

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

9612/85 (Presse 125)

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1032nd Council meeting

- Industry/Steel -

Luxembourg, 17 October 1985

President: Mr Jacques F. POOS

Minister for Economic Affairs
of the Grand Duchy of Luxembourg

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Mark EYSKENS
Minister for Economic Affairs

Germany:

Mr Dieter von WÜRZEN
State Secretary,
Federal Ministry of Economic
Affairs

France:

Mr Luc de LA BARRE de NANTEUIL
Ambassador,
Permanent Representative

Italy:

Mr Bruno ORSINI
State Secretary,
Ministry of Industry

Netherlands:

Mr F BOLKESTEIN
Minister for Foreign Trade

Denmark:

Mr Ib STETTER
Minister for Industry

Greece:

Mrs Vasso PAPANDREOU
State Secretary,
Ministry of Industry

Ireland:

Mr Edward COLLINS
Minister of State,
Department of Industry

Luxembourg:

Mr Jacques F. POOS
Minister for Economic Affairs
Mr Johny LAHURE
State Secretary for Economic
Affairs

United Kingdom:

Mr Peter MORRISON
Minister of State for Industry

Commission:

Mr Karl-Heinz NARJES
Vice-President

Mr Willy DE CLERCQ
Member

Mr Peter SUTHERLAND
Member

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The following also attended as observers:

Spain:

Mr Joan MAJO
Minister for Industry

Portugal:

Mr Carvalho CARREIRA
State Secretary for Industry

COMMUNITY IRON AND STEEL POLICY AFTER 1985

The Council examined Community iron and steel policy after 1985 for the second time. Further to its first discussion on 25 July the Commission submitted two communications on 30 September concerning:

- the organization of the iron and steel market after 31 December 1985;
- the rules on aid and financial transfers to the Community iron and steel industry after 1985.

At this meeting the Council examined the above two communications in the light of a detailed report prepared by the Permanent Representatives Committee.

The discussions made it possible to develop certain guidelines for the technical proceedings of the experts preparing the next Council meeting on iron and steel planned for 29 October. The objective at that meeting will be to find a general solution so that the Member States' iron and steel industries can be given, in good time, the necessary information concerning Community iron and steel policy after 1985. With that in view the Council also invited the Commission to continue its bilateral contacts with the Member States between now and the Council's next meeting in order to bring their positions closer together on points of difference.

As regards the organization of the iron and steel market after 1985 the President noted on the conclusion of the discussions that delegations broadly endorsed the Commission's general philosophy. As regards the technical means of bringing about the proposed liberalization and the products to be subject to it, however, delegations' views continued to diverge somewhat.

As regards the rules on aids and financial transfers to the Community iron and steel industry after 1985 the President noted broad consensus amongst the Member States on the need to adopt strict rules on the basis of Article 95 of the ECSC Treaty.

In the same context the President pointed out that the wisdom of excluding from the future aid system any possibility of operating aid had been stressed, that the need to allow the iron and steel industry to benefit from research and development aid and environmental protection aid under the same conditions as other industries had been recognized, and that provision would have to be made for advance notice of Member State participation in the capital of iron and steel undertakings on a non-discriminatory basis.

The President also noted that a large majority of the Member States was in favour of excluding investment aid and aid of a regional nature from the future system; finally he noted that views differed on using aid as an incentive to further closures.

RELATIONS WITH THE UNITED STATES IN THE IRON AND STEEL SECTOR

The Council took cognizance of the information supplied to it by the Commission on current iron and steel consultations with the United States.

Following an exchange of views, the Council

- emphasized that the EEC was the first to conclude an arrangement in the iron and steel sector with the United States, with which there had been full compliance, and strongly urged that the efforts made by the EEC since then to curtail its exports should also be taken into consideration;
- expressed very great concern at the unacceptable attitudes adopted hitherto by the American side, which was calling for, inter alia, a sizeable increase in product cover coupled with a cut in export opportunities, for an inordinate length of time;
- gave a reminder that a negotiated solution could not be contemplated unless at the same time allowance was made for the fundamental interests of the European iron and steel industry;
- gave the Commission its full backing in the efforts to reach agreement with the American authorities and called upon it to pursue the discussions resolutely, in close consultation with the Member States.

