

EUROPEAN COAL AND STEEL COMMUNITY
HIGH AUTHORITY

Eighth
GENERAL REPORT

on the

Activities of the Community

(1 February 1959 — 31 January 1960)

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FOREWORD

In submitting its first General Report to the European Parliament, the new High Authority is concerned to present an overall picture of the situation of the Community as this has appeared to it since its installation on September 16, 1959, and to describe the lines of action which it feels to be indicated.

It intends to examine quite frankly not only the good sides, but also the unsatisfactory elements it has found. Five Members of the present High Authority have been in office since the institution was first set up in August 1952; one Member assumed his duties a few weeks before the end of the transition period, and the remaining three at the time of the general renewal of Membership in 1959. They would all take this opportunity to pay tribute to those who did so much to make the first High Authority what it was — Jean MONNET, René MAYER, FRANZ ETZEL, the late Franz BLÜCHER, Léon DAUM and ENZO GIACCHERO, whose outstanding work for Europe need hardly be stressed here. The High Authority is particularly happy to submit this Report to a European Parliament whose President is none other than the veteran statesman who be called the father of the Coal and Steel Treaty, M. Robert SCHUMAN.

I

This general balance-sheet of the Community's position at the beginning of 1960 shows at once a number of obvious items on the credit side. The institutions of the Community are firmly established; the major role played by the European Parliament in their operation was recently demonstrated once again in connection with the preparatory

work on the revision of the Treaty's provisions regarding readaptation. No better example could be cited to refute the contention that the Community is an organization of technocrats.

The Community is recognized in the international field. Its association with the United Kingdom offers possibilities for the amicable settlement of certain very difficult problems arising out of the temporary restrictions on trade in coal.

The operation of the Common Market reveals that the interpenetration of the national markets has made notable strides. The publication of prices and the elimination of discriminatory practices have produced some degree of market transparency. The ending of discriminations and the introduction of international through-rates have been milestones in the field of transport.

The abolition of subsidies has helped to place competition on a sounder basis; where exceptions are still having to be made, as in the case of certain Belgian collieries, such subsidies are subject to Community controls. The Treaty has enabled precautionary measures to be taken to cope with exceptional conditions: thus when the difficulties in the coal sector seemed likely to lead to serious disturbances in the Belgian economy, arrangements were worked out at Community level, under Article 37 of the Treaty, both to speed up and intensify the necessary reorganization of the Belgian coalmining industry and to ensure that the process went ahead in an orderly manner, thanks to the introduction of certain temporary restrictions on trade. The payment of special allowances to miners particularly affected by short-time working is helping to cushion the social consequences of the Belgian coal crisis.

In the Community as a whole, the existence of common rules has meant that the reorganization of the coal industry, necessitated by the structural changes in the energy

market has not been hampered by the introduction of arbitrary trade restrictions.

The Common Market has also been a contributing factor in the unprecedented expansion of the iron and steel industry, whose production is now approaching 70 million metric tons a year, as against approximately 40 million at the time when the Treaty was concluded.

Financially, the High Authority's credit has been solidly established since its contraction of substantial loans in the capital markets of several countries. Out of these, it has been able to make available funds to a total value of over 200 million dollar units of account for the financing of investment projects in Community countries. It has also guaranteed a number of major financial operations. The new High Authority will be in a position to continue this promotion of investment projects judged to be in line with the General Objectives, and hence with the interests of the Community as a whole. A general survey of investments, forming a useful guide for the operations of all the enterprises and bodies concerned, is now published at regular intervals. In addition, large-scale programmes of technical research have been launched.

The High Authority has opened credits totalling approximately 40 million units of account, derived from the levy, to finance readaptation projects for the benefit of Community workers affected by industrial reconversions resulting from the introduction of the Common Market. Readaptation, a major innovation in the field of labour policy, has proved so effective that it is likely to play a central part in the operations to resolve the present structural problems of the coal-mining industry: the projected "minor revision" of the Treaty will enable action to be taken to deal with the social implications of the structural adjustments required. The 25,000th dwelling to be built with the High Authority's assistance under its various housing schemes for miners and steelworkers will shortly be completed. For the first time in European

history, comprehensive studies of working conditions generally have been carried out on the basis of comparable data. The High Authority has arranged meetings of employers and workers from the six countries, thus making an indirect but active contribution to social progress in the Community: although matters sometimes proceed slowly, new habits are none the less implanted.

The High Authority was responsible for the setting-up of the Mines Safety Commission, and has promoted basic research in the field of industrial health and medicine. It also played a vital part in the framing of the Convention on Social Security for Migrant Workers: this instrument so anticipated the corresponding work undertaken by the E.E.C. Commission that this was completed during E.E.C.'s first year of existence. Thus even in the field of social affairs, in which it has very limited powers, the High Authority has achieved notable results.

II

These various items on the credit side should not, however, obscure the fact that a number of practical difficulties have been encountered in the operation of the Community, and that the means of action at the High Authority's disposal are not always all that they might be. A good deal has been said about the extensive powers vested in the High Authority under the Treaty, but the fact has sometimes been overlooked that the Treaty does not leave it to the High Authority alone to decide whether some of these powers are to be used. Experience has shown that this is a source of possible disagreement between the High Authority and the Council of Ministers. Thus in 1959 the two institutions took different views of the coal situation. In point of fact, the trouble is not so much these divergences in themselves as the atmosphere they tend to create. For the Community to function smoothly and effectively, it is essential that the terms

of reference of the different institutions should be scrupulously respected, and that all parties should work to arrive at constructive decisions in conformity with the rules of the Treaty. If an adjustment of these rules proves necessary, the Treaty lays down the procedure to be followed. Only in this way can the problems be effectively dealt with.

The High Authority, for its part, is fully alive to the importance of its relations with the member Governments, and will do everything in its power to ensure that these are as close as possible. At the same time, it would emphasize its profound and unanimous conviction that it could not possibly fulfil its responsibilities if the only means at its disposal were that of persuasion, and if the operation of the Community were based on the principle of unanimity.

The cardinal principle of the European Coal and Steel Community is what Article 9 of the Treaty calls the "supranational character" of the High Authority's functions. The establishment and maintenance of a common market inevitably involves acts of judgment and political choice which it would be hopeless to expect from institutions which were not invested with certain specific powers and where the procedure for taking decisions was not adapted to practical needs. It can fairly be said that had it not been for the High Authority's powers of decision not even the very first stage in the introduction of the Common Market would have gone through to schedule. And the High Authority's role as arbiter is still essential today to the ordered functioning of the Community — witness such cases as the implementation of Article 37 to remedy the difficulties due to the structural weakness of the Belgian coalmining industry, and the important decisions the High Authority is now having to take concerning the authorization of cartels and concentrations.

As the President of the High Authority put it, speaking before the European Parliament on January 12, 1960, in the debate on the revision of Article 56 of the Treaty, the supranational principle is "a new method of knitting together

the forces of history, by which the sterile effects of mere balances of power may be overcome, and impetus is given to the quest for new balances more productive of a sustained development of the values of progress and peace." Whatever organizational changes the European Communities may undergo in the future, this method must be preserved at all costs, since it is essential to the building of Europe.

III

Examination of progress to date in the various fields coming under the Coal and Steel Treaty shows, moreover, that where the Governments have had to try to reach agreement by the traditional rules of international negotiation it has often proved extremely difficult to work out a solution which meets the requirements of the Treaty. Thus it is disappointing to note that two years after the expiry of the transition period, the distortions resulting from differences in rate-making procedure for transport by road and by inland waterway have still not been eliminated, and that no solution has been found to the problem of publication of transport rates. The High Authority ultimately issued a decision seeking to settle the disagreement on road-haulage rates: two of the Governments thereupon lodged appeals with the Court of Justice.

Again, there is the case of the agreement concluded among the member Governments under Article 69 of the Treaty with the object of making a start on the introduction of freedom of movement for workers within the Community. The agreement duly came into force — after one or two hitches — within a reasonably short space of time. But the matter has been handled so gingerly that the practical effects of the measures adopted are almost negligible. The High Authority has therefore been trying to secure the revision of some of the implementation arrangements, but it has no power to insist. In such cases the support of the European

Parliament is especially valuable, particularly if it is backed by political campaigning within the member countries.

IV

The flaws which have come to light in the operation of the Community are not confined to fields outside the coal and steel sectors proper. The implementation of Article 26 of the Treaty, which makes the Special Council of Ministers responsible for co-ordinating the work of the High Authority with the general economic policies of the Governments, has proved inadequate to resolve some of the practical difficulties encountered, more particularly in the field of price policy.

Although Community prices are free, Governments have on a number of occasions, without raising the matter in the Council and without possessing direct powers of their own, exerted considerable influence on them, especially during boom periods. The enterprises are not, of course, legally obliged to respect their Governments' wishes in these matters, but it is often very difficult to do otherwise within the national economy. This is a serious problem inasmuch as the long-term expansion of an industry in a given country may be gravely prejudiced if the industry is called upon to make sacrifices which are not asked of its competitors in the Common Market.

V

Problems relating to price rigidity can also be the result of habits acquired in other days and other circumstances. The new High Authority is faced in this connection with an unsatisfactory position in regard to cartel policy. Article 65 of the Treaty is quite unequivocal, and its provisions form part of the legislation of all the member States. The old High Authority tried to introduce changes allowing free play of competition, but it did not obtain the results hoped for,

so that a considerable problem remains. It is proving singularly difficult to induce any change in some of the habits of thought encountered. Moreover, action by Governments with regard to prices, as just referred to, and action by producers frequently tend to reinforce each other. Indeed, it is sometimes difficult to distinguish cause from effect. For instance, the fact that a cartel exists will be cited, fairly enough, as a reason for special concern with pricing, but at the same time the Government will be taking steps to get the producers to follow a given, and hence co-ordinated, line. This kind of thing is liable to trigger off chain reactions, with one country deciding it is essential for it to centralize its imports because in another country the leading producers have formed a united bloc, and the producers in the second country in their turn concluding that they are entitled to do the same as their neighbours. Clearly, the adoption of this system on a general scale would spell the end of anything resembling a true common market. It may be added, with more specific reference to current problems, that the price policy of most of the Community collieries after the reversal of the cyclical trend in 1958 undoubtedly rendered their competitive position very much more difficult.

This question is thus bound up with the various others which the new High Authority will have to resolve if it is to cope with the central problem now confronting it — the structural adaptation of the European coalmining industry to its new competitive position both *vis-à-vis* imported coal and *vis-à-vis* other sources of energy.

The High Authority's view is that a greater degree of flexibility in the implementation of the rules on non-discrimination and price publication would help to produce greater flexibility in the structure. The Court in 1954 reversed a decision to this effect taken by the old High Authority; the new High Authority has reopened the matter with a view to achieving the desired end by other means.

VI

In the High Authority's last General Report the focus was largely on matters connected with the importation of coal from third countries. As will be recalled, buyers in the Community had been contracting at high prices for larger tonnages than they really required, but the inflow of third-country coal subsequently had to be stopped just when it was becoming available at advantageous prices; owing to the inelasticity of the Community collieries' production, they failed to adjust themselves in time to the competition from imported coal and other energy products. The old High Authority was compelled to introduce special measures for the temporary restriction of imports of third-country coal into the Federal Republic of Germany; the new High Authority extended these, and took similar steps in respect of Belgium.

However, the various measures taken regarding imports, both by the Governments and by the High Authority, are no real answer to the problem, which is to make the coalmining industry of the Community competitive *vis-à-vis* the new and cheaper sources of energy available from other parts of the world, from which Europe cannot cut itself off without penalizing its whole economy.

The true solution must be sought along three lines :

- a) by insuring that insufficiently economic production units are not kept in operation by mere structural rigidity;
- b) by encouraging the rationalization of viable production units;
- c) by facilitating the necessary reorganization of the coalmining industry, more particularly through the cushioning of its social repercussions.

It was with these three aims in view that the High Authority issued its decision on the application of Article 37 to Belgium, and took action to have Article 56 revised. It must be emphasized with regard to the decision on Article 37 that the restrictions on trade, which are to be regretted, are a temporary feature only: the permanent and essential element is the intensive reorganization of the Belgian coal-mining industry. As regards the revision of Article 56, the number of applications for readaptation recently handled by the High Authority demonstrates how vitally important it is that the provisions of the Article should be amended if the structural alterations are to go through in an orderly manner. The value of readaptation is now generally recognized. Moreover, its importance is not confined to the granting of tide-over allowances to workers between jobs: it is also a means of assisting the establishment of new economic activities, *i.e.* industrial redevelopment. The High Authority and the Council of Ministers are preparing to tackle the problem of the redevelopment of the areas affected by pit closures, and a conference is to be held with the Governments to decide the basis on which further action should be taken.

The better to deal with these fresh tasks, the High Authority recently remodelled the structure of its administrative services. The co-ordination of work in connection with industrial reorganization and redevelopment is, in view of the cardinal importance of the social aspects, to be the responsibility of a special Department for Labour Problems, Industrial Reorganization and Redevelopment. A section of the Economic Affairs and Energy Department is to examine the changes in the industrial pattern:

VII.

The Community, it has already been emphasized, cannot with impunity cut itself off from the new and cheaper outside sources of energy. But the emergence of the hard

fact that any substantial expansion of the national product inevitably entails increased dependence on imports has made it imperative that a co-ordinated energy policy should be developed. The points just made with regard to the rationalization and reorganization of the coalmining industry must therefore be seen within this broader context.

It is no longer possible to organize the rational working of Community resources and ensure their systematic development by dealing with all matters concerning the other energy products purely in the light of internal coal problems. What is needed is that the contributions by the different sources should be combined into one flow regular enough to ensure that, whatever the cyclical trend, the adjustment of the coal production of the six countries to changing circumstances will not be interfered with by excessive fluctuations.

One of the main principles of the Coal and Steel Treaty is that the Community is non-autarkic. Article 3, *g* provides that its institutions shall, within the framework of their respective powers and responsibilities and in the common interest, "promote the regular expansion and the modernization of production as well as the improvement of quality, under conditions which preclude any protection against competing industries except where justified by illegitimate action on the part of such industries or in their favour."

It is thus true to say that the Treaty lays down the principle of competition between Community coal and third-country coal, and between Community coal and other energy products. It would, however, have been extremely difficult to foresee in 1950 the great changes which were to take place in the competitive situation, or the extent to which trade in coal and oil with third countries was to grow. At that time it was generally considered that indigenous coal would long remain the principal source of energy for the Community, and for some of the member countries practically the only one.

VIII

Today, the situation, and still more the outlook, are altogether different, but the means of action open to the High Authority are still the same, except for the Protocol of October 8, 1957, requiring the High Authority to frame proposals for the co-ordination of energy policy. The new High Authority, in co-operation with the E.E.C. and Euratom Commissions, immediately started on the task of working out concrete proposals on the basis of the Protocol. In view of the varying assortment of measures in many cases rushed through by the member countries to meet the difficulties arising, it is obvious that the process of co-ordination needs to be progressively put in hand before these individual systems harden into place. Both the subject itself and the procedures to be followed in order to take due account of the points of view of all those concerned are highly complex, but it can now be said that the powers and competencies of all parties are clearly defined. The three Executives shortly after the installation of the new High Authority drew up a memorandum on the co-ordination of energy policies, which has since been approved by the Special Council of Ministers. The work is well under way and the co-operation by the Executives is proving most valuable.

Are the means of action open to the Community adequate to deal with these difficult problems? This cannot be known until something has been seen of the way in which the action to be taken does in fact work out. The High Authority expects to submit to the European Parliament during the next few months the first results of the work in progress, and hopes that the Parliament will follow these with the closest attention, in order to take appropriate steps at political level. For its own part, it considers that the establishment of a co-ordinated energy policy, with all the various specifically E.C.S.C. measures this will involve for the adaptation and redevelopment of the coalmining industry, is its first and foremost task at the present time.

IX

The High Authority hopes that this account of the position and of the broad outlines of its work will be a useful contribution to the discussions with the European Parliament, and, through the conclusions emerging from these, to the achievement of the basic objectives of the Treaty — “the expansion of the economy, the development of employment and the improvement of the standard of living in the participating countries.” It intends that these shall be the end and object of everything it undertakes.

Piero MALVESTITI

President

Dirk SPIERENBURG

First Vice-President

Albert COPPÉ

Second Vice-President

Albert WEHRER

Paul FINET

Heinz POTTHOFF

Roger REYNAUD

Pierre-Olivier LAPIE

Fritz HELLWIG

CHAPTER ONE

THE INSTITUTIONS OF THE COMMUNITY AND INTER-COMMUNITY CO-OPERATION

Section 1 — The Institutions of the European Coal and Steel Community

The High Authority

1. On February 9, 1959 ended the first period of six years — reckoned from the introduction of the Common Market — at the expiry of which the Treaty provides for a complete renewal of the membership of the High Authority. The mandate of the old High Authority therefore expired on that date. However, in view of the coal situation, the Governments of the member States considered that the time was inopportune to effect a complete renewal of the High Authority. In the meantime the High Authority was to lose one of its members through the sudden death of Herr Franz BLÜCHER on March 26, 1959, who, by virtue of Article 12 of the Treaty, could not be replaced before the general renewal of membership.

As laid down in Article 10 of the Treaty, the old High Authority remained in office until its membership was renewed, which finally took place on September 16, 1959, after several requests by the High Authority to the Governments of the member countries to put an end to this "caretaker" period, as it was harmful to the institution's authority.

a) On July 25, 1959, the six Governments appointed M. Albert COPPÉ, M. Pierre-Olivier LAPIE, Sig. Piero MALVESTITI, Herr Heinz POTTHOFF, M. Roger REYNAUD, Hr. Dirk SPIERENBURG and M. Albert WEHRER members of the High Authority, and decided that the eighth seat

should be filled by written agreement within one month. By this procedure the Governments of the member States named Herr Fritz HELLWIG.

In accordance with the Treaty, the eight newly-appointed members unanimously co-opted M. Paul FINET as the ninth member of the High Authority.

The membership of the High Authority was thus complete at the beginning of September, 1959, and the Governments then named Sig. Piero MALVESTITI as President and Hr. Dirk SPIERENBURG and M. Albert COPPÉ as first and second Vice-Presidents.

The new High Authority took up its duties on September 16, 1959. At its first meeting it expressed its appreciation of the services rendered by its former members Herr Franz BLÜCHER, M. Léon DAUM and Sig. ENZO GIACCHERO. The same day, the newly elected members attended a special session of the Court of Justice to make the pledges prescribed in Article 9 of the Treaty to exercise their functions in complete independence, in the general interest of the Community, neither soliciting nor accepting instructions from any government or from any institution, and abstaining from all conduct incompatible with the supranational character of their functions.

At the installation of the new High Authority, President Piero MALVESTITI, after stressing the significance of the solemn pledge made before the Court of Justice and the need to carry on the work of building Europe, said: "It is not my intention to engage in any hair-splitting arguments on the problems of supranationality; I will even go so far as to say that in their purely technical and formal aspect they do not interest me. But I know that the Italian constitution has declared and still declares that Italy consents, subject to reciprocity with the other States, to such limitations of sovereignty as may be necessary to an order ensuring peace and justice among the nations; she supports and encourages

international organizations which further this purpose; I know that the Basic Law of the Federal Republic of Germany provides that the Federal Republic shall consent to limitations of its sovereignty designed to promote and ensure a peaceful and lasting order in Europe and between the peoples of the world; in the same way, the preamble to the French Constitution of 1946, confirmed by the preamble to the Constitution of 1958, declares that "subject to reciprocity, France consents to such limitations of sovereignty as may be necessary for the organization and defence of peace."

One-third of the membership of the High Authority is renewed every two years; the order of retirement is determined by lot on the initiative of the President of the Special Council of Ministers. As provided by Article 10 of the Treaty, the President of the Council proceeded to draw lots on September 17, 1959, with the following result:

The terms of office of M. Albert COPPÉ, M. Pierre-Olivier LAPIE and M. Albert WEHRER will expire two years after they took up their duties; M. Paul FINET, M. Fritz HELLWIG and M. Roger REYNAUD will retire after four years, and Sig. Piero MALVESTITI, Herr Heinz POTTHOFF and Hr. Dirk SPIERENBURG six years after the same date.

On September 23, the new President of the High Authority delivered an address to the European Parliament at Strasbourg, in which he declared: "I remain convinced not only of the need, but of the urgent need, for European economic integration on as broad and full a scale as possible". After reminding his audience that "ever-increasing co-operation" was required "between the three Executives and the Governments", President MALVESTITI added: "As President of an institution responsible for ensuring compliance with the provisions of the Treaty, my principal duty will consist in continuing — and I am sure, with the support of your Parliament — the struggle to safeguard the essential elements of the E.C.S.C., that is, the direct and independent powers of the High Authority."

b) While carrying out the duties incumbent upon it under the Treaty in the sectors under its jurisdiction, as described in the different chapters of this Report, the High Authority also reorganized its own internal structure.

The High Authority allocated the various duties among its members by adopting a system of seven working groups with the following terms of reference :

1. Rules of competition, including rules for transport;
2. External relations and information;
3. Social problems;
4. Finance and investment;
5. Economic policy and industrial redevelopment;
6. Co-ordination of energy policies;
7. Coal and steel markets.

At the same time, in order to simplify co-ordination of its departmental work and to adapt the organization's working technique to the nature and development of the problems to be dealt with, the Authority reorganized its internal administrative structure. It decided to group its services under seven Departments; the organization of services common to all three European Executives is not affected by these changes.

The duties and responsibilities of these seven Departments were allocated as follows :

1. *General Secretariat*, with the High Authority Secretariat — responsible also for relations with the other Communities, non-member countries and international organizations. It includes in addition the "Spokesman and General Reports Group."
2. *Administration and Finance Department* — responsible for administration and personnel, and also for the levy, the budget and for financial operations invol-

ving the levy. This same Department also includes the internal Audit (Control) and Inspection Services.¹⁾

3. *Economic Affairs and Energy Department*, responsible for problems of general economic development and policy, and also for problems of competition, including agreements and concentrations and transport.
4. *Market Department (Coal)* and
5. *Market Department (Steel)* — both of them responsible for problems relating to the Common Market in E.C.S.C. Treaty products, for production questions and for supervising the operation of the Common Market.
6. *Department for Labour Problems, Industrial Reorganization and Redevelopment* — responsible for all labour and social problems, and also, because of the extreme importance of its social repercussions, for the co-ordination of work on industrial reorganization and redevelopment.
7. *Loan and Investment Department* — responsible for all matters relating to loans raised and loans and guarantees granted by the High Authority, for the management of bank deposits, and for all questions concerning investments.

Four highly qualified experts in the service of the High Authority were appointed to act as Special Counsellors on whom the High Authority will call for advice.

The adoption of this new organizational structure required a number of administrative decisions, which were taken by the Committee of four Presidents set up under Article 78 of the Treaty. The Committee gave its opinion on the amendments required to be made to the annexes to the staff

¹⁾ See also Chapter Five, Section 5.

rules and regulations in order to cover the newly created posts. The administrative reorganization was timed to become effective on February 1, 1960.

c) The new Executive considered it important to establish its relations with the Governments of the member countries on a solid foundation. Almost immediately upon taking office it felt obliged by the prevailing circumstances to make contact with the Belgian Government. ¹⁾ The High Authority paid a visit to the authorities of the Federal Republic of Germany on October 15 and 16, and to the French Government on November 6, 1959. Similar visits to the other capitals are to take place in the near future.

In the course of these visits the High Authority, apart from making contact, endeavoured to outline its views on the main problems — in particular those of the structural changes in the coalmining industry emerging in connection with the co-ordination of the different sources of energy, and to arrive at a better understanding on both sides. The High Authority is happy to state that these conversations unquestionably helped subsequently to dispose of certain specific problems on which the Special Council of Ministers had been consulted or for which its agreement had been obtained.

On October 31, 1959, the High Authority received an official visit from Herr Willy BRANDT, Burgomaster of West Berlin.

The Consultative Committee

2. The Consultative Committee, which is attached to the High Authority and consists of an equal number of representatives of the producers, workers-representatives, consumers and dealers, met eleven times during the period under consideration.

¹⁾ See No. 64 below.

Every three months the High Authority submits to the Consultative Committee an overall report on developments in the general economic situation and on the measures progressing in its various spheres of action. Such reports were given at the 47th, 52nd, 55th, 56th and 58th meetings when the High Authority submitted its quarterly programmes giving forecasts of the production, consumption, imports and exports of Treaty products.

The 47th meeting, the old Committee's last, took place on January 14 and 15, 1959. The Committee replied in particular to two questions put by the High Authority concerning readaptation and the freedom of movement for workers. Further, it expressed approval of the provision of financial assistance to facilitate and develop the analysis, abstracting and translation of technical literature in Russian and Eastern languages. The Committee also discussed with the High Authority estimates for a provisional coal balance-sheet for 1959 drawn up by the High Authority, and a coal policy to form part of an overall energy policy, submitted by the Committee.

The Committee met again on January 15, 1959, for the constituent session of the new Committee, composed of members appointed by the Special Council of Ministers. ¹⁾ M. BASEILHAC, a member of the group of producers, was elected chairman for the period January 15, 1959 to January 14, 1960.

At its 49th meeting on February 10, 1959, the Consultative Committee continued the discussion of coal matters and expressed itself in favour of the extension up to March 31, 1960, of certain joint financial arrangements of the Ruhr coalmining companies.

The 50th meeting, held on February 25, 1959, was devoted to a consultation requested by the High Authority

¹⁾ See *Journal officiel des Communautés européennes*, January 27, 1959.

under Article 67 of the Treaty, concerning the despatch to the French Government of a recommendation in accordance with Article 67, 2 para. 3. ¹⁾

At the 51st meeting, held on March 17, 1959, the Consultative Committee gave a majority decision against the advisability of introducing a production quota system for coal accompanied by import control measures under Articles 58 and 74 of the Treaty. The Committee unanimously approved the institution of a provisional scheme for assisting miners affected by short-time working in Belgium. ²⁾

The Committee met again on April 2 and 20 and on June 1st for its 52nd, 53rd and 54th meetings, at which it approved several schemes for financing technical research, submitted by the High Authority; the implementation, on certain conditions, of Article 95 to provide a special grant for Community miners collectively put on short time, the extension of assistance to mineworkers working short time in Belgium, and the amendment of the decision on the alignment of prices for coal delivered by road. ³⁾ The Committee also replied to a question put by the High Authority on the long-term development of the iron and steel industry.

The Consultative Committee also met on July 3, October 6 and December 11, 1959, for its 55th, 56th and 57th meetings, at which it adopted new rules of procedure and supported the further extension, up to December 31, 1959, of assistance to mineworkers working short time in Belgium.

The last meeting was held on January 14, 1960, with M. BASEILAC in the chair; the following day M. BAART, a member of the workers' group, was elected chairman. At this 58th meeting the Committee held a fresh consultation in accordance with Article 95 of the Treaty on the assistance to be granted to miners collectively put on short time in

¹⁾ See No. 90 below.

²⁾ See Nos. 59 and 140 below.

³⁾ See No. 87 below

Belgium, also a further consultation concerning a financial grant towards a second programme of studies and research on industrial medicine.

The European Parliament

3. The European Parliament continued to exercise the powers of debate and control conferred upon it by the European Treaties. This Report gives an account of the proceedings in the European Parliament in connection with the activities of the European Coal and Steel Community and subjects of common interest to the three European Executives.

The 7th General Report already mentions the work done by the European Parliament at its session of January 7 — 15, 1959. This was followed on January 16 and 17 by a joint session of the European Parliament and the Consultative Assembly of the Council of Europe.

The Parliament reassembled under the presidency of M. Robert SCHUMAN from April 9 to 19, 1959. With regard to E.C.S.C. in particular, the Parliament heard a statement by the President of the High Authority, after which the 7th General Report on the activities of the Community was submitted. It then opened the debate on the statement and the Report as well as its own Committees' reports on the operations of the coal and steel markets and the social aspects of the coal problem. It voted two resolutions, one of which stated the position taken by the Parliament on the coal crisis. ¹⁾

In accordance with Article 22 of the Treaty, the European Parliament resumed the proceedings at its annual ordinary session of May 12 — 14, 1959. It continued the debate on the 7th General Report on the activities of the E.C.S.C. and discussed several reports from its Committees.

¹⁾ See *Journal officiel des Communautés européennes*, May 8, 1959.

Following these debates the Parliament adopted three resolutions, one on the development within the E.C.S.C. of measures concerning industrial health and medicine and industrial safety, another on technical and economic research within the E.C.S.C., and a third stating the six Governments' attitude to the proposals made by the conference on safety in coalmines.

The Parliament also voted two further resolutions, one concerning the future permanent seat of the European institutions and the other on the creation of a European University. ¹⁾

From June 22 to 26 the Parliament continued its annual ordinary session. In view of the importance of developments in the coal market, the High Authority had submitted, for consideration at this session, a special Report ²⁾ going over the events in this sector between January 31 and May 15, 1959, and containing the principal documents relevant to this period. The Parliament considered a report on energy problems raised in the General Reports on the activities of E.C.S.C., E.E.C. and E.A.E.C., and adopted a resolution on the development of European energy policy. Subsequently a resolution was voted on E.C.S.C. budgeting and finance. ³⁾

The Parliament continued its work at the session held from September 22 to 25, 1959. It took note of a statement by President Schuman on the results of the meeting which took place on July 25, 1959, between a delegation from the European Parliament and the Foreign Ministers of the member States on the seat of the European institutions. The Parliament heard an address delivered by Sig. Piero MALVESTITI, President of the High Authority, on behalf of

¹⁾ See *Journal officiel des Communautés européennes*, June 8, 1959.

²⁾ See *Special Report by the High Authority to the European Parliament on the Coal situation* (January 31 to May 15, 1959).

³⁾ See *Journal officiel des Communautés européennes*, July 15, 1959.

its new members. It discussed a Committee report on the policy of freedom of movement for workers, on housing construction policy, certain manpower problems in the Community industries, and on the assistance to be granted to miners collectively put on short time as a result of the drop in coal sales. A resolution was adopted giving effect to the inaugural address by the President of the High Authority and another on manpower problems. ¹⁾ The Parliament also closed the debate on a report on the European Economic Association.

As provided by Articles 139 and 109 of the Treaties establishing the European Economic Community and the European Atomic Energy Community, the Parliament held a brief session on October 20, 1959 and deferred proceedings to the plenary session of November, 1959.

At its November session, held from November 20 to 27, the European Parliament exchanged views with the Council of Ministers and the Community Executives on matters concerning relations between the Parliament and these Councils, co-ordination of the six member countries' external policy in regard to third countries, particularly in regard to under-developed countries, and on the problems raised by the association of overseas countries and territories. Two resolutions were adopted, one concerning the first, the other on the third item discussed. ²⁾

The Parliament resumed its work on January 11, 1960 when it heard a statement by the President of the High Authority on the problem of readaptation in the Community and the revision of Article 56 of the Treaty; it adopted a resolution in support of the High Authority's work in this

¹⁾ See *Journal officiel des Communautés européennes*, October 10, 1959.

²⁾ See *Journal officiel des Communautés européennes*, December 19, 1959.

matter. ¹⁾ It also discussed a report concerning the statement from President SCHUMAN on the conversations held on July 25, 1959, between the European Parliamentary delegation and the representatives of the six member Governments on the future seat of the European institutions. It further discussed a report on the problems arising in connection with a "European district". These debates were followed by a vote on a resolution. ²⁾

The Special Council of Ministers

4. The Council was closely associated with all E.C.S.C. activities. Details will be found in the different chapters of this Report, but it may be useful to outline here the various aspects of its work during 1959.

The Council met eleven times during this period; discussions of the coal situation took place at every meeting.

At its 56th meeting (January 13, 1959) the Council gave its agreement to a draft decision by the High Authority to amend Decision 27—58 concerning the time-limit for submitting applications for financial assistance in connection with the accumulation of pithead stocks.

The question of reviewing this decision was the subject of an exchange of views at the 57th meeting (February 5, 1959). A lengthy discussion took place at this meeting on the coal situation and the action taken by the Federal Government of Germany over customs duties. The Council took a position on the advisability of extending the validity of the various joint financial arrangements of the Ruhr coal-selling agencies. It gave its agreement, as requested by the High Authority,

¹⁾ See *Journal officiel des Communautés européennes*, February 4, 1960.

²⁾ See *Journal officiel des Communautés européennes*, February 4, 1960.

to a technical research project. ¹⁾ The Transport Ministers of the member States meeting in Council, considered the problem of the disparities in freight rates on inland waterways West of the Rhine.

The principal item of the 58th meeting (March 2, 1959) was an exchange of views with the High Authority on what measures should be taken to improve the situation in the coal market and in particular whether Articles 58 and 74 of the Treaty should be invoked. Proceedings at this particular meeting also included approval of the tonnage of Belgian coal production on which a subsidy would be allowable for 1958 and 1959. Further, the Council was consulted by the High Authority on the despatch of a recommendation on steel price levels in the Common Market to the French Government under Article 67 of the Treaty.

At its 59th meeting (March 23, 1959) the Council heard an overall statement by the High Authority of its considered opinion on the need for recourse to Community action regarding coal. Further, the Council approved the introduction of wage supplements for mine-workers affected by collective short-time working in Belgium.

Coal problems were also the central item at the 60th and 61st Council meetings (May 4 and 5 and 14, 1959). The Council considered measures drafted by the High Authority for the implementation of Articles 58 and 74 of the Treaty without, however, giving its agreement as requested. ²⁾ After taking a vote on this subject, the Council immediately approved certain measures advocated by the High Authority for alleviating the effects of the coal crisis in Belgium. It also laid down certain customs tariff regulations for the next six-monthly period and gave its agreement to the allocation of a financial grant for a technical research project.

¹⁾ See Nos. 126g and 131 below.

²⁾ For greater detail, see the *Special Report by the High Authority to the European Parliament on the Coal Situation* (January 31 to May 15, 1959).

The Council held its 62nd meeting on July 31, 1959, at which it approved the High Authority's proposals concerning the tonnages of coal on which the Belgian Government would be allowed to pay subsidies for 1959, and proposals concerning the details of the financial assistance to be granted for the readaptation of workers affected by an overall programme for the closure of Belgian mines between 1959 and 1961. The Council gave its agreement to the allocation of a financial grant for technical research projects, and took two decisions, one on the regulations governing the exportation of certain classes of scrap, the other on the inclusion of certain products in the Common Market for coal and steel. ¹⁾

The 63rd and 64th meetings of the Council (October 12 and November 17, 1959) were devoted in particular to considering the problems involved by the revision of Article 56 of the Treaty regarding readaptation, to the extension of the special temporary allowance to mine-workers in Belgium, and to the extension of the regulations governing exports of used rails. The Council also received a progress report from the High Authority on work in connection with energy problems, and issued fresh terms of reference to the ad hoc Committee on Inland Water Freight Rates.

The Council met for the last time in 1959 on December 15 (65th meeting) and held the consultation requested by the High Authority on the threat of fundamental and persistent disturbances in Belgium and the measures to be taken under Article 37 to put an end to this situation. The Council agreed to the extension up to December 31, 1959, of the financial assistance granted to miners put on short time in Belgium. The Council also approved the High Authority's proposals for organizing a conference at which the problems arising in connection with the industrial redevelopment of areas affected by the closure of mines are to be examined and supplemented the half-yearly customs tariff regulations which it had laid down at its 64th meeting.

¹⁾ See No. 115 below.

The 66th meeting of the Council took place on January 26, 1960. The Council and the High Authority agreed on a draft revision of Article 56 of the Treaty framed in accordance with the opinion given by the Court of Justice in December, 1959. ¹⁾ The Council also approved the "Memorandum on the Co-ordination of Energy Policies" submitted by the High Authority in agreement with the other two Executives. ²⁾ At this meeting the Council also dealt with questions of extending the arrangement whereby Belgian miners collectively put on short time are to be paid special assistance in accordance with a descending scale. ³⁾

The Court of Justice of the European Communities

5. is made up as follows :

President : A.M. DONNER;

Presidents of the two Chambers of the Court for the judicial year : L. DELVAUX, R. ROSSI;

Judges : N. CATALANO, C.L. HAMMES, O. RIESE, J. RUEFF;

Advocates assisting the Court :

M. LAGRANGE, K. ROEMER;

Clerk to the Court : A. VAN HOUTTE.

On December 21, 1959, the President of the Court of Justice forwarded a letter of resignation from Judge RUEFF to the President of the Special Council of Ministers. Judge RUEFF's post thus became vacant.

Following its installation the Court paid official visits to the Heads of State, the Governments and the Supreme Courts of the six Community countries.

¹⁾ See No. 148 below.

²⁾ See No. 36 below.

³⁾ See No. 59 below.

On March 3, 1959, the Court instituted new rules of procedure ¹⁾ largely based on the old rules but adapted to the new tasks conferred on the Court by the Treaties of Rome. According to the new rules the Community institutions have to submit all documents in the four official languages.

During 1959 the Court registered 46 fresh appeals brought against the High Authority and four against the E.E.C. Commission. It delivered 14 judgments. 64 cases concerning E.C.S.C. activities were pending at the time of going to press. Five of these cases are brought by member States, 55 by enterprises and 4 by staff members of the Community institutions. Broken down by matters in dispute, 17 cases concern price-compensation for imported scrap, 29 are on transport matters, 9 on problems of agreements and concentrations and competition, 4 on personnel matters and 5 on various problems relating in particular to the general levy and to the exercise by the High Authority of its control powers.

Cases from the other Communities amount at the time of going to press to four appeals on personnel matters brought against the E.E.C. Commission by members of its staff.

By its judgment of February 4, 1959, the Court declared inadmissible the appeal No.17/57 brought by the Netherlands coal producers' association "De Gezamenlijke Steenkolenmijnen in Limburg", which had disputed the High Authority's attitude towards the Federal Republic of Germany regarding the granting of a shift bonus to miners employed below ground (Bergmannsprämie). The Court supported the High Authority's contention that its action in the matter was not a decision within the meaning of the Treaty against which an appeal for annulment could be brought. The same association subsequently brought an appeal

¹⁾ See *Journal officiel des Communautés européennes*, March 21, 1959.

against the High Authority on the grounds of its failure to act (Case No.30/59), under Article 35 of the Treaty.

By its judgment of February 4, 1959, the Court dismissed the appeal No.1/58 by Friedrich Stork and Co., of Bünde, Westphalia. These wholesale coal merchants had brought an action for damages before the Essen Landgericht against the Gemeinschaftsorganisation Ruhrkohlen (GEORG). The company claimed compensation for damage resulting from the fact that under the trading regulations introduced by "GEORG" on February 5, 1953, the company was no longer supplied as a wholesaler entitled to direct supplies. Under Article 65, 4 of the Treaty, the Essen Landgericht had suspended the proceedings until the High Authority had come to a decision as to the compatibility of these sales regulations with the provisions of Article 65, 1 of the Treaty. On November 27, 1957, the High Authority had decided that in view of section 12 of the Convention containing the transitional provisions and also in view of Decision No.37/53, the prohibitions contained in Article 65, 1 did not apply to these trading regulations prior to February 22, 1956, the date on which the High Authority's Decisions Nos. 5, 6 and 7/56 of February 15, 1956, concerning the new joint Ruhr coal selling agencies came into force. The Court dismissed the appeal against this decision.

In its judgment of March 20, 1959, in case No.18/57, brought by the I. Nold K.G. on regulated coal sales in the Ruhr, the Court annulled certain provisions of Decisions Nos. 16, 17, 18 and 19/57, taken by the High Authority on July 26, 1957, for faulty drafting in that they were insufficiently substantiated. The provisions annulled concerned the quantitative criteria for the admission of coal dealers as direct-buying wholesalers by the Ruhr coal-selling agencies, and to the criteria for becoming a member of the "Ober-rheinische Kohlenunion." The Court had already, on December 4, 1957, ordered a stay of execution of these decisions in so far as the new quantitative criteria had deprived the

appellant company of the status of a direct-buying wholesaler.

In the further judgments of July 17, 1959, the Court gave its decisions on 9 cases concerned with price-compensation for imported scrap.

Appeals Nos.20 to 23/58, brought by several German enterprises against the definition of "own arisings" which are not subject to the price-compensation levy for imported scrap, were declared inadmissible.

The same questions were raised by French enterprises in cases Nos.32, 33 and 42/58, and the Court gave a ruling in principle by rejecting the broad construction which the plaintiffs seemed to place upon the concept of "own arisings."

Several Italian enterprises, appeals Nos.36, 37, 38, 40 and 41/58, had disputed Decision No.13/58 of July 24, 1958 ¹⁾ by which the High Authority, following the Court's decision of June 13, 1958 in the "Meroni" case, had changed the management of the price-compensation scheme for imported scrap. The Court declared two of these appeals inadmissible because the period allowed for bringing the action had expired, and dismissed the others for want of sufficient grounds.

Case No.1/59 dealt with the fine imposed by the High Authority on the Macchiorlatti Dalmas et Figli enterprise for charging prices higher than those in its schedule, contrary to Articles 60 ff. of the Treaty and to the implementing decisions taken by the High Authority. On December 17, 1959, the Court dismissed as unfounded the appeal by which this enterprise sought to have the fine remitted or, alternatively, reduced.

¹⁾ See *Journal officiel des Communautés européennes*, July 30, 1958.

On the same day the Court dismissed appeal No. 14/59 brought by the Société des Fonderies de Pont-à-Mousson against the High Authority's refusal to exempt it from the price-compensation levy for imported scrap. The plaintiff company had maintained that being a cast-iron foundry it was not subject to E.C.S.C. jurisdiction. It further charged the High Authority with having rejected its application for exemption from the price-compensation levy for imported scrap. According to the appellant company this rejection amounted to violation of the Treaty objectives and of the general principles of law of the Community, and was specifically an act of discrimination and interference with normal conditions of competition. The Court pronounced the appellant company's grievance to be without foundation.

In appeal No.23/59, the "Acciaieria Ferraria di Roma" (F.E.R.A.M.) had requested a declaration that the High Authority was responsible for the consequences of certain fraudulent operations in scrap. The appellant company alleged against the High Authority that large quantities of scrap had been sold via the Joint Office of Scrap Consumers during the years 1954 to 1957 under cover of fraudulent certificates issued by an official of a Member State, and that these quantities of scrap had thus improperly benefited from the compensation bonus payable on imported scrap. The Court rejected the appellant company's allegations that the High Authority's responsibility was involved, by reason either of a guarantee given by it or of a mistake committed by one of its officials. The Court therefore dismissed the appeal as unfounded.

