
EUROPEAN PARLIAMENT

Working Documents

1981 - 1982

27 April 1981

DOCUMENT 1-167/81

Report

drawn up on behalf of the Committee on Economic and Monetary Affairs

on/restructuring policy for the steel industry

Rapporteur: Mr I. FRIEDRICH

1.2.1.

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On 17 April 1980 a motion for a resolution was tabled pursuant to Rule 25 of the Rules of Procedure by Mr Leonardi and Mr Bonaccini on the restructuring of the Community steel industry (Doc. 1-107/80). This motion was referred to the Committee on Economic and Monetary Affairs.

On 13 October 1980 motions for resolutions were tabled pursuant to Rule 25 of the Rules of Procedure by Mr Ansart and others on the crisis in the iron and steel industry and its aggravation by the recent Community measures (Doc. 1-425/80), by Mr Sarre and others on the crisis in the iron and steel industry in the Community (Doc. 1-428/80) and by Mrs Lizin and Mr Michel on the current crisis in the iron and steel industry and in particular in Wallonia (Doc. 1-437/80). These three motions were referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Social Affairs and Employment for its opinion.

On 16 November 1980 a motion for a resolution was tabled pursuant to Rule 14 of the Rules of Procedure by Mr Deleau and others on the serious situation in the iron and steel industry (Doc. 1-496/80). This motion was referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Social Affairs and Employment and the Committee on External Economic Relations for their opinions.

On 19 November 1980 three motions for resolutions were tabled pursuant to Rule 47 of the Rules of Procedure: one by Mr Deleau and others on urgent measures to cope with the serious situation in the iron and steel industry (Doc. 1-587/80), one on behalf of the Liberal and Democratic Group on urgent measures to cope with the serious situation in the iron and steel industry (Doc. 1-588/80/rev.) and one by Mr Ansart and others on urgent measures to cope with the serious situation in the iron and steel industry (Doc. 1-595/80). These motions were referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Social Affairs and Employment and the Committee on External Economic Relations for their opinions. Doc. 1-595/80 was also referred for an opinion to the Committee on Development and Cooperation.

At its meetings of 5 June 1980 and 21 October 1980 the Committee on Economic and Monetary Affairs appointed Mr Friedrich rapporteur.

The committee discussed the situation in the steel industry at its meetings of 24 April 1980, 27 and 28 May 1980, 21 and 28 October 1980 and 15 April 1981 and on 15 April 1981 adopted the present report with 11 votes in favour and 7 abstentions.

Present: Mr Delors, chairman; Mr de Ferranti and Mr Deleau, vice-chairmen; Mr Beumer Mr von Bismarck, Mr Bonaccini, Mr Caborn, Mr Damseaux (deputizing for Mr Combe), Mr Delorozoy, Miss Forster, Mr Giavazzi, Mr Herman (deputizing for the rapporteur), Mrs Lizin (deputizing for Mr Ruffolo), Mr Mihr, Mr Purvis, Sir Brandon Rhys Williams, Mr Wagner and Mr von Wogau.

By letter of 26 February the Committee on Social Affairs and Employment announced that it would not issue a new opinion on the documents referred to it, pointing out that the reports by Mr PETERS (Doc. 1-215/80) and Mrs BADUEL GLORIOSO (Doc. 1-463/80) still accurately reflected its views on the matter.

By letter of 12 March 1981 the Committee on External Economic Relations also announced that it would not issue a new opinion on the documents referred to it, pointing out that the report by Mr MATINET (Doc. 1-565/80) still accurately reflected its views on the matter.

The opinion of the Committee on Development and Cooperation is attached.

The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution:

