1998 ECSC operating budget

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The Committee has adopted, by 19 votes to 14, the report by Jean-Antoine GIANSILY (UFE, F) on the 1998 ECSC operating budget. The Commission wished to abolish the levy on coal and steel production but the committee is proposing that it continue at the original rate of 0.11%. This should provide the 1998 ECSC operating budget with around Ecu 62m in resources in addition to the Ecu 179m already proposed in the Commission's draft budget. The operating budget would thus be Ecu 241m (compared with Ecu 424.4m in 1997, taking into account the supplementary and amending budget approved by Parliament in October). According to the Commission there are two good reasons to abolish the levy (bearing in mind that the ECSC Treaty expires in July 2002 and that the activities it covers are due to be gradually incorporated into the general budget): accumulated ECSC reserves are adequate and conversion loans are due to be halted. No such loans (which are provided for a five-year period) have been granted since July 1997. The ECSC's assets are estimated at Ecu 1.2bn. After a number of close votes, the committee decided in favour of the position advocated by its rapporteur, namely to continue in 1998 with the programmes already embarked upon, in particular the redeployment aid schemes, given that there are expected to be over 25 000 job losses per year in the coal and steel sectors, and to pay most of the funds derived from the levy (around Ecu 52m out of Ecu 62m) into a a special EIB fund to support job-creating SMUs in industrial research sectors linked to coal and steel and in sectors or regions connected with these industries.