On December 17, 1959, the Court issued for the first time an opinion under Article 95, 4 of the Treaty ("minor revision"). In accordance with these provisions the High Authority and the Special Council of Ministers had submitted to the Court a draft amendment to Article 56. The Court

stated in its opinion that this draft did not comply with the provisions of Article 95, paras.3 and 4 of the Treaty. ¹⁾

Section 2 — Co-operation among the European Communities, with special reference to that among the European Executives

6. Already in the Seventh General Report the then High Authority indicated that the apprehensions expressed, before the entry into force of the Treaties of Rome, about the dangers of a dispersal of the European Communities' administrative seats had not proved to be unjustified. The High Authority emphasized at the time that the disadvantages of this situation had restricted the services' chances of practical functioning and had also impeded the organization of co-operation among the Executives.

The new High Authority was faced by the same problems, and the difficulties encountered brought it to a similar conclusion. The organization of the work of the European Executives is encumbered by an additional burden through the absence of a single seat. It proved impossible to hold the meetings on the plan outlined in the Seventh General Report ²⁾ at monthly intervals as originally decided. The European Executives nevertheless continued their endeavours to intensify co-operation, the value and importance of which are daily apparent. As in the past, the High Authority will also in future give its very special attention to this matter.

7. In connection with the organization and functioning of the *joint services* of the three Executives, as described in the Seventh General Report, ³⁾ some additional details can be given regarding progress achieved in 1959. The Executives are at present considering possibilities for improving

¹⁾ See No. 147 below.

²⁾ See *Seventh General Report*, No. 7

³⁾ See *Seventh General Report*, No. 9.

the system of administering these joint services by simplifying it as much as possible.

a) To ensure uniform interpretation and implementation of the European Treaties, the three sections, of the *joint Legal Department* consulted each other on all matters which might have raised problems for the other European Executives. Further, certain officials in each section were assigned to consultation and research work of joint interest to the three Communities.

b) The preparatory work of organizing the *joint Statistics Department* was completed during the last few months of 1959. This joint service, now known as the Statistical Office of the European Communities, is responsible for all statistical problems arising in the three Executives; it carried on its work in Luxembourg and also took up its activity in Brussels. The Bureau is organized as follows :

A steering committee lays down the general outlines of the working programme. This committee consists of one member from each of the three Executives. The Director-General of the Statistical Office is responsible for directing and supervising the work. He is assisted by an advisory body, a council of the directors of the national statistical offices, which meets in principle every six months. The Bureau of Statistics of the European Communities comprises three departments : general statistics, trade and transport statistics, and energy statistics, and three specialized sections : industrial, agricultural and social statistics.

The Statistical Office is continuing, in all the sectors within its competence, the harmonization work which the Statistics Division of the High Authority had initiated for coal and steel, in co-operation with the national statistical offices (chiefly with the official bureaux of statistics).

The Statistical Office has already prepared or issued a number of publications. The new edition of the Statistical

Pocket-book was supplemented by numerous tables on sources of energy other than coal, and is now entitled "Statistical Pocket-book — Energy (Coal and other Sources of Energy) — Iron and Steel."

Short-term statistical data have been appearing since January 1st, 1960, in the form of a general bulletin of statistics. The Statistical Office also issued a series of publications dealing with industrial and agricultural statistics. A new series on the six countries' external trade is in preparation. The first issue in this series covering the years 1953 to 1958 has already appeared. All the publications prepared by the E.C.S.C. Statistics Division are continuing to appear.

c) The practical difficulties of organization resulting from the absence of a single seat, coupled with the legal, administrative and financial differences between the E.C.S.C. and the other two Communities, made themselves felt particularly strongly in the *joint Press and Information Service*. It has not been possible so far to lay down a definite structure and working programme for this service. Pending the organization of a joint service, the High Authority, in February, 1958, provisionally made the facilities of its own Information Service available to the two new Communities. It is to be regretted that this transitional arrangement, with all the inconveniences it entails, has not yet been terminated. The High Authority considers it essential that a decision should be taken without delay to dissipate the manifold uncertainties which have been encumbering the working of this Service over the past two years.

An inter-Executive Working Party, consisting of one member from each Executive, was set up for information matters in May 1958. Discussions among the three Executives on the setting-up of the joint service and on the details of its functions continued throughout 1959. In July, in reply to a questionnaire addressed to the three Executives by the rapporteur to the European Parliament's Political Affairs

Committee, the President of the High Authority stated the High Authority still considered it essential :

1. to preserve the unity of the Information Service, both for functional and for political reasons;
2. to appoint a separate spokesman for each Executive, who, in carrying out his duties, would be answerable only to the Executive whose authorized spokesman he is, in view of the division of competencies among the three Executives;
3. to make joint arrangements concerning the Information Offices established in the various capitals.

The High Authority is prepared to meet 40% of the joint budget, estimated for 1960 at an overall figure of 85 million Belgian francs. However, the Councils of E.E.C. and Euratom have so far only approved amounts representing an overall budget of Bfr. 75 million. Clearly, the uncertainty regarding budgetary funds available to the E.E.C., and Euratom Commissions has rendered the negotiations among the Executives increasingly difficult, the more so in that the Commissions have to cover out of these funds not only the cost of their own activity (expenditure in connection with the Spokesman Group and for specific information work), but also the cost of the general joint information work. The High Authority hopes that the discussions opened with the European Economic Commission — now in the difficult position of having to provide an adequate information service for the numerous sectors under its jurisdiction, with rather limited means — will nevertheless lead in the near future to an arrangement acceptable to both parties. The High Authority is ready to agree to any arrangement which will produce results proportionate to the share it is prepared to accept in the overall budget.

Although the work of the Information Service is hampered by the temporary nature of its organization and

also by its limited means, it is being carried out in different fields as follows :

- daily press releases, issued direct by the spokesman for each Executive and commented on where necessary by the Information Offices set up in the various capitals (Bonn, The Hague, Paris, Rome, London and Washington);
- fairs and exhibitions; individual participation by one Community, or joint exhibit by all three Communities, according to the nature of the fair or exhibition (in 1959 all three were represented at the New York Fair);
- the Information Service publishes bulletins in the different member countries, as a rule once a month, with a circulation progressively increased to meet public demand;
- the Information Service collaborates continuously with the big radio and television networks and has organized several special operations covering outstanding events in the history of the European institutions. A short-length film was distributed in 1959 and two or three documentaries are due for production in 1960;
- many information meetings were held, comprising conferences, lectures, briefing sessions, chiefly in Brussels and Luxembourg but also in the other Community countries, organized either direct by the Information Service or in co-operation with national or international movements covering a wide range of professional groups and sections of public opinion;
- universities were supplied with teaching and information material on the European Communities, scholarships and a prize for a doctorate thesis were founded, and numerous contacts established with university lecturers and students.

Organic links

8. The details given in the Seventh General Report of liaison instituted between different departments of the Executive must be supplemented by the following particulars covering 1959.

a) *In the field of transport*, co-operation between the High Authority and the E.E.C. Commission, on which an Agreement was concluded, ¹⁾ took effective shape.

A permanent liaison office of the High Authority's Transport Division has been functioning in Brussels since July, 1959, at the E.E.C. Transport Directorate, so that the two transport departments are now in permanent contact. The two Executives also consult one another on important problems as they arise. Thus, the High Authority sought the opinion of the E.E.C. Commission before adopting a definite position regarding the publication of freight schedules, freight-rates and conditions of carriage applicable to road haulage, and regarding the elimination of the disparities in freight-rates for shipments on inland waterways other than the Rhine. The E.E.C. Commission consulted the High Authority before drafting the final text of its proposals to the Council concerning the rules abolishing certain discriminatory practices under Article 79,3 of the E.E.C. Treaty. The two Executives are now proposing to intensify this co-operation still further in view of its proven value, and are jointly considering the practical measures to be taken to that effect.

b) *In the field of social affairs* the co-operation described in the Seventh Report continued to prove highly valuable.

c) Inter-Executive co-operation with regard to the working out of a *co-ordinated energy policy* was further strengthened. The new High Authority considered it important to

¹⁾ See *Seventh General Report*, No. 10.

give a fresh stimulus to this work as soon as it took office. In this spirit President MALVESTITI, in his inaugural address to the European Parliament on September 23, 1959, stated that the new High Authority had taken the initiative within the inter-Executive Working Party — which had meanwhile been organized on a fresh basis — to draw up a series of concrete proposals in accordance with the mandate received from the Governments by the protocol of October 1957. These proposals are recorded in a memorandum approved by the three Executives. Their essential aim is to clarify the procedure to be followed in a field where the situation had become somewhat complicated from the institutional point of view. The memorandum was submitted to the Special Council of Ministers on October 12, 1959, and the European Parliament's Energy Committee was informed of it on October 21, 1959, on the occasion of an exchange of views with the High Authority. The final text, which was drafted at the Council meeting of January 26, 1960, is given in Chapter Three of this Report. ¹⁾ The Executives, drawing on the studies made by the ad hoc working parties consisting of staff members from all three Institutions, jointly worked out basic studies which served as introductions to detailed discussions at joint meetings of the European Parliament's Energy and Market Committees. Chapter Three below deals with the fundamental aspects of energy policy co-ordination.

d) Regarding relations between the High Authority and the *Councils of the E.E.C. and Euratom*, it may be noted with satisfaction that the system whereby the E.C.S.C. Executive takes part in the meetings of the two Councils, as described in the Seventh General Report, ²⁾ continued to function effectively. The converse can now be adopted, with the E.E.C. and Euratom Commissions taking part in

¹⁾ See No. 36 below.

²⁾ See *Seventh General Report*, Nos. 6 ff.

E.C.S.C. Council meetings to discuss energy problems, as provided for in the memorandum mentioned above.

e) Work on drafting *Staff Rules and Regulations for the new Communities* continues. Representatives of the High Authority (and of the joint institutions) participated, and will continue to participate, in the tasks of the Working Party set up for this purpose by the Council of Ministers of E.E.C. and Euratom. The studies initiated by this Working Party which, in addition to representatives of the Institutions, includes experts from the different countries, culminated in the adoption by the Councils of a system of remuneration and of a number of regulations very similar to those in force in E.C.S.C.

It may be hoped that the staff rules and regulations finally adopted for the new Communities will make it possible, by a procedure to be established by the Committee of Presidents (the budgetary authority set up under Article 78 of the E.C.S.C. Treaty), to arrive ultimately at a unification of the staff rules and regulations of all the European Communities.

The High Authority, recognizing how important it is that there should be a single code of staff rules and regulations for all European officials, will continue to follow developments in this matter with great interest and to offer its help and experience.

CHAPTER TWO

COMMERCIAL POLICY AND EXTERNAL RELATIONS

9. Since the last General Report, the Community's main problems in the field of external relations have been questions of commercial policy arising out of the coal situation.

COMMERCIAL POLICY

10. The High Authority has always held that a major aim of Community policy should be to allow the broadest possible benefit from the advantages of the Common Market to accrue to non-member countries; and while the High Authority has acted on this conviction from the beginning, it considers that the Community may nevertheless, when the fundamental objectives of the Common Market are in danger, have to seek an equitable balance between the exertions which the member countries were required to make and the understanding which the third countries were asked to show.

Endeavours to establish this balance would no doubt be facilitated if the Paris Treaty provided for a genuine commercial policy, or if the High Authority at least possessed greater powers to ensure harmonization of the commercial policy measures taken by the member States. A number of safeguards could then be taken in good time, which would obviate the need to resort to more coercive measures if the situation deteriorated.

The situation is however otherwise : Article 71 of the Paris Treaty leaves — except in certain specific cases — the Governments a large measure of independence, and the High Authority had, in the course of last year, to invoke the

spirit rather than the letter of the Treaty, endeavouring to introduce some coherence into the action taken by the member countries regarding imports from outside the Community.

In so doing, the High Authority based itself, on the resolution adopted by the European Parliament at its April, 1959, Session, requesting the High Authority " to agree with the Governments a common commercial policy on imports of third-country coal in line with the requirements of the situation ". ¹⁾

In view of the fact that the co-ordination scheme ²⁾ put forward by the High Authority in May 1959 was not adopted, no common importation programme was introduced, and each country therefore acted independently, although the High Authority made every effort to see that the measures taken did not conflict unduly.

As matters stand at present, the situation in the six countries may be summed up as follows :

In the *Federal Republic of Germany*, it will be recalled that the Government felt obliged, in September 1958, to put a stop to the concluding of fresh contracts for the importation of coal from third countries. Further, the Federal Government enjoys the benefit of the mutual aid clause in Article 71 and is thus able to carry out a frontier check on the origin of shipments to prevent indirect imports of coal from third countries.

However, action taken with effect from September 4, 1958, has related only to fresh contracts. German importers and consumers were still holding contracts concluded before this date, involving an approximate total of 36 to 40 million metric tons of coal. The problem thereupon arose of how to prevent unchecked pressure from being exerted on the market

¹⁾ See *Journal officiel des Communautés européennes*, May 8, 1959.

²⁾ See *Special Report by the High Authority to the European Parliament on the coal question*, and No. 57 below.

by these tonnages of coal, and with this end in view, and also in the hope of procuring the commutation of such contracts on a commercial basis, the High Authority, on January 28, 1959, addressed a recommendation to the Federal Government, requesting it, in accordance with Article 74, 3 of the Treaty to levy, temporarily, a customs duty not exceeding DM20 per ton on all imports of third-country coal, and also to allow a minimum duty-free quota of 5 million metric tons for the year 1959.

The High Authority reserved the right to alter the duty-free quota if developments in the situation made this necessary, and also requested that there should be no discrimination in the application of the quota.

In compliance with this recommendation, which was made in accordance with the relevant international agreements, the GATT agreements in particular, the Federal Government amended the Customs Tariff Law. ¹⁾ Only very small tonnages were imported in 1959 over and above the duty-free quota.

Further, the German collieries introduced a repurchase and indemnification scheme operated by the "Notgemeinschaft Deutscher Kohlenbergbau", which succeeded by the end of the same year, thanks to funds placed at its disposal and to the introduction of the duty of DM20, in reducing contracts still running up to the end of 1961 to a total of approximately 10 million metric tons. To this figure must be added 11 million tons representing contracts temporarily suspended.

As early as July, however, the Federal Government informed the High Authority that persistent serious difficulties in the German coal situation would require the duty on coal imports to be maintained in 1960.

¹⁾ *Bundesgesetzblatt*, No. 4, February 13, 1959.

After a detailed study of the situation, the High Authority, fearing that contracts not yet terminated might all burden the market during one particular year, and being anxious at the same time to encourage importers to continue terminating contracts, on November 3, 1959, addressed a recommendation to the Federal Government, requesting it to fix for 1960 a duty-free quota of 5 million metric tons minimum, and to continue to levy the duty of DM20 on any tonnages in excess of this figure.

In its covering letter the High Authority stressed that the action recommended would have to go hand in hand with an energetic policy of reorganization.

At the same time, the High Authority requested the Federal Government, as it had done in the letter accompanying its recommendation of January 28, 1959, to avoid any discrimination in the application of the quota, including such discriminations as might have been current in respect of the traditional routing of coal imports to Germany.

A law was passed by the Bundestag on November 4, 1959, giving effect to the High Authority's recommendation. ¹⁾

Before this recommendation was despatched and until legislative action had been taken by the Bundestag, the High Authority and the German Government, wishing to act in a true spirit of international co-operation, maintained permanent contact with the exporting countries, particularly with the United States of America and the United Kingdom. They were at pains to find for the allocation of the quota reference periods which would place an equitable burden on these traditional suppliers of coal to the Community. Finally, the exporting countries adopted an understanding attitude in view of the critical coal situation in the Community and of the sacrifices being made there.

¹⁾ The law in question fixes a duty-free quota of 5·13 million metric tons.

Particulars are given later in this Report, in the section dealing with the Council of Association, of how this problem was satisfactorily disposed of in the case of United Kingdom exporters.

German legislation on customs controls and the distribution of imports contains no special provision on routeing itineraries. Since the majority of contracts terminated were from South German agencies, transit imports of coal via Netherlands ports showed a proportionately steeper drop for 1959 than the average recorded at the other Community ports.

The subject was discussed on several occasions between the German and Netherlands Governments with a view to coming to an arrangement acceptable to both parties. The High Authority lent its good offices to these conversations and requested the German Government to promote Community goodwill by making every effort to ensure that the measures which it had been obliged to take would cause the least possible damage to Netherlands interest.

In *Belgium*, the coal industry has been passing since 1958 through a particularly severe crisis. Like the Federal Republic, Belgium was obliged to introduce controls in respect of third-country coal during 1958, parallel action being taken by the other member States under the mutual aid clause.

Since the Belgian Government was deprived of the assistance provided for by the Treaty in the event of a manifest crisis affecting the Common Market as a whole, owing to the failure to apply the emergency scheme laid down by the High Authority in May 1959, the Belgian Government, at the meeting of the Special Council of Ministers on November 17, 1959, requested the High Authority to take suitable action under Article 37 of the Treaty to cope with the situation.

Following this request, the High Authority, acting on the view that the functioning of the Common Market for coal tended to give rise to fundamental and persistent disturbances in the Belgian economy, and having obtained the Council's agreement, took a decision on December 23, 1959, regarding the application to Belgium of Article 37 of the Treaty. ¹⁾ This decision in conjunction with measures for the reorganization of the Belgian collieries and with other measures designed to limit both deliveries of hard coal and hard-coal briquettes from Community countries and deliveries from Belgium within the Community, provides that imports of coal from third countries shall not exceed 600,000 metric tons for the year 1960, not including tonnages imported for processing (the latter being cokeing fines which after carbonization in Belgium are delivered as coke to other Community countries or re-exported to third countries). The High Authority's decision is intended to reduce imports of third-country coal by approximately 400,000 metric tons in 1960 as against 1959.

As in the case of the recommendations addressed to the Federal Government of Germany, the decision taken on December 23, 1959, in respect of Belgium was taken in accordance with the provisions of the relevant international agreements, and it requests the Belgian Government to avoid any discrimination in the allocation of tonnages imported from third countries.

Before taking this decision, the High Authority and the Belgian Government maintained close contact with the American and British authorities, making clear to them why it was necessary to resort to exceptional measures and stressing how much Belgium was doing to reorganize its coalmining industry and also the fact that the measures planned were Community ones. In the view of the High Authority, this

¹⁾ See Nos. 71 ff. below.

should keep imports from non-Community countries to a minimum.

During these various discussions and negotiations, the exporting countries showed even more concern for the observance of a spirit of perfect equity in the measures affecting them than anxiety at the extent of the sacrifice asked of them, substantial as it was in the circumstances.

Reference is made under " Council of Association " to the consultations in the Council in connection with this matter.

Apart from the Federal Republic of Germany and Belgium, the situation regarding imports into the Community is as follows :

France has a system of Government control which enables the tonnages imported to be scaled in proportion to the requirements of an overall energy policy. ¹⁾

In the *Netherlands* efforts are continuing to maintain imports at reasonable limits with due regard to the overall situation within the Community.

In *Italy*, where coal imports are unrestricted, action has been taken to promote Community interests by increasing purchases of Community coal, with a consequent reduction in imports from non-Community countries.

The Community would profit by further action of this kind, but this raises the problem of the relation of the price of Community coal to that of third-country coal.

¹⁾ See No. 32, 3 below.

In *Luxembourg*, as in France, the State is intervening to ensure that third-country coal is only introduced into the market on the basis of an import programme.

11. This outline of the current position as regards imports into the Community demonstrates without further need of proof the necessity of seeking solutions reflecting a true Community spirit.

The High Authority is endeavouring to achieve results along these lines, but is nevertheless aware that a common policy on coal imports can only be worked out gradually within the broader context of a permanent comparison of energy policy at Community level. The High Authority has obtained the Council's consent to a scheme for an exchange of views in the near future, at political level, on the general lines to be followed by the member countries in 1960 in regard to imports and on the forecasts arising out of this policy. It considers that such exchanges of views will have the advantage of enabling each Government to know the other Governments' intentions and facilitating the adjustments dictated by the overall situation in the Community.

It is clearly in the import field that difficult problems are at present arising for the Community, but the permanent comparison of commercial policies sought by the High Authority is aimed as much at exports as at imports.

12. As regards *steel*, the commercial policy aspect has presented no difficulties this year.

The Community, which is the largest steel exporter in the world, has again, during 1959, increased by 10 % the record export figure reached in 1958.

Regarding export prices, these have since 1957 on the whole been lower than internal Community prices, and

it should be noted that in 1958 and 1959 the Community sold very large tonnages at low, indeed very low, prices. Since November 1959 prices have been rising somewhat. In spite of several upward price adjustments in the internal market, export prices now stand a few points above the internal price-level.

The firmness of steel export prices since the introduction of the Common Market shows that for some considerable time and throughout the variations in the general market situation, the consumer third countries have had the benefit of very moderate prices, in some cases prices below those obtaining in the Common Market.

As in past years, the High Authority has co-operated with the Governments of the member States for the purpose of drawing up for each six-monthly period the customs tariff measures (suspension or reduction of customs duties, tariff quotas) applicable to particular iron and steel products to be imported from third countries.

13. *The Dillon Tariff Negotiations* — After Mr. Douglas Dillon, Under-Secretary of State in the American State Department, had intimated that his Government was prepared to reduce American customs duties by 20% in the course of fresh tariff negotiations at GATT, the contracting parties reacted favourably to this proposal, and a further stage in the process of lowering customs duties may therefore be expected in 1961.

The European Economic Community and the European Coal and Steel Community will be taking part in these negotiations, which are due to open in 1961 and during which applications for tariff reductions may well affect the rates of duty on E.E.C. as well as E.C.S.C. products. Preparatory work for these negotiations is to begin now, and the High Authority is engaged on working out a procedure which

will take duly into account the competences of the two Communities.

The Committees of the European Parliament will be kept informed of developments in this matter, which is still at a preparatory stage, although the list of application from member States in respect of E.E.C. and E.C.S.C. products was forwarded to the United States Government, at its own request, on October 26, 1959.

THIRD COUNTRIES

14. 1) *Council of Association* — During the past year, the Council of Association met twice in plenary session, at Luxembourg on February 25 and in London on December 18.

These meetings were the occasion of the usual comparisons of the coal and steel situation in the United Kingdom and the Community — a situation that reveals similarities on both sides — and also of the consultations provided for in Article 7 of the Association Agreement.

The Coal, Steel and Trade Relations Committees met several times. Further, exchanges of views and information on the trend in the coal markets of the United Kingdom and the Community went on more or less continuously through the United Kingdom Delegation at Luxembourg, the High Authority Delegation in London, and at meetings between representatives of the High Authority, the British Ministry of Power and the National Coal Board.

Details of the matters discussed at these various meetings will be published in the third annual Report of the Council of Association. The major items may be summarized as follows :

The *Coal Committee* considered the energy situation and the outlook for coal in 1960. It also undertook to examine the reciprocal trade in coal between the two parties as part of a long-term policy, if possible on a permanent basis. A special working party was set up by the Committee to study the long-term energy situation in the United Kingdom and in the Community.

Finally, the Committee is studying the problems associated with the application of systems of delivered prices for coal and the incidence of national and international freight rates on delivered prices.

All these various comparisons and studies will be carried on in greater detail, but they have already produced information which may lead to certain adjustments to the two parties' programmes or forecasts.

The *Steel Committee* continued, in particular, the examination of the steel and scrap market situation in the United Kingdom and in the Community, and the studies already initiated on steel price-formation. It made comparisons concerning the classification of different qualities of scrap from the price-formation angle and intensified co-operation between the two parties on technical research, and also co-operated with the Coal Committee on a study of the quality of coke for use in blast furnaces.

As in the case of the Coal Committee, the Steel Committee's work usually consists of protracted studies which do not produce immediate result but are none the less vital for the Community and for the United Kingdom.

The concrete value of the Committee's work was particularly evident in the relations between the United Kingdom and the Community when measures to restrict

imports had to be taken in the Federal Republic of Germany and Belgium on the recommendation of the High Authority.

In accordance with Article 7 of the Association Agreement, consultations took place in this connection on February 25, 1959, on coal imports into the Federal Republic, and on December 2 and 18 on the restrictions on imports imposed by Belgium.

In both cases representatives of the Governments concerned took part in the consultations in the Council and in the *External Relations Committee* under the above-mentioned Article 7.

Regarding the import restrictions in Germany, the first consultation could not be held until immediately after the despatch of the High Authority's recommendation of January 28, 1959, in view of the urgency involved.

The United Kingdom representatives expressed the view that the German draft law on allocation of Imports did not take sufficient account of the traditional pattern of United Kingdom exports.

During the consultations on October 26, 1959, in connection with the High Authority's second recommendation, the United Kingdom, by adopting a new reference-period, succeeded in obtaining an increase of 100,000 tons for its exports in 1959-60, with an allocation schedule acceptable to the other major supplier country.

Particular difficulties arose during consultations concerning the method proposed by the Belgian Government for the allocation of the maximum import quota for coal from third countries which the High Authority had recommended should be established.

The association Agreement has the virtue of allowing frank discussions, making for a greater degree of understanding and harmony.

It is for this reason that the Association Agreement undoubtedly sets an interesting precedent at a moment when the Communities as a whole are seeking to agree with some European or non-European country, or with some new group of countries, flexible and effective formulae enabling commercial policy as a whole to develop harmoniously by surmounting the difficulties which unavoidably arise. The High Authority also desires to stress the valuable services rendered by its delegation to the United Kingdom Government, in particular by establishing contact with the many different British authorities and other bodies.

2) *United States* — In June 1959, M. Paul Finet, then President of the High Authority, visited the United States with the Presidents of the other two European Executives at the invitation of President Eisenhower.

In the course of a fortnight's tour of the United States the President of the High Authority was received by the President of the United States and by Mr. Douglas Dillon. He was also able to meet a large number of leading figures in the fields of politics, economics and finance. To these and to the representatives of the American coal exporters and trade unions, M. Finet explained the difficulties of the Community's coal situation. These contacts largely contributed to the understanding shown by the United States for the restrictions which the Federal Republic of Germany and Belgium had been obliged to impose on imports of American coal.

In a more general way, the visit by the three Presidents strengthened the understanding and goodwill felt for the Communities in the United States.

3) *Canada* — At the invitation of the Canadian Government, the President of the High Authority and the Presidents of the other two Executives proceeded from the United States to Canada, where they received a warm welcome and had an opportunity to improve Canadian knowledge and understanding of what the Six Countries are doing in Europe to promote European integration.

Thus, at the beginning of 1960, the Canadian Government expressed the wish to establish official relations with the European Coal and Steel Community and to appoint a representative to the Community. The High Authority will be happy to welcome a Canadian Delegation alongside the delegations already accredited to the Community by several other countries.

4) *Switzerland* — An agreement was signed in Luxembourg on July 24, 1959, between Switzerland, the member States of the European Coal and Steel Community and the High Authority, on the freight-rates and conditions of transport of coal and steel shipped on the Rhine.

By this agreement Switzerland recognizes the conventions established by the E.C.S.C. member States in an agreement dated July 9, 1957, which provides for the continuous adjustment of officially regulated inland water transport freight-rates in alignment with freely negotiated representative international freight-rates. Switzerland moreover undertakes to participate in the implementation of this agreement by informing the High Authority of its own inland water freight-rates, as is done by the member States of the Community.

This agreement, which is in process of ratification, enables a common policy on Rhine transport of coal and steel to be adopted by all riverine States, whether or not they are members of the Community.

5) *Greece and Turkey* — Greece and Turkey applied to join the general Common Market, and the Six welcomed the association of these two countries, since it is most important that European countries in progress of development should not remain isolated. The High Authority is following with interest the progress of current negotiations between these two countries and the European Economic Commission.

6) *Portugal* — As an expression of its interest in the European Coal and Steel Community, the Portuguese Government accredited a delegation to the High Authority. Senhor J.T.C. Calvet de Magalhaes, Minister Plenipotentiary, was appointed Head of this delegation and Permanent Observer, and presented his credentials on April 29, 1959.

INTERNATIONAL ORGANIZATIONS

15. The High Authority sends representatives to the meetings of international organizations which deal directly or indirectly with matters relating to coal and steel.

This year was largely dominated by the concern at the deadlock reached in the negotiations on the wider Free Trade Area and the development of relations between the Six and their partners in O.E.E.C. and the other countries in the world; this development led, in particular, to the formation of the small Free Trade Area of the Seven within O.E.E.C.

The High Authority followed this development very closely although, in view of its predominantly political nature, coal and steel problems are not for the moment its most important aspect.

The High Authority is nevertheless ready to assume all the responsibilities assigned to it by the Treaty when the time comes for decisions to be taken regarding these problems

and their implications for the European Coal and Steel Community's institutions.

Furthermore, the High Authority is taking part in the work undertaken by the European Economic Community towards bridging the gap between the Six and non-member countries.

The High Authority followed the work of the Consultative Assembly of the *Council of Europe* with interest; it took part in the Conference on Local Authorities and in a meeting of the Consultative Committee of Secretaries-General.

The High Authority thus had an opportunity to explain its activities in the social field, particularly as regards workers' housing and readaptation.

At these meetings the High Authority was able to ascertain the reactions of the other countries to these activities and is thus in a position to take these into consideration in connection with its future programmes.

The High Authority took part in the meetings of the vertical Committees of *O.E.E.C.*, i.e. those concerned with iron and steel, coal, gas and manpower, and also followed the work of the Council and of the Executive Committee.

It studied with particular care the report of the Consultative Committee on Energy in view of its own pre-occupation with these problems at the present moment.

Since the improvement in the liaison arrangements with the U.N. *Economic Commission for Europe* (E.C.E.), the High Authority is taking an active part in meetings and in the discussion of problems coming within its own sphere of activity, thus contributing towards better co-ordination and avoiding duplication of work.

As in preceding years, the High Authority participated as an observer in the work of the Interim Committee on Nomenclature of the *Customs Co-operation Council*. In so far as it relates to coal and steel products, this work is of great interest to the Community.

The High Authority, which has already attended certain meetings of the Regional Bureau for Europe of the *World Health Organization*, agreed with this Organization, that in view of the High Authority's own tasks in the field of industrial health and medicine, the existing liaison between the two organizations could usefully be strengthened. A mutual arrangement to this effect was concluded at Copenhagen to the satisfaction of both parties.

On the occasion of the 10th anniversary of the establishment of the *North Atlantic Treaty Organization*, the N.A.T.O. Parliamentary Conference held an extraordinary congress in London, at which one of the principal items on the agenda was the examination of all the various economic problems arising within and without the Western world.

The High Authority accepted an invitation to participate in this congress in matters connected with coal and iron and steel.

Co-operation with the *International Labour Office*, which has been an established practice for several years, is now being developed further in a particularly important sector.

The High Authority and the International Labour Office have concluded an agreement whereby the two organizations will co-operate within an International Information Centre on industrial health and safety.

By assembling, abstracting and distributing — in English, German, French and Italian — all available infor-

mation on industrial health and medicine and industrial safety, the Centre will help to supply speedy information to individuals and institutions responsible for the prevention of industrial accidents and for the protection of workers' health at their workplaces. This information will deal in particular with the results of research carried out with financial assistance from the High Authority, and with the scientific publications and analytical studies inspired by the High Authority's work in this field.

The High Authority also accepted an invitation to participate in the 8th session of the *Economic Commission for Latin America*, held at Panama in May 1959, at which the establishment of a Latin-American Common Market and of a Free Trade Area between a number of Latin-American countries was discussed.

The High Authority had an opportunity to report on its own seven years' experience of the Common Market for coal and steel and to study on the spot the problems existing in Latin America in connection with these two basic products.

16. From this outline of the external policy pursued by the European Coal and Steel Community during the past year it can be seen that the High Authority has had to deal with difficult problems, particularly in regard to its commercial policy, with inadequate powers.

Anxious to preserve the liberal climate prevailing in the Community since its inception, while at the same time having to find appropriate ways and means for dealing with the crisis through which the Community coalmining industry is passing, the High Authority had to take decisions of a kind which will not only protect the industry as such but also enable it to recover.

In these endeavours, which at times places it in a difficult situation between the member countries' legitimate interests and the no less legitimate interests of third countries with which the Community maintains very close political and economic relations, the High Authority was guided by a desire to avoid running counter to the current of sympathetic opinion, which is growing more and more favourable to the integration of Europa in general and to the Communities in particular.

To this end, the High Authority maintained constant contact with the accredited delegations of third countries, and also with the United Kingdom through the Council of Association, explaining the reasons for the action taken by it and by the member States. It also kept in close touch with the other Executives.

Paying as it does close attention to the structural changes which are taking place on the Continent, particularly in the energy field, the High Authority believes that an equitable balance between imports and production can be achieved for coal in the future. This balance must be dovetailed into the broader pattern of the overall energy policy to be pursued at Community level.

CHAPTER THREE

THE ENERGY MARKET AND THE NEED FOR A CO-ORDINATED ENERGY POLICY

17. At the turn of the year 1958-59 the Community was still suffering somewhat from the effects of the all-round economic recession, though this had never actually been very serious and was by that time already coming to an end. For the most part the only visible result had been a falling-off in the rate of economic growth, and more particularly in the expansion of industrial production. Except in certain individual countries and sectors — such as the iron and steel industry — where special circumstances prevailed, the volume of production had shown no absolute decrease in 1958. By the end of 1959 a vigorous revival was in progress.

Comparison of this trend with that in the energy economy, and in particular in the coal sector, reveals clearly that the position is still very far from balanced in the energy markets. The fact that the imbalance still persists after the recovery in the remainder of the economy indicates that the anomalous trend in the energy economy is due principally to structural changes.

Section 1 of this Chapter gives the first results of an analytical study made of the present position and future outlook, with a view to determining the nature and extent of these changes.

As a result of the difficulties in the coal market, the Governments and the High Authority were obliged at the end of 1958 and during 1959 to take certain steps. Section 2 outlines these, and makes it clear that, though valuable in themselves, they can only be regarded as very fragmentary

and necessarily inadequate elements of a genuine co-ordinated energy policy.

Section 3 gives a progress report on the work initiated for the purpose of arriving at a co-ordinated energy policy which must take due account of both the structural and the economic and market problems so vividly high-lighted by recent developments.

Section 1 — Present Position and Future Outlook in the Energy Economy

The situation in 1959

18. In 1958, for the first time since the end of the war, energy requirements showed an absolute decrease in relation to the figures for the previous year. The statistically computed total of the Community's energy supplies dropped from 1957 to 1958 by 4 million metric tons hard-coal equivalent, or approximately 1%.¹⁾

The significance of this downturn becomes more clearly apparent if we compare the amounts actually consumed with the rates of growth previously forecast. Earlier forecasts of energy supplies for the period 1955-65 had assumed an average annual increase in energy requirements of 2.9%. Taking the yearly figures of this average trend and comparing them with the actual figures in the table following, we find that the discrepancy for 1958 amounts to 12 million metric tons, or almost 3% of requirements.

19. In 1959, part of the leeway was made up. Provisional partial figures indicate that actual consumption of primary energy will be found to have been at least 5 million metric tons above the previous record level of 1957. On the other hand, the discrepancy as against the interpolated figures of the movement forecast inasmuch as 15-16 million metric tons, or approximately 3½%.

1) Tonnages referred to in this Chapter are for the most part expressed in hard-coal equivalent (h.c.e.).

Overall Trend in Community Consumption of Primary Energy as Compared with Previous Forecasts ¹⁾

('000,000 metric tons h.c.e.)

	Actual ²⁾		Forecast	Difference
	t = t basis	energy basis		
1950		291.3	291.3	
1955 (refer. year)		397.7	397.7	
1956		423.6	409.2	+ 14.4
1957		425.4	421.1	+ 4.3
1958	425.4	421.2	433.3	-12.1
1959	434.9	430.3	445.9	-15.6
1960	456.9	452.3	458.8	- 6.5

¹⁾ These figures differ from those published by the Statistical Office of the European Communities in the 1959 edition of their "Mémento de Statistiques — Énergie (Charbon et Autres Sources d'Énergie)" — Sidérurgie, for the following reasons:

- the figures shown are taken from the energy balance-sheets and are in terms of calorific value, each form of energy — e.g. low-grade coal products — being calculated on the basis of the approximate effective lower calorific value, whereas the statistics currently published for hard-coal production are computed on a ton-for-ton basis and those for brown-coal production on the basis of the standard figures;
- for technical statistical reasons, deliveries to West Berlin and Eastern Germany do not figure as "home consumption" in the energy balance-sheets;
- bunkering fuels are included under "home consumption" in the energy balance-sheets only when not for use in maritime shipping; in addition, the figures in the Mémento-Statistique do not include refineries' own consumption;
- water power is rated in the energy balance-sheets at 400 gr/kWh, and terrestrial heat on the basis of the actual efficiency rating of the power-stations concerned; in addition, the energy balance-sheets include the net difference between exports and imports of electric current.

²⁾ 1959 and 1960 figures partly estimated.

Within this general trend, the one source of energy which had to bear the full brunt of the recession at once was hard coal. To make matters worse, the substitution of fuel oil and natural gas proceeded apace during the period of reduced economic activity. Displacement of hard coal by fuel oil and natural gas over these two years is estimated at 12-14 million metric tons h.c.e., while at the same time the contribution of water power increased by some 2 million metric tons.

20. To adopt a longer-term perspective, the share of hard coal in the primary-energy supply of the Community fell from 72.5% in 1950 to 57.8% in 1958. But while up to 1957 hard-coal consumption had continued, absolutely, to

increase — only its share in the total diminishing — since that date it has actually shown an absolute decrease, which has not yet been made good. It is this fact that gives such a new aspect to the whole situation of the coal economy. Incidental as well as inherent factors have no doubt contributed to make the coal crisis as acute as it is today. The falling-off

**Trend in Community Consumption of Primary Energy
by Sources of Energy ¹⁾**

(actual and estimated figures)

(¹000,000 metric tons h.c.e.)

	1950	1955	1958	1959	1960
Hard coal	211.3 ²⁾	254.3 ³⁾	245.9	239.9	245.9
Brown coal (early and late).	23.3	30.5	32.9	32.0	32.6
Hard brown coal	0.5	0.5			
Oil ³⁾	34.7	77.2	102.8	116.2	128.1
Natural gas and methane	1.0	5.4	8.7	11.3	13.0
Water power and terrestrial heat ⁴⁾	19.9	29.2	34.7	35.0	36.8
Peat	0.6	0.6	0.4	0.5	0.5
Total	291.3	397.7	425.4	434.9	456.9

(in %)

Hard coal	72.5	63.9	57.7	55.2	53.8
Brown coal	8.0	7.7	7.7	7.4	7.1
Hard brown coal	0.2	0.1			
Oil	11.9	19.4	24.2	26.7	28.0
Natural gas and methane	0.3	1.4	2.0	2.6	2.9
Water power and terrestrial heat	6.8	7.3	8.2	8.0	8.1
Peat	0.3	0.2	0.1	0.1	0.1
Total	100.0	100.0	100.0	100.0	100.0

¹⁾ Home consumption of primary energy inclusive of imported secondary energy and exclusive of exported secondary energy. Conversion into hard-coal equivalent was made on the basis of a standard coefficient of 7 000 kcal/kg. Deliveries to West Berlin and Eastern Germany have been counted as exports.

²⁾ These figures are not ton for ton, but have been recalculated to take into account the differences in calorific value between low-grade and standard-grade coals.

³⁾ Less bunkering fuel.

⁴⁾ Hard-coal equivalent.

in general economic activity coincided with two unusually mild winters which caused a steep drop in that part of energy consumption which is governed by weather conditions: at least one-quarter of the total decrease over the last two years is probably attributable to this circumstance. At the same time, the slackening in demand and the fall in maritime freight-rates very sharply increased the pressure of competition from imported coal, and even more particularly from mineral oil. Since the Suez crisis the world petroleum markets have also been suffering from a glut, the effects of which spread to the Community market. While the prices of Community coal have been rising, slowly but steadily, for years, fuel-oil prices are back to their pre-Suez level and still declining, so that price-relations have taken a turn considerably to the detriment of solid fuels.

Finally, technical progress in energy conversion and utilization has speeded up in recent years. Energy consumption per unit of production has gone down in a number of major sectors, even those, such as the blast-furnaces, which specifically consume coal and coal only. Substitution of one form of primary energy for another, and more particularly of fuel oil or gas for coal, generally goes with an increase in efficiency, direct or indirect. Thus for instance electrification and dieselization are resulting in considerable improvements in the efficiency of railway traction.

All over the Community, therefore, the energy pattern is undergoing a radical change, the principal feature of which is the contraction of the share of hard coal in the total supply of primary energy.

Trend in the Share of Coal in Primary-Energy Consumption

(in %)

	1950	1958
Belgium	89.3	72.5
Federal Republic of Germany (incl. Saar)	75.5	64.9
France	71.3	58.8
Italy	38.7	19.3
Luxembourg	93.6	91.6
Netherlands	76.2	56.8
Community	72.5	57.8

Comparison with the position in the United States indicates, incidentally, that the relative displacement of coal in the Community has not been outstandingly sharp or sudden. In the United States, coal represented in 1940 48% of the total supply of primary energy, in 1950 37% and in 1956 26%. It is also of interest to note that absolutely there has been very little change in hard-coal consumption: in 1940 it stood at 399 million tons, and in 1956 at 388 million.

The process has gone farther in some Community countries than in others, as the situation is much complicated by differing patterns of demand and differing availabilities of sources of energy other than coal (see table on p. 76 following).

Outlook for 1960

21. Some of the factors which have altered the energy-supply situation in the Community countries are only temporary. The recession is over and a new upswing is in progress, so that conditions are favourable for a revival in the demand for energy. Again, the succession of mild winters cannot last for ever. And it is already apparent, and will become more so as the year goes on, that the shortfall in hydro-electricity resulting from the low level of water in the

reservoirs during the summer and autumn of 1959 will have to be made good by increased calls on the thermal power-stations. The processes of substitution, on the other hand, and the rationalization of fuel utilization and of the transport of energy as a result of technical advances, seem more likely to continue. These are the principal features of the energy situation in 1960 and the outlook up to 1965.

22. All the indications are that the level of industrial activity in the Community in 1960 will be at least 6% above that of the previous year. On this hypothesis, and given plenty of activity in the iron and steel industry and average temperature and rainfall conditions, total consumption of primary energy in the Community in 1960 would be 22 million metric tons higher than in 1959. This represents a rate of growth of approximately 5%, which works out above the long-term rate of 2.9% referred to.

As regards supply, the foreseeable trend in the case of natural gas and hydro-power is determined by the investment projects already approved and completed. It seems probable that total availabilities of these two sources of energy will increase by some 4 million metric tons. In the case of mineral oil, there seems no reason to expect any slackening in the rate of increase recorded for 1959 over 1958 : on this reckoning the increase in internal consumption in 1960 works out at 5%, or approximately 12 million metric tons h. c. e.

The position in regard to coal is more uncertain. If production goes down in proportion to the planned shut-downs of capacity and the expected continuing drift of miners away from the industry, but imports from third countries continue at the same level as in 1959, then a surplus of several million tons must still be expected for 1960. This would mean either continuing short-time working, or allowing still more stocks to accumulate at the pits. Since pithead stocks at the end of 1959 totalled approximately 31.3 million metric tons of hard coal and 8.6 million metric tons of coke, it is obvious

Community Consumption of Primary Energy in 1958, by Countries and Sources of Energy ¹⁾

('000 000 metric tons h.c.e.)

