
Wales		1.7	1.8	49.8	53.3
North/Scotland (3)				55.3	55.3
TOTAL	29.2	16.4	71.2	761.8	878.6

(see over the page for notes)

- (1) Projects financed for the most part because of their regional importance and not because of any contribution they might make to resolving the problems of the steel industry.
- (2) In addition, financing is likely to be granted to steel-producing regions from a mandate and guarantee contract concluded with the United Kingdom (45 million u.a.) and from the non-allocated portions (14.9 million u.a.) of two global loans in Italy.
- (3) Projects involving both regions.

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