A

MOTION FOR A RESOLUTION

on restructuring policy for the steel industry

The European Parliament,

- having regard to the motions for resolutions on the situation in the iron and steel industry (Docs. 1-107/80, 1-425/80, 1-428/80, 1-437/80, 1-496/80, 1-587/80, 1-588/80/rev., 1-595/80),
 - having regard to the Communication from the Commission to the Council on steel restructuring policies (COM(81) 67 final),
 - having regard to the Commission's First Report to the Council on the application of the rules for aids to the steel industry (COM(81) 71 final),
 - having regard to the communication from the Commission to the Council on steel price policy (COM(81) 149 final),
 - having regard to the report of the Committee on Economic and Monetary Affairs and to the opinions of the Committee on External Economic Relations, the Committee on Social Affairs and Employment and the Committee on Development and Cooperation (Doc. 1-167/81),
1. Notes that the structural crisis which has been smouldering in the Community iron and steel industry since 1975 is being further aggravated by the current negative economic trend and that serious over-capacity, productivity and financing problems in this sector remain unresolved;
 2. Emphasizes that a policy aimed at finding a lasting solution to the problems of the steel sector can only be achieved through Community solidarity and must contain the following three elements:
 - a thorough restructuring of this sector
 - accompanying social measures
 - the creation of alternative jobs;
 3. Approves without reservation the main objectives of Community restructuring policies formulated by the Commission and the Council of the Community:
 - to return the steel industry in the Community to international competitiveness,
 - to restore the profitability of the firms, and to assure the stability of employment,

- to prevent distortions of competition between individual undertakings¹;

4. Is aware that this restructuring will inevitably entail the loss of a considerable number of jobs and that it is therefore feasible and acceptable only if the appropriate social and regional measures are taken to help or enable those concerned to make the necessary adjustments;
5. Welcomes the restructuring measures already taken but finds that they are still far from adequate; therefore supports the Commission in its resolve to reinforce the Community policy even further;
6. Points out that only if all the Member States' restructuring plans are closely coordinated can a lasting stabilization of the iron and steel industry be achieved; emphasizes that the Commission must ensure that any national measures are compatible with the Community's overall aims;
7. Insists that the Member States notify the Commission, before 1 July 1983, of all restructuring programmes which they have adopted and of which they have taken note.

8. Agrees with the Council that degressive state aids designed to restore competitiveness to the industry, are acceptable only as a transitional measure and provided they contribute directly to the restructuring of the sector¹;
9. Calls, therefore, for both direct and indirect operating subsidies to the steel industry to be abolished as soon as possible and for other aids to remain consistent with the aims of Community restructuring policy and not to introduce distortions of the conditions of competition;

8. Calls therefore for the rapid reduction of the aid hitherto granted to iron and steel undertakings;
10. Calls for strict compliance with the Commission rules of 1 February 1980² on state aids to the iron and steel industry in order to prevent a general aid race in all the EEC states which would result in serious and lasting distortions of competition;
11. Regrets that the Commission's task of monitoring aid payments is made extremely difficult because Member States frequently omit to notify it of such payments; therefore urges the Member States to notify it immediately of all aids to the steel industry, whether direct or indirect; these include regional aids, public authorities, participation in capital increases, state guarantees, etc; endorses the Commission's intention to take all the necessary measures to ensure compliance with its rules;

¹ See Council resolution of 3 March 1981

² COM(80) 97 final

12. Wishes to receive detailed information on restructuring measures that have already been implemented and of any further planned measures and aids; requests the Commission to report on this to Parliament at regular intervals;
13. Draws attention to the means of action provided in the ECSC Treaty for promoting the restructuring of the iron and steel industry and alleviating the inevitable social consequences, which must be applied to the full;
14. Endorses the conditions for granting loans (pursuant to Article 54 of the ECSC Treaty) set out in the Council resolution¹ which stipulates that projects may be promoted only if they ensure a satisfactory level of restructuring and if an increase in the capacity of one product is accompanied by the closure of an equivalent uneconomic production capacity;
15. Demands that in regions with an industrial monostructure all the measures provided for in the Treaties must be taken for the creation of new jobs; is nevertheless aware that the current economic situation makes this a very difficult task;
16. Draws particular attention, in this context, to the provisions of Article 56 of the ECSC Treaty on facilitating investment in other sectors and on the retraining of workers in order to facilitate their employment in other economic sectors;
17. Deeply regrets that a number of means of action provided for in the ECSC Treaty and which should have been taken in the current crisis were restricted to a minimum or omitted entirely because the necessary funds were not available in the ECSC budget; this applies for example to the interest rebates on investment loans as provided for in Article 54 of the ECSC Treaty;
18. Considers it necessary, for these reasons, to endow the ECSC budget with the necessary funds and urges the Council to reach prompt agreement on the transfer to that budget of revenue from customs duties on ECSC products;