	Belgium	Federal Republic of Germany (incl. Saar)	France	Italy	Luxembourg	Netherlands	Total
Hard coal ²⁾	22 925	122 409	70 702	10 310	3 944	15 626	245 916
Brown coal	68	30 377	1 722	393	96	242	32 898
Oil	8 410	28 451	33 535	20 952	262	11 200	102 810
Water power and terrestrial heat	104	6 189	13 273	15 208	4	76	34 730 ³⁾
Natural gas and methane	126	902	954	6 444	—	252	8 678
Peat	—	320	—	—	—	123	443
Total	31 633	188 648	120 186	53 307	4 306	27 519	425 475 ³⁾

¹⁾ Including net difference between exports and imports of secondary energy.

²⁾ Ton for ton.

³⁾ The discrepancy between these totals and the aggregate of the national figures is due to the exclusion of the net difference between imports and exports of thermal electricity.

that the coalmining industry entered the new year with something of a millstone about its neck.

Outlook up to 1965

23. The High Authority noted in its Seventh General Report that the framing of general objectives for energy involved lengthy study not only of trends in energy requirements and availabilities, but also of the basic cost elements for the different forms of energy; it added, however, that the preparatory work had been begun on the presentation of the energy balance-sheets, the conversion factors for the different sources of energy, and the methods to be used in long-term forecasting. The studies were pressed forward, in deference to the known desire of the European Parliament, and also of energy producers and consumers and of workers in the energy industries. Although involving a number of difficulties as to the methods to be employed, they were brought to a provisional conclusion in the course of the year. A working party of experts from the High Authority and the other two Executives, on which specialists designated by the Governments and representatives of O.E.E.C. sat in, made comprehensive studies of the following problems :

- a) the collection, examination and comparabilization of statistical material;
- b) the working-out of a coherent method for forecasting energy requirements;
- c) the calculation of the parameters for the trend in energy requirements.

The method suggested by the working party is described in detail in the Annex to this Chapter.

24. In computing its estimates by the new method proposed, the High Authority based itself on the rates of growth for the economy as a whole given in its report to the European

Parliament on the outlook for general economic expansion in the Community countries. ¹⁾ Comparison of the actual trend from 1956 to 1959 with figures forecast shows that these hypotheses were too low rather than too high: industrial production in the Community ²⁾ during these years expanded at a rate of slightly over 5% per annum, as against a long-term forecast of 4.9%, on which the long-term hypotheses was based. If we retain the long-term rate forecast, consumption of primary energy in 1965 works out at 530 million metric tons h.c.e.

Estimated Community Consumption of Primary Energy

(^{000,000} metric tons h.c.e.)

	1965		1975 ¹⁾	
	Estimated figure	Confidence interval	Estimated figure	Confidence interval
Community	530	± 14 (2.7%)	630	± 30 (4.9%)
<i>Country:</i>				
Federal Republic of Germany (incl. Saar)	221	± 9 (4.1%)		
Belgium	42	± 2 (4.1%)		
France	159	± 3 (1.9%)		
Italy	77	± 7 (9.2%)		
Netherlands	31	± 8 (26.7%)		
Luxembourg	.	.		
Total	530	—		

¹⁾ No estimate has been made of the 1975 tonnages for the individual countries, the basic hypotheses for the trend in industrial production over the period being too uncertain.

The following points must be borne in mind in studying this table.

Given an annual rate of increase of 4.9% in industrial production from 1956 to 1965, Community consumption

¹⁾ Doc. No. 3683/4/58.

²⁾ Inclusive of the building trade and the foodstuff, beverage and tobacco industries.

of primary energy in 1965 will be approximately 530 million metric tons h.c.e. On this hypothesis, it is a two-to-one likelihood that actual energy consumption in 1965 will be between 516 and 544 million metric tons h.c.e. This represents a downward correction of 30-40 million tons to the High Authority's earlier forecasts, which put energy consumption at 560-570 million tons. The difference is partly due to the fact that the forecasting methods previously used did not offer a sufficiently reliable basis for computing the relations between expansion in economic activity generally and expansion in energy requirements; at the same time it is also a result of the increase during the past three or four years in the pace of technical progress in energy conversion and utilization. This acceleration has not been induced purely by rationalization proper: it is more a concomitant of the substitution processes now everywhere in evidence. We now go on to deal with the main factors determining the trend in the demand for and supply of energy; it is not, however, proposed to draw statistical conclusions as to the shares of the different forms of energy in the covering of total requirements.

25. With regard to *demand*, a continuing expansion of economic activity may be expected to push up requirements of mechanical energy, major contributory factors in this connection being the mechanization of production processes and the rise in the general standard of living. In view of the low consumption of mechanical energy per industrial worker in comparison with that in the United States, and also of the Community's position as an exporter of finished products, it seems probable that this trend will continue. To adjust himself to new production processes, the consumer will for preference have recourse to forms of energy which are easily measured and supervised and involve only a small outlay on plant maintenance. The increasing share of the secondary forms in the total consumption of the Community clearly reflects this tendency.

Shares of Secondary Energy in end consumption of energy

	(in %)		
	1920	1950	1958
Primary energy	67.7	41.3	36.4
Secondary energy	32.3	58.7	63.6

First and foremost among the secondary forms comes electricity. Electricity consumption as estimated by the methods referred to shows a practically uninterrupted rise up to 1965, just about doubling over the ten years 1956-65.

Forecast of Electricity Consumption

	(in TWh)			
	1955 Actual figure	1965		1975 Estimated figure
		Estimated figure	Confidence interval	
Community	185.8	362	±4 (1.1%)	639
<i>Country:</i>				
Federal Republic of Germany	74.4	142.1	—	—
Belgium	10.9	18.4	—	—
France	49.7	96.4	±2 (2.1%)	—
Italy	37.8	69.4	±1.2 (1.7%)	—
Netherlands	10.6	19.9	±0.3 (1.5%)	—
Total	183.4	346.2		—
Luxembourg	1.1	—		—

Both primary and secondary forms are used to meet industrial and household requirements of thermal energy, so that the consumer has a very wide range to choose from and can make his selection in accordance with economic considerations. Since, apart from certain special fuels, the only sources of energy specific to particular uses are coke for the iron and steel industry and fuels for motor vehicles, almost two-thirds of total energy requirements are for sources actually or potentially competitive with one another. The wide range of possi-

bilities as regards choice of the most suitable source can affect not only the operations of the manufacturing and processing industries, but also its structure and location.

The chemical industry was initially exclusively based on coal; more recently, however, it has been making rapidly-increasing use of the large number of gaseous products obtained by the cracking of petroleum and natural gas. The production of the petrochemical industry in 1960 is expected to be five times what it was in 1955.

With regard to the demand for mechanical energy, the rationalization of rail transport by electrification and dieselization is going ahead, so that despite an estimated increase of 25% in traffic by 1965 a saving of approximately 20% is forecast in the energy consumed. In the inland-water-transport sector the share of coal is shrinking faster and faster: it already represents no more than 10% of the total fuellage.

26. It is, however, in the pattern of energy *supply* that the greater changes have occurred. The rapid technological advances in the transport field have meant that large reserves of energy in other parts of the world have become economically accessible and can be put on to the world energy markets at competitive prices. It would appear, therefore, that our whole conception of the transport economy will need to be revised. The position is governed by the following factors.

- (a) As the shipbuilding industry is now constructing larger vessels of 15-20,000 d.w.t. with higher speeds, it seems possible that shipments of coal across the Atlantic from Hampton Roads to Rotterdam may in the future be economically carried for as little as \$5.00-5.50 per ton.
- (b) The obsolescent 16,000-ton T2 tankers are being gradually laid up, and new vessels with an average capacity of 37,000 d.w.t. are being brought into service on an increasing scale, with the result that the

average capacity per vessel of the world tanker fleet may be expected to rise during the next ten years to 30,000 d.w.t. This would mean a considerable reduction in freight costs — by something like 35% if we take the T2 tankers as the norm.

- (c) The transport of oil by pipeline is becoming more and more usual, in the Community as elsewhere, as a means of supplying the refineries. This is a major factor inasmuch as it affects the extent of the protection hitherto enjoyed by the collieries in consequence of their geographical position. The parameter for this protection has up to now been set by the rail and inland water transport costs, for although transport of large tonnages by pipeline (20 million tons over a minimum distance of 200 km.) places a heavy burden on current operations, it is nevertheless very much more economic than any other form of transport.
- (d) There are two possibilities for bringing natural gas from reserves outside Europe — either through large-diameter feeders laid along the sea-bed, or in specially designed methane tankers. Although neither of these is as yet fully developed, they should ultimately make it possible to transport gas not only from the Sahara, but also from the Middle East or Venezuela.
- (e) On a smaller scale, the use of very high voltages for transmitting electric current, and the transmission of continuous current by submarine cable, should dispose of some of the difficulties hitherto encountered in transmitting this form of energy over long distances.

27. One of the most important structural factors is the changed aspect of the world oil market. Known petroleum reserves at present suffice for 50 years' consumption, as against 34 in 1953 and 20 before the war. They are now no longer centred on the Mexican Gulf and the Caribbean, but

in the Eastern Hemisphere, and more particularly in the Middle East, where 70% of the world's present reserves are concentrated. The latest discoveries in the Sahara and Libya, by adding to the geographical dispersion of the Community's sources of supply, considerably eases its problem of assuring a dependable flow of oil. Moreover, in the Eastern Hemisphere oilfields production costs are low, a factor which will increasingly affect pricing and may enable Europe, now the second largest consumer centre in the world, to procure its supplies of petroleum products from a wide range of different areas. The growing part played by outside firms in the oil market will further alter the pattern of supply and stimulate competition. Finally, it should be noted that the export capacity of the Soviet Union may in the future reach 30-40 million metric tons a year.

The large reserves of natural gas discovered in the Sahara, and the possibilities for bringing it to Europe by feeders and by methane tankers, are a new factor in the Community's supply situation. No reliable figures are as yet available regarding the volume of supplies to be expected from this source: provisional estimates suggest an annual flow of 40,000 million cu.m. (=50 million metric tons h.c.e.). The availability of this new source of energy is likely to involve a number of problems for oil.

The influence of nuclear energy on energy production in general will be comparatively limited during the next few years. For the time being, in any case, work in this field is being carried on with other ends in view: the aim is in particular to expedite technological development and establish conditions favourable to the expansion of the nuclear industry in the Community. This will ensure that economic expansion is not impeded by a shortage of energy, but the competitive situation of the conventional sources of energy will not be directly affected to any very considerable extent for some years to come.

Developments in the pattern of costs and prices

28. The importance of these changes in the pattern of energy supply and demand lies in the effects they produce on the competitive situation as among the different sources of energy. Conversely, the future pattern of energy supply is determined in large measure by the competitive capacity of the individual forms of energy. The great question today is how Community coal can adapt itself to future conditions of competition.

Production costs for Community-mined coal today average 14-15 units of account per metric ton.

Prices have followed much the same trend as costs, though in general the rise in their case has been somewhat steeper and there are especially marked differences from one country to another.

Indices of Coal Production Costs
(Community Average)

(1954 — 100)

	Production costs	Underground o.m.s.	Hourly wage costs
1954	100	100	100
1955	101.4	104.1	109.0
1956	105.3	106.1	117.6
1957	115.7	107.2	132.4
1958	116.1	109.7	138.5
1st qtr. 1959	109.6	114.6	—
2nd qtr. 1959	110.8	119.9	—

29. The competition which European coal is required to meet is the result of a number of different factors. First, there are the conditions under which third-country coal is supplied, the supply situation being governed not only by the production costs but also by the transport costs involved. The supply of third-country coal is at present determined by the conditions under which American coal is being imported into the Com-

munity. It is reasonable to assume that American coal will continue to influence prices in the European markets — so long as it is allowed to enter freely — although it should be borne in mind that Polish, and probably in the near future also British, coal could be supplied at prices below the American level. It is not known, however, that tonnages and grades could be imported at these prices, nor is it certain that the prices would not in fact become to some extent aligned with those of American coal in the European markets.

The current prices of American coal f.o.b. Hampton Roads are \$8.50 per long ton for bituminous slacks (steam-raising coal) and \$9.80-10.00 per long ton for coking coal. There is nothing to suggest any increase to speak of in the foreseeable future : the supply capacity of the American coal-mining industry and the pressure of home competition are such that the trend is likely to continue relatively steady. Maritime freight-rates for long-term contracts are at present fluctuating between \$5.00 and \$6.00 per long ton, though the rates for single voyages may be \$1.00 or even \$2.00 lower. If we assume an economic rate of \$5.00-5.50 (see above), the average delivered price of American coal in Rotterdam would work out at \$13.50-14.50 per long ton for bituminous slacks and \$14.80-15.50 per long ton for coking coal.

Fuel-oil prices in the Community are theoretically governed by the world supply and demand position in respect of basic petroleum products generally, though in consequence of the present compartmentation of the market there are sometimes quite considerable disparities as between one country and another.

As regards the price ratio of fuel oil to coal, actual U.S. East Coast prices (based on calorific value) have during the last few years frequently been very similar : in view of the way in which the pattern is changing, however, it will in future be necessary to study all the time the possibilities for securing equivalence of coal and fuel-oil prices in North-West-European ports.

Delivered Prices of Bituminous Slacks and Heavy Fuel Oil
(c.i.f. Rotterdam)

(\$ per ,000,000 Kcal)

End of quarter	Bituminous nuts No. 4 Netherlands	Semi-bituminous fines	Fuel oil, viscosity 6 000 ^o Redwood I
4/1953	2.35	2.26	2.17
4/1956	2.35	2.24	2.34
4/1957	2.63	2.61	3.56
4/1958	2.78	2.79	2.60
4/1959	2.52	2.63	2.28

30. Under a system of altogether free competition excluding all Government intervention, the European coalmining industry would need to make great exertions to market its production at prices which would withstand competition from imported energy. This would not, of course, be possible without a considerable sacrifice of revenue.

If the coalfields are to avoid such losses, but at the same time to adjust their prices to those of their competitors, the main thing to be done is to raise their output per man/shift. This can be done by means both of positive rationalization (mechanization of coal-winning operations, working of only the best seams, etc.) and of negative rationalization (closure of workings or of whole pits). As the position now stands, the increase in O.M.S. required — short of Government action to impose taxes or duties — is a considerable one, beyond the technical capacity of some collieries to achieve.

The need for the industry to adapt itself to this competitive situation is everywhere recognized. Co-ordinated positive and negative rationalization operations are being planned to assist the adaptation process. Uneconomic pits known to date to be scheduled by the collieries themselves for closure represent a total of 30 million metric tons p.a. in Community production as a whole.

The most pressing task of a co-ordinated energy policy is to ease the process of adjusting Community coal to

the new situation, if necessary so regulating its timing as to avoid serious disruption of social conditions and of the economic balance of the member countries.

Section 2 — Recent Energy Measures in the Individual Countries; their Co-ordination

31. The energy trends just described are apparent all over the world; at the same time, their incidence differs from one Community country to another. It is affected in the first place by natural and technical factors, including the pattern of energy supply (*i.e.* the shares of the different forms of energy in the covering of total demand, which are mainly, though by no means always, determined by natural reserves), and also the degree of dependence on imports. The table following indicates these in condensed form.

Pattern of Energy Supply and Dependence on Imports of the Community Countries in 1958

(% of total supply of primary and secondary energy)

Source of energy	Belgium	Federal Republic of Germany, incl. Saar	France	Italy	Luxembourg	Netherlands
Hard coal	72.5	64.9	58.8	19.3	91.6	56.8
Brown coal	0.2	16.1	1.4	0.7	2.2	0.9
Oil	26.6	15.1	27.9	39.3	6.2	40.7
Water power and terrestrial heat	0.3	3.3	11.0	28.5	—	0.3
Natural gas and methane	0.4	0.5	0.9	12.2	—	0.9
Peat	—	0.1	—	—	—	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
Net dependence on imports	35	6	43	54	100	49

At first glance it appears natural that countries with large resources of primary energy, in which considerable sums of capital are tied up, should from the pressure of economic facts if for no other reason conceive their energy policies along different lines than countries not so placed.

Closer study of the situation indicates, however, that these circumstances are counteracted and modified by other factors, partly social, partly economic and commercial. An important — indeed at present the most important — feature of the measures taken by the individual Governments is that their object is to offset or reduce *the effects* of certain general trends in the energy sector. During the recession this aspect came very much to the fore, as may be clearly seen from the fact that in many cases concentration was primarily on cushioning social repercussions. Even where the action taken was not directly social in character, but operated through the accepted expedients of tariff, tax and trade policy, the basic aim was to avoid or alleviate social complications, more particularly in the coalmining industry. There was for the most part no real energy policy at all, or where there was it tended to be thrust into the background. This was possibly inevitable, in view of the speed with which the recent trends in the energy economy have developed and the fact that neither in the member countries nor in the Community itself were the general outlines for an energy policy worked out in time.

The Community is therefore now faced with a wide range of measures adopted at national level, mostly to meet the particular situation in the country concerned rather than the needs of the Community. We go on to list the various arrangements now in force, appending a brief summing-up of their adequacy or otherwise from the point of view both of the energy situation and of the principle of a co-ordinated energy policy.

ENERGY MEASURES IN THE INDIVIDUAL COUNTRIES AND THE WORK OF THE HIGH AUTHORITY

32. (1) *Federal Republic of Germany.* — The Federal Government pursues a free-market policy: in principle, this applies also in respect of the energy field. Accordingly, it supported the High Authority's action in 1956 to abolish the system of maximum prices for Ruhr coal; subsequently, on grounds of general economic policy, and in particular of

price policy, it went further, approving the conclusion of three-year import contracts for coal and fuel oil, lifting existing duties on fuel oil, and exempting from turnover tax heavy fuel oil produced from German crude oil in German refineries.

The falling-off in general economic activity in 1958, however, caused the Federal Government to change its attitude, in order, in particular, to meet the threat of social conflicts in the coalmining industry. It successively (a) invoked Article XIX of G.A.T.T. (refusal of licences for further contracts), (b) imposed a temporary import duty of DM.20 per metric ton of coal entering the country in excess of a duty-free quota of approximately 5 million metric tons (recommended by the High Authority in response to the Government's request), (c) supported the "Notgemeinschaft" (emergency association) formed by the coalmining industry to secure the commutation of long-term import contracts, and (d) authorized the "emergency cartel" also formed by the industry with certain oil companies, which subsequently proved ineffective and was therefore dissolved.

At the end of last year the Federal Government asked the High Authority for a recommendation that it renew the coal duty for 1960. This was given. Turnover tax was reimposed on heavy fuel oil produced in German refineries. In addition, it proposed to the Bundestag that consumption of light and heavy fuel oil be made subject to a tax of DM.30 per metric ton, the proceeds to be used to help finance welfare schemes and measures planned by the collieries themselves to adjust their position by means of partial or total closures of pits. The German coalmining industry recently submitted to the High Authority a plan for the formation of an association to handle the financing of pit closures.

(2) *Belgium.* — The general principle of the Belgian Government in matters of energy policy is that of free competition. However, the high production costs of the Belgian collieries have all along complicated the integration of the industry into the Common Market, and have necessitated a whole series of special arrangements and regulations. The recession, which hit Belgium fairly severely, produced in the coal sector a very serious situation indeed, which resulted in considerable difficulties on the social plane. The Belgian Government's steps to deal with the emergency — which it took with the agreement of the High Authority — must be viewed in the light of the social aspects involved.

Since 1958 the Belgian Government has been seeking to arrange for cutbacks in imports of coal from third countries. With regard to purchases from within the Community, it has introduced a licensing system, to enable a statistical check to be kept. In co-operation with the industry, it has drawn up reorganization programmes and regional redevelopment schemes for the areas in difficulties. It has contributed

funds for assistance to the collieries and for the financing of pithead stocks. It has encouraged certain restrictions voluntarily adopted by coal producers and fuel-oil importers with a view to braking competition. It has imposed new taxes on petrol and gas-oil : the excise duty on petrol was raised at the end of 1958 from Bfr.320 to Bfr.370 per hectolitre, and again at the end of 1959 to Bfr.445; in the case of gas-oil, which had not previously exempt from excise, a duty of Bfr.30 per hectolitre was imposed at the end of 1958, and stepped up in 1959 to Bfr.40, while the rates of turnover tax and compensating duty were raised from 10% to 12%. At the same time an excise duty of Bfr.10 per 100 kg. was placed on fuel oils, and turnover tax and compensating duty were put up from 5% to 12%. Taxation on coal remained unchanged.

It should also be noted that the Belgian Parliament voted the Government special powers, up to the end of 1959 to deal with the coal situation.¹⁾

(3) *France.* — The French Government has a number of means open to it for regulating the operation of the energy market. Several major sectors — the collieries, the gasworks and the power-stations — are nationalized, which makes it easier to ensure that the energy economy develops along uniform lines.

The co-ordination of investment in the energy field is part of the responsibility of the Commissariat au Plan. The third Plan for Energy, worked out in 1958, is now being reviewed in the light of the latest developments in this field.

The tonnages of coal imported from third countries are regulated by the Association Technique de l'Industrie Charbonnière (A.T.I.C.). This enables the French Government to tailor imports to the state of the production schedules. A.T.I.C. can also influence the pricing of certain grades so as partly to even out disparities between import and home prices for the grades concerned.

The oil market is subject to various special regulations. The number of importers is restricted, as import licences are granted only to dealers satisfying certain requirements, with the result that outsiders have not as a rule much chance of breaking into the market; in addition, there is a system of price parity. Within the framework of these arrangements, the importation of fuel oil is free, but there are certain quantitative restrictions on the importation of petrol. Oil producers and importers are obliged to hold minimum buffer stocks. Investment in the oil sector requires prior authorization by the Commission des Hydrocarbures, which has to assure itself that the project is in line with national defence

¹⁾ For further details see Chapter Four, Section 3.

and town and country planning desiderata. The State is also helping to finance oil-prospecting schemes, in particular in the Sahara.

The fiscal reform carried through in 1959 affects the energy sector in a number of ways. Under the new system, a uniform rate of 10% of the price including excise duty is payable on all sources of energy, *i.e.* coal, petroleum products and natural gas. The aim is (a) to make the provisions of common law applicable to all energy producers, and (b) to harmonize the taxation of the different sources of energy. The latter object has, however, not yet been altogether achieved, since different tax regulations are still in force for petroleum products.

(4) *Italy*. — The energy policy of the Italian Government is based on two principles, free choice by the consumer in a competitive market, and — with the object of steadily raising the standard of living — influencing of prices so as to prevent them from being forced up by booms or shortages. This latter aspect is the responsibility of the Interministerial Price Committee, which periodically fixes maximum prices for consumer sales. For petroleum products these are based on Persian Gulf averages.

There are a number of legal provisions in force designed to help achieve this aim of a dependable flow of supplies. In particular, the refineries are required, unless given Government permission to the contrary, to keep 30% of their capacity idle, and have also to maintain buffer stocks, at present fixed at 10% of their annual capacity. Authorization to construct thermal power-stations is granted only if these are to be multi-fired, *i.e.* can be run on two or more different types of fuel.

Investment projects in the oil sector are subject to prior authorization, which is given provided the projects fit in with overall energy requirements as forecast.

As regards fiscal measures, the Italian Government has, in pursuit of its price policy, temporarily reduced the duty on light oil from 6% to 3%, and suspended the duty of 3% on heavy oil. Petroleum products are, however, still considerably more heavily taxed than coal.

(5) *Luxembourg*. — The Luxembourg Government favours the maintenance of a free-market economy. At the same time, the State has certain powers to intervene in connection with coal imports and coal prices. Since the country imports the whole of its energy supplies, energy imports are not dutiable. Excise duties are very low: they are the same as in Belgium for all sources of energy except petroleum products, on which the higher rates recently introduced in Belgium are not at present payable. The prices of electric current, which is produced from blast-furnace gas, are officially regulated.

(6) *Netherlands*. — To keep the price-level in the country as low as possible, the Netherlands Government is in principle concerned

to maintain free competition in the energy sector. Owing to the present difficulties in the Community coalmining industry, however, it is seeking to restrict imports of hard coal from third countries. At the same time the collieries are being pressed to intensify rationalization operations.

It operates a system of maximum prices for fuel oil, but will do nothing to prevent a downward trend, even an uncomfortably steep one.

There have been no changes recently in the rates of taxation on sources of energy. Coal is, however, definitely rather highly taxed in comparison with petroleum products.

(7) *High Authority.* — All the measures which the High Authority has recommended, or has itself carried out, have been aimed at dealing with the difficulties in the market at Community level. This approach — perhaps most clearly apparent in the High Authority's proposals to the Council of Ministers for the implementation of Articles 58 and 74 of the Treaty — governed both the indirect action taken up to then in the Common Market and the special measures which it was obliged to introduce in order to work progressively towards a solution of the Belgian coal problem.

The corpus of measures adopted by the Governments and the High Authority has eased the coal situation in most of the member countries and in the Community as a whole, although pithead stocks, mainly accumulated during the preceding period, continue to burden the market.

The results achieved by these means are, however, incomplete : it could hardly be otherwise.

PREREQUISITES AND CONDITIONS OF CO-ORDINATION

33. The Governments' measures of necessity vary both in aim and in urgency, since the individual national economies vary in their sensitivity to difficulties in the coal sector. In addition, however, the measures come in each country within an overall administrative framework which governs both the possibilities for their implementation and the disparities in their incidence in accordance with the economic pattern prevailing.

These differences in the structure of the general economy and of the energy sector to a great extent explain why the High Authority has had to confine its action at Community level to the provision of financial aid after the event in order to temper or redress direct or indirect social effects already produced by trends in the energy market.

The trends described will persist. The energy markets of the individual countries, until recently split up into fairly clearly delimited sectors, are as a result of technical progress and the increasing interchangeability of the different forms of energy becoming more and more homogeneous. Energy prices may therefore be expected to become increasingly interdependent. But technical and economic developments which operate in favour of uniform energy markets will not and must not be confined within national frontiers. Now that, thanks to the introduction of the Common Market, the general institutional prerequisites are there, the time has come to draw the proper conclusions and reap the benefits in regard to the common market for energy. In view of these considerations, a genuine and effective co-ordination of energy policy in the Community is imperative.

For the differences between the energy policies of the individual countries cannot with safety be allowed to continue. Some countries charge import duties on energy products, others do not, and the rates of duty themselves frequently vary from one country to another. Further, in some countries quantitative restrictions on imports are in force. This state of affairs is calculated to produce distortions in the price relations between the different energy products even within one and the same country, which in their turn lead to distortions in price relations between one country and another. These disparities, stemming from the repercussions of the measures adopted and thus from the measures themselves, are incompatible with the concept of a common market.

This undesirable concatenation of developments would be further aggravated if the various reorganization program-

mes already launched or planned in some countries were to be carried out along separate and divergent lines rather than along lines co-ordinated to apply for the Community as a whole. Such divergencies would be almost bound to result in uneconomic shifts in flows of trade, and hence in dislocations in the Common Market intolerable to the member States themselves. The danger would then be that further restrictions might be imposed on trade between one Community country and another.

In face of these very real dangers, attention must be drawn to the very considerable incidence of energy on costs in the national economies, and particularly in the basic industries. Marked disparities in energy prices within the Common Market, not accounted for by genuine disparities in costs — *i.e.* differences in productivity in energy production or conversion — would interfere with the operation of the Common Market and probably lead to the introduction of fresh protective measures of another kind. It is essential that both the countries and the Executives should make it their concern to eliminate such disparities, with their distorting effect on competition.

34. If the imbalance in the market is to be effectively and finally disposed of, by adjustment to the structural conditions now prevailing, it is essential that all action taken within the Community by the producers, the Governments and the European authorities should fit into an overall energy policy. The objectives of such a policy should be as follows.

To make its due contribution to the expansion of the economy, the policy must be aimed essentially at ensuring as economic a flow of energy as possible, which will satisfy consumers' requirements as to quality, quantity and dependability. A particular point must be made of seeing that consumers in comparable positions have equal access to the sources of supply.

The very fact that there are so many sources of energy and so many uses for them, and that the different forms of

energy are becoming so increasingly interchangeable, is a factor conducive to the emergence of a single energy market. The object of any energy policy must be to create conditions favouring the establishment of such a market in the Community, while at the same time eliminating such obstacles as may arise in the process.

Energy-production, conversion, transportation and utilization techniques are developing fast. The co-ordination of energy policy must not be achieved at the cost of holding up technical progress in the Community. On the contrary, it must contribute to it. This involves costly long-term investment: the amounts of capital required would, however, be larger still if each country were to try to meet its own demand — particularly its specific demand — independently of the rest. It will therefore be necessary to work for and promote the coherently planned development of investment in the energy sector.

In view of the lines along which competition among the different sources of energy is likely to evolve, and also of the fact that energy production is, of course, a major branch of Community industry, care will need to be taken to see that in the long term the adjustment of Community energy production to changes in the competitive situation goes through without producing serious economic dislocations and at a pace acceptable from the point of view of social considerations. This raises the question of the harmonization of conditions of competition for the different sources of energy.

The interlinking of the energy economies of the six countries and third countries, coupled with the inelasticity of the Community's own production, will necessitate special attention to the problem of ensuring an even flow of supplies at all phases of the trade cycle. Energy policy must aim at the containment of short-term disturbances in the operation of the market.

Section 3 — Work to Date on a Co-ordinated Energy Policy

35. The High Authority has been guided in its work for the co-ordination of energy policy by the points elicited in the course of the various inquiries it has conducted. One of the main questions in this connection was what organizational arrangements could best be adopted for its projected co-operation with the other two Executives and with the Governments and enterprises concerned. This subject has been discussed on a number of occasions by the European Parliament and the appropriate Parliamentary Committees, which have put forward certain suggestions.

Recognizing that even quite minor amendments of substance to the Treaties would involve lengthy negotiations, whereas in fact the provisions of the Coal and Steel Treaty, the Treaties of Rome and the Protocol of October 8, 1957, should form an adequate basis for economic co-operation, the High Authority took the necessary steps to establish regular liaison arrangements with the E.E.C. and Euratom Commissions. Similar advances were forthcoming from the two Commissions. Informal inter-Executive co-operation had begun at meetings held in 1958; on May 25, 1959, it was decided to set up an Inter-Executive Standing Committee on Energy to consist in principle of two representatives from each Executive, although the High Authority may if it wishes send three. The Committee in October 1959 decided in its turn to set up three *ad hoc* working parties with clearly-defined terms of reference, to consist of staff members from the departments of the Executives. The Executives drew up a memorandum on the procedure to be followed, which was approved by the Special Council of Ministers on January 26, 1960. This ran as follows.

36. *Memorandum on the Co-ordination of Energy Policy.* The High Authority has agreed with the E.E.C. and Euratom Commissions on the following details and suggestions concerning the co-ordination of energy policy.

By the terms of the Protocol of October 1957, the High Authority is required, in co-operation with the Commissions, to submit proposals to the Council of Ministers of the E.C.S.C.

For agreement to be reached in the Council of Ministers on the broad outlines of energy policy, on proposals as to how it should be carried out, and on the specific measures it will entail, careful preparation in consultation with the Governments is essential. It is therefore necessary that the High Authority should, in co-operation with the other Executives,

- (a) hold preliminary consultations with the Governments and with the parties concerned, in order to ascertain their views;
- (b) prepare for the Council's discussions by means of a report on the situation and by exchanges of views on the basis of which the respective positions may be ascertained and possible lines of action worked out;
- (c) submit to the Council of Ministers of the E.C.S.C. the specific measures it recommends.

The E.E.C. Commission and the Euratom Commission will attend those Council meetings at which problems of energy policy are discussed.

- (1) Within the terms of this general procedure, the High Authority has agreed with the other Executives
 - (a) that all steps shall be taken to expedite the inter-Executive studies;
 - (b) that proposals shall be framed during the next few weeks, on the basis of short-term forecasts, to enable the most pressing difficulties in the field of energy policy to be obviated;
 - (c) that at the same time qualified Government representatives shall be unofficially contacted with reference to these preliminary findings.

- (2) The High Authority has agreed with the E.E.C. and Euratom Commissions that it shall, in association with them, arrange any necessary hearings for the various circles directly concerned.

The High Authority further considers it useful to organize consultations of this kind with experts from the industrial circles concerned on a regular basis, and reserves the right to make further proposals in this connection in the light of future experience.

- (3) It is recalled that, in accordance with the Protocol of October 1957, the High Authority, in association with the joint Committee and in co-operation with the other Executives, having duly received the necessary particulars direct from the circles concerned, is carrying out the studies referred to in the Protocol, *viz.*

- (a) energy balance-sheets for the past;
- (b) energy balance-sheets for different periods in the future, *i.e.*
 - (i) short-term forecasts (yearly balance-sheets),
 - (ii) medium-term forecasts and
 - (iii) long-term forecastsof requirements and availabilities.

- (4) The High Authority further, in agreement with the E.E.C. and Euratom Commissions, considers it necessary to propose to the Council of Ministers

- (a) that each Government should itself take steps to arrange for the co-ordination of energy matters in its own country as may be necessary;
- (b) that the Council should periodically examine the short and medium-term forecasts and position with regard to energy supplies, and also the long-term position in the context of general

economic expansion, in order that arrangements may be worked out whereby a satisfactory balance may be achieved within the framework of a co-ordinated energy policy.

The three *ad hoc* working parties set up in October 1959 are required

- (a) to examine the present energy situation of the Community, set forth the lines along which it may be expected to develop during 1960, and at the same time fit these into the context of long-term trends;
- (b) to assemble all necessary information on conditions of competition and make proposals with regard to their harmonization;
- (c) to study the long-term outlook for the energy economy and work out a general approach to energy policy.

37. At the time of writing, the working parties' studies, although not completed, are well advanced. The Inter-Executive Committee on Energy may be expected in the near future to submit to the appropriate bodies proposals as to the lines along which energy policy should be co-ordinated and the concrete measures which should be planned in order that this may be done. Under the procedure laid down in the Protocol of October 8, 1957, and confirmed in the memorandum of October 10, 1959, the institution principally responsible for steering this work is the High Authority. Full participation by the other two Executives is, however, also provided for, and the practical co-operation among the three has proved outstandingly satisfactory and effective. In accordance with the agreements, they will shortly be submitting to the Council of Ministers of the E.C.S.C. proposals for a co-ordinated energy policy, on which the Council will be required to take its decision.

Recent experience has clearly indicated that the European energy economy is caught up in a process of structural development and transformation. At the same time

investigations and studies suggest that the adjustment of energy patterns to one another will take some time. The first step in any co-ordination of energy policy must therefore be to line up the work of the individual Governments. Even co-ordination based on existing conditions, *i.e.* on the action already taken in the different countries, will be altogether pointless unless agreement is reached on certain economic principles which will make it possible to adopt one general line. This is the object of the present regular consultations — shortly to be further intensified — with the Governments and the industrial circles concerned. Only on the basis of such consultations can proposals be produced as to the principles and procedure for arriving at a co-ordinated Community policy.

ANNEX TO CHAPTER THREE
METHODS EMPLOYED IN MAKING ENERGY FORECASTS

38. In the experts' view, the best method of consolidating the figures for the different forms of energy into a single balance-sheet is as follows.

- (a) All forms of energy are expressed in actual quantities, *i.e.* metric tons, cubic metres and kilowatt-hours.
- (b) Forms of energy at the end-consumption stage, *i.e.* energy as brought to its final consumer, is converted into calories on the basis of the lower calorific value. Electric current is rated at 860 Kcal/kWh.
- (c) In the primary (raw-material) balance-sheet, hydro-electricity is shown in kWh separately from the other forms of energy. If it is desired to arrive at a consolidated figure for this stage also, the kWh of hydro-electricity should be converted throughout at 2,800 Kcal.

From this central point in the energy balance-sheets, *i.e.* from the delivery of forms of energy to the consumer, the different stages in the flow of energy can be followed forward and backward. Forward, we have the actual utilization of the energy as finally required by the consumer, which may be broken down into

chemical utilization, *e.g.* the use of coke in reducing ores;
mechanical utilization, for (i) movable and (ii) fixed motors and engines;
thermal utilization, for industrial heat-treatment processes and for space-heating purposes.

Backward, we have the various conversion and transportation processes preceding delivery to the end consumer, all of them involving some consumption or loss of energy, and beyond them again the production of the energy in its crude state, which also itself involves using up a certain amount of energy. At each of these stages the losses and/or "own consumption" have to be taken into account. To obtain a general picture of the energy economy, it is important to know the amounts concerned. The ratio of the energy output to the energy input is known as the efficiency rating.

39. The object of the forecasts is to provide figures indicating future energy requirements. The problem is to develop as models numerical functions which enable such figures to be arrived at. The method selected should as far as possible apply equally to overall consumption of primary energy in the Community, overall consumption of primary

energy in the individual countries, and end consumption of energy in the different sectors of the economy. All forecasts of requirements are based on hypotheses, and accordingly carry an element of uncertainty the extent of which depends on how far the hypotheses prove to be correct. Also, particularly in the case of long-term forecasts, unforeseeable technological changes may intervene and alter the outcome in greater or lesser degree. Finally, to be reliable, forecasts must be based on full and accurate statistical material. It is therefore necessary that all forecasts should be accompanied by particulars as to

- (a) the hypotheses adopted with regard to economic activity;
- (b) the actual method of forecasting employed, the hypotheses on which it is based, and the reasons for their adoption;
- (c) the relations between independent and dependent variables (so that the implications of any change in the explanatory variables may be recognized);
- (d) the margin of inaccuracy for the results.

40. The relations between the trend in economic activity and the trend in energy consumption are known: on the other hand, the effects of technical factors, particularly in energy conversion and utilization, must be taken sufficiently into account. After carefully studying the methodological alternatives, the experts decided to take the industrial-production index as representative of economic activity, since the reference periods for it are longer and the available data fuller than for gross national product. For the same reasons they proposed that, initially, the calculations should relate to availabilities of primary energy (production plus imports minus exports), together with the difference between imports and exports of secondary energy, and with changes in stocks. The function suggested is as follows:

$$\frac{E}{E_0} = \left(\frac{I}{I_0} \right)^\alpha \cdot e^{\beta(t-t_0)}$$

E = energy consumption

I = economic activity

α = coefficient representing a relation between rates of growth I and E

t = time

β = influence of time given no change in economic activity (β may be greater or smaller than 0, according as there is an increase or a decrease in course of time, e.g. as a result of technical progress)

t_0 = reference year

e = basis of natural logarithm.

41. This function can also be applied in forecasting energy requirements sector by sector. As, however, the calculation of the coefficients representing the relation between the growth in general economic activity and in energy consumption must be based on an adequate number of historical observations, it is at present applicable only up to a certain point. Statistics for deliveries of energy to the different sectors are available only from 1960 onwards, and this is too short a period to serve as a basis for reliable calculation. In theory, nevertheless, it is possible to forecast energy requirements in each sector by this formula. This sector-by-sector approach has the advantage of enabling allowance to be made for changes in pattern, but, at the same time, the disadvantage of failing to allow for the emergence of new sectors or for unforeseeable developments in the existing ones. In addition, it necessitates careful study of economic and technical data and trends in each sector. The results arrived at by the two methods — overall and sector-by-sector — cannot therefore be expected to tally entirely, unless by chance; at the same time, the sector-by-sector method does provide a serviceable means of checking the overall calculations.

In sector-by-sector analysis it is necessary to take into account the competitive situation as among the different energy products. It has been found useful to distinguish between “specific” demand, *e.g.* requirements of coke for pig-iron production or of petrol for motor vehicles, and “competitive” demand. But it is often very difficult to draw anything but a very approximate dividing-line between the two. And whether the overall or the sector-by-sector method is used, serious difficulties arise in any attempt to estimate demand for the different forms of energy: very full technical and economic details are required. There is, however, one exception, consumption of electric current. This is expanding vigorously and, it would seem, more or less independently. Since it is so closely bound up with general economic activity, it can already be estimated with a fair degree of accuracy.

For purpose of calculation it is necessary to allow a confidence interval. This is computed as follows. First, it is decided what degree of probability can best be attached to the real value of energy consumption, assuming the hypotheses on which the calculations are based to be correct. It is then possible to determine mathematically the interval within which the real value may with that degree of probability be expected to lie. The experts suggest a confidence level of two-thirds: that is to say, if general economic activity expands at the rates assumed, there are two chances out of three that actual energy requirements will fall within the range calculated and forecast.

CHAPTER FOUR

THE SITUATION IN THE COMMON MARKET FOR COAL AND STEEL

43. The general economic situation in the Community began to look up at about the beginning of 1959, and remained favourable throughout the year thanks to the increasing influence of factors fostering expansion in most of the Community countries.

The recovery is of course partially attributable to a number of merely temporary causes, but the main factors which accelerated economic activity were the improved economic climate throughout the world, increased third-country demand for manufactured goods, and a tendency in the Community to build up stocks and increase public investment. Private investment also increased from the second half of the year onwards.

These combined factors brought about a stronger recovery in those Community countries, in which economic activity had fallen off less than elsewhere in 1958. In the first quarter of 1959 industrial production in Belgium and Luxembourg was still below the level reached in the same quarter of the previous year. In France, both the decline and the recovery occurred several months later than in the other Community countries. Since the second quarter of 1959, the rate of the industrial production, reckoned on a year-to-year basis, has been increasing in all six countries, amounting to 6.4% for the Community as a whole. The highest rates were achieved in the Netherlands, Italy and the Federal Republic of Germany. Industrial production for the Community as a whole reached a higher rate of increase in the fourth quarter of 1959 than that for the same quarter of 1956. Signs of a boom began to appear at the end of the year in the

Federal Republic of Germany and to a somewhat lesser degree in the Netherlands, causing in particular a certain tightness in the labour market.

Rate of Increase of Community Industrial Production compared with the corresponding Quarter of the previous Year

Year	1st quarter %	2nd quarter %	3rd quarter %	4th quarter %
1956	9	10	8	7
1957	9	6	4	5
1958	4	2	2	3
1959	2	6	8	11 ¹⁾

¹⁾ Provisional figure.

When considered in the context of a longer period, especially the known part of the last economic cycle for coal, which began in 1953, the industrial production index is seen to have been increasing faster than the index for gross consumption of energy. As shown in Graph No. 1, the index for gross hard-coal consumption remains well below the industrial production index.

