



*European Communities
Commission
Press Release*

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LARGE NEW EEC LOANS AND GRANTS APPROVED FOR BRITISH COAL AND STEEL INDUSTRIES

£78.9 MILLION LOANS SO FAR THIS YEAR

The Commission of the European Communities has approved a series of substantial loans to the British coal and steel industries, to help finance development projects in several parts of the country.

Loans approved this year for the British coal and steel industry total £78.9 million. The normal interest rate is related to European Coal and Steel Community (ECSC) borrowing costs and is at present 9½ per cent. In some cases loans benefit from a 3 per cent rebate below the normal rate for the first five years.

Four loans totalling nearly £42 million have been approved for the British Steel Corporation, and four loans totalling just over £37 million for the National Coal Board. These loans are granted under Articles 54 and 56 of the ECSC Treaty. Further loans on £17.5 million have been approved for developments at six coal mines. The following are details of the loans for the British Steel Corporation:

1. For the Scunthorpe coke oven expansion scheme, £18 million, of which £1½ million attracts interest rebate.
2. For the Scunthorpe rod mill, £7.8 million.
3. For expansion at Ravenscraig, £14.8 million, of which £3 million attracts interest rebate.
4. For anti-pollution measures at Templeborough Works, Sheffield, £1.2 million with interest rebate.

The following are details of loans for the NCB:

1. For improvement schemes covering nearly 6000 workers houses, £1.6 million, at a special interest rate of 1 per cent.

2. For development at Horden and Blackhall Collieries in Co. Durham, £3.5 million.
3. For the Board's Mining Equipment Pool, £18 million.
4. For development at the following mines, £14 million:
 - Betws, South Wales (anthracite);
 - Easington, Co. Durham (coking coal);
 - Hem Heath and Florence Collieries, Staffordshire, (power station coal);
 - Littleton, (power station coal);
 - Royston, Barnsley, (new mine for power station coal).

Grants

The Commission also announced today grants of nearly £500,000 to assist workers affected by closures and other changes in the British Iron and Steel Industry. This money comes from a budget of £9 million already authorised by the ECSC for the next five years. This budget is to help steel workers be redundant or redeployed to new work at new rates of pay as a result of events which fall within Article 56 (2) of the ECSC Treaty.

The necessary legislative instruments for this money were tabled on June 5 in the House of Commons by the Secretary of State for Industry, Mr Benn, in exercise of his powers under Section 2 (2) of the European Community's Act (1972) and came into force on July 1.

The grants supplement earnings where these fall below 90 per cent of previous earnings, payments to the unemployed, the maintenance of previous earning levels for those undergoing retraining, and various travel and resettlement allowances. Older workers may commute their benefits into an enlarged pension or annuity. Periods of all these benefits vary according to age.

The details of the grants are as follows:-

- I) Closure of the iron-ore mines at Harlaxton and Woolsthorpe near Grantham involving assistance to 100 workers totalling £36,500 of which the Community will contribute £18,250
- II) Closure of the iron-making plant at Stanton near Nottingham involving assistance to 811 workers totalling £579,000 of which the Community will contribute £289,500.
- III) Closure of the Cookley Rolling Mill at Brierley Hill, Staffordshire involving assistance to 132 workers totalling £65,000 of which the Community will contribute £30,750.

IV) Closure of the coke-ovens at Shotton, Flintshire involving assistance to 131 workers totalling £42,000 of which the Community will contribute £21,000.

V) Closure of a rolling-mill at Cargo Fleet Works, Middlesbrough, involving assistance to 214 workers totalling £77,000 of which the Community will contribute £38,500.

VI) Closure of the railbank at the Cargo Fleet Works, Middlesbrough involving assistance to 76 workers totalling £22,200 of which the Community will contribute £11,100.

VII) Closure of the rerolling works at Claywheels Lane, Sheffield, involving assistance to 200 workers totalling £127,000 of which £63,500 will be contributed by the Community.

The first six plants are owned by the British Steel Corporation and the last by the private steelmaker, Dunford Hadfields Ltd.

The ECSC finances its lending operations by borrowing in the international capital markets. Interest rebates and grants are financed from the ECSC operational budget.

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