¹ Council resolution of 3 March 1981

19. Calls on the Commission to set up a system for granting aids for the closure of obsolete and non-viable plants;

20. Emphasizes that the social measures provided for in the ECSC Treaty are not in themselves adequate to deal with the present crisis in the iron and steel industry; does not, therefore, understand, in view of the undisputed urgency of the situation, why the Council has still not taken a decision on the measures proposed by the Commission and the additional funds approved by Parliament; calls upon the Council, therefore, to take an immediate decision on this matter;
21. Considers that, in order to resolve the consequences of the crisis and facilitate economic and social reconversion the Community must make use of all other financial means of action at its disposal in addition to the ECSC measures; refers in this connection in particular to the Regional Fund (quota and non-quota section), the Social Fund, European Investment Bank loans and the new Community instrument, the 'Ortoli facilities', emphasizing that these measures must be coordinated and rendered transparent;

22. Agrees with the Commission on the need for flexible application of the EEC rules on competition (Articles 65, 66 of the ECSC Treaty and 85, 86 of the EEC Treaty) during the conversion period; however, this flexible application is acceptable only if and insofar as it facilitates the desired restructuring;
23. Finds it unacceptable that at present steel prices on the European market remain systematically lower than those on the Japanese and American markets and calls on the Commission to take steps to ensure that, pursuant to Article 60, European price levels are sufficient to cover production costs after restructuring;
24. Affirms that the establishment of compulsory production quotas pursuant to Article 58 of the ECSC Treaty must remain an exceptional measure, recalls that this system expires on 31 June 1981 in accordance with the Commission's own request and considers that the concluding of a voluntary production agreement, under the supervision of the Commission and with the full cooperation of the undertakings concerned and the Member States, is vital for the successful restructuring of the steel industry;

25. Emphasizes that free trade within the Community must continue to be assured in the steel sector too and opposes any form of national protectionism;
26. Regrets that no coherent Community industrial policy has yet been formulated;

27. Calls upon undertakings, unions and governments to offer their full cooperation with a view to ensuring the success of the restructuring policy;
 28. Instructs its President to forward this resolution to the Council and the Commission and to the governments and parliaments of the Member States.
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OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION

Draftsman: Mr S. FLANAGAN

On 22 January 1981, the Committee on Development and Cooperation appointed Mr Flanagan draftsman.

At its meeting of 22 April 1981, the committee considered the draft opinion and adopted it unanimously.

Present: Mr Bersani, vice-chairman and chairman in office;
Mr Kühn, vice-chairman; Mr Flanagan, draftsman;
Mr Barbi (deputizing for Mr Lücker), Mr Cohen ,
Mr Ferrero, Mrs Focke, Mrs Rabbethge, Mr Sherlock,
Mr J.D. Taylor (deputizing for Mr Pearce),
Mr Vardakas and Mr Wawrzik.

The motion for a resolution at present under consideration concerns the internal organisation of the European steel industry and in particular the reduction in French steel capacity resulting from the European steel plan. Paragraph 4 of this motion for a resolution, which reads as follows, concerns cooperation with developing countries:

"Is aware of the need for international cooperation on as wide a basis as possible, in particular with the developing countries, taking account of their needs and of the specific requirements for their development and industrialization;"

Your draftsman notes that developing countries have had remarkably little effect on the general crisis affecting the European steel industry. Though several developing countries, including in particular Liberia and Mauritania from among the ACP group, export iron ore to the Community, very little steel is imported into the Community from what are normally classified as developing countries.

In June 1980, the Commission prepared a market analysis of the steel industry which gives figures for steel imports into the Community from the main exporting countries broken down by third country of origin. These data cover some 90% of the Community's total imports for the years 1978, 1979 and the first four months of 1980. Only two developing countries, Algeria and Brazil, are listed among the 22 principal steel exporters to the Community, though the list also includes South Korea, which your draftsman considers to be in a different category from the developing countries even though that country benefits from the Community's system of generalised tariff preferences.

In 1979, out of total average monthly steel imports into the Nine of 751,000 tonnes, Brazil accounted for 19,000 tonnes and Algeria for 4,000 tonnes, a total of 23,000 tonnes (or 3.06% of the total). For the first four months of 1980 total average monthly steel imports amounted to 852,000 tonnes, of which Brazil accounted for 46,000 tonnes and Algeria for 1,000 tonnes (for the two countries - 5.5% of the total).

It should furthermore be noted that, with per capita GNPs of \$1,260 and \$1,570¹ respectively, neither Algeria nor Brazil can be considered among the more needy developing countries.

