

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Request for assent, submitted under Article 54 of the Treaty ECSC, to authorize the granting of loans to beneficiaries other than undertakings, for the financing of housing for persons employed in the industries of the ECSC

1. Since 1955, the ECSC High Authority and - after the merger of the executive bodies - the Commission of the European Communities, has been active in the field of financial aid for the construction, modernization, and in a few instances the purchase, of dwellings for employees of the ECSC industries.

To ensure the continuity of these measures, particularly in countries where the financial resources of the 7th programme have already been used up, the Commission decided, on 15 November 1974, to launch an 8th programme of aid to finance housing from 1 January 1975.

The continuation of this action, to provide for the housing requirements of employees of the ECSC industries, corresponds to the wishes expressed by the European Parliament and the employers' and workers' organizations which have, on several occasions requested, that Community activity in the field of financial aid for low-cost housing should be continued.

2. The ECSC's own funds drawn from the "special reserve" are supplemented by other resources to increase their effectiveness. These additional resources are mobilized on the financial markets. In practice, the ECSC either floats loans on the open market to obtain funds for loans it grants, or instructs banks and financial establishments to make loans directly or indirectly to the prime contractors. The use by the ECSC of funds supplied from the capital market, which are combined with resources from the "special reserve" to increase the volume of aid, requires - in accordance with the second paragraph of Article 54 of the Treaty of Paris - the assent of the Council, because the loans are gene-

rally made to borrowers other than "undertakings" within the meaning of Article 80 of the Treaty; ECSC housing programmes are usually carried out by housing associations or other specialized bodies.

3. On 3 February 1955, 3 April 1965, 20 May 1958, 12 April 1961, 1 June 1962, and 13 January 1966, the High Authority of the ECSC, and on 2 March 1970 and 3 April 1973 the Commission of the European Communities submitted requests to the Council, under the second Article 54 of the Treaty of Paris, for assent authorizing them to grant loans to legal entities which cannot be considered as undertakings within the meaning of Article 80 of the Treaty of Paris within the framework of the programmes of financial aid for low-cost housing for workers in the ECSC industries.

The Council, acceding to these requests, gave its assent in the following sessions:

- 23rd Session (21 March 1955),
- 32nd Session (3 May 1956),
- 51st Session (16 June 1958),
- 74th Session (16 May 1961),
- 83rd Session (17 July 1962),
- 103rd Session (7 March 1966),
- 113rd Session (25/26 May 1970) and
- 690th Session (13 June 1973).

In these instances, assent related to loan ceilings amounts respectively, 25 million u.a., 30 million u.a., 40 million u.a., 45 million u.a., 75 million u.a., 60 million u.a., 30 million u.a. and 60 million u.a.

The table annexed to this Note gives a summary of the measures taken by the ECSC in relation to the financing of low-cost housing up to 31 December 1974.

With regard to the implementation of the 7th programme (1st and 2nd instalments), the total amount of the loans granted has not yet reached the ceiling of 90 million u.a. authorized by the Council.

4. The Commission also intends to grant loans for the 8th programme, not only to undertakings as defined in the Treaty of Paris, but also, as in the past, to undertakings other than those covered by the aforementioned Article 80. It may be estimated that for the first instalment of this new programme, the Commission will grant financial aid amounting to a maximum of 75 million u.a., of which 25 million will be drawn from its own funds (special reserve) and a further 50 million mobilized on the capital markets.

5. Therefore, the Commission hereby requests the assent of the Council, under the second paragraph of Article 54 of the Treaty of Paris, to authorize the granting of loans to a total of 75 million ECU units of account to beneficiaries other than undertakings as defined in the Treaty of Paris, in the context of the 8th programme of aid for the financing of low-cost housing for miners and workers in the iron and steel industry.

Summary table of the seven financial aid programmes
for housing for persons employed in the ECSC industries

Estimated Figures : 1 January 1975

1. Breakdown by country

million u.a.

| COUNTRY | Number of dwellings (1) (2) | Construction costs | FINANCING | | | |
|----------------|--------------------------------|--------------------|-----------------|------------|---------------------------------------|------------------------------|
| | | | ECSC aid | | Other resources mobilized by the ECSC | Financing from other sources |
| | | | Special reserve | Loan funds | | |
| GERMANY | 85,000 | 1,013.77 | 60.19 | 13.24 | 133.45 | 806.89 |
| BELGIUM | 8,500 | 70.50 | 6.12 | 22.95 | 2.30 | 39.13 |
| FRANCE | 26,500 | 231.62 | 33.58 | 0.43 | 13.34 | 184.27 |
| ITALY | 7,000 | 62.00 | 11.70 | 8.36 | 11.18 | 30.76 |
| LUXEMBOURG | 1,100 | 17.16 | 3.05 | 1.70 | 2.43 | 9.98 |
| NETHERLANDS | 5,500 | 49.65 | 7.23 | 2.14 | 7.30 | 32.98 |
| UNITED KINGDOM | 6,000 | 9.28 | 4.00 | - | - | 5.28 |
| IRELAND | 190 | 1.78 | 0.50 | - | 0.82 | 0.46 |
| DENMARK | 125 | 5.60 | 1.00 | - | 0.67 | 3.93 |
| | 139,915 | 1,461.36 | 127.37 | 48.82 | 171.49 | 1,113.68 |

(1) already financed, under examination, or still to be submitted for financing from the ECSC funds listed in this table.

(2) from 1973, onwards these figures also include the modernization of existing dwellings, in particular as regards the total for the U.K.

Summary table of the seven financial aid programmes for housing
for persons employed in the ECSC industries

Estimated Figures : January 1975

2. Breakdown by industry

million u.a.

| COUNTRY | COAL | | IRON MINING | | IRON AND STEEL INDUSTRY | | TOTAL | |
|----------------|-----------|------------|-------------|------------|-------------------------|------------|-----------|------------|
| | Dwellings | ECSC funds | Dwellings | ECSC funds | Dwellings | ECSC funds | Dwellings | ECSC funds |
| GERMANY | 46,431 | 41.44 | 3,054 | 2.60 | 35,515 | 29.39 | 85,000 | 73.43 |
| BELGIUM | 4,160 | 12.68 | - | - | 4,340 | 16.39 | 8,500 | 29.07 |
| FRANCE | 5,740 | 9.52 | 1,056 | 1.28 | 19,704 | 23.21 | 26,500 | 34.01 |
| ITALY | 243 | - | 562 | 0.32 | 6,195 | 19.74 | 7,000 | 20.06 |
| LUXEMBOURG | - | - | 25 | 0.10 | 1,075 | 4.65 | 1,100 | 4.75 |
| NETHERLANDS | 2,350 | 3.52 | - | - | 3,150 | 5.85 | 5,500 | 9.37 |
| UNITED KINGDOM | 6,000 | 4.00 | - | - | - | - | 6,000 | 4.00 |
| IRELAND | 70 | 0.18 | - | - | 120 | 0.32 | 190 | 0.50 |
| DENMARK | - | - | - | - | 125 | 1.00 | 125 | 1.00 |
| | 64,994 | 71.34 | 4,697 | 4.30 | 70,224 | 100.55 | 139,915 | 176.19 |