The differences in the development of the three indices quoted are due to the cumulative effects of the progress made in fuel utilization and to the steadily growing share taken by energy products other than coal in covering overall requirements. In these circumstances economic uncertainty obviously tends to affect coal :

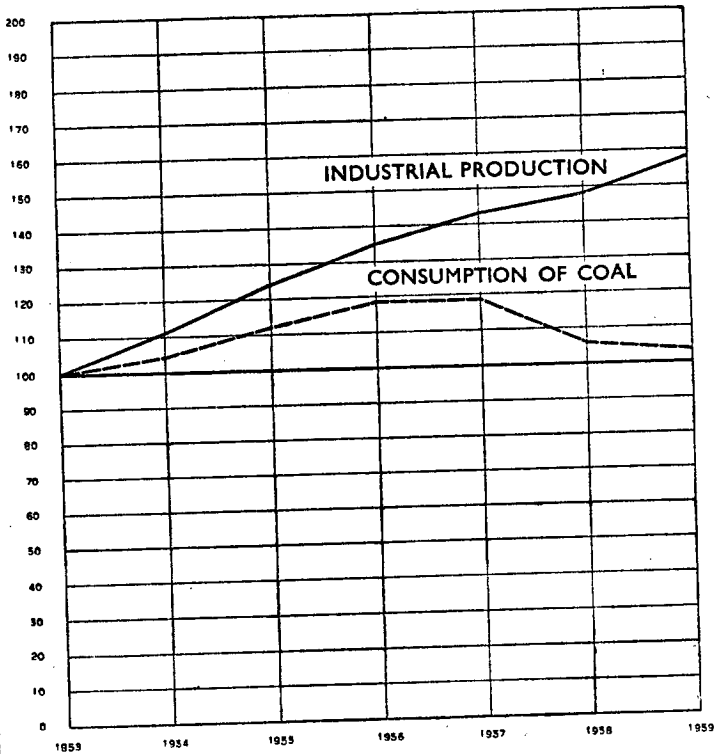
Year	(1953 — 100)		
	Index for industrial production ¹⁾	Index for gross consumption of energy	Index for gross consumption of hard coal
1953	100	100	100
1957	143	125	118
1958	148	122	106
1959 ²⁾	158	123	103

¹⁾ Exclusive of building trade and foodstuff, berevage and tobacco industries.

²⁾ Provisional figures.

GRAPH 1

Indices
of Industrial Production ¹⁾ and Coal Consumption in the Community



* 1) Exclusive of building, foodstuffs, beverages and tobacco.

The development of the Common Market for coal during 1959 must be viewed in the context of this overall economic background. In the sections following we shall examine the action taken by the High Authority within the Community, particularly in respect of the Belgian coalmining industry.

In contrast, as will be seen in the last section of this chapter, the economic recovery has had a very favourable effect on the Community iron and steel industry.

Section 1 — The Trend in the Common Market for Coal

44. The situation in the Common Market for coal reveals the same salient feature in 1959 as in 1958 : supply continued to exceed demand. The general recovery in industrial activity did not spread to the Community's coalmining industry.

The falling off in internal demand continued on a considerable scale in 1959 up to the third quarter. Towards the end of the year, demand stopped declining and now seems to have found its level. Exports remained small throughout 1959.

The situation created as regards the supply of hard coal and coke by the decline in demand had repercussions the social and economic consequences of which were partially offset by the general economic recovery. Very considerable efforts were made to adapt the coal production level to the present situation.

Hard-coal production in the Community coalfields in 1959 fell below the 1958 level as a result of the closing of unprofitable pits, the increase in short-time working and the number of mineworkers leaving the pits. The imports of third-country coal helped to reduce supply.

On the whole, 1959 saw a reduction in the extent of the existing imbalance. Producers' stocks continued to pile up, but at a slower rate than in 1958.

TRENDS IN DEMAND FOR COAL IN 1959

Overall demand for hard coal

45. Demand for hard coal from Community users continued to weaken during 1959. Deliveries from Community coalfields and from imports to the various consumer groups rose in 1957 to the record figure of 252.1 million metric tons. Deliveries from the same sources reached only 225.4 million m.t. in 1958 and then dropped to about 212 million tons in 1959.

The rate of the decline in *deliveries*, calculated on the basis of the first quarter of 1957, is shown in the following indices :

(1st Quarter 1957 — 100)

Year	1st quarter	2nd quarter	3rd quarter	4th quarter
1957	100	99.1	96.2	96.9
1958	90.6	85.1	86.8	88.0
1959	83.9	79.5	78.8	86.9 ¹⁾

¹⁾ Provisional figure.

Demand was already falling off in 1957, a remarkable fact considering that orders, placed in the majority of Community coalfields continued to exceed deliveries up to the end of 1957. From then on the decrease in demand became more and more marked up to the second quarter of 1958 and remained quite considerable until the middle of 1959.

Total deliveries of coal were 10.7% lower in 1958 and 16.1% lower in 1959 than in 1957, and 6.1% lower in 1959 than in 1958.

The extent of the fluctuations in demand reflects the magnitude of the changes in consumers' stocks during the

period under review ¹⁾). By taking into account the fluctuations in consumers' stocks of hard coal and coke together with those in the coke stocks at coking-plants, we obtain the variations in *real consumption* ²⁾). Calculated on the same basis as the above table, real consumption may be expressed in indices as follows :

(1st Quarter 1957 — 100)

Year	1st quarter	2nd quarter	3rd quarter	4th quarter
1957	100	90.1	89.2	98.8
1958	85.6	79.8	80.7	87.5
1959	83.1	79.3	76.8	89.8 ¹⁾

¹⁾ Estimated.

Total real consumption of hard coal dropped by 9.2% in 1958 and by 4.7% in 1959 below the figure for the previous year, and in 1959 was 13.5% lower than in 1957.

The foregoing details show that the year 1959 forms part of a period of far-reaching changes in the energy market. These changes were due to a large number of structural factors the effects of which were masked by the former high level of economic activity, but was intensified in the coal sector by the Suez crisis. The main factors were

- a fall in specific consumption of coal in the industrial sectors owing to improved fuel utilization techniques;
- substitution of other products for coal owing to a rise in the standard of living and to the rationalization of industry;
- a change in some countries in the price relationship between petroleum products and coal at the expense of solid fuels.

¹⁾ See Statistical Annex, Table No. 15.

²⁾ For further details, see Statistical Annex, Tables Nos. 12 and 13.

To these basic causes of shrinkage in the demand for coal must be added certain short-term factors which intensified the decline in coal consumption, *viz.*:

- plentiful water-supply;
- high winter temperatures in the last two years.

The trend in the *demand for hard coal in the Community countries* was influenced by these factors in varying degrees. The effects and conditions of competition from other sources of energy, the proportion of coal and oil in overall supplies, and the tonnages of hard coal imported, differ from one country to another. Total deliveries of hard coal to consumers in the six Community countries varied as follows :

**Variations in Deliveries of Hard Coal and Hard-Coal
Briquettes to Consumers**
(in Community Countries)

<i>(in %)</i>			
Country	1958/1957	1959/1957	1959/1958
Germany (Fed. Rep.)	—9.6	—16.9	—8.0
Saar	—4.4	—1.1	+3.5
Belgium	—17.1	—12.7	+5.3
France	—8.0	—14.5	—7.0
Italy	—21.4	—29.0	—9.6
Luxembourg	—19.8	—22.8	—3.8
Netherlands	—13.3	—17.8	—5.2
Community	—10.7	—16.1	—6.1

¹⁾ For tonnages see Statistical Annexe, Table No. 14.

Deliveries of hard coal to consumers in the different *consumer sectors* show that over the period 1953 to 1959 only the coking-plants, whose activity is tied up with that of the iron and steel industry, and the power-stations were still increasing their procurements :

Deliveries of Hard Coal and Hard-Coal Briquettes to Consumer Sectors

('000 000 metric tons)

Secteurs	1953	1957	1959 ¹⁾	Variation (%)	
				1959/1957	1959/1953
Coking-plants	80.6	101.8	92.7	-9.0	+15.0
Railways	18.8	17.8	12.8	-27.8	-31.8
Power-stations	20.1	27.4	22.0	-19.5	+9.5
Gasworks	11.9	12.9	9.6	-25.4	-19.4
Iron and steel industry	4.4	4.3	3.6	-15.8	-18.4
Other industries	36.1	39.3	33.7	-14.2	-6.6
Total, industrial sectors	172.0	203.4	174.4	-14.2	+1.4
Households	34.5	44.0	33.3	-24.2	+3.3
Miscellaneous	5.1	4.9	3.9	-20.0	-23.7
Grand Total	211.5	252.3	211.7	-16.1	+0.7

¹⁾ Provisional figures.

Real Consumption of Hard-Coal and Hard-Coal Briquettes by Consumer Sectors

('000 000 metric tons)

Sector	1953	1957	1959 ¹⁾	Variations (%)	
				1959/1957	1959/1953
Railways	19.0	17.1	13.4	-21.6	-29.4
Power-stations	20.6	25.4	23.5	-7.6	+13.8
Gasworks	11.7	12.1	10.0	-17.5	-15.2
Iron and steel industry	4.4	4.3	3.7	-13.5	-16.5
Other industries	36.0	38.7	34.1	-12.0	-5.2
Total, industrial sectors	91.7	97.5	84.6	-13.2	-7.7
Coking-plants	80.7	101.3	92.6	-8.6	+14.7
Grand Total	172.5	198.8	177.2	-10.9	+2.7

¹⁾ Provisional or estimated figures.

Total deliveries reached a maximum in 1956 and 1957, and in spite of the sharp drop over the last two years, their 1959 level was slightly higher than that for 1953.

If we disregard movements of consumers' stocks, the changes in the market structure are confirmed by the trend in *real consumption* in the different industrial sectors.

The level of activity of the coking-plant is governed essentially by that of the iron and steel industry but is also conditioned by demand from other consumer sectors, *e.g.* households, and by export demand. The fluctuations in real consumption of hard coal in the Community are less marked than in deliveries, but the basic trend remains the same.

46. *Deliveries of coke-oven coke* fell off sharply in 1958, but the decline slowed down considerably in 1959. Coke deliveries to consumers went down from nearly 70 million metric tons in 1957 to 63.3 million tons in 1958, whereas in 1959 they stood at about 62.5 million.

Deliveries of Coke-Oven Coke to Consumer Sectors

('000 000 metric tons)

Consumers	1953	1957	1959 ¹⁾	Variation (%)	
				1959/1957	1959/1953
Iron and steel industry	33.0	46.7	44.7	-4.9	+34.5
Other industries	7.3	9.0	7.6	-15.6	+4.1
Total	40.3	55.7	52.0	-6.6	+29.0
Households	7.8	11.2	8.6	-23.2	+10.3
Miscellaneous	3.2	3.0	1.7	-43.3	-46.9
Grand total	51.3	69.9	62.3	-10.9	+21.4
Pig-iron production	31.5	45.1	46.7	+3.5	+48.3

¹⁾ Provisional figures.

Coke deliveries in 1959 were higher than in 1953.

The following table gives the percentage variations of deliveries to different sectors in 1959 compared with the tonnages delivered in 1957 and in 1953.

It should be noted that the 35% increase in coke procurements by the iron and steel industry over the 1953 tonnage corresponds to a 48% rise in pig-iron production. In 1959 the iron and steel industry consumed less coke than in 1957, while pig-iron production went up by over 3%. This disparity between the development of coke-oven coke procurements and pig-iron production is largely accounted for by the reduction of the coke rate.

Trade between Community Countries

47. Trade in hard coal, hard-coal briquettes and coke-oven coke between Community countries showed a general decline in 1958. In 1959, on the other hand, trade in hard coal and hard-coal briquettes increased by 15.5% above the 1958 level, although trade in coke-oven coke remained unchanged.

Examination of the *trade in hard coal and hard-coal briquettes* reveals that Germany has become a larger net supplier and Belgium a larger net purchaser :

(The Saar was reintegrated into the Federal Republic of Germany on July 6, 1959. Trade figures which allow for the status of the Saar at the relevant periods will be found in the Annex to this Report ¹⁾. To facilitate comparison with the previous year, the arrangement of the figures has not been changed in the accompanying tables.)

In 1958 Belgium took 0.6 million metric tons more than it supplied; its negative trade balance for 1959 amounted to 1.4 million metric tons. Most of the tonnages in question

¹⁾ See Statistical Annex, Table No. 10.

**Trade in Hard Coal and Hard-Coal Briquettes
within the Community**

('000 000 metric tons)

Country	1958	1959 ¹⁾	Variations (%) 1959/1958
<i>Deliveries</i>			
Germany (Fed. Rep.)	9.7	11.4	+17.2
Belgium	2.2	2.0	-10.7
France/Saar	3.4	3.9	+13.4
Netherlands	1.4	2.1	+51.0
Total	16.7	19.3	+15.5
<i>Purchases</i>			
Germany (Fed. Rep.)	3.2	3.9	+21.3
Belgium	2.8	3.4	+23.4
France/Saar	6.3	6.4	+2.5
Italy	1.3	2.2	+62.4
Luxembourg	0.3	0.2	-3.5
Netherlands	2.9	3.2	+10.0
Total	16.7	19.3	+15.5

¹⁾ Provisional figures.

Trade in Coke-Oven within the Community

('000 metric tons)

Country	1958	1959 ¹⁾	Variation (%) 1959/1958
<i>Deliveries</i>			
Germany (Fed. Rep.)	6.8	6.1	-12.8
Belgium	0.4	0.6	+34.7
France/Saar	0.1	0.2	+100
Netherlands	1.1	1.4	+32.1
Total	8.4	8.4	-0.3
<i>Purchases</i>			
Germany (Fed. Rep.)	0.1	0.4	+15.3
Belgium	0.15	0.17	+14.0
France/Saar	4.4	3.7	-14.0
Italy	0.1	0.1	+4.2
Luxembourg	3.5	3.7	+4.6
Netherlands	0.2	0.3	+46.6
Total	8.4	8.4	-0.3

¹⁾ Provisional figures.

came from Germany. The Netherlands increased their deliveries to Belgium. Purchases by Italy from the Community went up by nearly one million metric tons.

Trade in coke-oven coke between the Community countries did not increase in 1959 in spite of the recovery of iron and steel production. Deliveries by the Netherlands and Belgium increased, whereas those by the Federal Republic of Germany to France fell off.

The trade position of the different countries has slightly changed. Germany's net supplies amounted to only 5.8 million metric tons as against 6.7 million metric tons for the previous year. France reduced its net purchases from 4.3 to 3.5 million metric tons.

Belgium and the Netherlands were able to increase their balance as net suppliers to the Community.

Exports to Third Countries

48. In contrast to the trend observable up to 1957, hard-coal and coke exports for 1958 followed the pattern of internal Community demand.

In 1959, *exports of hard coal and hard-coal briquettes* to third countries reached a slightly higher level than in 1958. Nevertheless, they stayed below the very low level of 1952. Exports from the Federal Republic of Germany, exceeded those for 1958 owing to the delivery of a special quota to Eastern Germany and to a decline in Belgium and French exports.

Coke exports have fluctuated less markedly in the past than coal exports, but have been falling off steadily since 1955. In 1958, Community exports amounted to 3.4 million metric tons, and the same tonnage was reached in 1959. The decline was felt chiefly by Germany and the Netherlands.

DIFFICULTIES IN ADAPTING SUPPLY TO DEMAND

How did supply — that is, hard-coal imports and hard-coal and coke production — adjust itself in 1959 to the decline in demand and the increase in pithead stocks over the last two years?

Imports from Third Countries ¹⁾

49. Imports from third countries dropped considerably in 1959 because of the slackening demand and of the measures taken by certain Community countries. Imports for 1959 were 19 million metric tons, of which about 5 million came

Hard-Coal Imports from Third Countries

(*'000,000 metric tons*)

Importing countries	1953	1957	1958	1959 ²⁾
I. From the United States				
Germany	3 421	15 904	11 205	4 650
Belgium	664	2 151 ¹⁾	1 879	1 049
France	289	6 991 ²⁾	2 772 ²⁾	774
Italy	1 609	8 201	6 727	4 913
Netherlands	701	4 581	3 237	2 625
Total for U.S.A.	6 684	37 828	25 820	14 011
II. From other Third Countries				
United Kingdom	7 139	6 131	6 025	5 146
United Kingdom	5 085	2 635	1 634	1 238
Poland	1 193	1 999	2 574	1 957
U.S.S.R.	432	1 001	1 171	1 320
Other countries	426	495	647	632
III. Total Imports by the Community	13 823	43 959	31 845	19 157

¹⁾ Including Luxembourg.

²⁾ Including the Saar.

³⁾ Provisional figures.

¹⁾ See Statistical Annex, Table No. 7.

from various countries and 14 million from the United States. These tonnages compare with the 31.8 million metric tons imported in 1958, of which 25.8 million came from the United States.

The most substantial drop occurred in Germany, where total imports for 1959 were only 6 million metric tons as compared with 13 million in 1958. In France, too, the decline from one year to the other was over 50%. Italy imported about 1.5 million metric tons less than in 1958. Total imports by Belgium and the Netherlands were about 1.6 million metric tons lower than in 1958.

*Community Production*¹⁾

50. Community hard-coal production (see Graph No. 2) has dropped since 1957 by over 5%, in spite of improved underground output, as a result of short-time working and the reduction in personnel. In addition, measures were taken in some coalfields to reduce production and to close certain pits.

Hard-Coal Production by Countries ⁽¹⁾

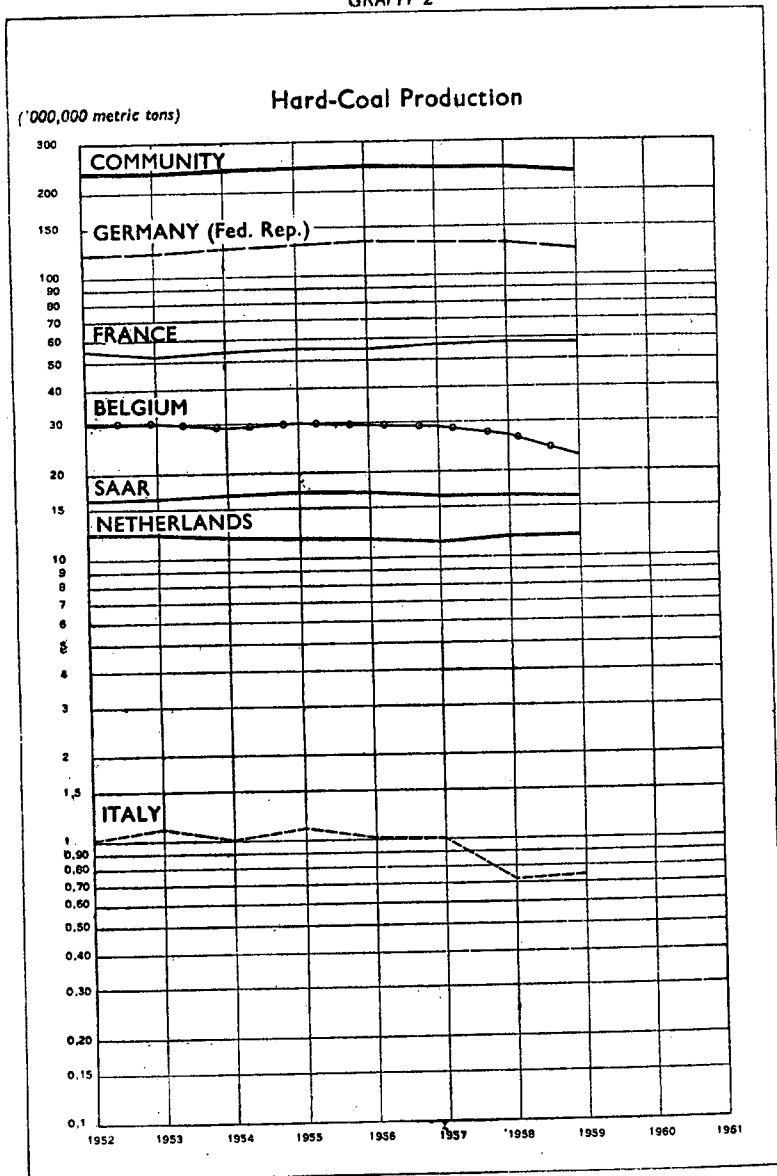
(^{000 000} metric tons)

	1957	1958	1959	Variation (%)	
				1959/1958	1959/1957
Germany (Fed. Rep.)	133.2	132.6	125.6	-5.3	-5.7
Saar	16.5	16.4	16.2	-1.1	-1.3
Belgium	29.1	27.1	22.8	-15.9	-21.8
France	56.8	57.7	57.6	-0.2	+1.4
Italy	1.0	0.7	0.7	+2.2	-27.2
Netherlands	11.4	11.9	12.0	+0.8	+5.3
Total	247.9	246.4	234.9	-3.1	-5.2

¹⁾ For variations in production of Community coalfields, see Statistical Annex, Table No. 2.

¹⁾ See Statistical Annex, Tables Nos. 1 to 6.

GRAPH 2



Underground output per man/shift in Community mines rose in 1958 by 2.8% over the previous year. In 1959, the increase amounted to 9.1%; at the beginning of 1959, the average output was 1,623 kg., rising during the year to reach 1,817 kg. in December. The rise in output was general in all countries but was particularly marked in the German coalfields, and more especially in the Ruhr coalfield where an O.M.S. of 2,011 kg. was reached in December as against 1,739 kg. in January 1959. However, a substantial part of the increase in Germany was due to the new working hours introduced on May 1, 1959, when shifts were lengthened by half an hour and the working week limited to 5 days.

The *number of underground workers* on the Community books dropped by over 59 000 in 1959 as against 32 000 in 1958, *i.e.* by over 91 000 in two years. The decline was most marked in the Ruhr, Southern Belgium, Campine and Centre-Midi.

Underground Workers on the Books of Community Coalmines

(*'000 persons*)

	End of 1957	End of 1958	End of 1959
Germany (Fed. Rep.)	343.7	326.6	289.3
Saar	38.0	38.4	36.7
Belgium	109.4	98.3	84.5
France	143.4	141.1	136.3
Italy	4.9	3.0	2.8
Netherlands	31.5	31.1	29.6
Community	670.9	638.6	579.2

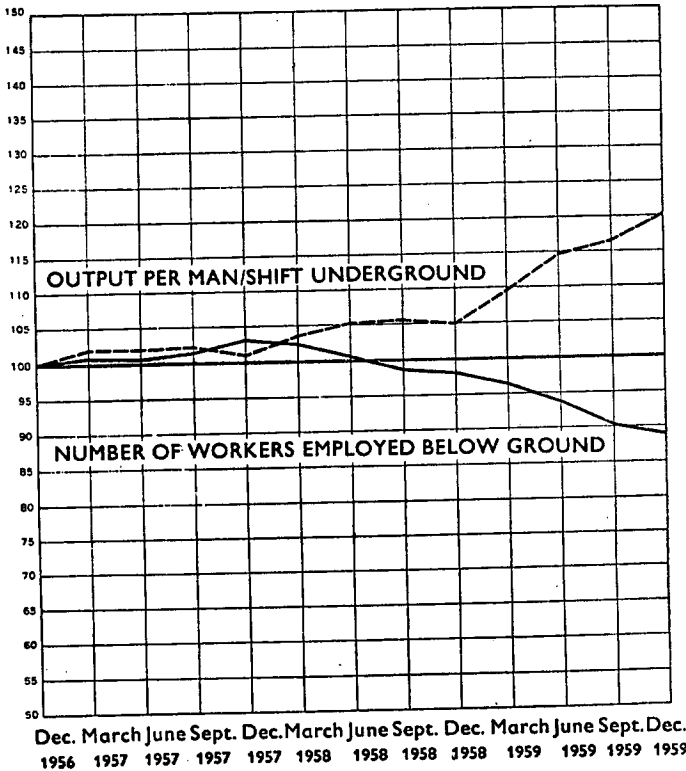
Graph. No 3 shows the divergent trends taken by productivity figures and the numbers of underground workers over the last few years.

Short-time working on account of the decline in sales ¹⁾ was introduced in the coalmines at the beginning of 1958,

¹⁾ See also No. 138 below.

GRAPH 3

**Indices
of Productivity and of Number of Workers Employed Below Ground
in the Community**



particularly in the Ruhr, Saar, Campine, Southern Belgium and Sulcis (Italy). Production losses in 1958 amounted to 6.4 million metric tons, including 3.9 million in Germany (without the Saar) and 2.1 million in the Belgian coalfields.

The decline in coal sales led to an increase in short-time working at the beginning of 1959. In France, the Lorraine and Centre-Midi coalfields, which had until then been unaffected, had to introduce off-days. Following the introduction of the 5-day week in Germany (exclusive of the Saar), the number of off-days decreased from month to month. In the Belgian and Saar coalfields, on the other hand, short-time working increased sharply in 1959.

Production losses for the Community amounted in 1959 to 12.3 million metric tons, including 5.7 million in the Belgian, 5 million in the German, 1.1 million in the Saar and 0.4 million in the French coalfields. Only the Nord/Pas-de-Calais and Dutch Limburg coalfields remained unaffected. There was no short-time working in the Sulcis coalfield in 1959.

51. The reduction in hard-coal production in the Community, however, did not suffice to ensure that all the coal produced was in fact sold. *Pithead stocks* continued to pile up in 1959 ¹⁾. In 1959, 6.8 million metric tons of coal were put to stock in the Community, as against 17.3 million in 1958.

Stocks were still rising substantially at the beginning of 1959, and continued to do so at the rate of about one million tons a month until June. The rate then gradually slackened off. By the end of October stocks had reached a level of 32.8 million metric tons. During the last two months of the year stocks were reduced by 1.5 million metric tons.

¹⁾ See Statistical Annex, Table No. 5.

**Short-time Working introduced in Community Coalfields
because of Falling Sales**

Coalfields/Countries	1958		1959	
	Average number of days not worked at pits	Production loss ('000 m.t.)	Average number of days not worked at pits	Production loss ('000 m.t.)
Ruhr	8.71	3 804	11.26	4 977
Aachen	1.73	52	2.70	80
Lower Saxony	0.02	0	4.42	41
Germany (Fed. Rep.)	8.15	3 856	10.48	5 098
Saar	5.0	278	18.47	1 085
Campine	14.59	556	56.26	2 269
Southern Belgium	22.46	1 577	50.04	3 432
Belgium	20.18	2 133	52.88	5 701
Nord/Pas-de-Calais	—	—	—	—
Lorraine	—	—	2.73	143
Centre-Midi	—	—	5.14	237
France	—	—	1.67	380
Sulcis (Italy)	62.95	180	—	—
Dutch Limburg	—	—	—	—
Community	8.04	6 447	15.17	12 264

52. *Coke production* in the Community stood at 70 million metric tons in 1959, or nearly 4.3 million metric tons lower than in 1958. In 1957 it was about 77 million metric tons.

In 1959, coke producers reduced their output so that smaller tonnages would be put to stock.

The steepest fall in coke production from 1958 to 1959 occurred in Germany (11.6%), followed by Italy (9.5%). On the other hand, production rose in Belgium and the Saar.

Production of Coke-Oven-Coke

('000 000 metric tons)

	1957	1958	1959	Variation (%)	
				1959/1958	1959/1957
Germany (Fed. Rep.)	45.2	43.4	38.4	-11.6	-15.0
Saar	4.3	4.2	4.3	+3.8	+1.1
Belgium	7.2	6.9	7.2	+4.5	-0.9
France	12.6	12.5	13.1	+4.9	+4.1
Italy	3.7	3.4	3.0	-9.5	-17.5
Netherlands	4.2	4.1	4.1	-0.2	-4.0
Community	77.2	74.4	70.1	-5.8	-9.1

53. *Coke stocks at coking-plants* increased by slightly over 1.6 million metric tons in 1959, whereas in 1958 5.3 million metric tons had been put to stock. At the end of 1959 coke stocks in the Community amounted to over 8.5 million metric tons.¹⁾ Thus, by the end of December 1959 the overall hard-coal and coke stocks accumulated by Community producers had reached nearly 40 million metric tons (or approximately 43 million metric tons of hard-coal equivalent).

PRICE TRENDS

Community Coal Prices

54. In view of the difficulties caused by the stock accumulations referred to in the preceding section, the producers took a number of measures in regard to prices.

As from April 1, 1959, the Ruhr coal-selling agencies lowered their prices for certain industrial grades of coal of high V.M. content. The summer rebates on household coal

¹⁾ See Statistical Annex, Table No. 6.

was raised and the winter surcharge reduced. The Aachen and Lower Saxony coalfields also reduced their prices as from April 1, 1959.

On January 1st, 1960, the Rhur, Aachen and Lower Saxony coalfields took advantage of the abolition of the miners' housing levy to alter their prices and the structure of their schedules.

This levy of DM 2 per ton on coal and DM 2.60 per ton on coke was formerly added to the scheduled price, thus increasing consumer prices by the amount of the levy. After the levy had been abolished, the collieries decided to give consumers the benefit of part of the difference. The alteration in the schedules introduced at the same time took essentially the form of an extension of the price spread, the smallest increases being made in the case of the grades particularly vulnerable to competition. Price differences between the various household nuts of semi-bituminous and low-volatile coal and anthracite were increased. Rebates were also allowed on certain grades of coke and briquettes sold mainly to households. In the case of the traditional coking-coals, metallurgical coke and gas-coal, the margin left by the abolition of the miners' housing levy was wholly absorbed by the collieries; the weighted average nevertheless represents a price reduction for the consumer.

The French coalfields revised their prices after the 17.5% devaluation of the French franc in December 1958. On January 5, 1959, the major coalfields issued new schedules showing an average price increase of 11%. Prices for French coal, however, still retained an advantage of about 6% over prices for coal from other sources. Furthermore, the French coalfields introduced new summer rebates and winter surcharges.

The Saarbergwerke also raised their prices for the franc area by 11% on January 5. Their DM prices were adjusted accordingly for deliveries to the Federal Republic.

In Belgium, the Comptoir belge des Charbons (Cobechar) brought out a new schedule on December 29, 1958, with price reductions of Bfr. 35 to Bfr. 75 according to grade. Three coalmining enterprises in the Campine, which withdrew from the selling agency at the end of 1958, published their first schedules on January 1, 1959. Their reductions were much larger than Cobechar's, between Bfr. 85 and Bfr. 130. On March 17, Cobechar announced a second price reduction for certain grades of sized coal, and at the beginning of June the three independent Campine collieries also lowered their prices again.

In mid-June, as part of the scheme then started to reorganize the Belgian mines, schedules were once more revised in order to bring the prices of industrial grades closer to the delivered prices in Belgium of grades from other Community coalfields. As a result Cobechar prices came down further, especially for sizes below 10 mm.

A further price reduction was introduced by all Belgian collieries on January 16, 1960. On January 1, 1960, a fourth coalmining company left Cobechar and published new, substantially reduced prices ¹⁾.

All the prices introduced by the Belgian collieries in 1959 work out at a weighted average of about 7%.

As from January 1, 1959, the Netherlands mines granted rebates on industrial coal for contracts running for at least one year starting on April 1, 1959; these rebates anticipated the prices due to be charged from April 1 on all sales, and amounted to Hfl. 5.50 on bituminous and smokeless steam coals and to Hfl. 4.75 on dry steam and low-volatile coals and anthracite. Fresh price cuts followed on April 1 and again on October 1, in particular for industrial coal. On January 1, 1959, an arrangement identical with that announced on January 1, 1959 was introduced. Prices for

¹⁾ See also No. 70 below.

industrial coal were reduced, particularly for metallurgical coke. The price reductions made since December 1958 work out at a weighted average of about 10%.

The price trend for Community coal is shown in the tables reproduced in the Annex ¹⁾. Allowing for price fluctuations, it can be said that the prices of the different coalfields have largely drawn together, which shows that prices tend to level out more quickly when business is slack than when there is a boom.

American coal prices

55. The c.i.f. prices of American coal imported by the Community did not vary much in 1959. The f.o.b. price did not change at all, and stood at \$9.84 per metric ton for coking fines. At the same time, transatlantic freight rates remained at a very low level, at least, up to the third quarter of the year; they began to rise slightly towards the end of the year ²⁾.

In large areas of the Common Market, present c.i.f. prices of imported American coal are still highly competitive in relation to those for Community coal.

It should be noted that as a result of action taken by the Governments to restrict both long and short-term coal imports and of the commutation of contracts by the German producers the number of long-term contracts concluded at high freight rates has been considerably reduced.

Section 2 — Action taken by the High Authority in the Coal sector

56. The High Authority's Seventh General Report ³⁾ describes the measures taken by the High Authority to deal

¹⁾ See Statistical Annex, Tables Nos. 16 to 18.

²⁾ See Statistical Annex, Table No. 19.

³⁾ See Seventh General Report of the High Authority, Nos. 42 to 46.

with the difficulties in the coal market. In view of the worsening of the situation, the High Authority continued and intensified in 1959 the work begun in 1958, employing different means where necessary.

The High Authority emphasized already in its last General Report that the Treaty to use indirect means obliges it to exhaust all the means of indirect action open to it before going on to direct action. It also reaffirmed its intention to introduce the measures which the Treaty empowers to take in the event of a manifest crisis (Articles 58 and 74) if indirect means of action should prove inadequate.

It became evident as early as the first months of 1959 that the indirect measures agreed in October 1958 between the High Authority and the Council of Ministers were inadequate: the demand for coal was still falling off, pithead stocks continued to rise and short-time working was increasing.

57. In view of the persistent imbalance of the coal market, and of the grave outlook regarding its future development, the High Authority informed the Internal Market Committee of the European Parliament on February 29, 1959, of its intention to discuss with the Governments of the member States the possibilities for implementing Articles 58 and 74 of the Treaty. In its *Special Report on the Coal Situation* (June 1959), the High Authority provided the European Parliament with a detailed and documented account of the successive stages of its work between January 21 and May 15, 1959¹⁾. This work consisted mainly in negotiations with the Governments of the member States with the object of securing the adoption of a plan for the implementation of Articles 58 and 74. It may be useful to recall the essential points of this plan and how it was received.

¹⁾ See Special Report by the High Authority to the European Parliament on the Coal Situation (January 31 to May 15, 1959), Luxembourg, 1959.

After a series of negotiations, the High Authority on April 18, 1959, forwarded to the Governments its draft *plan to deal with the coal crisis*, the objectives of which were formulated as follows :

- a) In view of the state of the coal market, it is essential to reduce imports which no longer correspond to requirements and arise from commitments undertaken in entirely different circumstances.
- b) Under the terms of international agreements now in force it is legitimate to impose import restrictions and the sacrifices they involve provided an effort is made to reduce surplus production in the internal market. Such action is incidentally in line with the spirit and the letter of the E.C.S.C. Treaty.
- c) This reduction in production should not be introduced with rigid uniformity for all enterprises alike; enterprises whose sales and profits position is satisfactory should be allowed such flexibility as they may need; every effort should be made to ensure that a structural reorganization is carried out.
- d) In view of the state of the market, it is undesirable to allow stocks, which impede recovery, to accumulate indefinitely. At the same time, it also seems essential to prevent the existing stocks, which now amount to about 35 million metric tons of coal and coke from being put on the market.

To supplement the proposed economic measures in the social field, the High Authority further proposed to extend to the whole Community the scheme which had already been in operation for two months in aid of miners in Belgium, ¹⁾ thus keeping the earnings of workers affected by collective short-time working as far as possible at their old level.

¹⁾ See No. 59 below.

In the course of many subsequent discussions with the Governments (already reported in detail in the Special Report of June 1959), the High Authority, in accordance with the provisions of the Treaty, made every endeavour to find a solution to the growing difficulties in the coal market at Community level.

Twice in succession (Memorandum of May 2, 1959, and programme of May 11, 1959), the High Authority agreed to amend certain provisions of its original crisis plan.

At its meeting on May 14, 1959, the Council of Ministers found itself unable to give its agreement to the High Authority's amended plan of action.

58. After its plan had been rejected by the Council of Ministers the High Authority considered it its duty to inform the Council, the same day, of a series of measures, of necessity temporary and incomplete, to remedy the direct effects — above all the social effects — on the coalmining economy in Belgium, this country being the hardest hit by the crisis.

On May, 14 1959, the Council agreed in principle to the following measures :

Schedule prices for Belgian coal to be lowered by means of Government subsidies as provided for in Section 26, 4 of the Convention containing the Transitional Provisions ¹⁾);

The High Authority to grant readaptation assistance under Section 23 of the Convention, allowing for the staggered closure of the Belgian mines affected by the reorganization schemes ²⁾).

59. At the same time, the Council gave its agreement under Article 95, 1 to the extension up to September 30, 1959, of the scheme of financial aid paid to miners in *Belgium*

¹⁾ See No. 70 below.

²⁾ See No. 142, Section 2 below.

put on collective *short-time working*; the Consultative Committee's opinion on this subject had been obtained on June 1, 1959.

On March 25, 1959, ¹⁾ the High Authority, having obtained the Consultative Committee's opinion and the Council's agreement, had instituted under Article 95, 1 of the Treaty a *special temporary grant* to assist Belgian mineworkers put on short time. This action in aid of Belgium, the country hardest hit by the coal crisis, had been taken in advance of a proposal to be put forward as a general measure in conjunction with the crisis plan ²⁾.

This financial aid was originally granted from April 1 to May 31, 1959, up to a maximum of \$ 2 million. On June 1, 1959 ³⁾ the High Authority was able to extend Decision No. 22/59: the special temporary grant made payable up to september 30, 1959, and the maximum was raised to \$ 5 million. To prevent the special grant from running out before the new High Authority could consider the situation with the Council, a further extension of one month was given by Decision No. 41/59 ⁴⁾, with the upper limit unchanged. However, discussions in the Council had revealed that several Governments had the strongest objections to the employment of Community funds for the continuation of this assistance scheme.

The special temporary aid was paid in respect of each day of collective short-time working (instituted by the enterprises because of lack of sales) after the second day of such working in any calendar month, and for a maximum of 9 days, whether consecutive or not, within the same month. The grant amounted to 20% of the workers, daily wage.

¹⁾ See Decision No. 22/59, *Journal officiel des Communautés européennes*, April 3, 1959.

²⁾ See Nos. 57 and 140 below.

³⁾ See Decision No. 32/59, *Journal officiel des Communautés européennes*, June 9, 1959.

⁴⁾ See *Journal officiel des Communautés européennes*, October 20, 1959.

Sums paid out by the High Authority for this special grant amounted in seven months to 3 020 000 E.M.A. units of account ¹⁾, representing an average monthly disbursement from April to October of 431 000 units of account. The balance available on November 1, 1959, was 1 980 000 units of account.

The Belgian coal situation had meanwhile entered a new phase, for the Belgian Government had invoked the precautionary clause in Article 37 of the Treaty. In conjunction with the measures worked out under this clause, the High Authority, after consulting the Consultative Committee, submitted to the Council of Ministers at its meeting of December 15, 1959, a draft decision to extend Decision No. 22/59 until such time as the fund of 5 million units of account would be exhausted. The Council gave its agreement to an extension up to the end of December 1959, and on this basis the High Authority issued its decision on December 16, 1959 ²⁾.

At the same meeting the High Authority and the Council also considered the possibility of paying special allowances to Belgian miners on short time during 1960. The Council recognised the desirability of this, but observed that such assistance should be granted on a descending scale, since September 30, 1960 had been put forward as the final date for all special Community assistance to short-time workers. The Council stressed the wholly exceptional nature of this assistance. On January 14, 1960, the High Authority consulted the Consultative Committee on a special assistance scheme designed on a descending scale. The majority of the members of the Committee were in favour of a descending scale based on the progressive reduction of the number of entitlement days of short time per month. This formula tends

¹⁾ European Monetary Agreement unit of account, see *Journal officiel des Communautés européennes*, January 27, 1959, and Annex on Finance of this Report, p. 369.

²⁾ See Decision No. 45/59, *Journal officiel des Communautés européennes*, December 21, 1959.

to favour workers who are only slightly affected by short-time working.

At its meeting of January 26, 1960, the Council of Ministers gave its unanimous agreement to the following system :

An overall maximum amount of 3 million units of account is allocated for the period January 1 to September 30, 1960. The assistance, amounting to 20% of the daily wage, will be granted to miners employed on the production side in Belgium for every day of short-time working over and above the second such day within any calendar month, the maximum number of entitlement days being fixed on a descending scale as follows :

eight days for the period January 1	to February 29	1960;
seven days for the period March 1	to April 30	1960;
six days for the period May 1	to June 30	1960;
five days for the period July 1	to August 31	1960;
four days for the period September 1	to September 30	1960.

This scheme came into force upon the adoption by the High Authority of Decision No. 2/60 on January 27, 1960 ¹⁾.

60. *The High Authority also continued its scheme of assistance to help finance pithead stocks.* — In its Seventh General Report ²⁾ the High Authority described the circumstances which, towards the end of 1958 had induced it to implement Article 95, 1 of the Treaty by allocating the sum of 7 million units of account to relieve the situation in the coalmining industry resulting from an accumulation of stocks on a scale constituting a threat to continuity of employment ³⁾.

¹⁾ See *Journal officiel des Communautés européennes*, February 4, 1960.

²⁾ See Seventh General Report of the High Authority, No. 40 ff.

³⁾ See Decision No. 1/59, amending Decision No. 27/58, *Journal officiel des Communautés européennes*, January 27, 1959.

On January 13, 1959, the High Authority submitted to the Council of Ministers a draft decision designed to improve the original scheme in three respects, *viz.* :

- assistance from the High Authority's own resources to be increased from 7 to 10 million units of account;
- the starting date to be advanced from November 1 to October 1, 1958;
- the basis of calculation — the number of days worked to be reduced from 35 to 25.

Discussion was continued at the Council meeting of February 5, 1959, but the unanimous agreement of the Governments to the High Authority's proposals, as required by Article 95, 1 of the Treaty, was not forthcoming. The High Authority was therefore obliged to abandon its plans improving its scheme.

Regarding the practical implementation of this financial aid in respect of pithead stocks, the High Authority had to meet such a large number of applications for assistance during the first six months of 1959, that by June of that year the ceiling figure of 7 million units of account had almost been reached.

To ensure the most advantageous distribution of the unallocated balance, the High Authority decided on October 28, 1959 ¹⁾ that tonnages put to stock in July 1959 were to be entitled to a maximum grant of only three monthly instalments. No assistance was granted in respect of tonnages put to stock after July 31, 1959.

A table in the Annex ²⁾ gives particulars of how this financial aid was finally allocated. In accordance with the arrangements and amounts laid down, the German mines —

¹⁾ See Decision No. 43/59, *Journal officiel des Communautés européennes*, November 10, 1959

²⁾ See Statistical Annex, Table No. 20.

unlike those in other Community countries — received advances repayable to the High Authority by the enterprises concerned.

61. Regarding imports from third countries, the main action taken by the High Authority has already been described in the section on commercial policy. ¹⁾ In January 1959, the High Authority addressed to the Government of the Federal Republic of Germany a recommendation authorizing the latter to impose a duty of DM. 20 on every metric ton of coal imported from third-countries in excess of a duty-free quota of 5 million metric tons ²⁾. The German coalmining industry thereupon embarked on concerted action to procure the commutation of import and freight contracts, and set up the *Notgemeinschaft Deutscher Kohlenbergbau*, an emergency organization to administer the very considerable sums required for this purpose.