These figures speak for themselves. Only a very small proportion of the steel imported into the Community comes from developing countries. No ACP country appears on the list of the 22 principal sources of Community steel imports, and the two developing countries that figure thereon are both among the richer third-world nations. Developing countries do, however, have an indirect effect on the Community steel industry in that an increasing proportion of the third world's steel demand is being met by production in developing countries such as Brazil, Algeria and India. The Committee on Development and Cooperation sees this as, in the long term, a healthy trend and an indication of increasing industrialisation which could, in the future, contribute towards the alleviation of the enormous North/South imbalances in world industrial production.

¹Source: World Bank - World Development Report 1980

While developing countries are major producers of iron ore, in common with most other raw materials this ore is generally processed in industrialised countries. It must be assumed that, in the future, an increasing number of developing countries will wish to process iron ore. Such a trend will have obvious consequences for the Community steel industry, and meaningful consultation at all stages between these countries and the EEC is required in order to assist European steel producers in the industrial restructuring which such long-term trends will require.

In conclusion your draftsman wishes to point out that, at present, developing countries have only a marginal effect on the European steel industry. He recognises, however, the need for international cooperation with developing countries, taking account of their need for industrialisation. Such a trend will, in the long-term, have repercussions for the European steel industry which should, following far-reaching consultations, make preparations for the necessary restructuring.

MOTION FOR A RESOLUTION (Doc. 1-107/80)

TABLED BY Mr LEONARDI and Mr BONACCINI

pursuant to Rule 25 of the Rules of Procedure

on the restructuring of the Community steel industry

The European Parliament,

- having regard to the need for a far-reaching process of restructuring and reconversion of the steel industry in the Member States of the EEC in order to adjust to the new conditions of domestic demand and of the world market in general,
 - having regard to the far-reaching consequences which this process of change is having and will continue to have for the employment situation in the steel industry,
 - having regard to the substantial public intervention in a variety of forms in all the Member States to support their respective steel industries,
 - having regard to the need for the changes now under way to be conducted in accordance with a uniform plan at Community level in order to provide a joint response to problems which are in many ways shared by the different countries, this being necessary to avoid wastage of resources,
 - having regard to the current trend for the individual countries to act separately, each applying its own specific criteria but always involving a substantial commitment of public funds made available in a wide variety of ways,
1. Calls upon the Commission to draw up at the earliest possible opportunity a report outlining, at Community level, the progress of the process of transformation of the Community steel industry, assessing the progress made and the current situation in the individual countries, defining the remaining problems which still require urgent solution and analysing the total amount and nature of intervention through public funds in the various countries;
 2. Instructs its President to forward this resolution to the Commission of the European Communities.

MOTION FOR A RESOLUTION (Doc. 1-425/80)

tabled by Mr ANSART, Mr PIQUET, Mr FERNANDEZ, Mr FRISCHMANN, Mrs DE MARCH,
Mrs HOFFMANN, Mrs POIRIER, Mr DAMETTE, Mr MARTIN and Mr WURTZ

pursuant to Rule 25 of the Rules of Procedure

on the crisis in the iron and steel industry and its aggravation by the recent Community measures designed to reduce steel production in the Community

The European Parliament,

- having regard to the new and drastic measures being taken in implementing the Community plan for iron and steel and to the tragic consequences for employment and the situation of the workers, who were never consulted or even warned of the measures affecting them;
 - whereas the Brussels directives specify that French steel production must be cut back by 16% in the second half and 25% in the last quarter of 1980 by comparison with the same period in 1979, and be 13.5% less than the 1974 figure;
 - whereas, ultimately, in view of the policies of economic stagnation pursued in every Member State, new production capacities will be suppressed, so that unemployment will rise still further, particularly in France and in regions already hard hit by the crisis and by restructuring operations;
 - whereas the special-steel sectors are already seriously threatened in spite of their immense importance for the future;
 - whereas the European steel plan implemented in each of the Member States has greatly benefited the owners of the Eurofer steel works and employers, favouring the West German iron and steel industry by making the most of production capacity in that country; the direct consequence has been a state of dependence and general decline of the French iron and steel industry in Europe - in 1979 French steel works accounted for 15.2% of Community production as compared with 17.4% in 1974;
1. Demands an immediate halt to the European steel plan and the recent measures and directives calculated to worsen it;
 2. Urges that development of steel production is essential today in view of the economic and social needs of each country;
 3. Stresses that such a development can be achieved only by taking account in each country of the steel workers' demands with regard to wages, working conditions and democracy at work, and particularly with regard to the 35-hour week, a lower retirement age for persons engaged in particularly arduous work, the introduction of a five-shift system, increases in wages, particularly for the lowest-paid workers, and consultation and participation of workers in decisions affecting them, all of which are measures likely at the same time to contribute to a resumption of economic growth;
 4. Is aware of the need for international cooperation on as wide a basis as possible, in particular with the developing countries, taking account of their needs and of the specific requirements for their development and industrialization;
 5. Instructs its President to forward this resolution to the Council, the Commission and the parliaments of the Member States.