MISCELLANEOUS DECISIONS

Trade policy

The Council adopted, in the official languages of the Communities, the Regulations:

- amending Regulation (EEC) No 706/84 imposing a definitive countervailing duty in the framework of the anti-subsidy proceedings concerning imports of tube and pipe fittings of malleable cast iron originating in Spain and proposing the definitive collection of the provisional duty;
- amending Regulation (EEC) No 3072/80 imposing a definitive countervailing duty on certain seamless tubes of non-alloy steels originating in Spain.

Relations with the ACP States and the OCT

The Council adopted, in the official languages of the Communities, the Regulation amending the list of ACP countries (addition of Angola), in Regulation (EEC) No 486/85 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States (ACP States) or in the overseas countries and territories.

Textiles

The Council authorized the Commission to commence negotiations with all countries which were signatories to bilateral agreements or arrangements on textiles in order to adapt them to take account of the accession of the Kingdom of Spain and the Portuguese Republic to the European Communities, and laid down the appropriate negotiating Directives.

Export credits

The Council decided to extend until 15 April 1986 the Decision of 4 April 1978 on the application of certain guidelines in the field of officially supported export credits.

Transport

The Council adopted, in the official languages of the Communities, the Regulation laying down the conditions for access to the arrangements under the Revised Convention for the Navigation of the Rhine relating to vessels belonging to the Rhine Navigation.

Agriculture

The Council adopted, in the official languages of the Communities, the Regulation putting up for sale in Ireland and Northern Ireland, for disposal in feedingstuffs, cereals held by the Irish and United Kingdom intervention agencies.

ECSC

The Council gave its assent:

- under the provisions of Article 54, second paragraph, of the ECSC Treaty to the granting of a global loan to the Istituto Mobiliare Italiano (IMI) for the financing of investment programmes which contribute to facilitating the marketing of Community steel;
- under Article 55(2)(c) of the ECSC Treaty with a view to obtaining financial aid for the implementation of an iron and steel pilot/demonstration project programme;
- under the second paragraph of Article 54 of the ECSC Treaty for partial financing of an investment project of VEW-Harpen Kraftwerk Werne oHG, involving the construction of a 750 MW coal-fired generating unit.

Appointment

Acting on a proposal from the French Government, the Council appointed Mr Pierre RANCIER, Contrôleur général des services vétérinaires, Direction de la Qualité, alternate member of the Advisory Committee on Veterinary Training to replace Mr Joseph SANTAMARIA for the remainder of the latter's term of office, i.e. until 18 September 1986.

to : C.C.E. BRUXELLES - GPP46 - G.P.P.
A : C.E. WASHINGTON - WASHINGTON
REF: 17:31 16-10-85 000040546 - 000041452

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NOTE BIO

BRUSSELS, 16.10.85

NOTE BIO (85)331 TO THE NATIONAL PRESS OFFICES

CC.: TO MEMBERS OF SPP

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PREPARATION OF THE INDUSTRY COUNCIL, LUXEMBOURG, 17.10.85
(PER VINTHER)

1. QUOTAS

THE DISCUSSIONS SO FAR IN THE ECSC ADVISORY COMMITTEE, THE WORKING GROUPS OF THE COUNCIL AND WITH EUROFER SEEM TO INDICATE THAT THE PROPOSALS FOR A QUOTA SYSTEM BASED ON ART. 58 OF THE ECSC TREATY TO TAKE EFFECT AS OF 1 JANUARY 1986 AS PROPOSED BY THE COMMISSION IN SEPTEMBER (SEE P-73) REPRESENT A STEP IN THE RIGHT DIRECTION. HOWEVER, PARTICULAR DIFFICULTIES IN ONE OR THE OTHER MEMBER STATE WILL NEED TO BE TAKEN INTO CONSIDERATION WHEN THE COMMISSION DRAWS UP THE FINAL VERSION OF THE NEW DECISION.

