

COMMISSION OF THE EUROPEAN COMMUNITIES

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STEEL:
social provisions

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S T E E L I N D U S T R Y

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Mr Vredeling recently gave the Permanent Representatives' Committee the Commission's reasons for taking the view that in its proposal to the Council for further assistance to steelworkers under Article 95 ECSC priority should be accorded to those of the proposed measures that are of major practical relevance now, viz. early retirement and short-time working (see Mr Vredeling's communication to the Committee and the verbal note to the ad hoc ECSC working party with reference to the social measures proposed on the basis of Article 95 ECSC).

The Commission would emphasize, however, that the applications now put in by the French and British Governments relate in very large part to early retirement; the three-year agreement of 1978 between the Luxembourg Government and the Commission likewise relates to early retirement allowances.

Notwithstanding, the Commission has felt it preferable to base assistance in connection with early retirement on Article 95, in order to have a sounder legal framework and to allow of some extension of the aid planned.

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As concerns the financial side, it must be stressed that the steel crisis has already brought a rise in the usual applications for the benefit of Article 56(2)(b) to be granted to steelworkers becoming redundant. In the period 1973-76 readaptation assistance applied for in respect of the steel industry was running at about 3.5 million u.a. a year; in 1977 the figure was 11 million, in 1978 30 million EUA, in 1979 54 million, and now applications on the steel side in the first ten months of 1980 already work out at more than the entire Budget appropriation of 67 million EUA for redundant steelworkers (including iron-ore miners) and coalminers.

It can be said now that applications in respect of all the ECSC industries together will amount for the full financial year 1980 to 82 million EUA, of which some 15 million cannot possibly be met from the present Budget funds. The 15 million will therefore have to be charged to the 1981 ECSC Budget. In addition the funds needed to meet the ordinary applications under the agreements in force between the Member States and the Commission will come to at least 60 million EUA; this can be covered by ECSC Budget monies.

The British and French Governments have furthermore put in extra applications for readaptation assistance on an exceptional scale, over and above the ordinary 1980 applications: they relate to the departure of 58,000 workers and involve contributions put at 140 and 300 million EUA respectively. Their purpose is, firstly, to boost the assistance anyhow provided for in the past agreements between Britain and France and the Commission, and secondly, to institute new classes of assistance to cushion the social impact of massive redundancies in the steel industry.

It is more than likely that the worsening crisis will impel the Member States to submit like applications, in respect pretty certainly of several tens of thousands of workers.

It is not easy at this stage to give an estimate of the Commission's contribution to the 440 million EUA represented by the British and French Governments' applications, but given the policy pursued on readaptation and the proposals put forward

under Article 95 ECSC the cost to the Commission over these two new applications could come to somewhere between 120 and 160 million EUA.

These figures must be regarded as a guide bracket to the funds required, not definitely committing the Commission at present.

The French and British applications, then, can be covered only by an additional injection of Budget funds. Account must be taken as well of applications from the other member countries.

In conclusion, the Commission requests the Council, with respect to the social provisions relating to the steel industry,

- . to give its unanimous assent under Article 95 ECSC to the granting to steelworkers in the immediate future of early retirement and short-time working allowances;¹
- . at the same time, with the object of making available the Budget funds needed to meet such applications for allowances, to take a decision in favour of contributions to the European Coal and Steel Community from the General Budget of the Communities, the amount of such contributions to be determined in the Budget procedure.²

¹Doc. COM(79)436 final, 20 July 1979.

²Doc. COM(80)134 final, 25 March 1980.