MOTION FOR A RESOLUTION (Doc. 1-428/80)
tabled by Mr SARRE, Mr OEHLER, Mrs CRESSON and Mrs ROUDY
pursuant to Rule 25 of the Rules of Procedure
on the crisis in the iron and steel industry in the Community

The European Parliament,

- concerned at the development of the crisis in the iron and steel industry in the Community;
 - worried by the new threats to employment in this sector at a time when the Community already has 6.7 million unemployed;
1. Notes that this situation is to a large extent the result of the redeployment and delocalization policies of the large steel producing companies;
 2. Regrets that the Community has not taken the measures necessary to maintain employment and production capacities in this sector, deplors the absence of a genuine industrial policy for the iron and steel industry and the absence of any serious policy for redeployment and creation of alternative occupations;
 3. Is surprised, in view of this, by the Commission's decision to continue on these lines and to continue to impose reductions in the production of crude steel;
 4. Notes that in a number of Member States this attitude leads employers and large companies to draw up their own even more drastic plans for cutting back production, and protests against such measures;
 5. Condemns this practice which, justified as it is claimed to be by the economic crisis in the steel sector, will ultimately endanger the actual structures of production and go beyond even the plans adopted for modernization;
 6. Asserts that such measures are socially harmful since they restrict still further the scope for employment in this sector, and economically harmful since they reduce the capacity of our iron and steel industries at a level which falls short of our future needs, and at the same time wipe out the qualified and traditional labour force available at present;
 7. Considers also that the lack of Community initiatives in the car industry and the delay in seeking an effective remedy, in terms both of external trade policy and of industrial and technological policy, will end up by worsening the crisis in this sector and consequently reducing the demand for steel;
 8. Invites the Commission therefore:
 - to submit to Parliament and the Council proposals for measures to combat this crisis effectively in the areas of both industrial and trade policy;
 - to submit, in line with the requirements set out in the Treaty of Rome with regard to full employment, proposals for the ERDF for opening up new employment opportunities in the regions severely affected by the crisis in the iron and steel industry;
 - to propose, as a matter of urgency, new social measures to help deal with the employment situation, covering shorter working hours, earlier retirement and restrictions on overtime.

MOTION FOR A RESOLUTION (Doc. 1-437/80)

tabled by Mrs LIZIN and Mr MICHEL
pursuant to Rule 25 of the Rules of Procedure

on the current crisis in the iron and steel industry of Europe
and in particular in Wallonia

The European Parliament,

- concerned at the worsening of the crisis in the iron and steel industry, the effects of which are immediately discernible in old-established steel-making areas such as Wallonia,
 - anxious about the threat to jobs in this industry, particularly in the areas of Liège and Charleroi where there is an unacceptable level of economic unemployment,
 - regrets that the measures proposed so far on a voluntary basis to employers in the European steel industry have not been adopted and that the practices of dumping and refusing to apply coordinated production cutbacks continue,
1. Considers that only a common approach can prevent the decline of the entire industry and that if such a common approach cannot be obtained and respected on a voluntary basis, it will be necessary to make use of the possibilities offered by the Treaty to enforce respect for that common approach;
 2. Asks the Commission to propose early recourse to Article 58 of the ECSC Treaty declaring a state of manifest crisis and thus enabling it to apply the safeguard measures urgently needed.