VICE-PRESIDENT NARJES WOULD LIKE TO BRING ABOUT A STRUCTURED DEBATE ON THE FOLLOWING MAJOR POINTS:

A. THE COMMISSION PROPOSES A LIBERALISATION FOR THE FIRST TWO-YEAR PERIOD OF CATEGORIES IC AND ID (COATED SHEETS), IV (WIRE ROD), AND V (REINFORCING BARS). A CERTAIN OPPOSITION HAS BEEN VOICED AS FAR AS CAT. IV IS CONCERNED, BUT THE COMMISSION FEELS THAT WITH A CAPACITY UTILIZATION RATE OF 750/0 AND A REASONABLE PRICE LEVEL THIS CATEGORY COULD BE LIBERALIZED WITHOUT SERIOUS REPERCUSSIONS ON THE MARKET.

B. RECALCULATION OF THE COMPANIES' REFERENCES HAS BEEN CONTEMPLATED BUT WITH THE QUOTA SYSTEM GRADUALLY COMING TO AN END THE COMMISSION FINDS THAT A MAJOR OPERATION WILL NOT BE NECESSARY. IN ANY CASE RELATIVE POSITIONS WITHIN THE SYSTEM WILL BE LARGELY MAINTAINED. ART. 8 OF THE PRESENT DECISION NO. 234/84/ECSC PROVIDING A SAFEGUARD CLAUSE WILL BE MAINTAINED IN THE NEW DECISION.

C. THE COMMISSION WILL ALSO SEEK TO MAINTAIN CONTROL OF PRODUCTION AND DELIVERIES AS WELL AS TRADITIONAL EXCHANGES BETWEEN MEMBER STATES (ART. 15B).

D. FINALLY, THE COMMISSION BELIEVES THAT SUPPLEMENTARY QUOTAS SHOULD BE AWARDED FOR CAPACITY CLOSURES AFTER 1985 (ART. 14B).

THE COMMISSION WILL INSIST ON HAVING A DECISION AS SOON AS POSSIBLE IN ORDER TO AVOID ANY UNCERTAINTY ON THE MARKET. IF NO DECISION IS ARRIVED AT AT TOMORROW'S COUNCIL MEETING MR NARJES WILL REQUEST THAT A NEW MEETING BE SCHEDULED BEFORE THE END OF OCTOBER.

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2. AIDS

HERE THE COMMISSION PROPOSES A STRICT DISCIPLINE AFTER 1985 BASED ON ART.4C OF THE ECSC TREATY THE ONLY EXCEPTIONS BEING AIDS TO RESEARCH AND DEVELOPMENT AND FOR ENVIRONMENTAL PURPOSES - FOR A PERIOD OF FIVE YEARS - AND FINALLY CERTAIN CLOSURE AIDS FOR A PERIOD OF THREE YEARS.

THE COUNCIL DEBATE IS EXPECTED TO BE DIFFICULT AND DUE TO THE ABSENCE OF SEVERAL MINISTERS (D,F,I, AND NL) IT IS DOUBTFUL IF A DECISION CAN BE REACHED. THE COMMISSION, HOWEVER, WILL TRY TO FINALIZE AS MANY POINTS AS POSSIBLE.

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The Industry Council, Luxemburg, 17.10.1985

The Presidency opened the meeting by requesting that the various delegations express their position on three specific points :

- acceptability of the principles in the Commission's proposal on a new production quota system;
- choice of categories to be liberalized ;
- a justment of references, supplementary quotas for plant closure after 1985, minimum prices etc.

