
INTERVIEW

'Italy must save her vital steel capacity'

The following is an interview with G. Vecchiatti, director of the Industrie Siderurgiche Associate (ISA). He is one of the leading spokesmen for the steel industry grouping known as Bresciani or Tondinari, named after the steel industry in the Italian region of Brescia. The interviewer was Dr. Giuseppe Filippini, director of the Italian Fusion Energy Foundation and a Milan correspondent for the EIR.

EIR: In Dortmund, West Germany, which is a steel-producing center, there was an open rebellion against the European Community project of Viscount Davignon to reduce steel production in Europe. The government of North Rhine Westphalia, the mayor of Dortmund, and the factory council of Dortmund's Hoesch steel plant mobilized themselves against the refusal to build new steel plants and a 1,300 megawatt nuclear plant that were projected in order to increase the productive capability of that region. These forces believed the new facilities were necessary for the construction of pipelines for the natural gas pipeline from Siberia to Western Europe. How does the Italian steel sector see this difficult period?

Vecchiatti: The situation is, in fact, difficult. Davignon foresees a 28 percent cut in production in Brescia steel. The inspectors of Davignon arrived and they are able to give fines of up to 100 liras for any kilogram in excess. So all the steel factories blocked their production for one day every week. The situation will go on this way, then we will see. In the meantime, the workers are in Cassa Integrazione [to receive unemployment compensation] one day per week. We have demanded help from the government, or otherwise many firms will be forced to shut down.

EIR: How do you see the market situation? Are we in a time of overproduction?

Vecchiatti: Obviously, the question must be considered equally from the side of consumption. For years we have been pressuring the government to relaunch a plan for housing construction. A program in such a sector would change the situation for steel demand, and nobody can tell me there is no demand for housing. Not to speak of

the public works sector—from Florence toward the South, to Rome and Naples—everything must still be done with respect to the highways. The entire highway network from the Adriatic to the Tyrrhennian Seas through the Appennine mountains. If we want a development program to industrialize the Mezzogiorno [the southern region], then we need infrastructure. According to calculations, to build a bridge over the Messina Strait between Calabria and Sicily, you would need the whole of Italian steel production for one year.

EIR: Minister for the Public Sector Gianni DeMichelis considers the steel sector, the primary chemicals, and other sectors as sunset industries, while the future would be for electronics, informatics, and so on. What do you think of this approach?

Vecchiatti: Obviously I cannot agree with such conceptions. The Italian steel sector is very modern, one of the most efficient in the world. We use, almost exclusively, electric ovens that guarantee an energy efficiency three times better than the others.

Everywhere in the world, in West Germany, the United States, and so on, they are trying to do the same thing. Obviously the problem is that we need electric energy and this is produced in Italy by ENEL [Ente Nazionale per l'Energia Elettrica is the state-owned body responsible for Italy's energy grid—ed.] and ENEL doesn't produce much of it. But at this point, this is ENEL's problem, not ours. With nuclear plants, the problem would be solved. And besides, do you know how much steel you would need to produce a nuclear plant?

EIR: The energy program drafted by the Fusion Energy Foundation for Italy foresees the complete substitution of nuclear for oil by the end of the century. The program projects the construction of 100 plants of 1,000 megawatts each with a development of the productive capabilities of the nuclear sector. To achieve this goal, it would be necessary to double the present steel production by that time. Do you have any plan to expand production, in view of relaunching the nuclear energy sector?

Vecchiatti: The government continually changes its ideas on this point: solar energy, coal. It doesn't give any indication at all. We are disoriented. We prepared many times to start development programs for the Mezzogiorno, for housing, for nuclear. The government says there are no funds, while the money is given to other sectors for political reasons.

The national [steel] productive capabilities are good, in any case. In 1979, we produced 26 million tons. We are second within Europe. Great Britain, just to give an example, produced only 11 million tons. Despite everything, these data show we must still trust this country.