Since then contracts have been commuted on a large scale. The High Authority is aware of the desirability of continuing in 1960 the existing arrangements for coal imports entering the Federal Republic, both in order to avoid the risk of tonnages imported under surviving contracts piling up during 1960, and to encourage further commutation of contracts. In November 1959, the High Authority therefore recommended to the Federal Government to fix a duty-free quota of not less than 5 million metric tons also for 1960 ³⁾. The actual quota was fixed at 5.13 million tons. The High Authority believes that this arrangement will facilitate the orderly closure of unprofitable mines and workings in the Federal Republic. As the High Authority has already emphasized, closures of this kind are absolutely essential if the coal-mining industry is to recover its ability to compete with imported coal and with liquid and gaseous fuels, and it is

¹⁾ See No. 10 above.

²⁾ See Seventh General Report of the High Authority, No. 45.

³⁾ See *Journal officiel des Communautés européennes*, November 14, 1959.

happy to note how resolutely and systematically this reorganization work is being carried out by the German coalmining industry. Similar considerations prevailed when the High Authority decided on December 23, 1959, under Article 37¹⁾, of the Treaty, that the Belgian Government should still further restrict imports of third-country coal in 1960.

62. In the High Authority's opinion *the difficulties encountered by the Community's coalmining industry* undoubtedly reflect the relative rise in Community prices as against import prices produced when freight rates went down, and also the rapid expansion in oil availabilities and oil-transport facilities throughout the world. These developments are structural in character : examination of trends covering several years reveals that where general economic activity remains unchanged, coal consumption falls, and that it only remains steady or rises when general activity is rapidly expanding. In other words, the structural problem of coal is reflected in the exceptional difficulties which it encounters at the slightest weakening of the market. These difficulties are particularly marked in these areas of the Community, such as Belgium, which have the lowest output.

63. With a view to remedying this situation as far as possible and to implement the agreements in principle obtained from the Council at the end of its meeting of May 14, 1959, the High Authority, in close co-operation with the Belgian Government, worked out, in June, a *programme* comprising various measures designed to *normalize the production and marketing of Belgian coal*.

The Council met on July 31, 1959, and, in implementation of Section 26, 1 of the Convention containing the Transitional Provisions, approved the High Authority's proposals to the effect that the Belgian Government should be empowered to subsidize 8 million metric tons of coal during 1959.

¹⁾ See No. 71 below.

On this basis, the High Authority ¹⁾ authorized the Belgian Government to increase these subsidies for 1959, so as to enable the Belgian enterprises to absorb the price cuts involved by the introduction of Schedule No. 15, ²⁾ whereby their prices were to be aligned with the delivered prices for Ruhr coal.

Further, the Council agreed in principle to new arrangements for the implementation of Section 23 of the Convention, whereby workers at certain mines are to be assured of a normal wage, in spite of production losses, pending the closure of these mines. For obvious reasons of social policy, reorganization can only be carried out by degrees. The shutdown programme considered by the Council on July 31, 1959, covered the period 1959-1962, and involved a production capacity of 5.5 million metric tons. The Council's agreement specified that the High Authority's contributions to this programme under Section 23 of the Convention containing the Transitional Provisions were not to exceed the sum of 7.5 million units of account over the three financial years 1959/1960 to 1961/1962.

The Council and the High Authority agreed on July 31, 1959 to organize an intergovernmental conference to examine the problems arising in connection with the industrial redevelopment of areas affected by the closure of mines ³⁾.

64. These were the last decisions taken in regard to matters concerning the coal market before September 16, 1959, when the new High Authority took office. Right from the start the new High Authority tackled the coal situation and energy problems in general, as can be seen from the

¹⁾ See No. 70 below.

²⁾ See also No. 54 above.

³⁾ See No. 134 below.

inaugural address delivered by President Malvestiti before the European Parliament on September 23, 1959.¹⁾

The situation in Belgium had become so grave that the risk of unilateral action being taken could not be disregarded. The High Authority therefore immediately contacted the Belgian Government and a first discussion, attended by the Prime Minister and the Minister of Economic Affairs, took place on September 29, 1959. It was agreed that the Belgian Government, which since the rejection of the old High Authority's crisis plan had repeatedly pressed for alternative measures, would not take any action without previously consulting the High Authority. (Special powers to regulate the coal market up to the end of 1959 had been conferred upon it in July²⁾). The High Authority acknowledged that action so far taken at Community level was not such as to provide a genuine solution to the problems of the Belgian coalmining industry, but it also emphasized that all parties to the E.C.S.C. Treaty were under obligation to comply with its provisions.

Numerous discussions were subsequently held with all the parties concerned, and the same topic was raised when the High Authority visited the Government of the Federal Republic on October 15 and 16 and the French Government on November 6, 1959. Basing itself on the forecasts for 1960, which indicated that the balance of the coal market could not be re-established by any short-term action the High Authority stressed the need to adhere strictly to the reorganization plan laid down for the Belgian coalmining industry; it further emphasized that a way must be found to deal with the coal surplus of several million metric tons, which was likely to produce utter chaos in the Belgian coal market, already the weakest element in the Community coal economy.

¹⁾ See *There is Hope in Europe*, address delivered by President Malvestiti on the occasion of the installation of the new High Authority, September 16 — 23, 1959.

²⁾ Belgian Law on Coal Production and Marketing, of July 24, 1959.

Further discussions with the Belgian Government made it clear, however, that the difficulties were too great to be overcome either by the Belgian Government acting within the limits of its powers, or by Community action involving the normal implementation of the Treaty. In those circumstances, recourse to Article 37 had to be envisaged.

On November 3, 1959, the Belgian Government advised the High Authority by telegram of its decision to invoke the precautionary clauses of Article 37. The Council was informed of this at its meeting of November 18, 1959. On November 21, 1959, the Belgian Government submitted a *memorandum* to the High Authority setting out the serious repercussions of the steady worsening of the coal situation on the regional and national economies and on the general level of employment ¹⁾).

Section 3 — The Special Problems of the Belgian Coalmining Industry

GENERAL CONSIDERATIONS

65. The High Authority has dealt fully with the Belgian coal situation in its earlier General Reports; the Sixth Report in particular recapitulates the development of the compensation levy during the transition period.

The High Authority would now return to this question to give an account of developments from the end of the transition period to the last quarter of 1959. During this period a series of important measures were taken, most of which are still in force. The High Authority considers it its duty to devote special attention to the present situation, which constitutes probably the greatest difficulty it has encountered so far in the course of establishing the Common Market for coal. But many of the problems which have arisen in Belgium merely foreshadow a new trend in the coalmining

¹⁾ See No. 71 below.

industry which affects the Community as a whole. The trend in the Belgian coalmining industry offers many useful pointers for other action which the High Authority is having to consider, especially in connection with the co-ordination of energy policy.

The transition period was to a great extent a boom period during which coal requirements could only be covered by importing additional supplies from third countries at prices well above those charged for Community coal. In the Fifth General Report it was already noted that in these circumstances the preservation of low-output production capacities was hardly surprising. The cutback in production provided for in Section 26 of the Convention had been negligible : reorganization measures had been focused entirely on technical improvements, such as the concentration of pits, the modernization of surface equipment, or intensified valorization of the coal produced.

A large-scale project was initiated for the opening-up of the reserves in the Campine coalfield in order to increase the output in that area, with the idea of closing down marginal workings in other sectors later on. The High Authority supported this scheme and repeatedly urged the Belgian Government to grant a concession for the working of these reserves. The necessary legislation was passed, but the boom period came to an end before implementing action could be taken.

66. The end of the transition period coincided with the beginning of the coal crisis. Within a few months the protection afforded even to the most uneconomic marginal mines by the exceptionally high transatlantic freight rates had been lost. Stocks began to accumulate to a disquieting extent, and short-time working had to be introduced for the first time. From then on, reorganization meant the closing of pits.

The High Authority had for a long time been aware of the urgent need for certain closures and had even prepared

a shutdown schedule for the Borinage coalfield ¹⁾. However, it was anxious to prevent the crisis from centering mainly on Belgium, because it was to be feared that the country's unfavourable situation would attract all the difficulties of the other coalfields. The Common Market was liable to have detrimental effects for the Belgian coalfields as soon as the consumers, in view of the fact that prices there were higher than anywhere else, found it to their advantage to buy elsewhere, thus completely ruining the Belgian industry's chances of selling its coal. For this reason a number of measures were planned or adopted to obviate both short-time working ²⁾ and any alteration in flows of trade which might harm the interests of any particular coalfield. Decision No. 3/58 on price alignment ³⁾, for instance, was taken for that purpose.

Actual production cuts had not been introduced during the transition period because of prevailing boom conditions, but the state of the market in 1958/1959 made reductions indispensable. This situation seriously affected the compensation arrangements.

As can be seen from the table following, the Belgian coalmining industry was compelled to make drastic production cuts in the last few years, whereas by the terms of Section 26 of the Convention these reductions should have been effected during the transition period.

The above table also reveals an increase in O.H.S. in the Belgian mines. This first became apparent soon after the Common Market had been introduced and again recently following the first reorganization operations. The output rate did not, however, improve during the boom, with the result that Belgium is still lagging behind the rest of the Community.

¹⁾ See *Journal officiel de la C.E.C.A.*, February 22, 1956.

²⁾ See No. 59ff. above.

³⁾ See *Journal officiel de la C.E.C.A.*, March 29, 1958.

Belgian Hard-Coal Production

Production : '000 metric tons

O.M.S. : kg

Underground workers : '000

	1950	1954	1957	1958	1959 ¹⁾
<i>Centre</i>					
Production	3 323	3 650	3 471	2 936	2 066
O.M.S.	969	1 067	1 045	1 065	1 125
Underground workers	13.6	14.0	15.2	17.4	10.4
<i>Charleroi</i>					
Production	6 810	7 149	6 873	6 479	5 520
O.M.S.	1 013	1 088	1 119	1 135	1 287
Underground workers	25.7	26.6	29.1	25.4	21.6
<i>Liège</i>					
Production	4 422	4 963	4 323	4 069	3 823
O.M.S.	851	929	921	927	1 011
Underground workers	21.6	22.0	21.8	19.8	16.8
<i>Borinage</i>					
Production	4 644	4 274	4 004	3 605	2 576
O.M.S.	951	952	996	1 047	1 145
Underground workers	20.1	18.7	18.6	16.3	12.9
<i>Campine</i>					
Production	8 122	9 258	10 331	9 973	8 771
O.M.S.	1 211	1 352	1 450	1 387	1 499
Underground workers	27.6	28.5	32.3	31.9	29.5
<i>All Belgian coalfields</i>					
Production	27 321	29 249	29 001	27 062	22 757
O.M.S.	1 014	1 099	1 146	1 152	1 264
Underground workers	108.7	109.8	117.0	105.7	91.2

¹⁾ Provisional figures.

67. Endeavours to put the Belgian coalmining industry back on a sound footing involve a number of measures, *viz.*

- 1) Reorganization
- 2) Assistance to workers put on short time ¹⁾
- 3) Readaptation measures ²⁾
- 4) Subsidies
- 5) Price regulation
- 6) Action concerning imports from third countries ³⁾
- 7) Action concerning trade currents within the Community ⁴⁾

Since commercial policy and social problems are dealt with in other chapters of this Report, we propose to confine ourselves here to subsidies and reorganization.

REORGANIZATION PLAN

68. A reorganization programme, dealing with each coalfield separately, was drawn up by experts, discussed by the Conseil National des Charbonnages Belges, and amended, where necessary, by the Government.

The reorganization plan for the Borinage coalfield was adopted by the Conseil National des Charbonnages in February 1959. It was incidentally the cause of the social disturbances which occurred in this area. The overall plan for the reorganization of the Borinage involves the regrouping of five companies into one, the other two to remain independent. This regrouping scheme is to be accompanied by the elimination of certain production capacities, and the closure of seven pits, three of which have already been shut down.

In June 1957, the Conseil National des Charbonnages considered the reorganization plan for the Centre coalfield.

¹⁾ See No. 59 above and No. 140 below.

²⁾ See No. 142, Section 2, below.

³⁾ See No. 74 below.

⁴⁾ See No. 74 below.

This also involved a regrouping operation, by setting up a new company to take over the activities of three collieries. This company has meanwhile been formed. Closures were also envisaged, involving six pits. The plan was reviewed by the Conseil National des Charbonnages on October 26, 1957, with the object of speeding up the concentration operations which were to reduce the new company's production capacity from 1.2 million to 0.9 million metric tons.

The plan for the Charleroi coalfield was examined in July 1959. It provides only for closures, seven of which are still pending.

No reorganization plan has as yet been drawn up for the Liège coalfield, but individual measures for the closure of certain pits have already had to be decided upon, and further closures are under consideration.

The reorganization plan for the Campine coalfield differs from the others in that it does not involve production cuts, but rather an expansion of production, provided of course that the state of the market is such as to assure adequate sales. By appropriate legislation the concession for working the Campine reserves has been transferred to the State; the latter now proposes to allow the existing companies to work those parts of the deposits which can be reached without sinking new pits.

On the basis of data supplied by the Belgian Government, the High Authority submitted a reorganization plan to the Council of Ministers on 31 July, 1959, providing for the following closures :

		<i>'000 metric tons/capacit</i>
1959	15 pits	2 260
1960	10 pits	1 586
1961	5 pits	1 008
after 1961	4 pits	613
	34 pits	5 467

Operations under this schedule of pit closures are being speeded up and will definitely be completed by June 30, 1961.

69. The following tables provide an overall picture of the closures effected in Belgium in 1958 and 1959, and give the number of pits in operation as at December 31, 1959. ¹⁾ The measures already taken and planned involve 32 pits, which in 1957 produced 3.9 million metric tons of coal.

The Belgian Government proposes to submit the reorganization schemes to the High Authority for discussion under two heads: subsidies and readaptation measures.

**Final, Temporary or Planned Closures of Belgian Pits
during the Period February 10 to December 31, 1958**

	Number of pits	Production m.t. in 1957
<i>Campine</i> No change	—	—
<i>Centre</i> — Société des Charbonnages de Strépy-Bracquegnies S.A. St. Julien pit, closed 19-7-1958 St. Henri pit, closed 19-7-1958	1 1 2	194 000 208 400 402 400
<i>Charleroi</i> — S.A. des Charbonnages de Monceau-Fontaine Pit No. 8, closed 5-4-1958 — S.A. des Charbonnages Mambourg, Sacré-Madame et Poirier Réunis St. André pit, closed 1-6-1958 St. Charles pit, closed 1-6-1958 — Aciéries et Minières de la Sambre, Charbonnages de Fontaine-l'Evêque Division Pit No. 2, closed 10-10-1958 — S.A. des Charbonnages de Monceau-Fontaine Pit No. 10, Temporarily shut down 18-9-58 Pit No. 24, closed 31-12-1958	1 1 1 1 1 1 6	57 000 64 000 48 000 58 000 147 000 161 630 535 630

¹⁾ For details of the position in 1959, see Statistical Annex, Table No. 22.

	Number of pits	Production m.t. 1957
<i>Liège</i>		
— S.A. des Charbonnages de Bonne-Espérance Batterie, Bonne-Fin et Violette <i>Aumônier pit reopened in 1958 (194 200 m.t. in 1955)</i> <i>Aumônier and Sainte-Marguerite pits linked up in 1958</i> (194 200 m.t. in 1955) (141 800 m.t. in 1955) (336 000 m.t. forecast for 1959 from both pits together)	1	
— S.A. des Charbonnages de Gosson-Kessales Maket No. 5 pit, closed 1-5-1958	1	108 000
Kessales pit, closed 1-8-1958	1	171 000
— S.A. des Charbonnages de Micheroux Théodore pit, closed 1-10-1958	1	27 500
	4	306 500
Pit reopened	1	194 200
	3	112 300
<i>Borinage</i>		
— S.A. Cockerill-Ougrée, Charbonnages Belges Division Hornu-Wasmes pit No. 7/8, closed 27-12-58	1	142 300
Grand Trait pit No. 3, closed 27-12-1958	1	87 200
	2	229 500
Total for 1958	13	1 279 830
Pits in operation as at 31-12-1958	107	

**Final, Provisional or Planned Closures of Belgian Pits
during the Period January 1 to December 31, 1959**

	Number of pits.	Production (m.t. per year)	
		1957	1958
<i>Campine</i>			
No change	—	—	—
<i>Centre</i>			
— S.A. des Charbonnages du Centre ¹⁾ Houssu (formerly Ressaix) pit, closed 1-8-1959	1	158 980	78 370
— S.A. des Charbonnages du Centre Pit No. 6 (formerly Mariemont-Bas- coup pit), closed 12-11-1959	1	144 784	113 661
— Société des Charbonnages Bois-du-Luc S.A., St. Emmanuel pit, closed 31-12- 1959	1	101 940	108 600
— S.A. des Charbonnages du Centre ¹⁾ Sainte-Elisabeth pit (formerly Ressaix pit), closed 31-12-1959	1	154 130	147 860
	4	559 834	448 491
<i>Charleroi</i>			
— Société des Houillères Unies du Bassin de Charleroi S.A. Sainte-Pauline pit, closed 1-3-1959	1	78 375	81 336
— S.A. des Charbonnages Sainte-Elisa- beth Sainte-Barbe pit, closed 5-7-1959	1	163 300	139 140
— S.A. des Charbonnages d'Amersœur Naye-à-Bois pit, closed 12-7-1959	1	48 608	45 114
— Société des Charbonnages du Trieu- Kaisin, S.A. Viviers pit, closed 19-7-1959	1	107 048	100 521
— Charbonnages Mambourg, Sacré-Ma- dame et Poirier Réunis S.A. Sacré-Français, closed 1-8-1959	1	96 961	117 874
— Charbonnages d'Aiseau-Presle S.A. Roselies pit, closed 22-8-1959	1	122 340	118 760
	6	616 632	602 745

	Number of pits	Production (m.t. per year)	
		1957	1958
<i>Liège</i>			
— S.A. du Charbonnage de Gosson-Kes- sales Gosson I and Gosson II pits linked up on 1-1-1959 (465 000 m.t. in 1957 from both pits together)	1	—	—
— S.A. du Charbonnage du Bois d'Avroy Gosson I pit, closed 3-4-1959 Val Benoit pit, closed 18-4-1959	1	242 970	246 320
— Charbonnages du Quatre Jean, de Retinnes et Queue-du-Bois, S.A. Mairie pit, closed 24-12-1959	1	122 000	111 000
	3	442 240	427 970
<i>Borinage</i>			
— S.A. des Charbonnages du Levant et des Produits du Flénu Nord pit at Rieu du Cœur colliery, closed 18-4-1959	1	108 430	126 620
— S.A. des Charbonnages du Hainaut Pit No. 28, closed 19-9-1959 Hautrage pit, closed 18-7-1959	1	207 790	168 500
— S.A. des Charbonnages unis de l'Ouest de Mons, S.A. Ferrand pit, closed 19-12-1959	1	217 080	181 610
	1	123 450	120 900
	4	656 750	597 630
Total for 1959	17	2 275 456	2 076 836
Pits in operation as at 31-12-1959	90		

¹⁾ The following enterprises were merged under the name "S.A. des Charbonnages du Centre":
— Charbonnages de Ressaix, Leval, Perennes, Sainte-Aldegonde et Genck S.A.
— S.A. des Charbonnages Mariemont-Bascoup
— Société des Charbonnages La Louvière et Sart-Longchamps, S.A.

PRICES AND SUBSIDIES

70. The fact that prices were too high has been one of the main obstacles to the establishment of a minimum level of sales of Belgian coal within the Common Market. The state of the market thus made it essential to fix the Belgian price-schedules bringing the delivered prices for Belgian coal roughly in line with those for Ruhr coal. This meant that some Belgian coalmining enterprises required Government subsidies.

The collieries lodged a new schedule effective as from June 15, 1959, with prices substantially below those of the preceding schedule.

The new schedule invites the following comments :

a) Coking fines

Prices were reduced by Bfr.55 per metric ton for the Campine coalfield and by Bfr.40 per metric ton for Southern Belgium, thus achieving approximate price parity with the Ruhr provided a certain degree of geographical protection can be restored by adjusting the relativities between inland water-transport rates, ORNI rates and international rates.

b) Industrial coal

For other industrial coal reductions varied between Bfr.40 and Bfr.90 per metric ton according to grade (Bfr.60 for slurry, Bfr.80 for duffs).

c) Graded coal

Price reductions for graded coal varied according to type. No changes were made in respect of the prices for graded coals in the dry steam, low-volatile and anthracite ranges. Noticeable cuts were made in the prices for bituminous and smokeless steam coals : Bfr.85 for the sized coal in the high-volatile bituminous range, Bfr. 65 for the bituminous range, and Bfr.50 for smokeless steam coal.

The Belgian collieries brought out new schedules on January 16, 1960. The Cobechar schedules show reductions of Bfr.30 to Bfr.40, mainly for all types of middlings, 0-2 and 0-5mm. untreated duffs, and dry steam and low-volatile washed fines. The same reductions apply to the graded and screened coals above 18mm. in the high-volatile bituminous range.

The three Campine collieries independent of Cobechar made the same reductions as the latter for sizes from 0 to 20mm. and also reduced the prices for certain grades in the bituminous and smokeless-steam ranges.

The fourth colliery which has withdrawn from Cobechar lodged a schedule with considerably bigger reductions than those made by Cobechar.

The High Authority was obliged to authorize the subsidies provided for by Section 26 of the Convention even after the expiry of the transition period. After the Council had been consulted and had approved a subsidizable tonnage of 8million metric tons for 1959, the High Authority issued a decision ¹⁾, fixing the maximum amount of the subsidies to be paid for Belgium as a whole at Bfr.926 million.

As far as individual enterprises are concerned, the authorized subsidies are to be based on two sets of criteria.

Some subsidies are paid on the basis of the receipts calculated on the basis of the schedule prices in force before the last reductions; here the aid is restricted to the net operating loss. The others are paid to cover the losses resulting from the new price reductions introduced in June 1959, and are based on operating results.

The High Authority requested the Belgian Government to pay these subsidies on condition that the enterprises concerned undertake to carry out the reorganization or shut-

¹⁾ See Decision 40/59, *Journal officiel des Communautés européennes*, August 18, 1959.

down programme and to keep their production within a specified maximum: overall coal production (apart from anthracite) in the Southern Belgian coalfields is not to exceed 7.5 million metric tons. The High Authority intends to supervise the implementation of these provisions to ensure that reorganization operations are effectively carried out.

The table following shows the subsidies paid out in 1958:

Grants and Subsidies paid in 1958

I. Subsidies	Tonnages	Bfr.
— <i>Borinage</i>		
Marginal mines to be kept in operation	2 114 180	381 131 728
Marginal mines to be shut down	536 120	49 465 160
Non-marginal mines partially affected by closures	219 250	15 000 000
— <i>Liège</i>		
Marginal mines	1 072 527	107 044 501
— <i>Charleroi</i>		
Mines partially affected by closures	799 233	47 400 000
— <i>Centre</i>		
Mines partially affected by closures	777 920	40 000 000
Total subsidies	5 519 230	640 041 389
II. Recoverable advances		
— <i>Borinage</i>		
Marginal mines		85 982 367
— <i>Liège</i>		
Marginal mines		36 975 945
Total recoverable advances		122 958 312

IMPLEMENTATION OF ARTICLE 37 OF THE TREATY

71. In spite of the reorganization measures and financial assistance described above, the situation in the Belgian coal-mining industry became steadily worse, and the Belgian Government requested the High Authority to take action in order that the present difficulties should not produce radical and persistent disturbances in the country's economy.

Belgian economy is in fact particularly sensitive to any unusual development in the coalmining industry. Coal production represents 12% of the value of all the goods produced, and the industry employs 10% of all industrial workers in the country. In 1957, for example, purchase of miscellaneous supplies by the Belgian collieries reached a total of Bfr.8 500 million, to which their investments added a further Bfr.1 700 million. Over 80% of these supplies came from Belgian firms. Direct and indirect wages paid to coalminers in Belgium amounted in 1957 to Bfr.14 000 million.

Since in regard both to prices and to the tonnages marketed, this sector of industry is not anywhere near adapted to the existing sales potentialities, any attempt to correct the imbalance by allowing the market free play would have produced such a violent impact as to cause fundamental disturbances in the general economy. Sudden cuts in production are particularly detrimental to the economic balance of certain areas, such as the Borinage or Centre coalfields where the coalmining industry occupies a predominant position (62% of all industrial workers in the Borinage and 38% in the Centre are employed in the mines).

Since 1957 the loss of direct wages caused by reductions in manpower has been Bfr.2 500 million per annum in the South Belgian coalfields as a whole. The reduction in the number of men employed in the mines is a source of disturbance to the Belgian economy. The number of mine-workers on the books has dropped by over 27.000 *i.e.* more than 20%, since the end of 1957.

At the same time the steady increase in Belgian stocks, which at present tie down over Bfr4 500 million, saddles the collieries with a growing financial burden and hampers even the economically soundest enterprises in their efforts to modernize. Moreover, the chronic nature of the trouble is obvious since the stocks can only be absorbed by degrees, and the work of reorganization must therefore be spread over a certain span of time.

72. The Belgian Government expressed its concern on this in a memorandum transmitted to the High Authority on November 21, 1959. Recognizing the gravity of the situation, the High Authority decided to implement the provisions of Article 37 of the Treaty. It consulted the Council of Ministers on December 15, 1959, and issued its decision on December 23.¹⁾

The fundamental objective adopted by the High Authority in order to put an end to the situation described in Article 37, was to make Belgian coal competitive in the Common Market without assistance or protection of any kind. Reorganization was the only means of achieving this end. It was essential, in the High Authority's view, to speed up and intensify the reorganization of the Belgian coal market. It was therefore necessary to revise the reorganization scheme.

To enable this scheme to be carried out without causing undue economic and social hardship and to avoid disorganizing the Belgian coal market, certain precautions had to be taken at the same time : in particular, it was necessary to restrict sales in Belgium of coal from third countries and other Community countries; to obviate further difficulties in the market by preventing an unduly rapid rundown of existing stocks, and to allow for the fact that the need to restrict purchases from other Community countries must entail the restriction of deliveries to the same countries if the difficulties are not merely to be shifted to other areas.

¹⁾ See *Journal officiel des Communautés européennes*, December 31, 1959.

73. *Revision of the Reorganization Scheme* — The High Authority considered that the first scheme should be revised, as envisaged when it was first drafted, with a view to enabling Belgian coal to compete in the Common Market without financial assistance from the Belgian Government or the Community.

On the basis of present costs, the High Authority and the Belgian Government came to the conclusion that 9.5 million metric tons ¹⁾ of capacity would have to be shut down between now and 1963. This capacity is to be regarded as "non-integrable" in the light of the current selling prices. This price was fixed so as to achieve quasi-parity with Ruhr prices, while allowing the Belgian collieries to make the most of certain sales opportunities open to them, particularly in respect of household grades.

A new plan must therefore provide for a reduction in capacity by 9.5 million instead of 5.5 million metric tons, closures to be staggered as follows :

1959	1960	1961	1962 and 1963
2.3 million	2.5 million	2 million	2.7 million

The Belgian Government undertook to draw up by May 1, 1960 a new reorganization scheme providing for excess capacity to be closed down as indicated above.

Regarding closures after 1960, in so far as restrictions may still be necessary, the High Authority was of the opinion that allowance should be made for the fact that such closures should help to reduce short-time working and to dispose of part of the Belgian pithead stocks, at the same time enabling Belgian consumers to take more coal from third countries and from other parts of the Community.

¹⁾ Instead of 5.5 million metric tons as provided for in the first plan.

Under Decision No. 40/59 of July 31, 1959 ¹⁾ the subsidized Belgian mines must not exceed certain maximum production levels in accordance with the reorganization scheme. The High Authority is prepared, if the Belgian Government so requests, to prescribe minimum prices and maximum production levels for non-subsidized mines as well, if this should prove necessary for the implementation of the reorganization scheme.

74. *Action concerning Deliveries from Other Community Countries* — In order to prevent producers in other Community countries from being encouraged, both by the price advantage they are enjoying at present and by the difficulties inherent in the reorganization work required of the Belgian coal-mining industry, to step up their deliveries to Belgium, the High Authority felt that action should be taken under Article 37 to restrict deliveries of coal and briquettes to Belgium in 1960, and that such deliveries should be equitably allocated among the different countries concerned, with due regard to the following factors :

- requirements of the Belgian consumers according to types and grades of coal;
- availabilities of Belgian producers and producers of other Community countries according to types and grades;
- traditional trade currents;
- the complementary nature of the trade between Belgium and other Community countries as regards coal types and grades;
- trade currents resulting from the process of substitution for third-country coal.

It was proposed to implement this measure by means of licences issued by the Belgian Government under the control of the High Authority.

¹⁾ See *Journal officiel des Communautés européennes*, August 18, 1959

Deliveries by countries for 1960 are as follows :

	('000 metric tons)
Germany (Fed. Rep.)	1 900
France	250
Netherlands	800
Total	2 950

In return, and in order that the economic difficulties should not spread to other areas, the High Authority felt that *deliveries from Belgium to the three Community countries* mentioned above should also be controlled under a licensing system. The High Authority adopted the following figures for 1960 :

	1960 ('000 metric tons)
Germany (Fed. Rep.)	150
France	950
Luxembourg	45
Netherlands	800
Total	1 945

The High Authority further considered that *imports from third countries* should also be reduced from the 1959 tonnage and be brought down to 600 000 tons for 1960.

At the same time, the High Authority requested the Belgian Government to take action to prevent the existing pithead stocks from being thrown on the market and thus adding to the present difficulties.

75. Following the High Authority's decision to apply Article 37 in Belgium, the Belgian Government enacted a number of implementing provisions.

The first Royal Decree of December 30 defines the scope of the scheme and certain details of procedure, in particular an arrangement whereby the Belgian Government can make proposals to the High Authority for the fixing of operating rates for production capacities and minimum prices.

The second Royal Decree makes it obligatory for importers to comply with a scheme laid down by the Government under the terms of the High Authority's decision. The third Decree defines the procedure for controlling deliveries of coal to and from Belgium.

The fourth Decree regulates destocking: the proportion of pithead stocks which the collieries may put on the market is limited to 20%.

Section 4 — Steel and the Supply Situation as Regards raw Materials

76. The marked revival in general economic expansion from spring 1959 onwards was immediately reflected in the iron and steel industry, particularly as, already during the winter, before it set in, there had been a strong demand for steel for export. The level of activity in the industry in 1959 rose steeply: business was still extremely slack during the first quarter, whereas in the last quarter the boom was in full swing once more. The figures for the year thus cover two entirely different economic phases.

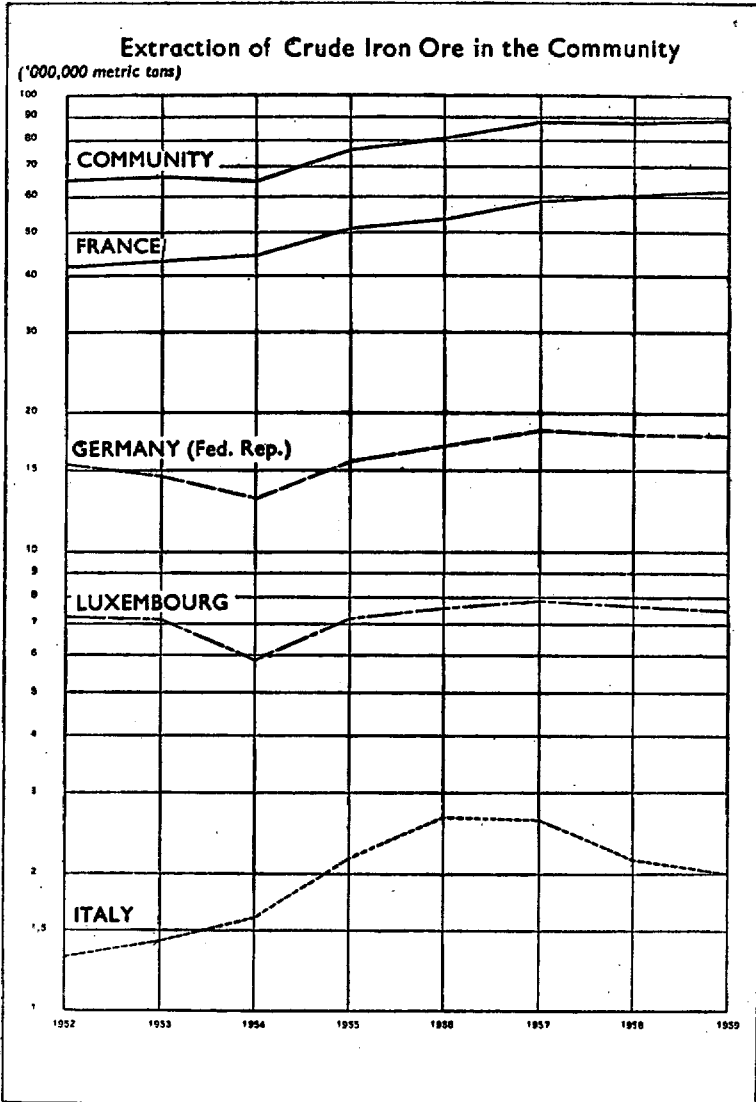
No difficulties were encountered, even at the end of the year, in the supply of raw materials. Prices showed remarkable stability, considering the vigour of the recovery.

IRON ORE

77. As over the years 1952, 1953 and 1954, when economic activity was at a low level, *extraction of iron ore in the Community* remained fairly even: between 87 and 88 million metric tons for the three years 1957, 1958 and 1959.

This is largely due to the stabilizing influence of *stocks* of Community-mined ore, both at the mines and at the steel works. Total stocks rose from approx. 2.9 million metric

GRAPH 4



tons Fe content at the end of 1957 to 4.1 million in April 1959, and then fell to 3.4 million at the end of 1959. ¹⁾

Graph No.4 shows that, for the present, the French orefields must take most of the credit for the expansion in Community ore production, as regards both its recent and its long-term development, although the relatively very large contribution made by the Italian mines will undoubtedly continue with the revival of business activity in the iron and steel industry. ²⁾

Exports of Community-mined iron ore to third countries had gone down in 1958. They declined in 1959 to 700,000 metric tons as against 950,000 in 1957. *Imports* fell by a further million metric tons during the year to slightly less than 23 million metric tons, thus regaining their 1956 level. Stocks of imported ore had almost doubled between the end of 1955 and the end of 1958, when they reached 6.4 million metric tons Fe content. In 1959, they went down to 5.7 million metric tons. ³⁾ From 1958 to 1959 imports from Sweden remained unchanged, while those from Spain, North Africa, India, Canada and Venezuela declined. Imports from other South American countries and Liberia increased. ⁴⁾ ⁵⁾

Trade in iron ore between Community countries went up by 5% in the first six months of 1959 as against the corresponding period of 1958. This rise is in line with a trend which has been in evidence since 1952. The increase was most marked in the case of deliveries from France to Belgium and Luxembourg, though also considerable in the case of sales to Germany. ⁶⁾

¹⁾ See Statistical Annex, Table 25.

²⁾ See Statistical Annex, Table 24.

³⁾ See Statistical Annex, Table 25.

⁴⁾ See Statistical Annex, Table 27.

⁵⁾ For further details of the Community balance-sheet for iron ore, see Statistical Annex, Table 23.

⁶⁾ See Statistical Annex, Table 26.

Production of sintered ore continued to expand rapidly, rising from 22.6 million metric tons in 1958 to 26.4 million in 1959. This trend reflects the effects of the implementation of large-scale investment projects relating to sintering-plants, and is expected to persist for some years. As a result, the coke rate at the blast-furnaces has been sharply reduced : the General Objectives' 1960 target of 910 kg. of coke per metric ton of pig-iron, as against 970 kg. in 1955-57, was achieved by mid-1959. Even allowing for the increase in the consumption of coke breeze at the sintering-plants, from 25 kg. in 1955-57 to over 35 kg. at the end of 1959, the net saving per metric ton between the beginning of 1958 and the end of 1959 was approximately 6%.

The schedule prices for iron ore have not been altered since the changes made in France following the French Government's monetary measures at the end of 1958 : these were an average increase of 9% in Eastern France except for two enterprises which kept to their old prices; a 6% increase by the majority of the mines in Western France, with the exception of two which retained their earlier schedules and one which introduced a 10% reduction; and increases of between 8 and 14% by two enterprises in the Pyrenees, prices in this area otherwise remaining unchanged. As the value of the franc was reduced by 14.9%, the net result was a fall in the dollar prices for French ores generally.

SCRAP

The easier situation in *the Common Market for scrap* continued, even in face of the high level of activity in the iron and steel industry at the end of the year. Imports did not exceed 900 000 metric tons, whereas even during the recession of 1958, they had still amounted to 2.4 million metric tons. This improvement in the scrap situation is due first and foremost to the steep rise in the tonnages collected within the Community, which went up from 10 to 12.5 million metric

tons. In comparison with 1958, specific consumption of scrap went down slightly both at the steelworks and at the blast-furnaces, while that of pig-iron and iron ore respectively rose in proportion. In spite of a certain falling off in the proportion of own arisings, due to the upturn in business activity, it was thus possible to even up the Community scrap balance with smaller imports. ¹⁾ After rising during the summer, stocks at the steelworks fell in the autumn, but at the end of the period stood at a higher level than at the beginning of the year (about 3.4 million metric tons) ²⁾.

In 1960 specific consumption of pig-iron at the steelworks is expected to rise at the expense of scrap because of large scale capital schemes, approved from 1955 onwards, to increase the ratio between pig-iron production potential and steelmaking potential are about to be completed; as a result, the ratio should go up from 744 kg. per metric ton. in 1959 to 767 kg. in 1960, which is in line with the General Objectives, but falls just short of the target, which is 781-788 kg. per metric ton.

Trade in scrap within the Community in 1959 reached 2.4 million metric tons, which represents an increase over the 1.8 million metric tons averaged over the previous five years.

The Italian iron and steel industry considerably increased its purchases of scrap, which totalled 1.7 million metric tons as against about one million in preceding years. Most of this scrap was bought in France and the Federal

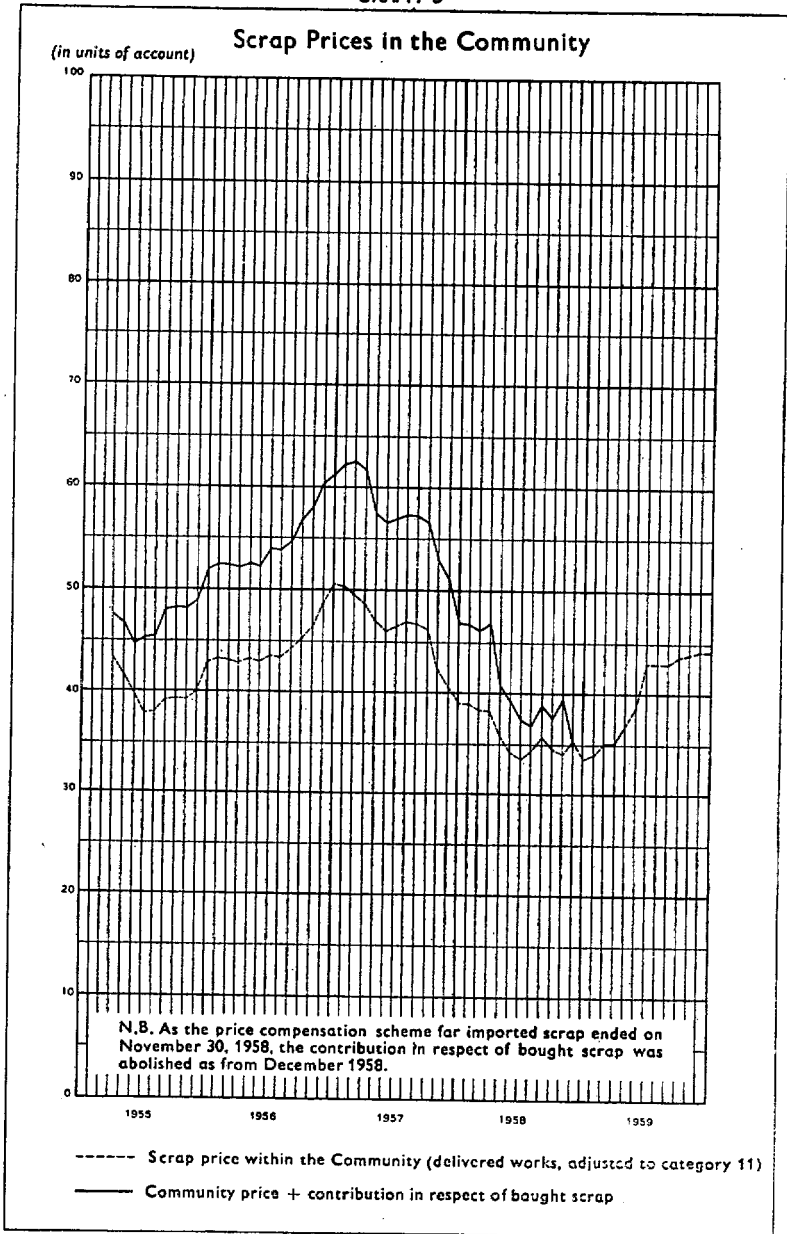
¹⁾ Consumption of scrap at steelworks (kg. per metric ton of crude steel produced) : 1957: 417; 1958: 409; 1959: 408.

Consumption of scrap at blast-furnaces (kg. per metric ton of pig-iron produced) : 1957: 87; 1958: 73; 1959: 62.

Proportion of own arisings (kg. per metric ton of crude steel produced) : 1957: 260; 1958: 275; 1959: 266.

²⁾ See Statistical Annex, Table 28.

GRAPH 5



Republic of Germany, which were nevertheless able to reduce their imports from third countries during the same period. ¹⁾

Scrap prices within the Community, which at the beginning of 1959 had almost dropped back to their very low level of the summer of 1954, have hardened as a result of the revival in demand, but remained substantially below the 1957 prices, especially since the consumer is no longer charged the price-compensation contribution (see Graph No.5). This contribution which had reached a record level of \$13 in March/April 1957, was abolished at the end of November 1958, the last rates fixed by the High Authority being \$3.6 for September, and October 1958 and \$5.44 for November. ²⁾

In the United States, the composite price, which had fallen from \$41 in January to \$34.5 in May and then risen again to \$46.17 at the beginning of November 1959, dropped back to \$42.50 at the end of January 1960.

