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COUNCIL OF MINISTERS APPROVES NEW
POWERS FOR ECSC HIGH AUTHORITY

WASHINGTON, D.C., January 28 - The High Authority of the European Coal and Steel Community has been granted important approval for substantial extension and widening of its powers to aid coal and steel workers in the six-nation Community. Proposal for such an increase in the executive's authority to deal with problems of unemployment was passed by the necessary five-sixths majority of the Council of Ministers at a meeting in Luxembourg January 26.

Representatives of six member states, with the sole exception of the German Federal Republic, voted in favor of revision of Article 56 of the Treaty by addition of a new Article 56 bis. The new powers will be of prime importance in the contraction of the Community's coal industry now under way.

To become law, the new text must be submitted to the Court of Justice for review of "matters of law and fact" and to the European Parliament which must approve it by a majority of three quarters of the votes cast representing a two-thirds majority of its total membership.

The new article will enable the High Authority to grant aid to workers whose firms are compelled to close down or fundamentally reorganize their activities as a result of "profound changes in marketing conditions in the coal and steel industries, which are not directly linked with the establishment of the Common Market".

The German Government had asked for a time limit on the new powers and also wanted to make use of a section of the Treaty which would have meant that each case for readaption of workers would have had to be presented to the High Authority individually and approved by the Council.

The High Authority replied that the Community's Court of Justice had already clearly rejected any time limit for its new powers. A proposal for extension of the High Authority's powers on readaption, but limited to the coal industry and to a period of three years, was agreed between the High Authority and the Council of

Ministers on December 15, but the proposal was subsequently rejected by the Court of Justice as being discriminatory and incompatible with the Treaty.

Text of new Article 56 bis is as follows:

"If profound changes in marketing conditions in the coal or steel industries, not directly connected with the establishment of the Common Market, make it necessary for certain enterprises to cease, reduce or change their activity, in a permanent manner, the High Authority, at the request of the interested governments:

- a) may aid, in accordance with the methods provided for under Article 54, either in the industries under its jurisdiction or, with the approval of the Council, in any other industry, the financing of programs which it has approved for the creation of new economically sound activities or for the conversion of enterprises, capable of assuring the productive reemployment of labor which becomes surplus;
- b) may make an outright grant in order to contribute:
 - to the payment of allowances enabling the workers to await reemployment,
 - to assuring by grants to enterprises the payment of their personnel in case of temporary lay-offs necessitated by their change of activity,
 - to allotting to workers allowances for moving expenses,
 - to the financing of vocational retraining of workers forced to change their employment.

The High Authority shall make the granting of non-repayable assistance conditional upon the payment by the interested state of a special contribution at least equal to the amount of such assistance, unless an exception is authorized by a two-thirds majority of the Council."

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