MOTION FOR A RESOLUTION (Doc. 1-496/80)

tabled by Mr DELEAU, Mr de la MALENE, Mr LALOR, Mr NYBORG, Mrs EWING, Mr ANSQUER, Mrs CHOURAQUI, Mr CLEMENT, Mr CRONIN, Mr DAVERN, Mrs FOURCADE, Mr TURCAT, Mr VIE, Mr de LIPKOWSKI, Mr FLANAGAN, Mr ISRAEL, Mr REMILLY, Mr DOUBLET, Mr FANTON, Miss de VALERA and Mrs WEISS, on behalf of the Group of European Progressive Democrats

with request for urgent debate pursuant to Rule 14 of the Rules of Procedure on the serious situation in the iron and steel industry

The European Parliament,

- aware that the European iron and steel industry is today facing a crisis of unprecedented gravity,
- anxious to preserve employment for thousands of workers in the iron and steel industry,
- 1. Deplores in these circumstances the inability of certain European steel manufacturers to agree to adopt and apply the organized distribution of steel production in the Communities;
- 2. Points out that it has been recommending such measures since 1974 and can only regret that they have been so delayed and are being taken at a time when the position of certain undertakings has become very serious;
- 3. Points out that it has several times drawn the attention of the Commission and the Council to the risks threatening the European iron and steel industry as a result of certain initiatives to authorize the creation of new Bagnoli type production capacity on a market already in surplus;
- 4. Regrets that the Commission has not taken action sooner and has failed to restore order in time to the European market as it is entitled to under the ECSC Treaty;
- 5. Takes note, however, of the Commission decision to make use finally of Article 58 of the Treaty and urges that the Council delivers its opinion in line with this decision as soon as possible, since every day's delay in the application of quotas makes the recovery of the undertakings increasingly uncertain;
- 6. Urges the Commission and the Council to propose and implement the necessary accompanying social measures to maintain employment in this sector, which is already under strain following restructuring measures;
- 7. Calls for the internal measures to be supplemented by a more effective external policy and for the Community therefore to enforce the agreements which it reaches with third countries, which under no circumstances may exceed the tonnages allocated for imports;
- 8. Calls finally upon the Commission and Council to react against the blatant protectionist practices of Japan and the USA, as evidenced in particular by the complaint lodged by US Steel;
- 9. Instructs its President to forward this resolution to the Commission and Council.

JUSTIFICATION

This request is justified by the text itself.

MOTION FOR A RESOLUTION (Doc. 1-587/80)

tabled by Mr DELEAU, Mr de la MALENE, Mr LALOR, Mr NYBORG, Mrs EWING, Mr ANSQUER, Mr CLEMENT, Mr COUSTE, Mr CRONIN, Mr DAVERN, Mr DOUBLET, Mr FANTON, Mr FLANAGAN, Mrs FOURCADE, Mr GERONIMI, Mr ISRAEL, Mr de LIPKOWSKI, Mr REMILLY, Mr TURCAT, Miss de VALERA, Mr VIE, Mrs WEISS, on behalf of the Group of the European Progressive Democrats

with request for an early vote

pursuant to Rule 47(5) of the Rules of Procedure to wind up the debate on the Oral Question (Doc. 1-516/80)

on urgent measures to cope with the serious situation in the iron and steel industry

The European Parliament,

- aware that the European iron and steel industry is now facing a crisis of unprecedented gravity,
- anxious to preserve the jobs of thousands of workers in the iron and steel industry,
- 1. Points out that it has been advocating measures for the orderly distribution of Community steel production since 1974 and can only regret that these have been delayed for so long and are being taken at a time when the position of some undertakings has become very serious;
- 2. Points out that it has several times drawn the attention of the Council and the Commission to the risks to which the European iron and steel industry is exposed by moves to authorize the creation of new Bagnoli type production capacity on a market already in surplus;
- 3. Regrets that the Commission has not drawn the appropriate conclusions sooner and has failed to restore order in time on the European market, as it was entitled to do under the ECSC Treaty;
- 4. Notes, however, the decision of the Commission and the Council to finally make use of Article 58 of the Treaty and urges that this decision be applied as quickly as possible since each day's delay in the application of the quotas makes the recovery of the undertakings increasingly uncertain;
- 5. Urges the Commission and the Council to propose and implement the accompanying social measures necessary to preserve jobs in this sector, which is already over-taxed by previous restructuring;
- 6. Asks for the internal measures to be supplemented by a more effective external policy and, therefore, asks the Community to ensure compliance with the existing agreements it has with third countries, which should under no circumstances exceed the tonnage allocated for imports;
- 7. Hopes that use will be made in future of Article 74(3) of the ECSC Treaty which invokes external measures involving a greater degree of compulsion;
- 8. Finally, calls upon the Commission and the Council to react to the extremely protectionist practices of Japan and the USA, as evidenced by the complaint lodged by US STEEL;
- 9. Instructs its President to forward this resolution to the Commission and the Council.