78. *The price-compensation scheme for imported scrap* ended on November 30, 1959, the expiry of the period laid down in the decisions by which it was instituted. For operations in connection with the remaining tonnages brought into the compensation scheme under Decision No.2/57 ³⁾ concerning purchases made in July 1958 and authorized by Decision No.15/58, the High Authority confirmed the powers delegated to the Compensation Office for Imported Scrap but limited them to the liquidation of these final transactions.

The High Authority, however, instructed its appropriate departments to deal with compensation operations concerning tonnages brought into the compensation scheme

¹⁾ See Statistical Annex, Table 29.

²⁾ See also Decision Nos. 3 and 4/60, *Journal officiel des Communautés européennes* of February 8/1960, concerning an additional contribution of \$ 1.09 in respect of the reference tonnages for the assessment of the contribution for the period May to November 1958.

³⁾ See *Journal officiel de la C.E.C.A.*, January 28, 1957.

under Decision No.16/58 ¹⁾ concerning purchases made in September 1958 and authorized by Decision No.17/58. ²⁾ Deliveries of scrap brought into the scheme under Decision No.2/57 continued to arrive in the Community up to February 1959, while shipments which were subject to price-compensation under Decision No.16/58 were spread out over the period October 1958 to March 1959 inclusive. In both cases the last tonnages received were ship-breaking scrap, which explains the comparatively long timelag between purchase and delivery dates. For these tonnages, the work of checking the applications for compensation, establishing the origin of the scrap involved, and collecting the contribution at the provisional rate is still in progress.

During 1959 the High Authority departments continued their examination of the problems which had to be solved in order to enable operations carried out in previous years to be completed and the compensation scheme to be wound up. In particular, these departments

- checked whether the methods employed by the Compensation Office for Imported Scrap for calculating compensation contributions over the whole period from April 1954 to November 1958 were in conformity with the High Authority's decisions;
- continued to check the tonnages of purchased scrap declared by enterprises for compensation assessment purposes;
- continued to check the origin of scrap brought into the compensation scheme between April 1, 1954 and April 30, 1957; similar checks are in progress in respect of subsequent periods. A first report on fraudulent declarations made regarding the origin of scrap

¹⁾ See *Journal officiel des Communautés européennes*, July 30, 1958.

²⁾ See *Journal officiel des Communautés européennes*, September 20, 1958.

brought into the scheme was submitted to the European Parliament; ¹⁾

- continued to collect outstanding contributions and to recover amounts improperly paid out;
- continued to examine special cases, involving a number of enterprises, for the purpose of determining the tonnages of scrap subject to contribution;
- carried out the calculations required to establish the rate of the surcharge provided for in Decisions Nos. 2/57 and 16/58, and continued to examine the special problems arising in connection with this surcharge.

This work made it possible to dispose of a large number of problems which had arisen in connection with the implementation of the decisions instituting the price-compensation arrangements for imported scrap. It will, however, not be possible to draw up the final accounts and wind up the compensation scheme until the actions pending before the Court of Justice have been settled and the present checking operations have been completed.

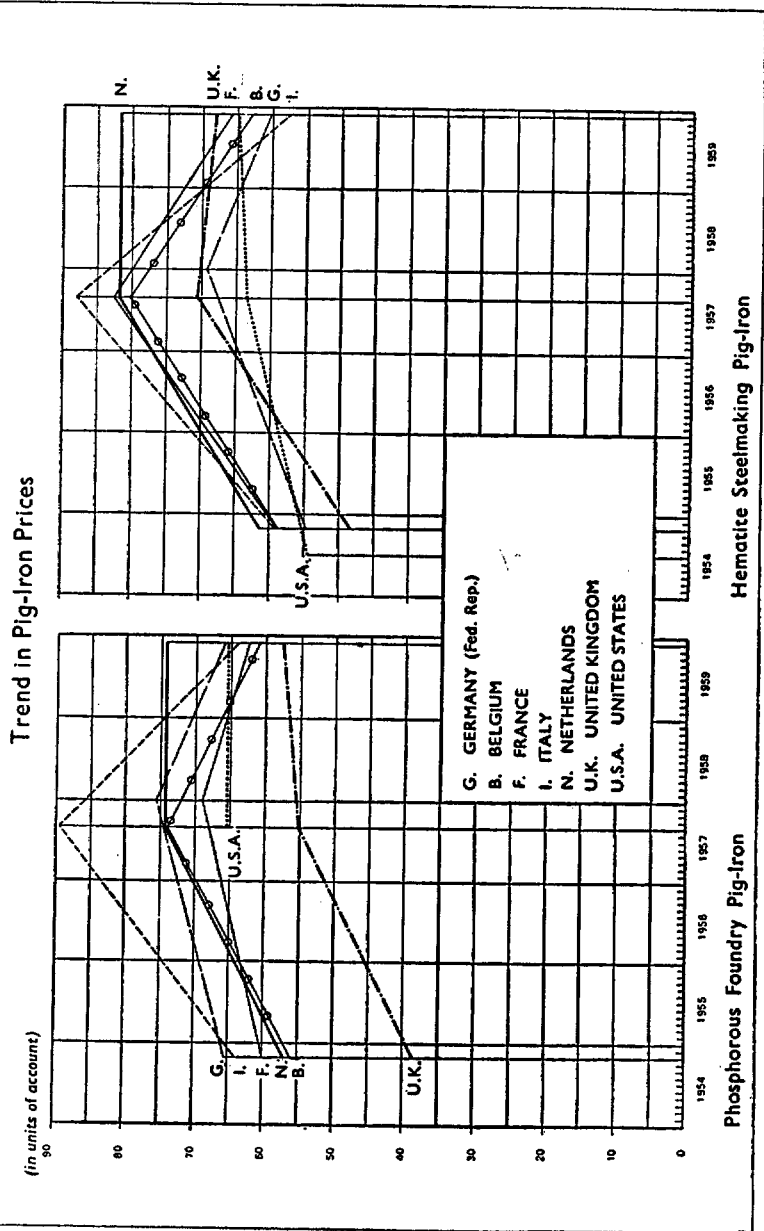
It should be noted that the judgments delivered by the Court on July 17, 1959, in cases Nos. 32, 33 and 42/58 upheld the concept "Company" employed by the High Authority as the criterion for distinguishing between "own arisings" and "bought scrap". Further, by the judgment delivered on December 17, 1959, in case No. 14/59, the Court confirmed that bought scrap consumed in the production of pig-iron for integrated cast-iron foundries should be subject to contributions.

PIG-IRON

79. The trend in the pig-iron market developed quite differently for steelmaking pig-iron on the one hand and

¹⁾ First interim report on the results of the checks carried out in connection with certain fraudulent operations in the scrap market; High Authority Document No. 8192/59 of December 21, 1959.

GRAPH 6



foundry pig-iron on the other. Community production is made up of 92% steelmaking pig-iron and 8% foundry pig. Most of the steelmaking pig-iron is consumed by integrated steelworks, but 80% of foundry pig is sold on a commercial basis, representing nine-tenths of the pig-iron trade. Steel-making pig-iron shared in the recovery of iron and steel production, while the market for pig-iron continued to labour under structural difficulties in spite of certain improvements. Cast-iron foundries did not increase their pig-iron consumption at the same rate as did steel production.

At the end of 1958, Community *schedule prices* for both foundry and steelmaking pig-iron differed by 30 to 50% from those quoted by third countries. The highest schedule prices were, however, charged only in very few cases, since sales were nearly always effected by alignment with other Community schedules or with third-country prices. In general, Community producers brought down their schedule prices at the beginning or middle of 1959, inter alia by granting fidelity rebates, but the majority of the Belgian and all the Netherlands producers kept to their high schedules (see Graph No. 6). ¹⁾ At the same time, world market prices rose slightly, so that the difference between these and Community schedule prices was only 10-25%. Nevertheless, this difference obliged Community producers to continue aligning their prices with those quoted by third countries: in 1959, about 20% of total sales within the Community were effected on this basis. In 1958 the proportion was 7.4%.

This policy of price alignment enabled Community producers to consolidate their position in the market and to compete effectively with *imports*, which amounted to 530 000 metric tons for the first nine months of 1959 as against 460 000 for the same period of 1958. At the same time, Community producers were able to step up their sales in the *export* markets (230 000 metric tons for the first nine months of 1959 as

¹⁾ See Statistical Annex, Table 30.

against 140 000 for the same period of 1958), ¹⁾ their principal competitors being the Eastern European countries and the United Kingdom. Third-country competition was thus reflected more in the prices than in the tonnages sold.

The Community's *internal trade in pig-iron* increased slightly from the first six months of 1958 to the same period of 1959. Deliveries from Germany (Fed.Rap.) and Belgium to other Community countries showed a noticeable increase, while those from other countries declined. ²⁾

Pig-iron stocks had nearly doubled between the end of 1956 and the end of 1958, when they stood at 1.8 million metric tons. At the end of 1959 they fell to slightly below 1.6 million, the reduction chiefly affecting stocks of steelmaking pig-iron.

Pig-iron production for the whole year amounted to 46.7 million metric tons ³⁾, representing an 88% utilization of available capacity. The maximum rate recorded for the Community as a whole during the boom years 1955-1957 was 96%. The pig-iron steel production ratio went down from 750 kg. of pig-iron per metric ton of steel in 1958 to 739 kg in 1959. In 1958 the rate of utilization of pig-iron production capacity had been higher than that for steel production.

The ratio between pig-iron production and steelmaking capacity went up from 731 kg. of pig-iron per metric ton of steel in 1958 to 744 kg. in 1959. This improvement is due to investment projects completed since 1955, and reverses the trend towards a reduction of the pig-iron steel ratio which had been observable since 1952 and had been the cause of a serious shortage of ferrous matter for steelmaking, which had to be made good with expensive imported scrap totalling 13 million metric tons between 1955 and 1958.

¹⁾ See Statistical Annex, Table 31.

²⁾ See Statistical Annex, Table 32.

³⁾ See Statistical Annex, Table 33.

STEEL

80. 1958 was a year of recession for the Community's iron and steel industry. This was mainly due to the *rundown of consumers' stocks*, since real consumption had continued to rise. The *rundown* lasted until the middle of 1959, but the expansion in order-books from the early spring onwards brought about a strong upturn in production as from the second quarter. A rapid *recovery* in production helps to restore the balance of the steel market, as it enables consumers to replenish their stocks promptly. It also obviates the swelling of order-books with orders placed merely for the sake of making sure of supplies. Production in 1959 reached 63.1 million metric tons, rising in the fourth quarter at a rate corresponding to 70 million metric tons per annum. The highest level previously attained was that for 1957, 59.8 million metric tons.

In 1959, *orders* for rolled steel products from Community countries were 16% above the record 1957 level, while those from third countries were 20% above the 1956 record. Together these orders amounted to 50.5 million metric tons of rolled steel as against deliveries of 46.1 million metric tons. Orders in hand increased by about 4.5 million metric tons, so that by the end of the year they represented nearly three months' deliveries which can be considered normal. ¹⁾ However, as conditions vary considerably according to the products concerned, this average does not give an accurate picture of the state of the market. Delivery dates were much longer for certain products, particularly for sheet, whereas plate and heavy sections were less in demand.

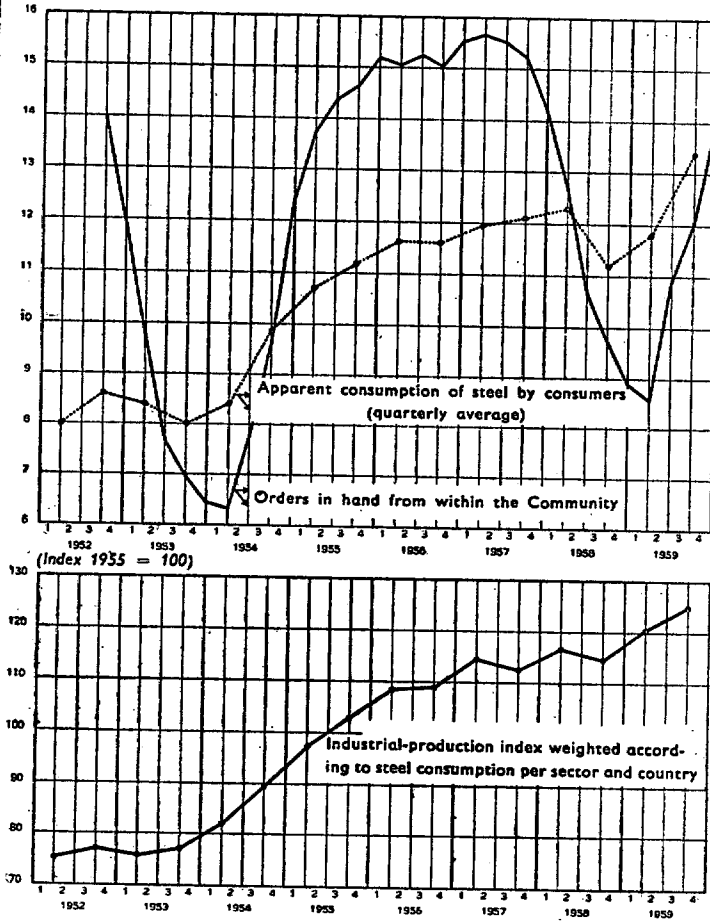
Endeavours should be made to prevent deliberate overloading of *order-books*, since they tend to swell in any case as delivery dates lengthen, *i.e.* before new orders come in, inducing consumers to increase their stocks in proportion to

¹⁾ For further details, see Statistical Annex, Tables 34 and 35.

GRAPH 7

Steel Order-Books and Consumers' Stocks

('000,000 metric tons of crude-steel equivalent)



Variations in the volume of orders in hand produce stock variations which in turn produce much more marked fluctuations in apparent consumption than in industrial production, which indicates the approximate trend in real consumption of steel. Thus, a mere levelling off in the trend of industrial production corresponds to a downturn in apparent consumption, representing the rundown of stocks. It is the level of apparent consumption which determines the level of steel production.

the lengthened delivery dates (see Graph No. 7); this surplus of orders is then absorbed during a period of recession when production runs well below capacity. Fluctuations of this kind are a burden on the iron and steel industry, and within the overall cycle the customers do not enjoy the best average prices.

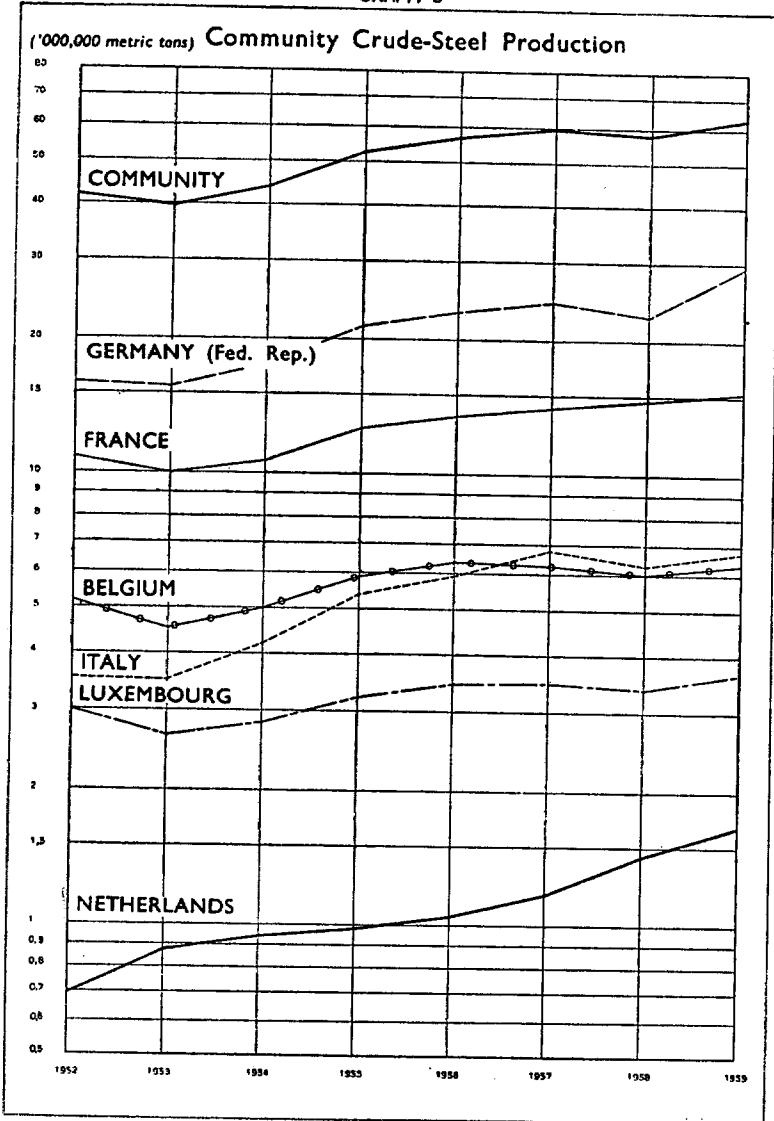
At the end of 1959, the market for certain products began to harden, but the expected increase in capacity should provide sufficient steel during the coming boom to cover requirements. Supplies should be more than adequate even in the face of a substantial rise in industrial production and of exports higher than the record figure for 1959, since production potential is approaching 73.5 million metric tons, the upper limit set by the General Objectives. It is therefore essential that consumers should not upset the balance of the market by placing excessive or duplicate orders, and also that the iron and steel industry should fix reasonable delivery dates and keep to them, so as to avoid causing anxiety to consumers.

81. Apart from Italy, *all the Community countries* achieved a production record in 1959. Variations in the operating rate as between different Community iron and steel works disappeared gradually in the course of the year, but their average over the whole year remained fairly high. The best operating rates were achieved in France, the Saar, Luxembourg and the Netherlands. The Community is still the second biggest producer in the *world market*. The fastest rate of increase was that of the Eastern countries (see Graphs Nos. 8 and 9)¹⁾, but the Community still accounts for approximately one fifth of world productions.

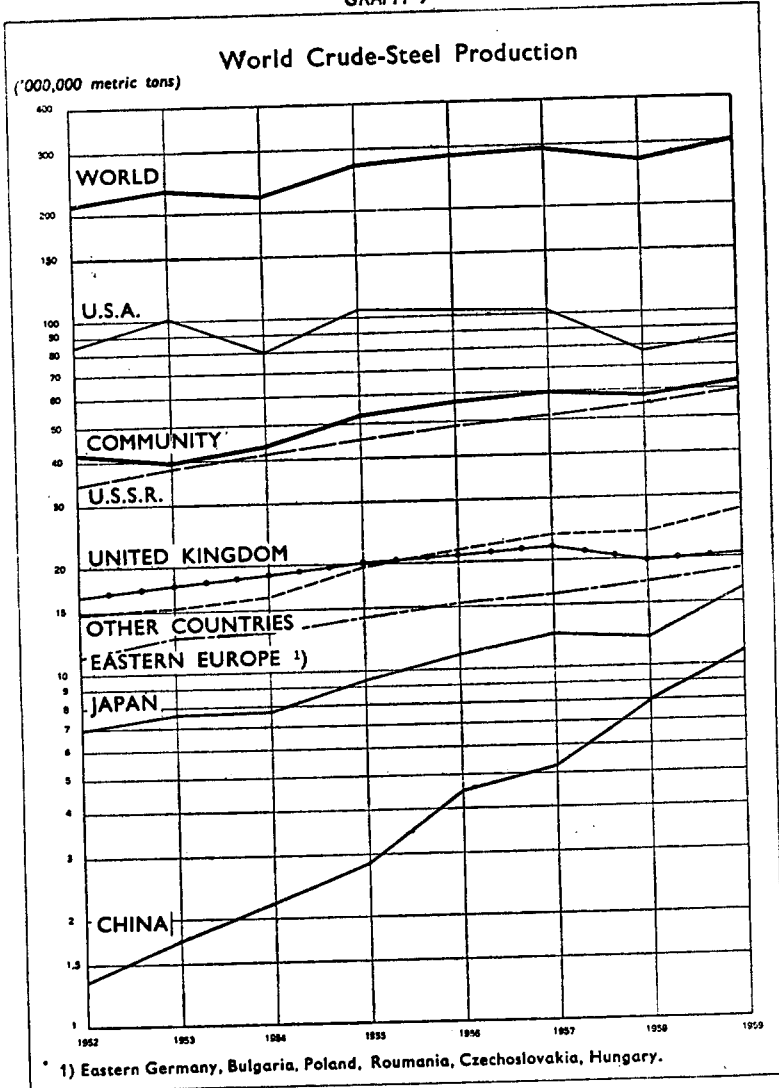
The proportion of steels made mainly from pig-iron-basic Bessemer and the new L/D, Rotor and Caldo processes — is overtaking that of open-hearth steel, while that of electric—furnace steel still continues to rise, largely for technical

¹⁾ See Statistical Annex, Table 37.

GRAPH 8



GRAPH 9



reasons. Production of high-carbon and special steels also recovered although some way behind ordinary steels; it rose sharply at the end of the year when it was 7% up on 1958. During the recession, the production of heavy products (*i.e.* plate and sections), declined while that of light products (*i.e.* sheet, wire-rod and even, to a much lesser degree, merchant bars) continued to rise. ¹⁾

82. *Trade in steel products between Community countries* (during the first six months of 1959) went up 12% above the figures for the same period in 1958. The greatest increase occurred in deliveries to Germany and Italy. Deliveries from France (including the Saar) rose by 60%, while purchases dropped by one half. ²⁾

Price movements undoubtedly affected the trend in trade. The French iron steel industry worked at a higher operating rate in 1959 than its counterparts in the Federal Republic of Germany (exclusive of the Saar), Belgium and Italy, while the Saar and Luxembourg iron and steel industries, which aligned a large proportion of their sales with French prices, operated at much the same rate as those in France. ³⁾

In the present boom conditions delivery dates tend to matter more than prices, so that the trade currents established during periods when business was slack may be altered considerably. The degree of interpenetration of orders within the Common Market exceeded 20% in March, April and May, fell during the summer and rose again at the end of the year when the boom was in full swing. Over the five years 1953-1958 the degree of interpenetration varied between a minimum of 14.5% in 1956 and a maximum of 16.3% in 1954.

As regards individual products, only the trade in heavy sections and plate declined. The greatest increase was

¹⁾ See Statistical Annex, Tables 38 to 40.

²⁾ See Statistical Annex, Table 41.

³⁾ See Statistical Annex, Table 36.

that for sheet, trade in which rose from 900 000 metric tons in 1958 to 1.6 million in 1959. ¹⁾

83. *The Community's external trade* ²⁾ in steel products shows imports stabilized at about one million metric tons for 1959, *i.e.* the same as for 1958, and exports up by 10% to approximately 10.5 million metric tons.

Exports of semis stayed at a relatively high level, over one million metric tons, while imports dropped from 250 000 to 200 000 metric tons. Exports of heavy sections, merchant bars and hoop and strip, which had declined in 1958 rose above their 1957 level in 1959. Plate exports fell off slightly, while exports of sheet continued to rise.

Expressed in crude-steel equivalent, net exports amounted to 12.5 million metric tons, or 25% of the upper limit of requirements set for net exports in 1960 in the General Objectives. Exports to the United States rose steeply from 490 000 metric tons in the first nine months of 1958 to 1.43 million in the same period of 1959, and exports to Eastern Europe also increased.

The threat of a strike in the United States helped to speed up the recovery of the Community steel market, but the present high level of activity is in no way connected with the strike. The current volume of production is amply justified by economic expansion within the Community and by the requirements of export markets other than the United States.

84. The first effect of the economic recovery on *prices* was to restrict the practice, which was widespread during the recession, of aligning quotations with the lowest prices (French, third-country and some Belgian prices). Secondly, in these countries (Belgium, Italy, Luxembourg and the

¹⁾ See Statistical Annex, Table 24.

²⁾ See Statistical Annex, Tables 43 to 47.

Netherlands) which had lowered their schedule prices, a hardening of these prices set in, partly or completely cancelling out the earlier reductions according to the state of the market for each product. The previous disparities between the different schedule prices ruling within certain countries are thus being levelled out. On the other hand, price disparities between different countries have increased because French prices have not been changed since they were put up in January 1959 following the monetary measures of December 1958.

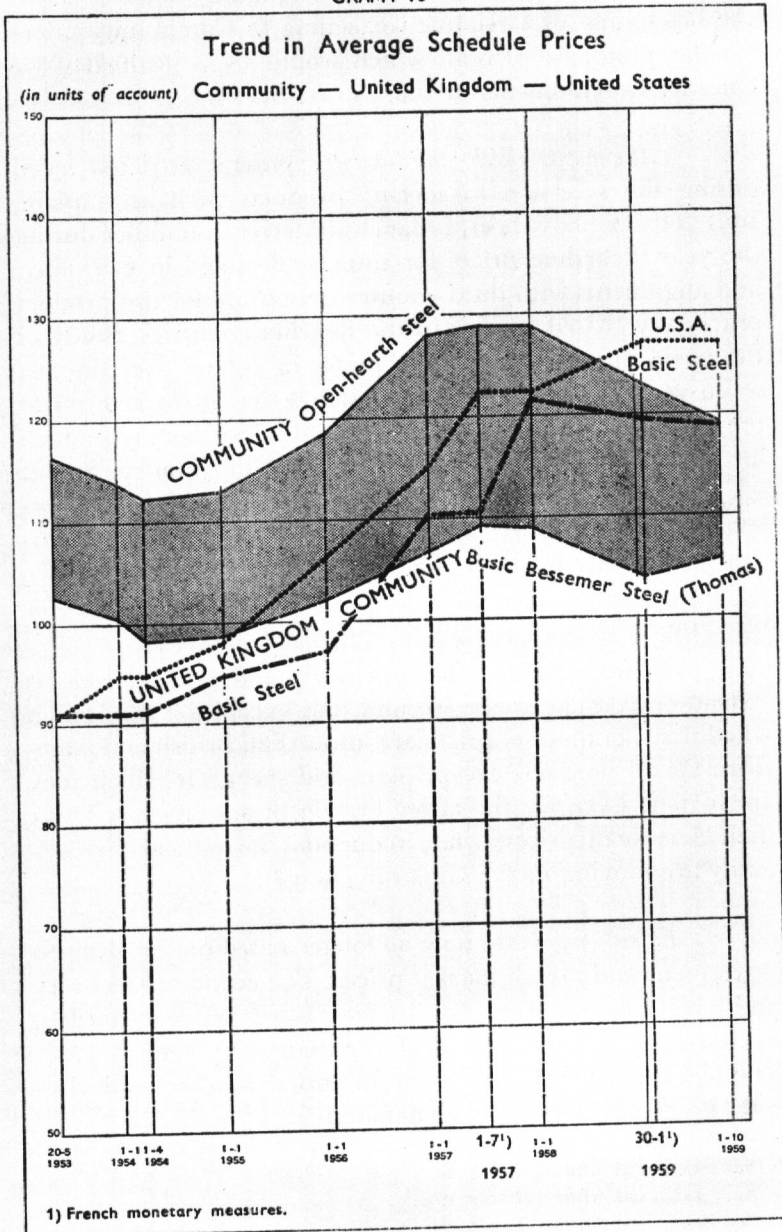
In comparison with the situation prevailing in May 1953, when the Common Market was introduced, the average basis dollar prices for the different products went up 7% in Germany, 13% in Belgium and 12% in Luxembourg for basic Bessemer steel. In France they dropped 7%, although the same basis prices expressed in French francs showed a rise of 31%. For open-hearth steel, average prices rose by 13% in Germany, 10% in Belgium and 15% in the Netherlands; they fell 4% in France (French-franc rise 35%) and 2% in Italy. For the Community as a whole, on the basis of each country's share in Community production for each product, dollar prices went up by 3% both for basic Bessemer and for open-hearth and the prices in national currencies by about 12%. ¹⁾

It should be noted that the increase in the prices actually charged is less than the above percentages would indicate, since extras generally went up less sharply than the basis prices. Moreover, when business is average or slack prices are reduced by the practice of alignment, which always operates in a downward direction.

In Germany prices for sheet came down, chiefly as the results of very considerable reductions in the extras for gauge and width made possible by the substantially lowered costs resulting from the use of hot wide-strip mills. This is especially important from the point of view of the develop-

¹⁾ See Statistical Annex, Tables 49 and 50.

GRAPH 10



ment of the *price structure* in the Community, since it shows the beginnings of a relative weakening in Community prices for flat products, a trend which would seem justified if we consider developments in the United States.

85. *Alignments with third-country prices*, restricted even during the recession to specific products such as tinplate, coils and car-body sheet, became still fewer in number during the year. Schedule prices for tinplate declined in Germany, and alignments with third-country quotations for this product practically ceased, except in the Benelux countries. Study of the trend in average schedule prices in dollars over the last seven years (see Graph No. 10), shows that it worked out to the advantage of the Community, since prices there rose much less than in the United Kingdom and the United States. Although Community steel started from a higher price-level, it is today appreciably cheaper than British and American steel. Parity is found only between the Community price for open-hearth steel and the United Kingdom price for basic steel. ¹⁾

If we consider the prices for individual products instead of average prices, we find that except for the Italian schedules, Community prices are lower than British and American for all products except plate and sheet, for which they are higher. Even for the latter French prices are now lower than American prices, while reductions introduced in Germany are moving in the same direction ²⁾.

86. *Export prices* are now no longer based on the Brussels Agreement and are all market prices. The economic recovery and the strong export demand have caused prices to harden, but on average they are still lower than they were in 1957. The biggest increase occurred in the prices for sheet and wire-rod as a result of very heavy demand ³⁾.

¹⁾ See Statistical Annex, Table 48.

²⁾ See Statistical Annex, Table 49.

³⁾ See Statistical Annex, Tables 51 and 52.

It is difficult to compare Community with British or American prices now that the system of agreed Brussels Agreement prices has been discontinued, since no information is available regarding the prices actually charged in the United Kingdom and United States. As will be seen in the Annex ¹⁾ day-by-day market prices deviated considerably in the past from the agreed prices. On the whole, however, it can be said that the position of the Community as a competitor in third-country markets has been steadily strengthened since the Common Market was introduced. Neither British nor American competition seriously hampered the Community in the development of its export trade during the recession; the biggest competitor in some markets was perhaps Japan. It seems clear that sections are the product for which the Community can quote the lowest prices (as it can in the internal market), but plate has been added, and the Community's position is advantageous even for sheet; since 1957 the agreed export prices of the Community had been below the agreed American prices. ²⁾

Even during a period in which all the big producers in the free market were working below capacity, the Community was able to hold its own (supplying about one half of world exports) in the world steel market, at prices which in the long term work out no higher than its internal ones. This is a demonstration of the Community's competitive capacity.

¹⁾ See Statistical Annex, Table 50.

²⁾ See Statistical Annex, Table 51.

CHAPTER FIVE

IMPLEMENTATION OF THE RULES OF THE COMMON MARKET

Section 1 — Rules on Pricing

87. *Price alignments in the coal market.* — The enterprises of the coalmining industry are entitled to align their prices with those for Community coal under Decision No. 3/58 ¹⁾, and with those for third-country coal under the last paragraph of Article 60 of the Treaty.

There are no restrictions on alignment with third-country quotations so long as it is not carried to excess. Alignment with the prices of Community coal is subject to certain conditions laid down with a view to preserving market transparency: the rule is that sales at prices aligned with those of other Community collieries may not exceed

- (a) in all, 20% of the tonnage sold during the preceding coal year;
- (b) in the sales area in question, the amount of the tonnage sold during the preceding coal year.

In number of cases the High Authority availed itself of the arrangements provided for in Article 3, 4 of Decision No. 3/58, raising this ceiling for certain enterprises and selling agencies upon receiving a reasoned application to this effect.

Enterprises are required to notify the High Authority at regular intervals as to the nature and extent of their price alignments. The returns indicate that they are becoming

¹⁾ See *Journal officiel de la Communauté*, March 29, 1958.

increasingly ready to make use of the opportunities offered by the practice. Although the scope for the application of the last paragraph of Article 60 is limited as a result of the action taken by the various member Governments to stem the flow of coal imports, enterprises in some coalfields have since the beginning of 1959 been tending to align their prices with those of third-country rather than of Community coal. This was done, in particular, by the German collieries in their major transactions in connection with the commutation of coal import contracts, which may be regarded as retrospective alignments.

By its Decision No. 27/59 ¹⁾, the High Authority extended the possibilities for alignment with prices for Community coal, by appending some additional provisions to Article 5, 3 of Decision No. 3/58. The Article had previously made it unlawful to calculate the delivered price of the competitor enterprise assuming the consignment to have been transported by road, and to align prices in respect of deliveries by lorry. It subsequently transpired that this restriction was handicapping certain enterprises in the marketing of their production: in some areas transport conditions are such that purchasers are obliged to make use of road-haulage facilities, so that in certain cases the restriction was interfering with traditional flows of supply. Accordingly, the High Authority made provision, in Decision No. 27/59, for certain exemptions from the rules regarding road haulage; since then it has upon application by the enterprises concerned authorized such exemptions where these were found to be justified.

The total tonnage sold at aligned prices is not so far very considerable. The 20% limit laid down for alignments with Community prices has not been reached even for total alignments, *i.e.* both with Community and with third-country prices.

¹⁾ See *Journal officiel des Communautés européennes*, May 12, 1959.

88. *Application for the High Authority to make use of its powers in respect of gas coke.* — In December 1958, the Comitato Produttori Coke asked the High Authority to implement in respect of gas coke the provisions contained in item 3 of Annex I to the Treaty. These state that “with regard to gas coke ... the High Authority will use its powers only as far as may be made necessary by any appreciable disturbances which these products might cause in the market for fuels generally”. The request was supported in February 1959 by a communication from the Italian Minister of Industry and Commerce.

The High Authority investigated the matter but concluded that no “appreciable disturbances” had occurred in the Community fuel market as regards either the amounts of gas coke delivered to Italy or the pricing methods employed. In particular, it found no substance in the Comitato Produttori Coke’s complaint that a number of Community gasworks had been resorting to discriminatory or unfair practices in connection with their sales to Italy.

It therefore replied that it had no power to intervene under Annex I, item 3. The Comitato Produttori Coke and the enterprises represented on it thereupon in July 1959 lodged an appeal with the Court of Justice.

89. *Price alignments in the steel market.* — Upon the expiry (on February 10, 1958) of the transition period, during which price alignments in the Italian steel market had been forbidden, the Italian iron and steel industry applied for their restriction or prohibition under Article 60, 2, *b* of the Treaty, with special reference to differences in the methods of quotation employed for a product and those employed for the raw materials used in its manufacture. ¹⁾

To enable it to follow alignments in the Italian market, the High Authority then issued a decision requiring

¹⁾ See *Seventh General Report*, No. 105.

iron and steel enterprises in other Community countries to declare to it all sales to buyers in Italy in respect of which they aligned their prices with lower delivered prices quoted by other Community enterprises. ¹⁾

It was not considered desirable to renew this decision, as sales at aligned prices by the other Community countries in the Italian market were not on a sufficient scale — even during the period under review, when business was in general poor and alignment was being very extensively practised all over the Community — to make it necessary to limit them.

90. *Recommandation to the French Government concerning steel prices.* — Following the French Government's monetary measures in 1957, French prices, though rising somewhat in actual francs, became the lowest in the Community. Further monetary action taken in 1958 sharply increased the difference, in spite of similar rises in the franc prices in January 1959.

The High Authority considered this position to call for the implementation of Article 67 of the Treaty, the French Government's measures being "liable to provoke a serious disequilibrium by substantially increasing differences in costs of production otherwise than through variations in productivity".

On March 11, 1959, therefore, it addressed to the French Government a recommendation under Article 67, 2, 3 of the Treaty. ²⁾

The injurious effects for the iron and steel enterprises of the other member countries were temporarily reduced by the vigorous revival in demand in the steel market from the spring of 1959 onwards. The problem, however, remained, and talks were continued with the French Government with the aim of reaching a settlement.

¹⁾ See Decision No. 6/58, *Journal officiel des Communautés européennes*, June 11, 1958.

²⁾ See *Journal officiel des Communautés européennes*, March 23, 1959.

Section 2 — Cartels and Concentrations

91. During the period under review, the High Authority took a number of decisions concerning cartels and concentrations. The most important of these are dealt with in detail in the pages following.

In the course of the next few months, the new High Authority will have to issue its verdict on several matters of major importance. These include the selling arrangements for Ruhr coal and Belgian coal, and the proposed acquisition by August Thyssen-Hütte A.G. of a controlling interest in Phoenix-Rheinrohr A.G. and by the Dortmund-Hörder-Hüttenunion A.G. of a controlling interest in Hüttenwerk Siegerland A.G.; in addition, further talks are going on with the French Government concerning the French regulations governing imports of Community coal. The High Authority can in this Report only outline the latest developments in these matters, nothing final having as yet emerged. When decisions are reached, they will be notified forthwith to the European Parliament and to the Parliamentary Committees concerned.

CARTELS*Selling and buying agencies**Ruhr coal-selling agencies*

92. (a) *Present position* — Acting on the principles described in the Seventh General Report ¹⁾, the High Authority by its Decision No. 17/59 ²⁾ extended its authorization of the existing system

— up to March 31, 1960, with the possibility of a further one year's grace, for the three selling agencies themselves;

¹⁾ See *Seventh General Report*, No. 112.

²⁾ See *Journal officiel des Communautés européennes*, March 7, 1959.

- up to March 31, 1960, and no longer, for the joint office, the standards committee and the various inter-agency financial arrangements.

An application for the authorization of a new joint-selling system for Ruhr coal was submitted to the High Authority in December 1959, and is now under examination.

(b) *Operation of the Ruhr coal-selling agencies* — Certain aspects of the operation of the Ruhr coal-selling agencies were studied on the spot by representatives of the High Authority. Their findings on a number of points from part of the file now in the High Authority's hands, and are therefore not included in this Report.

Relations with the trade — The High Authority's Decisions Nos. 17/59 and 36/59 ¹⁾ very drastically amended the agencies' trading regulations with effect from April 1, 1959.

These contain all the agreed conditions entitling the agencies to supply consumers and dealers direct. Up to March 31, 1959, the system was that, to buy direct from the agencies,

- consumers must be able to show a minimum consumption of 30,000 metric tons of fuel *per annum*;

- dealers must be able to show

- (1) a minimum turnover of 60,000 metric tons of fuel *per annum* obtained from Community sources and sold within the Common Market,
- (2) a minimum turnover of 30,000 metric tons of fuel *per annum* obtained from Community sources and sold within a particular sales area, and
- (3) a minimum turnover of 9,000 metric tons of fuel *per annum* obtained from the selling agency and sold within the same sales area.

¹⁾ See *Journal officiel des Communautés européennes*, March 7 and July 8, 1959.

Direct procurement by wholesalers from the selling agencies was subsequently made easier by the concessions that

- firstly, tonnages bought by dealers under a *Landabsatz* arrangement (direct local sales not by the agency but by the mining companies belonging to it) might be included in the turnover figure specified under (3) above;
- secondly, direct-buying wholesalers in Rhur coal sales areas I, II, III, V and VI might also buy direct in the adjacent sales area provided they could show that they had during the previous twelve months sold in that area not less than 2,000 metric tons of fuel obtained from the agency.

Considering, however, that even these relaxed criteria were more restrictive than was necessary to the purpose of joint selling, namely improved distribution, the High Authority amended the trading regulations as follows with effect from April 1, 1959 :

- minimum turnover (1) was no longer insisted upon;
- minimum turnover (2) was reduced to 20,000 metric tons;
- minimum turnover (3) was reduced to 6,000 metric tons.

Appeals were lodged with the Court against these decisions by the selling agencies and by a coal wholesale enterprise; the agencies asked that the amendments to the trading regulations be declared null and void, while the wholesale firm asked the Court to invalidate the stipulations as to minimum tonnages, and also to find that wholesalers who had obtained their procurements direct before the decision was ever issued should continue to be entitled to do so.

Long-term delivery contracts. — The arrangements introduced the previous year with regard to the conclusion of long-term delivery contracts by the Ruhr coal-selling agencies were also retained, by the High Authority's Decision No.

17/59, for the transition period up to March 31, 1960¹⁾. The new authorization allowed the agencies more freedom of action for the conclusion of such contracts, by extending the maximum length of these from five to ten years.

The agencies' periodic returns to the High Authority of long-term contracts entered into indicate that so far these are not on a scale liable in the future to endanger the regular flow of supplies to the Common Market.

Cobechar

93. By Decision No. 30/56, as amended by Decision No. 27/57²⁾, the High Authority authorized the Belgian collieries to sell part of their production through the Comptoir Belge des Charbons (Cobechar).

In December 1958, it informed Cobechar of its intention further to amend its previous authorizations. High Authority representatives and the directors of Cobechar met in Brussels to discuss the structural changes made in the organization of the agency and to examine whether its sales policy was in line with the requirements of the Treaty. On February 9, 1959, Cobechar applied for the authorization of fresh financial arrangements; owing to certain organizational measures which the Belgian collieries were about to take, however, it subsequently withdrew its application and asked for time to submit another. When the period granted ran out and no application had been received, a High Authority representative was sent, in accordance with Article 14 of Decision No. 30/56, to investigate matters on the spot, before determining whether the authorization might be renewed.

¹⁾ See *Seventh General Report*, No. 112, c, and Decision No. 17/59, (*Journal officiel des Communautés européennes*, March 7, 1959).

²⁾ See *Official Gazette of the Community*, October 18, 1956, and *Journal officiel de la Communauté*, December 27, 1957.

A number of conversations between High Authority and Cobechar representatives followed, but on November 16 the High Authority was informed that the discussions by the board of management of Cobechar in connection with the projected reorganization of the joint-selling system had produced no result.

The collieries selling through Cobechar meantime decided to extend the Articles of Association of the agency up to January 31, 1960. Cobechar will therefore continue to operate until that date.

During 1959 the following three collieries withdrew from Cobechar :

1. the Charbonnages Limbourg-Meuse,
2. the Charbonnages de Helchteren et Zolder,
3. the Société Anonyme des Charbonnages de Beerlingen.

The Charbonnages Réunis de Roton-Farciennes et Oignies-Aiseau withdrew from Cobechar on January 1, 1960.

Saarlor

94. Saarlor — The Union Charbonnière Sarro-Lorraine, or Saar-Lothringische Kohlenunion, France-German joint-stock company of Saarbrücken and Strasbourg — was set up under Article 84, 1 of the Agreement on the Status of the Saar concluded on October 27, 1956, between the French Republic and the Federal Republic of Germany, to carry on the work of the former Union Charbonnière Sarro-Lorraine known as Unichar.

Before the Saar Agreement was signed, the French and German Governments communicated to the High Authority the text of the provisions in the draft Agreement relating to coal. The High Authority replied on October 24, 1956, ¹⁾

¹⁾ See *Official Gazette of the Community*, November 23, 1956.

giving its observations as to the interpretation and implementation of the articles in question. At the same time, with reference to Annex 29 to the Agreement, which provided for the setting-up of a joint-selling agency, the High Authority reminded the two Governments that this would require its authorization under Article 65 of the Coal and Steel Treaty. It further pointed out that the distribution of the capital of the new organization should result in a majority holding for the producers concerned.