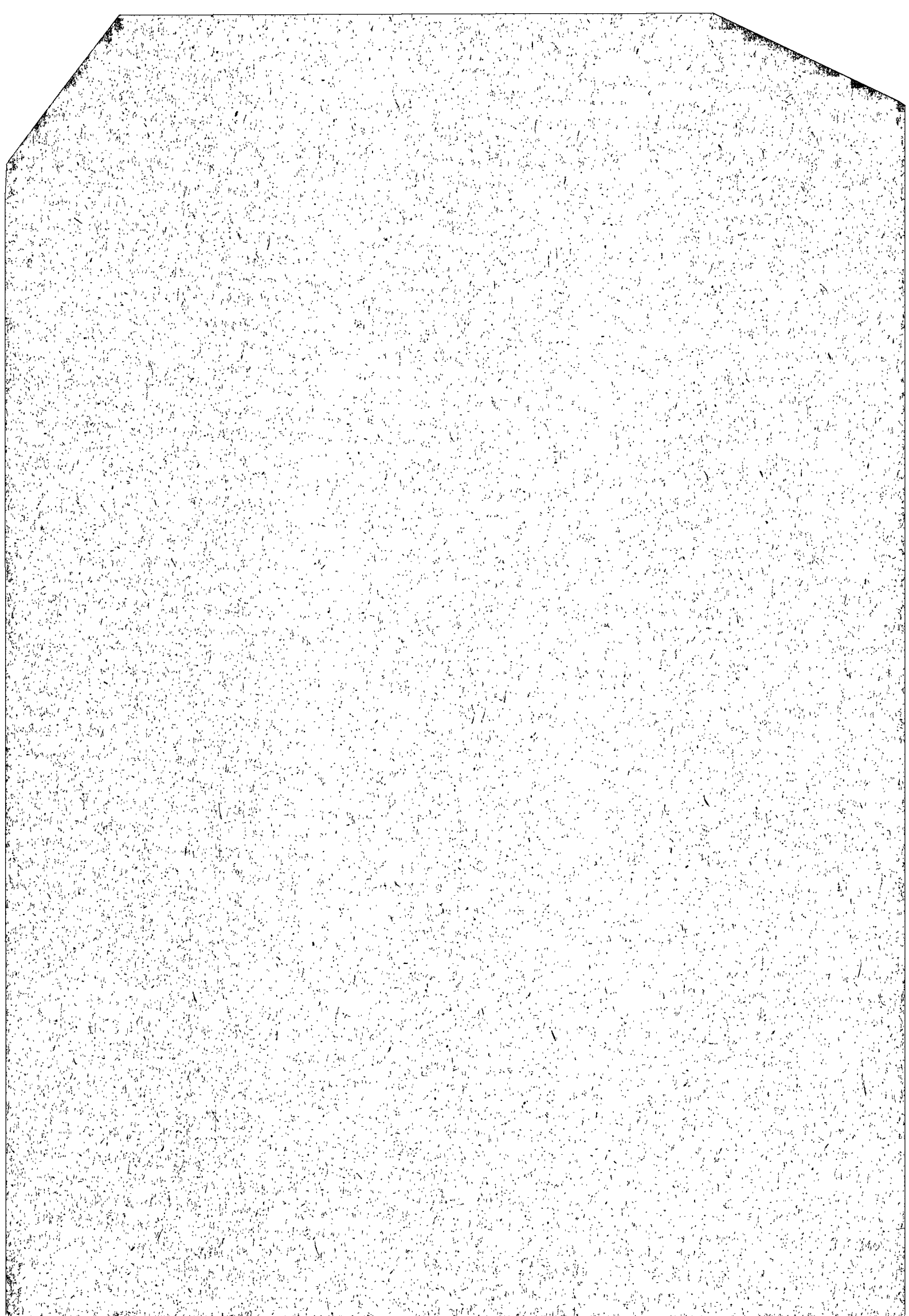
Vice-President Narjes briefly recalled the need for a rapid decision in order to avoid any uncertainty on the market.

The first "tour de table" showed general agreement with the principles in the Commission proposals but there were strongly divergent points of view on which categories to be liberalized in fact the Presidency concluded that there was least opposition to a liberalisation of categories Id and V. The general attitude should be that of cautiousness. To this should be added a certain opposition to the awarding of supplementary quotas after 1985.

