

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

5196/81 (Presse 27)

693rd meeting of the Council

- Iron and Steel -

Brussels, 3 March 1981

President: Mr G.M.V. van AARDENNE,

Minister for Economic Affairs  
of the Kingdom of the Netherlands



Netherlands:

Mr G.M.V. van AARDENNE

Minister for Economic Affairs

United Kingdom:

Mr Norman TEBBIT

Under-Secretary of State,  
Department of Trade

Commission:

Mr Gaston THORN

President

Mr François-Xavier ORTOLI

Vice-President

Vicomte Etienne DAVIGNON

Vice-President

Mr Frans H.J.J. ANDRIESSEN

Member

Mr Ivor RICHARD

Member

o

o

o

At the end of its deliberations on the situation in the iron and steel industry, the Council approved the following resolution (1) :

" Since 1975 the European iron and steel industry has been facing a deep and lasting crisis. This difficult situation can only be overcome at the cost of large reductions in global capacity for crude steel and finished products. Restructuring actions that have already been implemented have brought about important increases in productivity.

The Council concurs with the Commission's diagnosis of steel restructuring problems and of aids to the steel industry and agrees with the Commission that the principal objectives of restructuring policies are to return the steel industry in the Community to international competitiveness, to restore the profitability of the firms in order to ensure stable employment and to avoid distortions of competition between individual firms which might jeopardize the efforts already made in this direction.

To restore competitiveness, degressive public aids will be accepted only as a transitional measure and on the condition that they contribute directly to the restructuring of the sector.

The Council is of the opinion that no further public aid schemes in favour of the steel industry should be introduced after the 1st July 1983.

Before the 1<sup>st</sup> April 1981 and within the framework of the Community's anti-crisis measures iron and steel companies must come to a voluntary arrangement concerning their deliveries inside the Community. The Member States and the Commission support the realisation of this objective.

For its part, the Commission :

---

(1) Provisional text.

- will collect from Member States and enterprises the necessary data for the conduct of its aids policy;
- will ensure full disclosure of all public aid funding granted to steel undertakings by the Community and the Member States and present a new report within two months;
- will use its powers to ensure that enterprises inform it on their restructuring plans in the framework of the objectives and timetable set out;
- will use its discretionary powers under article 54 to grant loans for investment programmes only where projects achieve a satisfactory degree of restructuring with no increase in the production capacity for a product without discarding an equivalent uneconomic production capacity;
- will apply strictly the provision of its decision n° 257/80/ECSC and ensure, in particular, that no aid will be granted to preserve obsolete capacities or to enterprises which do not make the necessary efforts to restructure in accordance with the principles mentioned above;
- will confirm its requirement that Government notify in advance all public aids, specific or not;

- will ensure that steel prices are not adversely affected by unfair or discriminatory practices prohibited by article 60 ECSC and use existing powers to roll back such practices applying the appropriate sanctions, in particular by applying measures provided in articles 63, 64 and 67 ECSC without delay.

Where unjustifiable burdens would be imposed on certain groups of workers, the appropriate social measures will have to be introduced to mitigate the effects of capacity reduction resulting from restructuring.

The Council will meet again on the 26 of March to take decisions on the above."

---