At the end of 1957 and beginning of 1958 the High Authority requested the Saarbergwerke A.G. at Saarbrücken and the Houillères du Bassin de Lorraine at Merlebach to submit to it in due course the final draft of the articles of association of the new agency, to enable it to initiate the authorization procedure laid down in Article 65.

The articles of association, which were duly received in June 1958, satisfied the High Authority as to the distribution of the capital. No particulars were given, however, either of the tonnages to be sold jointly or of the geographical boundaries of the area to be covered by the new agency. To avoid serious interference with the marketing of Saar and Lorraine coal, and pending the institution of final rules and regulations for Saarlor's activities, the High Authority in January 1959 decided to grant a provisional authorization. ¹⁾

This is later extended up to December 31, 1961, after examining Saarlor's projected operations as they emerged from a draft joint-selling agreement to be signed between the Houillères du Bassin de Lorraine and the Saarbergwerke A.G. on the one hand and Saarlor on the other.

From a careful study of the articles of association of Saarlor and of the terms of the agreement just referred to, and from numerous discussions with the parties concerned, the

¹⁾ See Decision No. 6/59, *Journal officiel des Communautés européennes*, February 11, 1959, as extended by Decision No. 37/59, *Journal officiel des Communautés européennes*, July 8, 1959.

High Authority has been able to conclude that joint-selling through Saarlör will not give the Saar and Lorraine producers the power to determine prices, to control or limit production or distribution, or to protect their coal from effective competition.

Joint-selling of Saar and Lorraine coal by Saarlör is actually confined to one limited portion of the Common Market, namely Southern Germany. In the Saar Saarlör sells Lorraine coal only, and in France it does not operate at all; in the remainder of the Common Market it sells Saar coal only. It does, however, sell jointly in third-country markets.

Moreover, Saarlör sells at the schedule prices of the coalfields, for and on behalf of the two mining companies, each of which, furthermore, retains a considerable voice in the day-to-day administration of the agency with regard to such aspects as directly concern it individually.

Finally, having regard to the comparatively small tonnages marketed by Saarlör in 1958 (1.87 million metric tons of Saar coal, representing 11% of total Saar production, and 540,000 metric tons of Lorraine coal representing 3% of total Lorraine production), the High Authority considers, in view of the foregoing, that the agreement is not more restrictive than is necessary to its purpose.

On the other hand, it considers that Saarlör is helping to improve distribution by making it possible to take due account of the differences in grade between Saar and Lorraine coal, and to select the most economic routes of transportation. The saving in transport costs secured by selling Saar and Lorraine coal jointly rather than separately, and the existence of an efficient sales organization for marketing these in Southern Germany, Switzerland and Austria, also strengthen the competitive capacity of the producers concerned *vis-à-vis* coal from other sources, and in particular from third countries.

Oberrheinische Kohlenunion (O.K.U.)

95. Under Decision No. 19/57, of July 26, 1957 ¹⁾ the Oberrheinische Kohlenunion was transformed into an association of South German direct-buying wholesalers for the purchase of Community coal, authorized to operate up to March 31, 1959.

In order that the new association should not be controlled by the coal producers, the High Authority expressly provided in this decision

- that producers should no longer be allowed to belong direct to O.K.U.;
Exemptions were, however, granted, initially up to March 31, 1958, and subsequently up to July 31, 1958, ²⁾ in favour of the Saar and Lorraine producers and their joint-selling agency Unichar, and of the Société Rhénane d'Exploitation et de Manutention (Sorema);
- that a majority both of the shares and of the votes in O.K.U. should be held by the "non-producer-controlled" wholesalers.

To ensure normal play of competition, unrestricted by agreements between producer-controlled inland water-transport enterprises, the High Authority included in its decision of authorization certain special provisions relating to shipments of coal up the Rhine.

Investigations by the High Authority last year into the activities of O.K.U. ³⁾ revealed a number of shortcomings regarding both the procedure employed in purchasing coal and the continued operation of O.K.U. exclusively as a buying agency.

¹⁾ See *Journal officiel de la Communauté*, August 10, 1957.

²⁾ See Decision No. 4/58, *Journal officiel de la Communauté*, April 14, 1958.

³⁾ See *Seventh General Report*, No. 113.

Above all, the Saar and Lorraine producers and Unichar¹⁾ could not be shown to have withdrawn from O.K.U. as they were required to do. Moreover, in consequence of various circumstances, certain producers were exerting an influence on O.K.U. through the coal wholesale firms controlled by them. In this connection the High Authority noted in particular that the criteria adopted by O.K.U. for distinguishing independent from producer-controlled dealers were not in conformity with the terms of Decision No. 24/54.²⁾ The distribution of the shares and of the votes at the meeting of the shareholders and on the advisory board of O.K.U., although based on the criteria laid down in that decision, was not in conformity with the terms of the High Authority's authorization granted by its Decision No. 19/57. The High Authority also found that representatives of producers in the Aachen, Lorraine, Ruhr and Saar coalfields had attended meetings of the advisory board of O.K.U.

O.K.U. applied on January 20, 1959, for a three-year extension of its authorization to buy jointly, *i.e.* up to March 31, 1962. Decision No. 23/59,³⁾ however, granted an extension only up to May 31, 1959, and made the full extension up to 1962 conditional upon O.K.U.'s complying fully with the terms of the High Authority's earlier decisions.

By a further decision issued on May 27, 1959,⁴⁾ the High Authority authorized O.K.U. to continue in operation up to March 31, 1962, at the same time making sure that O.K.U. should operate as a joint-buying agency and nothing else, and should be completely independent of the coal-producers.

Thus, after having ascertained

— that the Saarbergwerke, of Saarbrücken, the Houillères du Bassin de Lorraine, of Merlebach, and the

¹⁾ See *Journal officiel de la Communauté*, April 14, 1958.

²⁾ See *Journal officiel de la Communauté*, May 11, 1954.

³⁾ See *Journal officiel des Communautés européennes*, April 3, 1959.

⁴⁾ See *Journal officiel des Communautés européennes*, June 9, 1959.

Union Charbonnière Rhénane, of Strasbourg, had duly withdrawn from O.K.U.

- that the shareholders' meeting of O.K.U. had resolved that as from April 1, 1959, a fresh share-distribution schedule be adopted whereby a majority of the shares, and hence also a majority of the votes, should go to "non-producer-controlled" wholesalers within the meaning of Decision No. 24/54;
- that shareholders' meeting of O.K.U. had resolved that the articles of association be amended and supplemented in such a way as also to ensure a majority on the advisory board for the non-producer-controlled wholesalers,

the High Authority

- excluded wholesalers in France ¹⁾ from membership of O.K.U., as not fulfilling the requirements for admission;
- authorized the Société Rhénane d'Exploitation et de Manutention (Sorema), as representing the interests of French dealers obtaining part of their supplies via the Upper Rhine, to remain a member of O.K.U. up to March 31, 1960;
- explicitly stated that non-members of the advisory board of O.K.U. who could be regarded as representing the producers, the selling agencies or producer-controlled trading companies, were not entitled to attend meetings of the board;
- gave O.K.U. up to July 31, 1959, to submit to it the articles of association amended in conformity with the requirements of the new authorization.

¹⁾ See Annex 2 to Decision No. 19/57, *Journal officiel de la Communauté*, August 10, 1957.

The amended articles were duly submitted, and are now under examination by the appropriate departments of the High Authority.

Other organisations

96. *A.T.I.C.* — The High Authority on December 18, 1957, issued a reasoned decision declaring the French official regulations governing purchases of coal from other Community countries to be incompatible with the Treaty. The French Government thereupon lodged an appeal, which is still pending before the Court.

The written proceedings were completed by the beginning of 1959. Just when the Court was about to open the hearing, the parties by mutual consent asked the Court to adjourn this in order that they might resume discussions with a view to arriving at an amicable settlement.

To this end talks took place in July between a representative of the French Government and Members of the High Authority, but it proved impossible to bring these to a conclusion before the installation of the new High Authority. In response to the latter's request, the French Government has just stated its willingness to resume the discussions, and has appointed its representative for the purpose.

97. *Notgemeinschaft Deutscher Kohlenbergbau* — In March 1959, the High Authority received the draft articles of association of an organization to be set up jointly by the German coal producers. The object of this scheme was to enable the German collieries, with the help of substantial credits guaranteed by the Federal Government, to co-ordinate the large financial contributions needed for the commutation of the contracts for the importation of American coal, and to deploy the proceeds effectively.

From a study of the draft articles of association, and of additional details obtained from the Federal Government

and the German coalmining industry, the High Authority formed the conclusion that the organization, the Notgemeinschaft Deutscher Kohlenbergbau, was compatible with the provisions of the Coal and Steel Treaty.

The Notgemeinschaft was instituted to bear the expense involved by the commutation of the import contracts for American coal ¹⁾. Its operations are being financed by recourse to credits made available by banks. The Notgemeinschaft then allocates these funds to the different enterprises and selling agencies in accordance with the same schedule as is used for the contributions under the workers' housing schemes; repayment will be effected by the same method.

The High Authority nevertheless thought it necessary to indicate to all those concerned the limits imposed on the activities of the Notgemeinschaft by the terms of the Coal and Steel Treaty. It therefore stated that the following measures and practices were prohibited under Article 65 of the Treaty :

- any action by the Notgemeinschaft to influence the negotiations in progress with consumers and dealers for the commutation of import contracts for third-country coal;
- agreements between enterprises belonging to the Notgemeinschaft, or the selling agencies of such enterprises,
 - a) to subdivide importers, dealers or consumers, or the import contracts to be commuted on a regional basis, or
 - b) to assess the various parties concerned for commutation disbursements in an inequitable manner;
- any other measures liable to restrict competition among the different selling agencies;

¹⁾ See No. 10 above.

- repayment of credits by collieries not themselves enabled by the commutation of the contracts to market corresponding tonnages of their own;
- agreements to transfer credits from collieries belonging to one coalfield or selling agency to collieries belonging to another (since such agreements may come under Articles 53, and 65 of the Treaty and hence require prior examination by the High Authority).

CONCENTRATIONS

During 1959 the High Authority dealt with the following concentration projects.

Horizontal concentrations

(a) *Coal/Coal*

98. *Deutsche Erdöl A.G./Rheinpreussen.* — Deutsche Erdöl A.G. (D.E.A.), of Hamburg, with the authorization of the High Authority, acquired a majority holding in Rheinpreussen A.G. für Bergbau und Chemie, of Homburg, Niederrhein.

Before examining the application for its authorization, the High Authority took steps to establish whether the operation planned was likely to result in an indirect concentration between D.E.A. and the controlling shareholders in Rheinpreussen. D.E.A.'s acquisition of the majority holding was, however, made subject to the condition that no shareholder or group of shareholders in Rheinpreussen should acquire an interest of more than 5 or 6% in D.E.A.

Moreover, from a careful study of the effects of the D.E.A.-Rheinpreussen concentration the High Authority concluded that the project was the basic element for a joint rationalization scheme (which is especially desirable in the present difficult situation of the coalmining industry), the

activities of the two enterprises being to a great extent parallel and complementary.

Deutsche Erdöl is mainly concerned with the production, distribution and processing of petroleum products, but it also has coalmining interests: in 1958, through its subsidiary the Graf Bismarck colliery, it produced over 2.7 million metric tons of hard coal and over 150 000 metric tons of coke.

Coalmining is, on the other hand, the principal activity of Rheinpreussen and of Bergbauindustrie A. G. Neumühl, which is controlled by Rheinpreussen: hard-coal production by this group in 1958 totalled almost 5 million metric tons, and coke production close on 1.6 million. In addition, however, the group does coal and petroleum-chemical work, and operates an extensive oil-distribution network.

The production of the two groups in the coal sector is mutually complementary, Rheinpreussen mining mainly bituminous coal and D.E.A. practically nothing but long-flame and gas coal. The concentration will at the same time facilitate the large-scale investment which is always needed in connection with the chemical conversion of coal and oil, and will make it possible to plan the production schedules of the two groups on a co-ordinated basis.

The concentration of these two enterprises may be expected to improve their division of labour, and enable them to adapt themselves more satisfactorily to the structural development of the energy market without thereby contravening the provisions of the Coal and Steel Treaty.

The production of the two together amounts to approximately 7.7 million metric tons of hard coal and 1.7 million metric tons of coke, or 3.1 and 2.3% respectively of total Community production.

99. *La Louvière|Mariemont|Ressaix.* — The High Authority authorized the concentration of the following Belgian collieries :

- the Société Anonyme des Charbonnages de la Louvière-Sart-Longchamps, of Saint-Vaast (La Louvière);
- the Société Anonyme des Charbonnages de Mariemont-Bascoup, of Mariemont;
- the Société Anonyme des Charbonnages de Ressaix-Leval-Peronnes-Sainte-Aldegonde et Genck, of Ressaix.

The three companies amalgamated to form the Société Anonyme des Charbonnages du Centre, henceforth to be responsible for the workings of all three. The object of this operation, which forms part of the reorganization programme for the Central Belgian coalfield, is to make for rationalization of investment, more economic subdivision of the deposits, and most effective concentration of the surface installations.

The aggregate production capacity of the three collieries at the time of the concentration amounted to 1.8 million metric tons. This is to be progressively scaled down to approximately 1.2 million.

(b) *Steel|steel*

100. Two major concentration projects are now being examined by the High Authority, namely the proposed acquisition by August Thyssen-Hütte A.G. of a controlling interest in Phœnix-Rheinrohr A.G. and by the Dortmund-Hörder Hüttenunion A.G. of a controlling interest in the Hüttenwerke Siegerland A.G.

(c) *Coal trade|coal trade*

101. *Société Commerciale d'Affrètement et de Commission|Comptoir des Combustibles d'Alsace et Lorraine.* — The High Authority

authorized a concentration between the Société Commerciale d'Affrètement et de Commission and the Comptoir des Combustibles d'Alsace et Lorraine. The group so formed operates over a wide field in the French coal trade.

This is in line with the aims and objects of the High Authority, which considers, with the French Government, that what is needed in the French market is that the dealers should be in a strong position, able to withstand competition in the Common Market and helping by their presence to change the part at present being played by A.T.I.C.

The main effect of the concentration may be seen in the figures for sales to the retail trade : of a total of 2 million metric tons handled by the two enterprises in question, something like seven-eighths are sold to retailers.

However, in no regional market in France is the group in a position to control or restrict distribution or determine prices.

This direct concentration is not such as to establish market dominance : in most of the regional markets, with the exception of Alsace-Lorraine, the group's share is less than 5% of total sales, but even in Alsace-Lorraine the effect of the concentration on the market situation is minimal, merely somewhat strengthening the position already held by the Comptoir des Combustibles d'Alsace et Lorraine.

Vertical concentration

(a) Steelmaking/steel processing

102. *Röchling/Erhardt und Sehmer* — The Röchlingsche Eisen- und Stahlwerke G.m.b.H., of Völklingen, Saar, acquired a portion of the shares of the Erhardt und Sehmer-Maschinenfabrik A.G., of Saarbrücken. Although the capital share in question represented rather less than 50% participation, the High Authority considered the operation to amount to a

concentration, inasmuch as Röchling would effectively control Erhardt und Sehmer in conjunction with another shareholder holding 50% of the total shares.

This concentration is a vertical one, between a steel-producing and a steel-consuming enterprise.

Röchling is a steel-producing enterprise within the meaning of Article 80 of the Treaty: in 1958 it produced 1.1 million metric tons of crude steel and 770,000 metric tons of rolled products. Erhardt und Sehmer produces a fairly wide range of machinery and pig-iron castings. Its consumption of iron and steel products is, however, negligible, approximately 2,000 metric tons of rolled products and 2,000 of pig-iron a year.

The High Authority authorized the concentration, judging it to be compatible with the provisions of the Treaty.

(b) *Steelmaking/steel trade*

103. *Ilseeder-Hütte/Bierlein* — The High Authority authorized Ilseeder-Hütte, of Peine, through its subsidiary, Industrie und Handels A.G. to take over Gebr. Bierlein K.G., of Munich.

The object of this concentration is that I.H.A.G., a firm of dealers in iron and steel products, should have the benefit of Bierlein's specialization in the exporting of such products to third countries, and in particular to Eastern Europe.

The High Authority, after studying the case, concluded that the operation would in no way affect competitive conditions in the Common Market or enable the enterprises concerned to evade the rules of competition.

CASES TAKEN UP ; CASES DISPOSED OF

104. The position as regards cases taken up under Articles 65 and 66 of the Treaty, at January 31, 1960, is shown in the following tables:

Cases under article 65 ¹⁾

Country	Taken up	Disposed of			
		Author-ized	Pro-hibited	Article 65 not applicable	Cartels voluntarily dissolved
1. Cases examined following application for authorization					
Germany (Fed. Rep.)	26	14	—	6	2
Belgium	14	4	—	5	2
France	38	6	—	21	—
Italy	11	2	—	6	—
Netherlands	3	—	—	1	1
Saar	5	—	—	3	—
Total	97	26	—	42	5

2. Cases examined by the High Authority on its own initiative					
Germany (Fed. Rep.)	61	1	3	49	1
Belgium	8	—	—	4	—
France	29	—	—	14	1
Italy	3	—	1	2	—
Luxembourg	1	—	—	—	1
Netherlands	7	—	—	5	—
Community	3	—	—	—	—
Total	112	1	4	74	3
Grand total	209	27	4	116	8

¹⁾ This table includes some minor cases not recorded in previous Reports.

It should be noted that in quite a number of cases taken up following applications for authorization Articles 65 and 66 were not implemented because the enterprise concerned withdrew their applications in view of the negative reaction displayed by the High Authority.

As regards cases examined by the High Authority on its own initiative, many of the enterprises concerned subsequently, in consequence of the High Authority's pro-

ceedings, duly submitted applications for authorization : the cases were thereby automatically disposed of, without the High Authority's needing to take an *ex officio* decision.

Cases under article 66 ¹⁾

Country	Taken up	Disposed of					Total
		Authorized	Examined under Article 66, 5	Concentrations effected before signing of Treaty	Article 66 not applicable	Authorization not required in accordance with regulations implementing Article 66, 5	
1. Cases examined following application for authorization							
Germany (Fed. Rep.)	39	21	—	3	—	7	31
Belgium	11	4	—	2	2	3	11
France	17	5	1	—	—	88	14
Italy	2	—	—	—	—	1	1
Luxembourg	4	2	—	2	—	—	4
Saar	1	—	—	—	—	1	1
Total	74	32	1	7	2	20	62
2. Cases examined by the High Authority on its own initiative							
Germany (Fed. Rep.)	25	3	—	2	1	12	18
Belgium	13	—	—	—	1	10	11
France	18	2	—	2	—	9	13
Luxembourg	2	—	—	1	—	1	2
Netherlands	1	—	—	—	—	—	—
Saar	1	—	—	—	—	1	1
Community	2	—	—	—	—	2	2
Total	62	5	—	5	2	35	47
Grand total	136	37	1	12	4	55	109

¹⁾ This table includes some minor cases not recorded in previous Reports.

In other cases, the High Authority was able on the basis of examinations instituted by it on its own initiative to notify the enterprises concerned that certain practices and

activities were likely to contravene Articles 65 and 66 of the Treaty. Once the enterprises brought their operations into line with the provisions of the Treaty, such cases were also closed.

Other cases again, in which further developments may be expected, are being treated as still pending, although the High Authority has completed its examination of matters as they now stand.

Section 3 — Transport

105. In the field of transport the High Authority continued its work for the achievement of the objectives of the Treaty. In particular, it concerned itself with the problem of the harmonization of railway rates and conditions of carriage, with the implementation of the agreement of July 9, 1957, concerning Rhine shipping rates, and with the steps to be taken to eliminate disparities in inland water-transport rates on waterways other than the Rhine. It was, however, with regard to the publication of transport rates and conditions of carriage that it did especially important work in 1959, by issuing a decision on the subject in respect of the road-haulage sector.

RAIL TRANSPORT

106. *Discriminations.* — The discrimination formerly produced, according to the routes chosen and countries crossed, by certain special arrangements instituted for shipments of coke from France to Italy or *vice versa* by Franco-Italian routes, and for shipments of coke from any Community country to Italy or *vice versa*, passing in transit through Switzerland or Austria, was eliminated by the implementation of fresh provisions contained in the Second Supplemental Agreement to the Agreement of March 21, 1955, on the introduction of international railway through-rates.

The Second Supplemental Agreement, which was published in the "Journal officiel des Communautés européennes" for April 9, 1959, and came into force on May 1, provided that for all shipments of coke to and from Italy, whatever the other Community country concerned and whatever the route used,

- (a) the Italian partial mileage rate should be calculated on the basis of the Italian tapering ratio for the partial distance covered in Italy;
- (b) the partial mileage rates for all the other member States should be calculated on the basis of the tapering ratio of the country concerned for the total distance covered less the partial distance covered in Italy.

Some years ago, following a complaint of discrimination submitted in 1953 in respect of Section 1 of Tariff No. 103 of the French State Railways (relating to full trainloads), the Committee of Transport Experts set up under Section 10 of the Convention containing the Transitional Provisions adopted the following Resolution No. 13 :

« (1) The fact that S.N.C.F. Tariff No. 103, Section 1 is not applicable to consignments entering France by a land frontier point constitutes a discrimination under Article 70, 2 of the Treaty; the French experts, however, consider that the technical terms and conditions of the tariff are not in themselves discriminatory, only that differential treatment results in practice.

(2) The experts would propose that the matter be settled by the introduction of international through-rates in respect of full trainloads allowing the same reductions for the distance covered on the French network as does Tariff 103, Section 1, and request the railway authorities concerned to work out such rates on the basis of the draft submitted by the French experts, which offers a satisfactory solution in principle.

(3) Until such time as the through-rates in respect of full trainloads have been worked out, the experts would propose that as a transitional arrangement temporary international through-rates in respect of lifts of trucks be introduced, allowing for the distance concerned on the French network reductions equivalent to at least two-thirds of that specified in Tariff 103, Section 1, and covering those routes on which consignments carried are in fact affected by the above discrimination. »

In accordance with paragraph (3) of this resolution (which was duly approved by the High Authority and transmitted to the Governments of the member States), the railway authorities concerned in April 1954 introduced international through-rates in respect of lifts of trucks carrying large tonnages for the main flows of bulk traffic to France, by which for the partial distance covered in France a reduction was allowed equivalent to two-thirds of that specified in S.N.C.F. Tariff No. 103, Section 1.

Upon receipt of a further complaint asking that the reduction shown in the tariff be allowed in full, the High Authority, in a letter dated June 8, 1957, requested the Governments to allow the full reduction in respect of full trainloads bound for destinations in France provided the conditions laid down in the tariff were fulfilled. It added that it concurred with the opinion expressed in paragraph (2) of the Committee's resolution, and considered that negotiations should be opened with the Governments with a view to the taking of the action advocated therein.

The Governments declared their willingness to take part in the negotiations suggested; some of them, however, stated that their railways, which had no special arrangements in respect of consignments by full trainload, could not at present consider allowing reductions on such consignments for the portions of the runs on their network.

Concluding that, in view of this attitude, it would not be possible in the near future to achieve the objective of paragraph (2) of Resolution No. 13, which was to institute, as part of the process of harmonization, a general system governing consignments of E.C.S.C. products by full trainload, with reductions by all the railways, the High Authority thought it best to work for an interim arrangement whereby the reductions at present allowed under the French and Belgian tariffs should be applicable to all consignments by full trainload in the Community.

With this end in view, the High Authority opened negotiations with the member Governments. In the course of these, it was established

- that the Governments were not prepared to agree to the provisional adoption of international rates in respect of full trainloads of E.C.S.C. products allowing only the reductions provided for by the French and Belgian inland tariffs;
- that in view of the attitude adopted by certain Governments it was impossible at this stage to introduce genuine harmonized rates with reductions allowed by all railways on consignments by full trainload (the final solution put forward in paragraph (2) of the resolution of the Committee of Transport Experts);
- that the whole question of introducing a general tariff for consignments by full trainload would have to be dealt with *en bloc* in the course of the process of harmonization;
- that it would be a good thing if the High Authority could take up the matter of general harmonization again as soon as possible, and perhaps discuss it with the E.E.C. Commission.

107. 1. *Through-rates*

Exemption — September 1, 1959, saw the expiry, after a four-month extension, of the special arrangement provided for by the Supplemental Agreement to the Agreement of March 21, 1955, on the introducing of international railway through-rates, whereby the maximum tapering ratios for the Italian mileage rates must not, from May 1, 1958, to April 30, 1959, exceed the Italian railways' own coefficient for 700 km.

Customs formalities — By way of complement to the E.C.S.C. scale of international through-rates, a simplified Customs procedure was introduced on December 1, 1959, whereby all Customs charges on consignments passing between one Community country and another can be calculated and settled at the sending station.

Material is now being assembled with a view to determining what action can be taken, in accordance with Article 3 of the Agreement of March 21, 1955, to reduce charges peculiar to international coal and steel traffic which bear heavily on the prime cost of transport.

2. *Special domestic tariff measures* — No judgment has as yet been delivered on the appeals lodged against High Authority decisions with the Court of Justice by the Government of the Federal Republic of Germany and by a number of German and French iron and steel enterprises ¹⁾.

3. *Unpublished tariff contracts* — The High Authority made a preliminary examination of certain tariff contracts entered into by railway authorities and not made public. It found that the supporting material adduced for the most part related only to specific terms and conditions contained in the contracts. Further investigation of the other items (competitive parity with other modes of transport, exercise of the right of alignment) need to be carried out when the

¹⁾ See *Seventh General Report*, No. 122.

Court of Justice has ruled on the point in the cases concerning road haulage.

4. *Transport-tariff harmonization* — It has not yet been possible to examine the problems of harmonization in the light of the report by the Committee of Economic Experts on the harmonization of transport rates for coal and steel ¹⁾, as the Government of the Federal Republic of Germany, emphasizing the implications of certain points made in the report and the importance of harmonization for a common transport policy, has given it as its opinion that the whole subject should be dealt with on a broader basis, by the European Economic Community in co-operation with the High Authority.

As several of the Governments have expressed the desire, in connection with the examination of certain cases in point, that a fresh approach should be made to the subject of harmonization as a whole, the High Authority is now studying, more particularly from the legal angle, how and on what basis the work on transport-tariff harmonization can best be continued.

Incidentally, future developments in this field are likely to depend a good deal on the judgments finally delivered by the Court of Justice in certain cases now pending.

5. *Agreements with Austria and Switzerland* — The agreements introducing international railway through-rates for E.C.S.C. products shipped from one member country to another *via* Austria or Switzerland operated very satisfactorily, as regards both the application of the tariff provisions laid down and the Community's relations with the two countries generally.

¹⁾ See *Seventh General Report*, No. 121.

INLAND WATER TRANSPORT

108. With regard to Rhine river navigation, the High Authority approached the German and Netherlands Governments with a view to examining with them the measures needed to adjust their regulated internal freight-rates to the free international rates, as required by Article 1 of the Agreement of July 9, 1957, relating to freight rates and conditions of transport for coal and steel shipped on the Rhine.

In this connection, the High Authority had already asked each of the Governments having a direct interest in Rhine river navigation to work out, in co-operation with it and on the basis of its proposals to them on the subject in October 1958, a procedure which would enable it to gain an accurate and complete picture of the situation regarding freight-rates and conditions of transport on the Rhine. However, these negotiations (provided for by Article 2 of the 1957 Agreement) produced no practical results, so that the High Authority was obliged in October 1959 to write to the German, Belgian, French and Netherlands Governments requesting them to supply the particulars concerning international Rhine traffic which will be needed for the adjustments required under Article 1 of the Agreement to be duly effected.

Replies received so far from certain Governments do not suggest that a satisfactory outcome is as yet in sight.

In the meantime, a supplemental Agreement was signed on July 24, 1959, by the member States of the Community, the High Authority and the Swiss Confederation, associating Switzerland with the Agreement of July 9, 1957. It will come into force one month after notification that it has become applicable within the territories of all the member States and the Swiss Confederation.

109. With regard to the disparities existing in freight-rates on waterways other than the Rhine, the Special Committee

on Shipping, in accordance with the instructions given it by the Governments at the meeting of the Council of Ministers on April 29, 1958, produced an interim report, the contents of which caused the High Authority to express its disappointment at the meagre results achieved in the course of the Committee's work.

The report was debated at the meeting of the Council of Ministers on February 5, 1959, at which the High Authority urged that the Special Committee be directed to draft an agreement without loss of time, providing, in particular, for the institution of Shipping Exchanges. At the conclusion of the discussion, the Special Committee was instructed by the representatives of the Governments

- to endeavour to establish ways by which freight-rates for all international shipments by waterways not covered by the Agreement of July 9, 1957, can be effectively and promptly registered on as uniform a basis as possible;
- to examine how this might facilitate the implementation of Article 70, 3, *e.g.* by the institution of Shipping Exchanges;

the Special Committee was given three months in which to draft and submit its proposals.

The proposals were duly submitted by the date set, in the form of a report by the Special Committee, suggesting, *inter alia*,

- the registration of transport contracts;
- prompt placarding by the registering authorities of contracts for single shipments (one Government dissenting);
- publication or notification to the High Authority of all details registered concerning other contracts, including long-term contracts.

On the other hand, the Special Committee did not consider it possible, in the initial stage, to reach agreement on the institution of Shipping Exchanges.

For reasons outside the High Authority's control, the Committee's report (which, incidentally, leaves outstanding a number of points regarding publication of prices and conditions of transport, an essential element in the efficient operation of the Common Market) was not examined by the Council of Ministers until November 17, 1958, when the Council directed the Committee to continue its studies and submit a draft agreement by not later than February 1, 1960.

110. The compensation scheme for French inland water-transport rates, which was introduced to eliminate the effects of the disparities between the internal and international rates, is still in force, as no agreement has been reached concerning the disparities in inland-water freight-rates West of the Rhine. At the request of the High Authority, however, the coefficient applied to the reference regulated freight-rates to determine the all-in cost of transport (contract-rate), was reduced by the French Government in December 1959 from 0.90 to 0.85.

ROAD HAULAGE

111. When it was found, at the meeting of the Council of Ministers on July 22, 1958, that no agreement could be reached among the member States as to the practical measures to be taken to achieve the objectives of the Treaty in respect of road haulage, the negotiations which had been in progress between the High Authority and the Governments since 1956 were broken off.

Accordingly, the High Authority, in a letter of August 12, 1958, requested the Governments to take the necessary steps to have road-haulage rate schedules, charges and terms either published or notified to it, stipulating this

must be done in such a manner as to ensure the operation of the Common Market as intended by the Treaty, and specifying that, to this end, producers and consumers must be able to obtain particulars of all such rate schedules, charges and terms. The High Authority went on to suggest three practical possibilities for achieving the objectives of the Treaty in this field; but expressly emphasized that the third of these, notification of transport contracts to the High Authority in a prescribed form, was submitted only conditionally and was in the first place to be considered only for a strictly limited trial-period.

Examination of the observations submitted in reply by the Governments in accordance with Article 88,1 of the Treaty revealed that none of them had adopted or was prepared to adopt in full the third alternative referred to, and that it was indeed objected to on principle.

Since the Governments did not announce their intention of taking steps to introduce either of the other two possible arrangements mentioned by the High Authority (publication by the competent national authorities, publication or notification by the carriers), or of taking any *other* steps which would satisfactorily meet the terms and requirements of the Treaty, the High Authority was compelled to issue a decision designed to ensure the achievement of the objectives of the Treaty with regard to the publication or notification to the High Authority of all rate schedules, charges and terms applicable to consignments of coal and steel hauled by road on behalf of third parties within the Community.

112. This decision, No. 18/59, was adopted by the High Authority at its meeting on February 18, 1959, and published in the *Journal officiel des Communautés* of March 7.

It notes first of all that the Governments of the member States are in breach of an Treaty obligation for so long as they fail to take the necessary steps to have published or notified to it, in such a manner as to ensure the operation of

the Common Market as intended by the Treaty, and more particularly by Articles 4, 5, 60 and 70 thereof, all rate schedules, charges and terms applicable to consignments of coal and steel hauled by road on behalf of third parties within the Community.

It then lays down that, to fulfil this obligation, the Governments must

- (a) either publish rate schedules, charges and terms and see that the hauliers abide by them, or require the hauliers to publish in appropriate form or notify to the High Authority the rate schedules, charges and terms they have decided to apply and see that they abide by them, it being understood that all schedules, charges and terms merely notified to the High Authority will be held available by it for consultation by producers, buyers and consumers in the Common Market;
- (b) Take the necessary steps to ensure that the rate schedules, charges and terms referred to in (a) above, and any amendments thereto, come into force, at the earliest, the day following their publication, or where merely notified, the day following their receipt by the High Authority, calculated with due regard to the normal time required for postal transmission.

In this connection, the High Authority based itself on the consideration that, firstly, since it is necessary for the efficient operation of the Common Market that producers, buyers and consumers there should be familiar with ruling rate schedules, charges and terms, it must, where these are merely notified to it, hold them available for their consultation, and secondly, for the objectives of the Treaty to be achieved it is essential that all schedules, charges and terms should be either published or notified to it promptly.

Considering, further, that it might be easier for some of the Governments to institute the necessary changes by

stages, the High Authority laid down in its decision that, if the regulations of the country allowed, schedules might include maximum and minimum rates, provided the margin between the two did not exceed 10%, and that, for a period to be determined as the efficient operation of the Common Market might seem most likely to demand, the Governments might authorize exemptions in respect of consignments of less than 5 metric tons or travelling less than 20 km. in all.

Two appeals against this decision were lodged before the Court of Justice of the European Communities, one by the Netherlands Government and the other by the Italian Government.

The cases are still under examination, but it is clear that the judgments ultimately delivered by the Court will be of major importance for the transport of E.C.S.C. products generally.

113. Pending the announcement of the Court's findings in these cases, the High Authority had to mark time in quite a number of important matters relating to the publication and calculation of certain rates and conditions of carriage, involving very large tonnages of coal and steel.

Thus with regard to the *implementation of Article 70, 3 of the Treaty*, the High Authority's preoccupations over the past several years have not been confined to the road-haulage sector: for all its efforts, quite a substantial proportion of Community traffic is still carried on terms which remain undisclosed. In the High Authority's view, this is not a situation calculated to enable the objectives of the Treaty to be attained, and in particular to allow the Common Market to operate properly, as regards either the checking of discriminations or the exercise of the right of alignment. This is true more especially in the case of consignments by rail under secret contracts, ¹⁾ which in the Netherlands, for instance, account

¹⁾ See No. 107,3 above.

for the greater part of total rail traffic in E.C.S.C. products within the country. Similarly, despite the unremitting endeavours of the High Authority, the position remains unsatisfactory with regard to inland water-transport rates, both on the Rhine and on waterways other than the Rhine.

The High Authority cannot really go ahead with its work at all until the Court of Justice has delivered judgment in the road-haulage cases and it can take due account of the principles so established for the achievement of the fundamentals of the Treaty.

The High Authority has a number of other problems for which no solution can be arrived at until the Court's judgments referred to above are known: they include, in particular, the problem of *eliminating discriminations and disparities* in inland water-transport and road-haulage rates and conditions of carriage, and the very important question of the *reductions in rates allowed by Community railways* with a view to meeting competition from other modes of transport, and more especially from the road hauliers. So far, in the absence of published schedules, charges and terms for the road-haulage sector, the High Authority has in practically no case possessed the necessary particulars to reach an informed decision as to the justifiability of the numerous competitive tariffs and contracts directed against road haulage, or to ascertain what discriminations, if any, they involve.

The real question on which the Court is being required to pronounce is that of publication of rates and conditions of carriage. In accordance with the Treaty, the High Authority has all along worked as it considered it must in order to attain the objectives of the Common Market.

TRANSPORT STATISTICS

114. For the third year running, the High Authority issued a report ¹⁾ giving the statistics for the tonnages of Treaty products transported by rail, by inland waterway and by sea during the previous year (1958). The purpose of this survey, which was first instituted in January 1956, and the methods employed in its compilation are described in the High Authority's Fifth and Sixth General Reports.

For each of the nine groups of products and three modes of transport covered, three sets of figures are shown,

- the Community figures (tonnages carried within the Community, exports to third countries and imports from third countries);
- the national figures (including international traffic);
- the regional figures (indicating reciprocal flows of traffic among the 42 transport areas of the Community).

To each of these three sets of figures are appended the corresponding figures for the two previous years, 1956 and 1957, to give some idea of the trend.

The various tables and maps in the report provide an analytical picture of the transport situation in 1958. Overall, they indicate a very marked all-round decline in the tonnages carried. The decreases as against 1957 were

- 12% in intra-Community trade;
- 20% in imports;
- 11% in exports.

As noted, the figures are for road, sea and inland-water transport only; statistics for the road-haulage sector are not yet available.

¹⁾ See *Transports des produits du traité de la C.E.C.A., Année 1958*, October 1959.

The tables showing *trade between member countries* indicate certain individual developments counter to the general downward trend : thus there were increases in French shipments of iron ore and semi-finished iron and steel products to the other member countries, in shipments of rolled products both to and from France, and in Netherlands shipments of rolled products to the rest of the Community.

The trend over three years in certain *inter-area traffic flows*, selected either as being outstandingly large or for reference purposes, shows two main features :

- flows in definite contrast to the general downward trend, *viz.* shipments of hard coal from Dutch Limburg to Belgium, Rotterdam, Northern Italy and France, of hard coal from the Saar to France, of coke from North Rhine/Westphalia to Luxembourg, of Lorraine iron ore to the Ruhr, Westphalia, the Saar, Belgium und Luxembourg, and of rolled products from the Saar to all destinations and from Rotterdam to Germany *via* the Rhine;
- continuous variations in some flows throughout the three years covered by the survey, reflecting changes in the supply situation, *viz.* a steady decline in shipments of Saar coal to the Rhineland and Southern Germany, offset by an expansion of outlets in France, and an increase in shipments of scrap from South-Eastern France to Northern Italy, at the expense of those from Southern Germany *via* Switzerland and Austria.

Notwithstanding these changes in the flows of traffic, the ratio of traffic within the individual countries to traffic crossing their frontiers has remained singularly constant since 1956. The diminution in the volume of transport in 1958 did not, therefore, have any apparent effect on the degree of market integration.

Further details will be found in the report referred to, and in the High Authority's Statistical information bulletin. ¹⁾

Section 4 — Problems relating to the Common Customs Nomenclature

115. It was already realized when the Treaty was signed that Annex I, defining the products to be covered by the rules of the Common Market, would require precise interpretation before the Governments of the member States could make the arrangements necessary in preparation for the introduction of the Common Market, and in particular before they could abolish Customs duties between Community countries and take certain necessary measures of commercial policy *vis-à-vis* third countries.

Accordingly, the Interim Committee for the Schuman Plan, meeting in The Hague on June 12, 13 and 14, 1952, agreed that a group of experts from the six countries should be asked to draw up a common Customs nomenclature.

The nomenclature was duly prepared by the experts, working from January to March 1953, in co-operation with the High Authority, and was approved by the Special Council of Ministers at its meeting on April 18, 1953. ²⁾ Based on the Brussels nomenclature produced in 1950 by the Customs Co-operation Council, it restates the contents of Annex I to the Treaty in Customs tariff terms, and lays down, for all whom it may concern, which coal and steel products come within the Common Market for coal and steel and which do not. It was incorporated as it stood into the Customs tariffs of the member countries, some of which further included sub-items of their own.

¹⁾ *Informations Statistiques*, No. 7, December 1959.

²⁾ See *The Establishment of the Common Market for Steel*, Special Report, No. 13, Luxembourg, May 1953.

Since 1953 the High Authority and the official bodies responsible in the individual countries have had on various occasions to examine whether certain products not taken into consideration when the common nomenclature was drawn up were to be treated as coming within the Common Market or not.

In some cases their joint examination has led to the conclusion that the products have been processed in such a way that they can no longer be regarded as iron and steel products within the meaning of the Treaty; in others it has been decided that they must be included in the Common Market.

Thus during the period under review the Special Council of Ministers, at the request of the High Authority, approved the inclusion of blast-furnace flue-dust in the Common Market with effect from October 1, 1959.

The periodic discussions between High Authority and Customs representatives have shown that most of the difficulties encountered are due to the fact that the makers of the Treaty deliberately excluded certain iron and steel products, such as cold-rolled strip and forgings, closely akin to those which they included. This tends to make it difficult to settle exactly where the dividing-line should be drawn.

116. The Community has had on a number of occasions to ask the Customs Co-operation Council to clarify the classification of certain products in the Brussels nomenclature, or to amend provisions in the nomenclature which were technologically out of date. Thus it recently secured the abolition of all restrictions as to the maximum gauge for sheet and plate, the High Authority having been informed of serious difficulties in the treatment by the Customs of Community-rolled plate over 125 mm.

Some problems in connection with the certificate of free pratique, more particularly with regard to transship-

ment and splitting-up of consignments in a Community or a third country, were also gone into in co-operation with the authorities responsible in the countries concerned, and duly disposed of.

Section 5 — Inspection

117. In 1959, the High Authority's Inspection Service was reorganized in accordance with a plan worked out the previous year. The inspectors were formed into a staff with special rules and regulations to ensure it the necessary degree of independence within the administration of the High Authority. ¹⁾

Various spot-checks were carried out without any difficulty. Although the High Authority's general policy is to keep its establishment at its present level, it intends to increase its staff of inspectors, in view of the need to maintain proper supervision as to compliance with the various rules of the Common Market for coal and steel.

As in past years, a number of infringements were detected : where necessary the sanctions provided for in the Treaty were applied.

¹⁾ See also No. 1,b above.

CHAPTER SIX

INVESTMENT AND TECHNICAL RESEARCH

Section 1 — Investment in the Community Industries

118. In the field of investment, the High Authority considers one of its most important duties to be that of keeping the enterprises in touch with the situation. It carries out an *annual investment survey*, the overall results of which, together with certain analyses of particular aspects, are widely publicized. In addition, there is a system of *compulsory declaration of all major capital schemes*.

The various items of information furnished by the High Authority in connection with its general study work provide valuable indications to the enterprises; the High Authority also influences their investment policy more directly by offering suggestions, expressing *opinions* and granting *loans and guarantees*.

119. In spite of the slackening in economic activity generally, capital expenditure by the coalmining and iron and steel industries in 1958 ran at 93% of the record 1957 level (100% in the case of the coalmining industry, 86% in that of the iron-ore mines, and 89% in that of the iron and steel industry proper). For 1959 it will doubtless be found that the 1957 level has been exceeded, at any rate in certain sectors.

At the same time, even though capital expenditure since 1958 remains high, it would not appear adequate to enable the Community industries to accelerate their rate of growth during the next few years, although it is true that the trend in the coal sector can be accurately assessed only in the context of energy production as a whole.