Mr. Narjes summed up the Commission's observations in stressing that the basis for a crisis regulation is Art. 58 of the ECSC Treaty and a proper compromise on liberalization must be found rapidly. Partial liberalization means that companies produce according to the market demand whereas a gradual increase in quotas as proposed by some delegations by companies might be seen as an obligation to produce this amount. As far as the opposition to free category IV is concerned the Commission has registered a degree of utilization above 80% for the first half of 1985 which means there is no justification for continued restriction. Demands for products in categories Ic and Id change so rapidly that a quota system is difficult to manage. Here, too, liberalisation would be acceptable to the market. Mr. Narjes stressed that the Presidency and the Commission still want to get as far as possible on the different points in today's meeting and that the Commission is open for possible compromises on details of the system. He proposed that the Directors General get together this afternoon to work out a proposal that everybody can live with. In the meantime ministers could debate the other points on the agenda.

Regards,

P. Vinther



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M. HAYES BER 3-97A TELEX NO. 054
M. SANTARELLI BER 2-63
M. BRENNER BER 8-103

PRIERE DE FAIRE DIFFUSION HABITUELLE DEPUIS BRUXELLES

BIO NOTE (85) 331 (SUITE 2) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SPP

THE INDUSTRY COUNCIL, LUXEMBURG, 17.10.85

OVER LUNCH THE MINISTER'S COUNCIL AND THE COMMISSION (WILLY DE CLERG HAD BY THEN TURNED UP WITH NARJES AND SUTHERLAND) REVIEWED THE SITUATION CONCERNING THE RENEGOCIATION OF THE EEC/US STEEL TRADE AGREEMENT. THE COMMISSION'S ANALYSIS THAT THE AMERICAN PROPOSALS WERE INACCEPTABLE (BOTH AS TO THE LIST OF PRODUCTS AND TO THE COVERAGE) WAS ENDORSED AND THE COUNCIL ENTRUSTED MR. DE CLERG TO CONVEY THIS TO HIS INTERLOCUTORS AND TO EXPLORE FURTHER THE POSSIBILITIES FOR LAUNCHING THE NEGOTIATIONS ON A BASIS CAPABLE OF SECURING A MUTUALLY FRUITFUL OUTCOME.

THE COUNCIL RESUMED WITH A 'TOUR DE TABLE' ON THE AIDS POLICY AFTER 1985. MR. SUTHERLAND, IN HIS OPENING REMARKS UNDERLINED THAT THE COMMISSIONS REMAINS IMPLACABLY OPPOSED TO AUTHORIZATION OF REGIONAL AID. SUCH AID WOULD RISK UNDOING WHAT WE HAVE ALL ACHIEVED. IT WOULD BE A VEHICLE FOR PAYING FURTHER OPERATING AND INVESTMENT AID AND THUS WOULD DEFEAT THE BASIC PROHIBITION OF SUCH AID WHICH WE ALL AGREED LAST MARCH. IT WOULD ALSO REPRESENT A DUPLICATION OF PAYMENT OF AID ALREADY RECEIVED UNDER THE CURRENT STEEL AIDS CODE AND THE FIRMS CONCERNED WOULD IN FACT BE PAYED TWICE FOR THE SAME EFFORT. NOR CAN IT BE ARGUED THAT SUCH AID MAKES SENSE IN TERMS OF REGIONAL DEVELOPMENT POLICY. TO

SUGGEST THAT THE POOR REGIONS OF THE COMMUNITY SHOULD TRY TO SECURE THEIR ECONOMIC DEVELOPMENT THROUGH INVESTMENT IN A TRADITIONAL INDUSTRY SUCH AS STEEL WITH ALL ITS DIFFICULTIES RATHER THAN IN MODERN INDUSTRY WOULD NOT SEEM TO BE IN THE BEST INTEREST OF THOSE REGIONS.

