

European Communities

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EUROPEAN PARLIAMENT

# Working Documents

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13 October 1980

DOCUMENT 1-463/80

## Report

drawn up on behalf of the Committee on Social Affairs and Employment

**on the closure of the Consett steelworks**

**Rapporteur: Mrs M.F. BADUEL GLORIOSO**



On 17 June 1980 Mr Roland BOYES and others tabled a motion for a resolution pursuant to Rule 14 of the Rules of Procedure on the closure of Consett steel works (Doc. 1-247/80).

On 19 June 1980 the European Parliament rejected the request for urgent debate and the motion for a resolution was referred pursuant to Rule 25 of the Rules of Procedure, to the Committee on Social Affairs and Employment as the committee responsible and to the Committee on Economic and Monetary Affairs for its opinion.

On 16 July 1980 the Committee on Social Affairs and Employment appointed Mrs Maria Fabrizia BADUEL GLORIOSO rapporteur.

On 18 September Mr Roland Boyes tabled a motion for a resolution pursuant to Rule 25 of the Rules of Procedure on the closure of Consett steel works (Doc. 1-408/80).

On 19 September 1980 the President of the European Parliament referred this motion to the Committee on Social Affairs and Employment as the committee responsible and to the Committee on Economic and Monetary Affairs for its opinion.

At its meeting of 30 September 1980 the Committee on Social Affairs and Employment decided to extend the rapporteur's mandate given to Mrs Maria Fabrizia Baduel Glorioso on 16 July 1980 to cover the second motion for a resolution tabled by Mr Roland Boyes (Doc. 1-408/80).

At the same meeting of 30 September 1980 the Committee on Social Affairs and Employment considered the draft report and adopted the motion for a resolution unanimously with two abstentions.

Present: Mr Van der Gun, chairman; Mr Didò, vice-chairman; Mrs Baduel Glorioso, rapporteur; Mr Calvez, Mr Ceravolo, Mr Dalsass (deputizing for Mr Estgen), Mr Ghergo (deputizing for Mr Nordlohne), Mr McCartin, Mrs T. Nielsen, Mr Pininfarina, Mr Prag, Mr Spencer and Mr J.D. Taylor.

The opinion of the Committee on Economic and Monetary Affairs is attached.

The explanatory statement will be given orally.

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

MOTION FOR A RESOLUTION

on the closure of Consett steel works

The European Parliament,

- having regard to the motion for a resolution tabled by Mr Boyes and others (Doc. 1-247/80),
  - having regard to the motion for a resolution tabled by Mr Boyes (Doc. 1-408/80),
  - having regard to the resolution on the communication from the Commission on the social aspects of the restructuring of the steel industry and the revised draft of a Commission decision concerning the creation of special temporary allowances to assist workers in the iron and steel industry under the Community restructuring plan<sup>1</sup>,
  - having regard to the report of the Committee on Social Affairs and Employment and the opinion of the Committee on Economic and Monetary Affairs (Doc. 1-463/80),
1. Emphasizes once again the extreme seriousness of the effect the restructuring of the steel industry in EEC countries is having on the employment, social and economic situation of whole regions in the Community and particularly those which lack diversified industrial and economic structures;
  2. Asks the governments of the Member States to ensure that lay-offs due to a run-down of activities or works closures should be linked to the implementation of economic reconversion plans to enable new activities and hence alternative jobs to be brought in;
  3. Requests the Commission of the European Communities to put forward concrete proposals for coordinated use of the various financial instruments available to the Community as a means of helping, jointly with national programmes, the socio-economic difficulties of the regions hit by the crisis in the iron and steel industry;
  4. Requests the Commission and the Council of Ministers of the European Communities, moreover, to propose and adopt measures to stimulate and support not only advanced technology sectors, but also such economic activities, e.g. the building trade, as meet real market needs and, because of the pull they exert on other industries, enable a large quantity of labour to be absorbed;

<sup>1</sup>Resolution adopted on the basis of the report by Mr Peters (Doc. 1-215/80) at the sitting of 11 July 1980: OJ No. C 197, 4.8.1980, p. 54 et seq.

5. Urges the Council to approve the revised draft decision concerning the creation of special temporary allowances to assist workers in the iron and steel industry under the Community restructuring plan<sup>1</sup> as a matter of extreme urgency and to provide such financial resources as may be necessary for these measures<sup>2</sup>;
6. Points out that these measures have become even more urgent as a result of the final closure of Consett steel works and regrets that the negotiations for a transfer of ownership have failed since this would have allowed a resumption of operations and thereby safeguarded employment;
7. Instructs its President to forward this resolution to the Council and Commission and to the governments of the Member States.

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<sup>1</sup>See COM(79) 436 final

<sup>2</sup>See resolution adopted on the basis of the report by Mrs Hoff (Doc. 1-226/80) at the sitting of 11 July 1980: OJ No. C 197, 4.8.1980, p. 60/61

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

Letter to Mr Van der Gun, chairman of the Committee on Social Affairs and Employment

Luxembourg, 6 October 1980

Dear Mr Chairman,

At its meeting of 2/3 October 1980 the Committee on Economic and Monetary Affairs considered the motion for a resolution on the closure of Consett steel works (Doc. 1-247/80).

