

'The ECSC bows out' from La Voix du Luxembourg

Caption: The expiry of the Treaty establishing the European Coal and Steel Community on 23 July 2002 leads to the dissolution of the ECSC Consultative Committee. The Economic and Social Committee (ESC), as the 'natural successor' to the Consultative Committee, takes over its powers and responsibilities regarding structured dialogue in the coal and steel sectors. A new 'consultative commission' is created within the ESC with a view to dealing with industrial issues linked to the former ECSC sectors and, in general, those linked to industrial conversion in any other economic sector, particularly in the light of enlargement.

Source: La Voix du Luxembourg. RRéd. Chef Moyse, Laurent. 22.06.2002. Luxembourg: saint-paul luxembourg s.a. "La CECA quitte la scène", p. 2.

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The ECSC bows out

Treaty establishing the European Coal and Steel Community expires

Fifty years after its signature, the ECSC Treaty comes to an end tomorrow, Sunday. It will not be renewed: the coal and steel sector will be covered by the Treaty establishing the European Community.

The assets of the ECSC (around EUR 1 600 million) will be transferred to the European Community, and the Commission will be entrusted with their management. Net revenue to the ECSC's funds, estimated at around EUR 45 million per year, will be used to finance research projects in the coal and steel sectors and will also be managed by the Commission. The aim of these research activities will be to increase competitiveness, growth and employment in the coal and steel industries.

In the early 1990s, a wide-ranging debate was launched on what was to become of the ECSC after its Treaty expired. In theory, several options were possible: renewal of the Treaty, expiry of the Treaty immediately or as planned or, indeed, a compromise scenario. It was quickly decided that the Treaty would expire as planned.

In 1992, the Commission suggested a gradual transfer of the two sectors into the Treaty establishing the European Community. It also proposed a possible scenario for winding up the budgetary expenditure in 2002. The Amsterdam Council asked the Commission to present proposals ensuring that, on expiry of the ECSC Treaty, income from the existing reserves would be used for a research fund aimed at sectors linked to the coal and steel industries, a development which was in conformity with the wishes already expressed by the European Parliament, the ECSC Consultative Committee and the two industries which had provided most of the European Coal and Steel Community's assets through their levy payments.

Overall approach

In 1997, the Commission suggested an overall approach along the lines proposed by the Amsterdam Council. This approach was adopted by two resolutions of the Council and by the Representatives of the Governments of the Member States.

In detail, the legal plan includes the following elements: ownership of the ECSC's assets and liabilities is transferred to the European Community. The Commission manages these assets separately in order to guarantee a long-term income, in accordance with the financial guidelines proposed by the Commission and adopted by the Council.

Net income from the assets will be used for research in the coal industry (27.2 %) and in the steel industry (72.8 %). The specific research programme will be managed in accordance with guidelines similar to those proposed by the Commission and adopted by the Council.

Management costs will be charged to the Community budget. The prerogatives of the European Parliament, the Council and the Court of Auditors as regards scrutiny and discharge will be upheld. The expiry of the ECSC Treaty involves the dissolution of the Consultative Committee set up under the Treaty, which included four Luxembourg members. The Committee was based in Luxembourg from the outset, and its secretariat also operated in Luxembourg. It thus became necessary to draw up appropriate arrangements for consultation covering the sectors in question.

ESC: new internal working structure

The starting point of the deliberations was the desire of the Member States not to extend the operations and bodies of the ECSC beyond the time limit laid down in the Treaty. Even so, the importance of the ECSC *acquis* in terms of social dialogue and consultation had to be recognised.

The idea of the adoption of the ECSC's structured dialogue by the Economic and Social Committee (ESC) rapidly gained ground. The ESC had been conceived from the outset as the natural arena for consultation provided at Community level, and its establishment by the EEC Treaty in 1957 made it the 'natural' successor to the ECSC Consultative Committee. At all events, the Member States had envisaged a merger of the two bodies when the executives were merged in 1965.

Moreover, in addition to this competence of principle, the ESC gains an opportunity to enrich itself by the *acquis* and experience of the Consultative Committee in terms of structured dialogue. This experience could be put to good use in its own reform and in strengthening the capacity of the ESC to deal with questions associated with industrial change, in particular with a view to enlargement.

The Consultative Committee and the ESC have approved the introduction of a new internal working structure in the ESC, which will be organised around a group of 24 independent advisers to the ESC concerned with industrial questions. They will be supported by 30 delegates from the coal and steel industries, who will enjoy the status of permanent experts. These external delegates would, as part of the renewal in September 2002, be co-opted by the present Consultative Committee.

The mandate of this new 'Consultative Commission' would apply in the first instance to the ex-ECSC sectors but would be gradually extended to other sectors affected by industrial change (shipbuilding, automotive industry, electricity, etc.). The detailed operational arrangements for this structure have already been the subject of a broad exchange of views but need further refinement.