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CLOSURE AID : THE COMMISSION REMAINS CONVINCED OF THE NEED TO
PROVIDE FOR AID TO COVER THE DIRECT COSTS OF
CLOSURES AS WELL AS A SPECIAL COMPENSATION FOR THE SHUT-DOWN OF
HOT-ROLLING MILLS.

A SIGNIFICANT OVERCAPACITY OF MORE THAN 20 MILLIONS TONS CONTINUES
TO HANG OVER THE MARKET. A NUMBER OF COMPANIES REMAIN VULNERABLE
WITH MARGINAL PROSPECTS OF VIABILITY UNLESS THEY CARRY OUT FURTHER
RESTRUCTURING. THE FACT THAT THERE WILL BE A CONTINUATION OF THE
QUOTA SYSTEM FOR A CERTAIN PERIOD ALSO REDUCES THE INCENTIVE FOR
STRUCTURAL CHANGE.

THE COMMISSION WILL KEEP AN OPEN MIND ON THIS ISSUE AND IS PREPARED
TO LOOK FOR A COMPROMISE SOLUTION THAT WOULD NOT DETRACT FROM THE
ESSENTIAL PURPOSE OF NOT INHIBITING FIRMS FROM UNDERTAKING FURTHER
CLOSURES WHICH ARE IN THEIR OWN BEST INTEREST AS WELL AS IN THE
INTEREST OF THE MARKET AS A WHOLE.

MR. SUTHERLAND NOTED THAT THERE SEEMS TO BE GENERAL AGREEMENT ON THE
PROPOSALS RELATING TO R AND D AND ENVIRONMENTAL PROTECTION. AS TO
STATE FINANCIAL PARTICIPATION IN STEEL ENTERPRISES : THE COMMISSION
REMAINS DETERMINED TO ENSURE THAT THERE IS ADEQUATE MONITORING OF
STATE FINANCIAL PARTICIPATION IN ORDER TO VERIFY THAT NO UNAUTHO-
RIZED AID ELEMENTS ARE INVOLVED.

HE CONCLUDED THAT A FAILURE TO AGREE BEFORE THE END OF THE YEAR
ON THE POST-1985 STEEL AID REGIME WILL LEAVE THE COMMISSION WITH
NO ALTERNATIVE BUT TO APPLY FULLY ART. 40 OF THE ECSC TREATY
WITHOUT QUALIFICATIONS. THAT WOULD BE REGRETTABLE IN VIEW OF OUR
DESIRE TO PLACE, THROUGH ART. 95 DECISION, THE STEEL INDUSTRY ON
THE SAME FOOTING AS OTHER INDUSTRIAL SECTORS. A RETURN TO THE
DESTRUCTIVE PRACTICES OF THE PAST BEFORE THE EXISTENCE OF THE
COMMUNITY'S CURRENT STEEL AID CODE IS IN NO ONE'S INTEREST BECAUSE
IT WOULD UNDERMINE VERY RAPIDLY WHAT WE HAVE ALL PAID SO DEARLY
TO ACHIEVE. FROM THE COMMISSION'S POINT OF VIEW WE ARE DETERMINED
NOT TO LET THAT HAPPEN AND WE WOULD LIKE TO AVOID THE OBVIOUS
DIFFICULTIES OF A RECOURSE TO ART. 88 OF THE ECSC TREATY.

I THEREFORE WANT TO REITERATE THAT WE ALL HAVE A FUNDAMENTAL
COMMON INTEREST IN REACHING FULL AGREEMENT ON THE POST-1985 STEEL
AID REGIME ON THE BASIS OF AN ART. 95 DECISION.

AS COULD BE EXPECTED AFTER THE "COREPER" MEETINGS THE "TOUR DE
TABLE" SHOWED A GOOD FOLLOWING FOR THE COMMISSION'S PROPOSALS.
ITALY WAS, HOWEVER, PREOCCUPIED BY AN ATTITUDE WHICH WOULD DISCRIMI-
NATE AGAINST THE STEEL INDUSTRY (REGIONAL AIDS, INVESTMENTS AIDS).
GREECE WHILE ENDORSING THE COMMISSION'S PROPOSALS URGED CAUTION,
IRELAND SUPPORTED THE COMMISSION. GERMANY FIRMLY OPPOSED CLOSURE
AIDS. DANEMARK SECONDESSED.