The iron and steel industry is affected by a structural crisis aggravated by cyclical factors. Restructuring, which is the only possible answer to this structural crisis in the long term, is inevitably accompanied by a fall in employment. However, the Committee on Economic and Monetary Affairs does not have the necessary information to judge whether the closure of Consett steel works represents a justified step in the restructuring of the iron and steel industry. The Commission should make a thorough study of the steel works and its region and, if necessary, initiate appropriate Community measures in the social and regional spheres.

Clearly a restructuring of the iron and steel industry will only be tenable and feasible if it is linked to suitable social and regional measures. The Community should employ all the instruments at its disposal for this purpose. The Commission's proposal to introduce a series of temporary social measures not provided for the ECSC Treaty must in these circumstances be regarded as constructive. The Council has still not taken a decision on this proposal in spite of the seriousness of the situation confronting the industry. The Committee on Economic and Monetary Affairs therefore urges the Council to delay no further and to adopt the requisite measures as quickly as possible.

I would ask you to consider this letter as the opinion of the Committee on Economic and Monetary Affairs.

Yours sincerely,

(sgd) Ingo FRIEDRICH

draftsman of the opinion

Present: Mr Delors, chairman; Mr de Ferranti, vice-chairman; Mr I. Friedrich, draftsman of the opinion; Mr von Bismarck, Mr Combe, Mr Beumer, Mr Bonaccini, Mr Brok (deputizing for Mr Schnitker), Miss Forster, Mr Giavazzi, Mr Herman, Mr Hopper, Mr Leonardi, Mr Mihr, Mr Jacques Moreau, Mr Piquet, Mr Sayn-Wittgenstein, Mr Walter and Mr von Wogau

MOTION FOR A RESOLUTION (Doc. 1-247/80)

tabled by Mr BOYES, Mr LOMAS, Miss QUIN, Mr COLLINS,  
Mr GRIFFITHS, Mrs CLYWD, Mr ENRIGHT, Mr KEY, Mr BALFE,  
Mr SEAL, Mr MEGAHY, Mr GALLAGHER, Mr ADAM, Mrs BUCHAN,  
Mr ROGERS, Mr CABORN, Mrs CASTLE, Mr VAN MINNEN,  
Mr ALBERS, Mr PETERS and Mrs SALISCH

with request for urgent debate  
pursuant to Rule 14 of the Rules of Procedure

on the closure of Consett steel works

The European Parliament,

- aware of its previous resolutions concerning social considerations which must accompany the restructuring of older industries,
  - noting that the announcement to close the Consett steel works in the North-East of England by the end of September was made on 12 June 1980,
  - aware that almost 4,000 jobs will be lost immediately by the closure of the works in this one-industry town and that the unemployment rate in the town will be in excess of 35%,
  - further aware that the total number of jobs lost in the region as a consequence of the closure will be well over 5,000 and that the Northern region has the highest unemployment rate in Britain,
  - understands that the announcement of the closure has been made only 3 weeks before the newly appointed chairman, Mr Ian McGregor, takes office,
  - notes that the Iron and Steel Trades Confederation has issued a writ to be heard in the High Court for a declaration that the British Steel Corporation (BSC) is in breach of its statutory duty to consult the union before closure as laid down by the Iron and Steel Act 1975,
1. Condemns the closure of the Consett steel works because of the terrible social consequences that will be caused;
  2. Requests the BSC to revoke the closure notice and to carry out a full review of the situation;
  3. Instructs its President to forward this resolution to the Council, Commission and the governments of the Member States.

Justification for urgency

The closure is due to take place at the end of September 1980.

MOTION FOR A RESOLUTION (Doc. 1-408/80)

tabled by Mr BOYES

pursuant to Rule 25

on the closure of Consett steel works

The European Parliament,

- notes the decision of the British Steel Corporation to close Consett steel works in September 1980,
  - aware that this will result in 3,600 people losing their jobs immediately and could lead to almost 10,000 jobs being lost in total because of the 'knock-on' effect,
  - is very concerned about the already high level of unemployment in the immediate district and is aware that with the closure of the steel plant it will mean almost 50%,
  - concerned that Consett is a town in the North of England, the region with the highest unemployment level in Great Britain, where the possibility of finding alternative work is remote,
  - further recognizes that the number of unemployed in the UK is now in excess of 2 million and affects most regions thereby making the possibility of workers finding jobs in other areas equally remote,
  - aware that the high level of unemployment in the UK is likely to exist for considerable time,
1. Calls upon the Commission as a matter of urgency to prepare a programme of direct aid for the creation of new employment opportunities in this region through coordinated utilization of all possible existing sources of Community finance, in addition to ensuring that it receives priority under the new Community measures in favour of the United Kingdom;
  2. Calls on its President to forward this resolution to the Commission and Council.