MOTION FOR A RESOLUTION (Doc. 1-588/80/rev.)

on behalf of the Liberal and Democratic Group with request for an early vote pursuant to Rule 47(5) of the Rules of Procedure to wind up the debate on the Oral Question (Doc. 1-516/80) on urgent measures to cope with the serious situation in the iron and steel industry

The European Parliament,

- having regard to the general recession in the European Community,
 - having regard to the structural and economic difficulties in the iron and steel sector,
 - whereas the necessary restructuring of the iron and steel sector will create further difficulties on the labour market,
 - having regard to the decision taken by the Council of Ministers acting on a proposal from the Commission to have recourse to Article 58 of the ECSC Treaty, in view of the deterioration in the situation of the iron and steel industry,
1. Appeals to European solidarity for strict compliance with the production quotas proposed by the Commission and with floor prices;
 2. Believes that the production ceilings and price controls proposed by the Commission may be able to regulate the market;
 3. Calls on the Commission to ensure that those agreements are properly applied;
 4. Asks the Commission to keep it regularly informed of developments, and in particular of measures to replace the present system with a voluntary agreement on the part of the steel producers to the anti-crisis plan in July 1981;
 5. Invites the Commission to propose appropriate social measures for the retraining of the workers concerned;
 6. Invites the Commission and the Council to take steps to create new jobs in the regions concerned;
 7. Invites the Commission to take any measure necessary to consolidate the voluntary restraint arrangements concluded with some supplier countries and to take any measure necessary to respond to the protectionist practices of the United States and Japan;
 8. Calls on the Commission to strive to coordinate social measures at Community and national level;
 9. Instructs its President to forward this resolution to the Commission and the Council.

MOTION FOR A RESOLUTION (Doc. 1-595/80)

tabled by Mr ANSART, Mr PIQUET, Mr FERNANDEZ, Mr FRISCHMANN, Mrs DE MARCH, Mrs HOFFMANN, Mrs POIRIER, Mr DAMETTE, Mr MARTIN and Mr WURTZ

with request for an early vote

pursuant to Rule 47(5) of the Rules of Procedure

to wind up the debate on Oral Question 1-516/80

on urgent measures to cope with the serious situation in the iron and steel industry

The European Parliament,

- having regard to the new and drastic measures being taken in implementing the Community plan for iron and steel and to the tragic consequences for employment and the situation of the workers, who were never consulted or even warned of the measures affecting them;
 - whereas the Brussels directives specify that French steel production must be cut back by 16% in the second half and 25% in the last quarter of 1980 by comparison with the same period in 1979, and be 13.5% less than the 1974 figure;
 - whereas, ultimately, in view of the policies of economic stagnation pursued in every Member State, new production capacities will be suppressed, so that unemployment will rise still further, particularly in France and in regions already hard hit by the crisis and by restructuring operations;
 - whereas the special steel sectors are already seriously threatened in spite of their immense importance for the future;
 - whereas the European steel plan implemented in each of the Member States has greatly benefited the owners of the Eurofer steel works and employers, favouring the West German iron and steel industry by making the most of production capacity in that country; the direct consequence has been a state of dependence and general decline of the French iron and steel industry in Europe - in 1979 French steel works accounted for 15.2% of Community production as compared with 17.4% in 1974;
1. Demands an immediate halt to the European steel plan and the recent measures and directives calculated to worsen it;
 2. Urges that development of steel production is essential today in view of the economic and social needs of each country;
 3. Stresses that such a development can be achieved only by taking account in each country of the steel workers' demands with regard to wages, working conditions and democracy at work, and particularly with regard to the 35-hour week, a lower retirement age for persons engaged in particularly arduous work, the introduction of a five-shift system, increases in wages, particularly for the lowest-paid workers, and consultation and participation of workers in decisions affecting them, all of which are measures likely at the same time to contribute to a resumption of economic growth;
 4. Is aware of the need for international cooperation on as wide a basis as possible, in particular with the developing countries, taking account of their needs and of the specific requirements for their development and industrialization;
 5. Instructs its President to forward this resolution to the Council, the Commission and the parliaments of the Member States.