BELGIUM PLEADED IN FAVOUR OF REGIONAL INVESTMENT AIDS, SAYING THAT
THEY REPRESENTED A GOOD INCENTIVE FOR THE PRIVATIZATION OF STEEL
UNDERTAKINGS, NOW IN PUBLIC HANDS. EYSKENS ALSO CALLED FOR GREATER
TRANSPARENCY AND REFERRED TO HIDDEN SUBSIDIES (COAL, ENERGY TARIFFS
ETC.) BENEFITTING THE STEEL INDUSTRY.

THE UK WANTED STRICT CRITERIA FOR THE PERMISSIBLE R AND D AIDS.
AS FOR CLOSURE AID

AS FOR CLOSURE AID SHE SUPPORTED COMPENSATION FOR REDUNDANCIES,
DEMOLITION AND BREACH OF CONTRACTS, BUT WAS GUARDED ABOUT ACCELE-
RATED DEPRECIATION OF ASSETS. THE MONEY MUST NOT GO TO STEEL VENTURES,
BUT TO OTHER SECTORS. THE NETHERLANDS GENERALLY SUPPORTED THE
COMMISSION, WHILE STRESSING THE NEED TO RESTORE NORMAL MARKET
CONDITIONS AS SOON AS POSSIBLE. LUXEMBOURG REQUESTED LEGAL CLARIFI-
CATION OF THE RELATIONSHIP BETWEEN ART. 40 AND 67 ECSC. CLOSURE
AIDS RISKED TO REWARD THOSE WHO HAD BEEN SLOW IN RESTRUCTURING.

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LUXEMBURG OPPOSED CLOSURE AIDS FOR HOT-ROLLING MILLS. PORTUGAL AND SPAIN DID NOT HAVE ANY PARTICULAR COMMENTS. MR. SUTHERLAND REPLIED TO THE VARIOUS POINTS MADE, EMPHASISING MORE PARTICULARLY THAT CLOSURE AIDS HAD BEEN RETAINED BY THE COMMISSION BECAUSE ONE COULD NOT PRETEND THAT WE WERE IN A FREE MARKET SITUATION. THE QUOTA DISCUSSION CLEARLY CONFIRMED THIS AND CLOSURE AIDS WERE DESIGNED TO MAINTAIN AN INCENTIVE FOR DEALING WITH EXCESS CAPACITY.

THE PRESIDENCY DREW THE FOLLOWING CONCLUSIONS :

.. CONSIDERING THAT :

- A BROAD CONSENSUS HAS BEEN REACHED AMONG THE MEMBER STATES ON THE NEED TO ADOPT ON THE BASIS OF ARTICLE 95 OF THE ECSC TREATY A STRICT SYSTEM OF AID TO THE IRON AND STEEL INDUSTRY AFTER 1985,
- THIS IDENTITY OF VIEWS ALSO COVERS THE JUSTIFICATION FOR EXCLUDING FROM THIS SYSTEM OF AID ALL POSSIBILITY OF OPERATIONAL AID AND AID FOR INVESTMENTS WHICH ARE NOT IN THE NATURE OF REGIONAL AIDS,
- THE MEMBER STATES ARE AGREED AS THE NEED TO ALLOW THE IRON AND STEEL INDUSTRY TO BENEFIT FROM RESEARCH AND DEVELOPMENT AID AND AID FOR PROTECTION OF THE ENVIRONMENT ON THE SAME TERMS AS THE OTHER SECTORS, AND TO SUBJECT TO PRIOR NOTIFICATION. MEMBER STATES' FINANCIAL PARTICIPATION IN IRON AND STEEL UNDERTAKINGS,
- THE MAJORITY OF MEMBER STATES ARE IN FAVOUR OF EXCLUDING REGIONAL INVESTMENT AID FROM THE SYSTEM AND TO PROVIDE INCENTIVES FOR FURTHER CLOSURES BY ALLOWING AT LEAST FOR COVERING THE COSTS OF CLOSURES LISTED IN ARTICLE 4 (2) OF THE EXISTING CODE OF AID (DECISION NO. 2320/81/CECA),

THE COUNCIL REQUESTS THE COMMISSION, BETWEEN NOW AND THE COUNCIL'S MEETING, TO CONTINUE ITS BILATERAL CONTACTS WITH THE MEMBER STATES IN ORDER TO BRING ABOUT CONVERGENCE BETWEEN THEIR POSITIONS ON ISSUES WHICH STILL GIVE RISE TO DIFFERING VIEWPOINTS. ..

OBJET : RELATIONS AVEC LES ETATS-UNIS DANS LE DOMAINE SIDERURGIQUE

LE CONSEIL A PRIS CONNAISSANCE DES INFORMATIONS QUE LUI A FOURNIES LA COMMISSION SUR LES CONSULTATIONS EN COURS AVEC LES ETATS-UNIS DANS LE DOMAINE SIDERURGIQUE.

A LA SUITE D'UN ECHANGE DE VUES, LE CONSEIL

- A SOULIGNE QUE LA CEE A ETE LA PREMIERE A CONCLURE UN ARRANGEMENT DANS LE DOMAINE SIDERURGIQUE AVEC LES ETATS-UNIS, QUI A ETE PLEINEMENT RESPECTE, ET A INSISTE POUR QUE LES EFFORTS DEJA CONSENTIS DEPUIS LORS POUR RESTREINDRE SES EXPORTATIONS SOIENT EGALEMENT PRIS EN COMPTE ,

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- A EXPRIME SES TRES VIVES PREOCCUPATIONS DEVANT LES POSITIONS PRISES JUSQU'ICI PAR LA PARTIE AMERICAINE QUI EXIGE ENTRE AUTRE AUSSI BIEN UNE AUGMENTATION IMPORTANTE DE LA COUVERTURE EN PRODUITS QU'UNE REDUCTION DES POSSIBILITES D'EXPORTATION ET CE PENDANT UNE DUREE EXCESSIVE,
- A RAPPELE QU'UNE SOLUTION NEGOCIEE N'EST TOUTEFOIS ENVISAGEABLE QUE SI ELLE TIENT COMPTE EGALEMENT DES INTERETS FONDAMENTAUX DE LA SIDERURGIE EUROPEENNE,
- A SOUTENU PLEINEMENT LA COMMISSION DANS SES EFFORTS EN VUE DE PARVENIR A UN ACCORD AVEC LES AUTORITES AMERICAINES ET A INVITE CELLE-CI A POURSUIVRE AVEC FERMETE LES DISCUSSIONS, EN ETROITE CONSULTATION AVEC LES ETATS MEMBRES.

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Luxembourg, 17 October 1985

Bis note(85)331 (suite 3 et fin) aux Bureaux nationaux
CC. aux Membres du SPP -----

The Industry Council, Luxembourg, 17.10.1985

The Group of Director Generals had not been able to advance farther on the technical details of the quota system given the limited amount of time at their disposal.

The Presidency concluded that these points would have to be taken up at a later meeting but repeated that as a preliminary signal to the market it can be said that agreement on the liberalization of cat. Id and V seems likely.

Mr. Narjes stressed that liberalization of these two categories alone would not be sufficient in the view of the Commission. He once again emphasized the need for a decision before the end of October in order to avoid serious damage to the steel industry due to uncertainty.

Upon intervention by the Belgian delegation the Presidency agreed that the interlinking of the aids code and quota system must not be neglected and went on to propose a new meeting on 29 October which should be taken as the ultimate deadline for a decision. Consultations are to take place between high ranking officials in the meantime to work out the remaining technical details.

Regards,
P. Vinther