Between 1952 and 1958, the mean annual rates of increase in actual production were 0.5% for coal, 4.9% for iron ore, 3.9% for pig-iron and 5.6% for steel. Information available as at January 1, 1959, suggests that production potential should expand between 1958 and 1962 at mean annual rates of 1.4% for coal, 2.9% for iron ore, 5% for pig-iron and 3.1% for steel. Thus only in the coal and pig-iron sectors a modest increase over the figures for the previous years is expected: in the case of coal this is due to the fact that the reference year, 1958, was one when production was low, and in the case of pig-iron to the fact that the iron and steel industry is tending to concentrate more on pig-iron-based production processes.

Capital schemes completed by 1962 will in all probability be pretty much in accordance with the forecasts issued on January 1, 1959; at most there will also be some investments showing a quick return in the ore-mining and steel-making sectors.

In the absence of exact data on the development of the coal, iron-ore and steel production potential of the principal world producers since the introduction of the Common Market, it is of interest to compare the trends in their actual production. The rates of increase recorded in the Community from 1952 to 1958 are high compared with those in other Western countries, which were hit really hard by the 1958 recession; they are, on the other hand, well below those for the Soviet Union, Japan and China (see table following), where per capita production is still rather low.

ANNUAL INVESTMENT SURVEY

120. *Results of the 1959 survey* — Investments completed, in progress and planned as at January 1, 1959, were published in a report issued in July of last year. This publication also traces the movement of capital expenditure and production

Actual World Production of Coal, Ore, Pig-Iron and Steel

	Coal			Iron Ore			Pig-iron			Steel		
	Production 1952 ('000,000 m.t.)	Mean annual rate of increase	Production 1958 ('000,000 m.t.)	Production 1952 ('000,000 m.t.)	Mean annual rate of increase	Production 1958 ('000,000 m.t.)	Production 1952 ('000,000 m.t.)	Mean annual rate of increase	Production 1958 ('000,000 m.t.)	Production 1952 ('000,000 m.t.)	Mean annual rate of increase	Production 1958 ('000,000 m.t.)
U.S.A.	457.6	-3.1%	380.2	99.5	-6.0%	68.7	54.7	-0.7%	52.4	84.5	-1.5%	77.3
U.K.	230.1	-0.8%	219.3	16.5	-1.8%	14.8	10.7	+3.0%	12.8	16.7	+3.0%	19.9
Community	238.9	+0.5%	246.4	65.3	+4.9%	87.1	34.7	+3.9%	43.5	41.8	+5.6%	58.0
U.S.S.R.	215.0	+8.6%	353.0	52.6	+9.3%	90.0	25.1	+7.9%	39.6	34.5	+8.1%	54.9
Japan	43.4	+2.3%	49.8	1.1	+1.5%	1.2	3.5	+13.6%	7.4	7.0	+9.5%	12.1
China	63.5	+27.3%	270.0	4.3	+29.2%	20.0	1.9	+39.0%	13.7	1.4	+41.0%	11.0
World	1 490.9	+3.2%	1 805.8	302.0	+4.1%	383.0	147.9	+4.7%	195.1	212.0	+4.2%	270.0

potential from 1952 onwards, and gives particulars of the enterprises' forecasts for the next few years.¹⁾

During the seven years 1952-59 the coalmining and iron and steel industries of the Community spent on the expansion and modernisation of their production facilities a total of 7,440 million dollars (E.M.A. units of account).

In spite of the recession, capital expenditure in 1958 was higher than in any of the years 1952-56 inclusive, although it did not reach the record level of 1957.

Whereas for the most part in former surveys forecasts for the coming year tended to be on the optimistic side, suggesting that expenditure would be higher than it had been in the previous year, the forecasts for 1959 indicate a volume approximately the same as that actually recorded for 1958. This levelling-off reflects the apprehensions still felt at the beginning of 1959 in view of the economic situation.

The overall results of the 1959 survey may be summarized, so far as expenditure is concerned, as follows.

(\$ '000,000)

Industry	Actual expenditure as per accounts at January 1, 1959							Estimated expenditure as at January 1, 1959
	1952	1953	1954	1955	1956	1957	1958	1959
Coalmining industry	505	489	450	416	409	473 ¹⁾	475	515
Iron-ore mines	29	28	30	31	44	50 ¹⁾	43	44
Iron and steel industry	545	542	453	524	570	708 ¹⁾	629	585 ²⁾
Total	1 079	1 059	933	971	1 023	1 231 ¹⁾	1 147	1 144

¹⁾ Corrections made to figures in the *Seventh General Report*.

²⁾ In view of the uncertainty of projects merely "planned" by iron and steel enterprises, these figures represent only projects "in progress" or "approved".

¹⁾ See *Investment in the Community Coalmining and Iron and Steel Industries*, Report on the 1959 Survey, July 1959.

The 1959 survey indicates that actual and estimated expenditure on capital schemes (in the coalmining industry) as at January 1, 1959, may be broken down by sectors as follows.

(\$ '000,000)

Industry	Actual expenditure as per accounts at January 1, 1959							Estimated expend- iture as at January 1, 1959
	1952	1953	1954	1955	1956	1957	1958	
Pits	261	255	242	257	249	281 ¹⁾	272	303
Coking-plants, mine- owned and inde- pendant	97	108	87	64	57	68 ^{1) 2)}	73 ²⁾	72 ²⁾
Hard-coal briquet- ting-plants	3	5	4	7	4	5	4	8
Pithead power-sta- tions and other power-generating plant	135	114	112	80	94	117 ¹⁾	123	126
Plants producing B.K.B. and low- temperature brown-coal coke	9	7	5	8	5	2 ¹⁾	3	6
Total	505	489	450	416	409	473 ¹⁾	475	515

¹⁾ Corrections made to figures in the *Seventh General Report*.

²⁾ Exclusive of Gaz de France.

Capital expenditure on the *pits* in 1958 was slightly below that in 1957. The considerable drop in the case of Southern Belgium was not entirely offset by the investments completed in the Aachen coalfield and the Saar. Overall, however, investment in pits continued high, above the level for the years preceding 1957. Forecasts for 1959 remained substantial.

The production potential for a few years ahead is now estimated to be somewhat less than that indicated by the last survey: it is expected to rise from 261 million metric tons in 1958 to 276 million in 1962. This forecast takes into account the potential of the different installations at the pits

(underground workings, surface installations, washeries), the number of working days at present calculable, and the length of the shifts; it is likely to work out lower still in consequence of the closure of pits either already effected or planned in Belgium and Germany.

Expenditure on the *coking-plants* (mine-owned and independent) in 1958 shows an increase over that in 1957, but the trend does not seem likely to continue. This impression is confirmed if, in order to obtain an overall picture of the carbonization sector, we compare expenditure on steelworks-owned coking-plants (effected, approved or merely planned) with that on the mine-owned and independent plants.

(\$ '000,000)

Industry	Actual expenditure as per accounts at January 1, 1959							Estimated expenditure as at January 1, 1959
	1952	1953	1954	1955	1956	1957	1958	1959
Type of coking-plant								
Mine-owned and independent	96.9	107.6	87.3	64.5	57.3	68.0 ¹⁾	72.9 ²⁾	72.4 ²⁾
Steelworks-owned	22.0	222.2	18.0	19.9	22.3	28.0 ¹⁾	25.2	24.9
All plants	118.9	129.8	105.3	84.4	79.6	96.0 ¹⁾	98.1	97.3

¹⁾ Corrections made to figures in the *Seventh General Report*.

²⁾ Exclusive of Gaz de France.

Present forecasts are that coke production capacity will total 87.3 million metric tons in 1962. Even with the plants operating at approximately 96% of capacity, this would appear sufficient to cover requirements, in view of the steady reduction in the coke rate at the blast-furnaces and the fall in the consumption of non-metallurgical coke.

Capital expenditure on the *pithead power-stations* using mainly low-grade fuels, showed a further increase in 1958, rising above the high level reached in 1957. The figure forecast for 1959 is even higher, with the general tendency still in favour of installing large generating sets fed from a single boiler. Power-stations at the steelworks also show a trend towards expansion.

Thanks to this vigorous investment activity, the pithead and steelworks power-stations, which in 1958 accounted for 19% of the Communities total production of electric current, should at least maintain this percentage with a production of over 60 000 million kWh in 1962.

With regard to the *iron-ore mines* the survey reveals a certain falling-off in investment during 1958 as against 1957, mainly in expenditure on the mine installations proper. The level remains, however, very much higher than anything attained between 1952 and 1955, and will be shown to have remained high in 1959:

(\$ '000,000)

Installation	Actual expenditure as per accounts at January 1, 1959							Estimated expenditure as at January 1, 1959
	1952	1953	1954	1955	1956	1957	1958	
Mining of ore	.	14.2	14.8	16.3	22.3	29.4 ¹⁾	24.1	23.5
Preparation of ore at mine	.	5.7	7.3	5.9	10.6	10.9	10.2	11.2
Various surface installations	.	7.8	7.4	8.5	11.0	9.5 ¹⁾	9.2	8.9
Total	29.4	27.7	29.5	30.7	43.9	49.8 ¹⁾	43.5	43.6

¹⁾ Corrections made to figures in the *Seventh General Report*.

Crude-ore extraction potential, which stood at over 95 million metric tons in 1958, should rise to 107 million in

1962, with the average Fe-content of the ores remaining in the region of 29%.

Overall capital expenditure on the *iron and steel industry* in 1958 amounted to 629 million dollar units of account. This is 11% below the level for 1957, which was a record, but is even so above that for any previous year.

Capital expenditure on plant for pig-iron production continued to increase, rising well beyond the 1957 peak. In the other sectors of the industry, with the exception of the general services (power-generating plant and miscellaneous other items), investment shows a downward trend. The survey indicates that the forecasts for 1959 are working out in general somewhat below the figure for actual expenditure in 1958 :

(\$ '000,000)

Plant	Actual expenditure as per accounts at January 1, 1959							Estimated expenditure (projects started or approved) as at January 1, 1959
	1952	1953	1954	1955	1956	1957	1958	1959
Plant for production of :								
pig-iron ¹⁾	83	91	70	83	130	184 ²⁾	207	196
steel	91	82	44	63	102	128 ²⁾	94	77
rolled products	282	266	265	301	245	282	196	190
General services	89	103	75	77	93	114 ²⁾	132	122
Total	545	542	454	524	570	708 ²⁾	629	585

¹⁾ Including steelworks-owned coking-plants and burden-preparation installations (crushing, screening, sintering).

²⁾ Corrections made to figures in the *Seventh General Report*.

Capital expenditure on *pig-iron* production in 1958 continued to rise, to a level representing an increase of 150% over 1952 and 13% over 1957. Expenditure on burden preparation soared particularly, amounting in all to 67 million dollars, or over 32% of the total sums invested in plant

for the production of pig-iron, as against 5 million dollars and 6% respectively in 1952 :

(\$ '000,000)

Plant	Actual expenditure as per accounts at January 1 1959							Estimated expenditure (projects in progress or approved) as at January 1, 1959
	1952	1953	1954	1955	1956	1957	1958	1959
Steelworks-owned coking-plants	22	22	18	20	22	28 ¹⁾	25	25
Burden-preparation installations	5	9	12	21	31	52 ¹⁾	67	76
Blast-furnaces	56	60	40	42	77	104 ¹⁾	115	95
Total	83	91	70	83	130	184 ¹⁾	207	196

¹⁾ Corrections made to figures in the *Seventh General Report*.

Pig-iron production potential, which went up by 3.2 million metric tons in 1958, should be found to have expanded by a further 4 million metric tons in 1959. The expectation is that it will rise from 49.5 million in 1958 to 56.7 million in 1960 and 60.1 million in 1962. If we assume that the plant will run at 96% of capacity, maximum production actually possible may be put at 54.4 million metric tons in 1960, which is approximately midway between the mean trend (51.9 million) and the upper limit (57.9 million) given in the General Objectives laid down by the High Authority in 1957.

The mean annual rate of increase in production potential would thus work out at 5% for the period 1958-62, whereas the rate for actual production during the years 1952-58 was not more than 3.9%.

Capital expenditure on the *steelworks* dropped from 128 million dollars in 1957 to 94 million in 1958; this decline did not, however affect basic Bessemer works. The survey indicates a further general falling-off in 1959, with the excep-

tion in this case of the category "L/D, Rotor and other steelworks", in which certain major projects are in progress :

(\$ '000,000)

Category of steelworks	Actual expenditure as per accounts at January 1, 1959							Estimated expenditure (projects in progress and approved) as at January 1, 1959
	1952	1953	1954	1955	1956	1957	1958	1959
Basic Bessemer	.	.	14	17	23	45	49	41
Open-hearth	.	.	20	31	54	52	28	20
Electric furnace	.	.			17	16 ¹⁾	10	7
L/D, Rotor and others	.	.	10	15				
					8	15	7	9
Total	91	82	44	63	102	128 ¹⁾	94	77

¹⁾ Corrections made to figures in the *Seventh General Report*.

Total crude-steel production potential is expected to rise from 67.7 million metric tons in 1958 to 73.9 million in 1960 and 76.5 million in 1962, an annual rate of increase of 3.1% as against 5.6% for actual production from 1952 to 1958.

With an utilization rate of 96% of capacity, maximum production actually possible would then be in the neighbourhood of 71 million metric tons in 1960, a figure falling also in this case between the mean trend (67 million) and the upper limit (73.5) mentioned in the High Authority's 1957 General Objectives.

More precisely, it is expected that the rate of increase in production potential for pig-iron-based steels will be maintained, while that for the other categories of steel will decline. The annual rate between 1958 and 1962, as between 1952 and 1958, should remain about 4% for basic Bessemer steel and 20% for L/D, Rotor and other steels; the rate for open-

hearth steel on the other hand, will go down from 6.4 to 1.3% and for electric-furnace steel from 9.5 to 3.3%.

This trend suggests that the High Authority's recommendations with regard to the planning of investment so as to improve the Community's scrap position are beginning to show results. The ratio of 788 kg. pig-iron per metric ton of steel produced which was fixed in 1957 as a target for 1960, with the object of keeping the Community's scrap imports down to 1.5 million metric tons, now seems likely to be approached in 1962, *i.e.* two years behind schedule.

Capital expenditure on *rolling-mills*, which from 1952 to 1958 accounted on average for more than one-half of total investment in the iron and steel industry, dropped steeply in 1958, particularly in respect of flat products, the sector in which investment had been on the most lavish scale in past years.

Forecasts for the years immediately ahead accordingly indicate a decline in the annual rate of increase in production potential, especially in the case of flat products, the rate for which is down to the same level as that forecast for sections, approximately 3% per annum.

121. *Specific capital expenditure* — The High Authority each year published a comparison between capital expenditure and actual production in each of the main industrial sectors of the Community, *viz.*

- the coalmining industry (pits);
- the carbonization sector (mine-owned, steelworks-owned and independent coking-plants);
- the iron-ore industry (ore extraction and preparation at the mines);
- pig-iron production (blast-furnaces and burden preparation);
- crude-steel production (steelworks proper);

— production of rolled products (rolling-mills and ancillary plant).

The trend in specific expenditure (*i.e.* capital expenditure per metric ton produced) in these six sectors between 1953 and 1958 is shown in the table following ¹⁾.

(*\$ per metric ton produced*)

	Germany (F.R.)	Saar	France	Belgium	Italy	Luxembourg	Netherlands	Community
<i>Coal</i>								
average 1953-58	0.87	0.95	1.37	1.34	1.81	—	1.10	1.06
1957	1.01	1.20	1.20	1.57	1.57	—	1.10	1.14
1958	1.04	1.25	1.09	1.42	1.55	—	1.05	1.11
<i>Coke (all types of coking-plants)</i>								
average 1953-58	0.95	2.27	3.12	1.20 ¹⁾	1.39	—	— ¹⁾	1.42
1957	0.95	3.39	1.61	0.84 ¹⁾	2.36	—	— ¹⁾	1.24
1958	1.04	4.08	1.32	1.09 ¹⁾	2.27	—	— ¹⁾	1.32
<i>Iron ore</i>								
average 1953-58	0.49	—	0.49	0.17	1.56	0.14	—	0.49
1957	0.46	—	0.63	0.29	1.10	0.21	—	0.57
1958	0.54	—	0.51	0.65	0.83	0.15	—	0.50
<i>Pig-iron</i>								
average 1953-58	2.58	1.09	3.29	2.33	2.25	2.53	4.40	2.64
1957	2.87	1.57	5.02	3.05	2.58	2.18	12.05	3.45
1958	4.32	1.96	5.36	3.54	4.70	2.35	3.15	4.18
<i>Crude steel</i>								
average 1953-58	2.02	1.13	1.34	1.30	1.43	1.44	3.29	1.65
1957	2.60	1.83	1.31	1.89	1.51	2.88	6.51	2.15
1958	1.81	1.91	1.06	2.39	1.33	1.42	1.98	1.62
<i>Rolled products</i>								
average 1953-58	8.72	5.76	7.18	3.90	9.93	3.50	6.94	7.33
1957	6.23	8.82	7.43	3.66	11.01	3.59	12.60	6.90
1958	4.32	2.30	5.53	4.84	8.61	2.17	6.76	4.95

¹⁾ Coke figures for Belgium and the Netherlands have been amalgamated.

¹⁾ See *Statistical Annex*, Tables Nos. 53 to 58.

For purposes of evaluation, these figures have to be treated with some reserve : The sectors in which the products have been grouped are not completely homogeneous, the six-year covered is not long enough and the price-level calculated in units of account varies from one country to another ¹⁾. The disparities are, however, so considerable as to call for some comment.

Notwithstanding the difficulties encountered in 1958 in selling the coal produced capital expenditure in the Community *coalmining industry* (pits) remained high, at 1.11 dollars per metric ton mined. This is above the average for the six years 1953-58, which was 1.06 dollars per ton mined, but not above the record 1957 figure, which was 1.14 dollars.

Over the period 1953-58 as a whole, specific expenditure was high in Lorraine and, in a somewhat lesser degree, in the Campine and Lower Saxony, but rather low in the Ruhr and the Saar. During the two years 1957 and 1958, however, it decreased substantially and continuously in the French coalfields and rose markedly in the German (including the Saar), with smaller variations in the other coalfields. Overall, the divergences from the Community average diminished.

Annual capital expenditure on *coking-plants* (mine-owned, steelworks-owned and independent) per metric ton of coke produced followed much the same trend in 1957 and 1958 as was noted in the coalmining industry : the French rate of investment, though still high, is declining, the German, previously low, shows a relative increase, particularly in the Saar, while the Italian and Benelux figures fall between the two.

No major change has occurred since the beginning of the period under review in regard to *iron-ore* extraction and ore preparation at the mine. Specific expenditure in the

¹⁾ For further details, see *Seventh General Report*, No. 144.

various orefields averages 0.50 dollars per ton produced : it is rather higher in the comparatively small Italian, Siegerland and Normandy fields, and lower in Luxembourg.

The *iron and steel*-producing areas of the Community vary so widely in structure that it is impossible to draw any valid conclusion from the figures arrived at for their overall capital expenditure per metric ton of crude steel produced. The movement of the Community rate, on the other hand, gives a fairly accurate indication of the trend as a whole : it averaged 11.03 dollars per metric ton produced over the period 1953-58, rose to 11.84 dollars for 1957, and dropped to 10.85 for 1958.

The elements making up this general trend are, however, somewhat disparate, varying in the different major sectors of activity, production of pig-iron, crude steel and rolled products.

Specific capital expenditure on pig-iron production worked out at 2.64 dollars per metric ton produced between 1953 and 1958 (index 100), rising to 3.45 dollars for 1957 (index 131) and 4.18 for 1958 (index 158). Investment in the Netherlands and France continued high, but in the other producer areas, and particularly in Germany, the figures were more average. Expenditure at integrated iron and steel works remained higher than at independent blast-furnaces : it stood in 1958 at 4.21 dollars per metric ton produced, whereas expenditure at the unintegrated furnaces (whose production accounts for only 5% of the Community total) did not exceed 3.60 dollars.

As regards crude-steel production, only Belgium and, to a lesser extent, the Saar increased their specific capital expenditure in 1958 above both the 1957 level and the average for the period 1953-58. For the Community as a whole the 1958 figure is slightly below the 1953-58 average, and well below the record level of 1957.

As regards rolled products, Belgium is the only exception to the general downward trend in specific expenditure which set in in 1957. The comparatively small producer areas of Central France and Central Italy were the only ones left in 1958 still showing specific capital expenditure above the Community average for 1953-58 (7.33 dollars per ton of rolled products produced).

DECLARATION OF CAPITAL SCHEMES

122. By the terms of two High Authority decisions ¹⁾ taken under Article 54,3 of the Treaty, enterprises are required to declare, not less than three months prior to the conclusion of the first contracts or the commencement of operations, all investment projects relating to

- entirely new plant where the total estimated expenditure exceeds 500,000 dollar units of account;
- replacement or conversion of existing plant where the total estimated expenditure exceeds 1,000,000 dollar units of account; and
- construction of or alterations to steelmaking furnaces and hot-blast cupolas irrespective of the estimated expenditure.

The particulars emerging from the declarations received in the course of a given year do not tally with the figures assembled in the course of the annual survey. The survey covers all capital expenditure planned, whether embarked on, approved or (except in the case of the iron and steel industry) merely contemplated. The declarations, on the other hand, are required only in respect of projects forming part of larger schemes and definitely scheduled for completion by the enterprises; moreover, the cost of such

¹⁾ See Decisions No. 27/55, of July 20, 1955, *Official Gazette of the Community*, July 26, 1955, and No. 26/56, of July 11, 1956, *Official Gazette of the Community*, July 19, 1956.

projects must be over a certain minimum, and the operations concerned may, especially in the coalmining industry, extend over a period going beyond the scope of the annual survey.

While there is no direct connection between the results of the investment survey and the total figures indicated by the declarations received during the year, the latter may nevertheless serve in some degree to confirm or to modify the trends revealed by the survey. In this regard the declarations received during the first two quarters of 1959 reflected a marked reserve on the part of heads of enterprises; the second half-year, on the other hand, showed a very definite revival due to the turnaround in the economic situation which became apparent in the Community countries from the spring onwards.

Between January 1, 1956, and December 31, 1959, 393 declarations in all, relating to 607 capital schemes, were submitted to the High Authority.

Period	Declarations	Projects
1st six months, 1956	73	109
2nd six months, 1956	50	100
1st six months, 1957	57	82
2nd six months, 1957	44	49
1st six months, 1958	61	95
2nd six months, 1958	35	55
1st six months, 1959	34	43
2nd six months, 1959	39	74
Total	393	607

The aggregate values of the projects declared during the first and the second six months of 1959 were the lowest and highest half-yearly figures respectively since the system of prior declaration was instituted. The total resulting for the year as a whole works out very close to that for 1958, and also to the average for the years 1956-59 :

Amounts involved in projects declared

(\$ '000,000)

Industry	1st six months 1956		1st six months 1957		1st six months 1958		1st six months 1959	
	1st six months 1956	2nd six months 1956	1st six months 1957	2nd six months 1957	1st six months 1958	2nd six months 1958	1st six months 1959	2nd six months 1959
Coalmining industry ¹⁾	133	72	98	79	229 ²⁾	22	23	144
Iron-ore mines	7	2	2	23	15	1	8	—
Iron and steel industry	243	395	165	87	256	154	116	379
Total	383	469	265	189	500	177	147	523
Yearly total	852		454		677		670	

¹⁾ Including plants producing B.K.B. and low-temperature brown-coal coke.

²⁾ This exceptionally high figure includes expenditure in connection with the special operations carried out under the Franco-German agreement on the Warndt of October 27, 1956.

Projects declared by enterprises in the *coalmining industry* during the first half of 1959 practically all related to pits. During the second half-year, on the other hand, a number of important schemes were declared concerning the construction of large pithead power-stations, one of them to be "shared", *i.e.* owned and operated jointly by several colliery companies. The completion of these schemes will mean quite a substantial increase in generating capacity based on low-grade fuels ¹⁾.

Projects declared in connection with the *Community iron-ore mines* during the first half of 1959 involved an aggregate amount about equal to the half-yearly average for 1958, and more or less in the neighbourhood of the half-yearly average recorded since the beginning of 1956. In the second half of the year, however, no new projects were declared at all.

The increase in extraction potential which may be expected to result from the projects declared is a comparatively small one ²⁾. However, in the case of the iron-ore mines,

¹⁾ See *Statistical Annex*, Table No. 59.

²⁾ See *Statistical Annex*, Table No. 59.

it is inadvisable to draw general conclusions from such points, since as a result of the 500,000 and 1,000,000-dollar minima, below which projects are not declarable, a considerable number of modernization schemes are not included in the statistics.

The value of projects declared by the *iron and steel enterprises* during the first half of 1959 was on the low side, but a very striking recovery took place in the six months following :

Amounts involved in projects declared

(*\$ '000,000*)

Sector	Amounts involved in projects declared							
	1st six months 1956	2nd six months 1956	1st six months 1957	2nd six months 1957	1st six months 1958	2nd six months 1958	1st six months 1959	2nd six months 1959
Steelworks-owned coking-plants	20	22	10	10	5	3	2	10
Burden preparation	9	49	21	16	39	49	1	59
Blast-furnaces	56	84	38	15	59	18	6	37
Basic Bessemer steelworks	35	17	13	1	13	2	—	1
Open-hearth steelworks	22	36	1	—7 ¹⁾	8	2	2	4
L/D and similar processes	—	—	9	3	16	2	1	5
Electric-furnace and other steelworks	6	19	3	3	4	2	1	3
Rolling-mills	78	96	37	46	72	44	92	201
Galvanizing, tinning etc.	5	10	6	—4 ¹⁾	9	—	—	9
Power-generating plant	7	16	15	2	6	9	6	18
Miscellaneous	5	46	12	2	25	23	5	32
Total	243	395	165	87	256	154	116	379

¹⁾ Corrections to projects previously declared.

While a sizeable proportion of this expenditure — particularly that notified during the second half-year — is to

go on plant for pig-iron production, it should be specially noted that there has also been a considerable increase in projects relating to rolling-mill capacity. The next annual survey will show whether this indicates a reversal of the tendency which had been in evidence since 1956, for expenditure to go more and more on the primary sectors and less on the rolling-mills: expenditure on the production of rolled products went down steadily from 58% of total expenditure in 1954 and 1955 to 31% in 1958.

Declarations concerning other categories of plant, and more especially steelworks, involve only comparatively small amounts.

Capital schemes declared during the first six months of 1959 will result in only very limited increases, or none at all, in production potential, except in the rolling-mill sector. Those declared during the second half of the year, on the other hand, should effect quite an appreciable expansion in some of the capacities recorded in 1958, notably an increase of 27% in the case of the sintering-plants, 5% in the pig-iron sector, and 4% for rolled products ¹⁾.

HIGH AUTHORITY OPINIONS OF CAPITAL SCHEMES

123. Certain of the schemes declared to the High Authority under Decisions 27/55 and 26/56 are of special importance from the point of view of the General Objectives provided for by Article 46 of the Treaty and published in their present form in the Official Gazette of the Community on May 20, 1957. Where this is so, Article 54,4 provides that the High Authority may issue a reasoned opinion, after giving the enterprises concerned every opportunity to state their views.

At this preliminary stage, the High Authority sometimes prevails on enterprises to withdraw their schemes or to amend them in line with the General Objectives: thus in

¹⁾ See *Statistical Annex*, Table No. 59.

1959 the colliery responsible cancelled a project for the concentration of a number of pits which were too uneconomic ever to have become a paying proposition.

As is specifically stated in a judgment delivered by the Court of Justice on December 10, 1957 ¹⁾, the High Authority's opinions are simply advice to the enterprises, entailing no obligation. They do, however, carry a certain amount of extra weight inasmuch as copies go to the Governments concerned and lists of opinions issued are then published at regular intervals in the *Journal officiel* ²⁾. It is left to the Governments, and also to the credit institutions which may have the opinions passed to them by their recipients, to draw whatever conclusions are relevant to their particular interest from the High Authority's statement of its views.

In 1959 the High Authority issued 16 opinions on capital schemes, as against 27 in 1958.

Four of these concerned the coalmining industry. In two of them the High Authority expressed the hope that measures introduced by the Saar and Lorraine collieries in implementation of the Franco-German treaty on the Saar of October 27, 1956, would be such as to avoid major losses of production in the coalfield as a whole, in which output is high on both sides of the frontier. It also issued two opinions giving its blessing to projects to construct large pithead power-stations designed to use low-grade coals.

The other twelve opinions issued in 1959 related to the iron and steel sector. In two of them the High Authority expressed disapproval of schemes to install new electric furnaces which would have increased the difficulties in the scrap market without at the same time providing for any parallel increase in pig-iron production potential. In a similar case the previous year the High Authority had likewise expressed

¹⁾ See *Journal officiel de la C.E.C.A.*, January 13, 1958.

²⁾ See *Journal officiel des Communautés européennes*, February 16, May 12, September 30, December 3 and December 19, 1959.

disapproval, but it was able to revise its verdict following the submission in 1959 of a fresh scheme providing for a larger increase in production potential for pig-iron than for steel. The High Authority some time ago made its general aim clear by introducing compulsory declaration of all steel-making furnaces by its Decision No. 26/56 ¹⁾ since that date there have been fewer and fewer projects designed to step up steel production but not at the same time making provision for a parallel increase in pig-iron production.

In addition to these three opinions in connection with electric furnaces, the High Authority issued two more concerning steelmaking plant, approving the use of recently-evolved processes enabling steel equivalent in quality to open-hearth steel to be produced in the converter and in the rotary furnace.

In its seven remaining opinions the High Authority expressed approval of the installation of high-output pig-iron production and ore-sintering plant. Reference has already been made in connection with the annual investment survey to the increasing proportion of capital expenditure going on this category of project. The upward trend seems likely to continue : as a result, it should be possible to expand pig-iron production capacity, to lower the coke rate and to reduce consumption of scrap in the blast-furnaces.

FINANCING OF INVESTMENT

124. By the terms of Article 54,1 of the Treaty, "the High Authority may facilitate the carrying out of investment programmes by granting *loans* to enterprises or by giving its *guarantee* to other loans which they obtain".

The High Authority has raised to date for this purpose, in the United States and in Switzerland, a total

¹⁾ See *Official Gazette of the Community*, July 19, 1956.

of 196.65 million dollars, which it has used to finance capital schemes mainly designed to make operations in the coalmining sector more economic (concentration of pits, construction of power-stations and coking-plants to valorize the coal extracted) and to increase the production of the basic raw-materials of the iron and steel industry (iron ore, sinter and pig-iron). The *loans* thus granted under Article 54,1 may be broken down as follows ¹⁾ :

(\$ '000,000)

	1st American loan	Swiss loan	2nd American loan	3rd American loan	Total	
	1954	1956	1957	1958		
Coalmining industry (pits, power-stations, coking-plants)	81.45	—	24.00	28.00	133.45	(68%)
Iron-ore mines	18.55	—	0.30	3.00	21.85	(11%)
Iron and steel industry (burden preparation, blast-furnaces, miscella- neous)	—	11.65	10.70	19.00	41.35	(21%)
Total	100.00	11.65	35.00	50.00	196.65	(100%)

The capital schemes financed out of the proceeds of the first American loan have now all been completed. Not all the later projects have yet reached their final stage, but the progress of operations is being carefully followed by the appropriate departments of the High Authority in close co-operation with the banking institutions acting as its agents in the different countries.

The High Authority had already once come forward as *guarantor* in 1958 in connection with a loan operation carried through by a medium-sized Italian enterprise. In 1959 it decided, in accordance with Article 54,1 to guarantee

¹⁾ For further details, see *Seventh General Report*, No. 159.

up to a substantial amount a portion of the loans to be raised by a French iron and steel combine for the purpose of constructing a new integrated works on the Channel coast. An opinion issued by the High Authority under Article 54,4 in 1958 had pronounced this ambitious scheme duly in conformity with the General Objectives. Under an agreement in principle fixing its maximum liability at 15 million units of account, the High Authority in 1959 guaranteed borrowings to a total of 9.76 million units.

If so requested by the Governments concerned, the High Authority can make use of the procedures provided for in Article 54 — loans and guarantees — to “facilitate the financing of programmes for the creation of *new and economic*” *ally sound activities* capable of assuring productive employment to workers rendered redundant as a result either of the introduction of the Common Market (Section 23 of the Convention containing the Transitional Provisions) or of the introduction of technical processes or new equipment resulting in special difficulties in particular areas (Articles 56 of the Treaty).

A number of applications for loans and guarantees which were submitted to the High Authority towards the end of 1959, in accordance with Section 23 of the Convention, at once received careful consideration, and a decision is to be issued before the provisions of Section 23 cease to have effect, *i.e.* not later than February 10, 1960. No applications for financing under Article 56 were, on the other hand, received from Governments in 1959 ¹⁾.

Loans out of its own borrowings and guarantees under Article 54 were not the High Authority's only funds used to facilitate the financing of investment projects: being, as ever, anxious that the proceeds of the levy should not lie idle — though careful at the same time to maintain an ade-

¹⁾ For further details concerning the implementation and revision of Article 56, see Nos. 144 ff.

quate degree of liquidity — it deposited these with banks which were thus enabled to grant Community enterprises additional short and medium-term credit facilities ¹⁾.

Section 2 — Technical and Economic Research

The High Authority continued with its policy of promoting technical and economic research, as described in previous General Reports. Since 1952 it has set aside in all close on 16 million units of account for research, of which over 11 million had been committed by the end of 1959.

A description follows of its work in this connection, and of the various research projects in hand and in preparation.

IRON ORE

125. As long ago as 1957, in its Fifth General Report, the High Authority advocated concerted action to develop the production of ore not only in the Community itself, but also in the overseas territories, and more particularly in Africa ²⁾.

With this end in view, it took a first definite step in 1958 by setting aside for purposes of technical research the sum of 5 million units of account, to be used by the Bureau Minier de la France d'Outre-Mer (now known as the Bureau de Recherches Géologiques et Minières) to carry out a five-year programme of prospecting for iron and manganese ore in certain African States and territories.

This grant was made available in the form of financial participation in a number of prospecting syndicates specially formed for the purpose, representing the Bureau de Recherches, the High Authority and various outside bodies and companies interested.

¹⁾ See also the High Authority's annual Financial Reports.

²⁾ See *Fifth General Report*, No. 316.

Syndicates have now been formed in :

Upper Guinea,
the Ivory Coast,
Cameroun,
Northern Gaboon,
Gaboon (Tchibanga orefields)
the Middle Congo.

The object of the syndicates is to conduct :

- a) a general exploration of areas as yet to a great extent unknown, but considered likely to contain deposits of iron or manganese ore ;
- b) a detailed survey of deposits already discovered, to ascertain how far they are economically workable.

Operations under the prospecting programme, which was drawn up following consultations with a committee of experts appointed by the High Authority, are now entering on their second year. Deposits which appear worth investigating have been located in the Ivory Coast, at Kribi, Cameroun, and at Tchibanga, Gaboon, and survey work is now in progress.

If the findings should be positive, the High Authority's rights in respect of the deposits, acquired by virtue of its participation in the prospecting work, will be transferred to Community iron and steel enterprises in order that they may start development operations should they so decide.

STEEL

126. Research now in hand concerns new blast-furnace techniques, direct reduction of iron ore, improvement of the thermal efficiency of industrial fuels, and extraction of dust from industrial fumes and smoke. All these projects are reported as progressing satisfactorily.

a) The research being conducted in the Liège low-shaft furnace comes under the first head. The object of this experimental work, which was organized at the suggestion and with the assistance of the High Authority, is to enable the experts to study blast-furnace operation in greater detail and to try out new processes.

1959 was the last year of a three-year period during which the High Authority provided a subsidy covering 50% of the cost of the research carried out. The High Authority decided to renew its financial

assistance for a further three years, and made available a credit of 2.1 million units of account to help finance the continuation of the tests and also certain new investments, including in particular the installation of an experimental sintering line. It is to be responsible for 75% of the expenditure involved in the period 1960-62.

Research on the injection of liquid fuel oil through normal tuyères was continued, using hot blast at 900° C. instead of 800°, which meant that the blast did not have to be oxygen-enriched. By this means, using a burden of 100% Dwight-Lloyd 3-25 mm. sinter and coke of the corresponding particle size, 10-20 mm., it was possible on some trials to replace 25% of the coke by fuel oil in the proportion of 1 kg. light fuel oil to 2.5 kg. coke (representing a 15% reduction in the coke + fuel oil carbon rate), while at the same time increasing the productivity of the furnace by close on 15%. These results, which are a considerable improvement on those of the first trials referred to in the Seventh General Report ¹⁾, clearly demonstrate the value of this technique, *i.e.* injecting liquid fuel oil and at the same time stepping up the temperature of the blast.

Research is in progress to ascertain in detail the exact advantages of fuel-oil injection by investigating not only the effect of the temperature of the blast, but also that of various other factors such as high top pressure, a faster driving rate and/or oxygen enrichment of the blast. This approach is already showing results.

Parallel research on the possibility of replacing fuel oil by a reducer gas with a high methane content was scheduled to start towards the end of 1959 and to continue into the new year.

In a further series of tests now in preparation, it is planned to inject pulverized coal through the tuyères, making use of the knowledge acquired in international flame research at IJmuiden.

b) With the special credit of 650 000 units of account set aside earlier by the High Authority for research on ways and means of economizing in the use of metallurgical coke in the blast-furnaces, it was possible to conduct yet another series of tests in connection with the *injection of fuel oil into blast-furnaces*. Seven trials in all were carried out between April and September 1959 in a blast-furnace belonging to the Aciéries de Pompey, using an unprepared burden. These indicated

- (i) that the furnace would only take a comparatively small amount of fuel oil;
- (ii) that the use of fuel oil made it possible to employ extra-hot blast (900° C.), increased the penetration of the burden by the blast and facilitated the descent of the burden;

¹⁾ See *Seventh General Report*, No. 171c.

- (iii) that 1 kg. fuel oil replaced only 1.5-2 kg. coke;
- (iv) and, the most important point, that the productivity of the furnace was increased by 10-15%.

A further three months' series of trials is planned to confirm and develop the results already obtained.

Trials with vaporized fuel oil are to be begun in 1960.

(c) Research on *direct reduction of iron ore* also forms part of the High Authority's work to effect economies in the consumption of metallurgical coke¹⁾. The projects in hand in this field, however, relate to two processes based entirely on the use of solid fuels as a source of energy.

The High Authority made a grant of 1.2 million units of account in 1958 to finance the two following projects :

- (i) Research on reduction in the *rotary furnace* is being conducted by Krupps at their experimental plant at Rheinhausen. 1959 was spent in carrying out preliminary laboratory tests and, in particular, major alterations to the existing Krupp-Renn furnace. At the end of the year a full-scale standard test was due to be carried out on the reduction of a Venezuelan hematite ore with a high ferrous content : the furnace was to be heated with coke-oven gas, and either coke breeze or low-temperature hard-coal and brown-coal coke were to be used as solid reducing agents.
- (ii) A project concerning reduction in the *shaft furnace* was assigned to the Finsider research institute, which has drawn up a plan for the construction of a pilot plant and made arrangements with appropriate suppliers and contractors. Building operations will start in 1960.

The High Authority has not so far made available any financial assistance for research on the third type of direct-reduction process based on *fluidization*.

The working party of Community experts which towards the end of 1957 and the beginning of 1958 made a comparative study of the different direct-reduction processes and helped to bring out a reference guide to these²⁾, met again to expand and bring up to date its earlier work, which had been received with interest in a great many circles far beyond the borders of the Community.

¹⁾ See *Seventh General Report*, No. 172.

²⁾ See *Procédés de réduction directe des minerais de fer*, High Authority, Doc. No. 569/1/58.

(d) The object of the study on *flame radiation* is to improve the calorific efficiency of fuels used for industrial purposes, and more particularly in the iron and steel industry.

In 1955, the High Authority made available to the International Flame Research Foundation a grant which was used to construct a p.-f.-fired furnace at the IJmuiden research plant, for the purpose of studying the flames produced by this particular fuel. It has now made the Foundation grant of 250 000 units of account, to finance a five-year programme, from 1960 to 1964, of research on flames from (a) solid fuels and (b) liquid and gaseous fuels.

The new grant will make it possible to continue and extend the research in progress at the IJmuiden plant on the utilization of different sources of energy.

(e) Research on the *elimination of brown smoke* produced by basic Bessemer converters is intended to assist the development of economic processes for the prevention of air pollution in industrial areas.

The High Authority in September 1958 approved a grant of 475 000 units of account for research on the elimination of brown smoke emitted by converters working with oxygen-enriched blast¹⁾.

In 1959, the necessary plant was installed — a special boiler for recovering the converter-flame heat and an electro-filter for the dry de-dusting of the smoke so cooled, both devices being fitted to a 40-ton converter at Mannesmann's Huckingen works. The first tests were scheduled for the end of 1959, and the research proper will be conducted during 1960.

(f) The High Authority made available a grant of 200 000 units of account to a group of Community research centres for studies in connection with the preparation of a complete and up-to-date *metallographical atlas*. As there is at present no such work in existence, this is likely to be of the greatest value both to producers and consumers and to research workers.

The studies, which were begun in October 1959, may be expected to take at least two years.

(g) Finally, the High Authority, on February 11, 1959, set aside the sum of 100 000 units of account, under Article 55,2 of the Treaty, for the *abstracting of technical iron and steel literature in Russian and Eastern languages*. A "European Association for the Exchange of Technical Iron and Steel Literature" (Aselt) was set up, comprising the following bodies :

¹⁾ See *Seventh General Report*, No. 172.

- the Gesellschaft zur Förderung der Eisenhüttentechnik, in Düsseldorf, which is closely associated with the Verein Deutscher Eisenhüttenleute;
- the Associazione Italiana di Metallurgia, in Milan, which represents the main Italian iron and steel research centres;
- the Centre National de Documentation Sidérurgique, in Paris, which works in close co-operation with the Institut de Recherche de la Sidérurgie (Irsid);
- the Centre National de Recherches Métallurgiques, in Brussels;
- the Groupement des Industries Sidérurgiques Luxembourgeoises.

A central office for the exchange of information was set up in Luxembourg in December 1959.

(h) A number of research projects are under examination and in preparation. They relate to

- (i) enrichment of siliceous ores by wet preparation, and in particular by flotation. This project is of considerable importance with regard to the valorization of certain lean Community ores (German, French and Italian);
- (ii) physico-chemical reactions between metals and slags. This study should give a fresh stimulus to the basic research now found to be needed in this field to improve the quality of pig-iron and steel;
- (iii) combustion of unscrubbed blast-furnace gas. This project is of interest to pig-iron-producing works wishing to expand their production without at the same time having to extend their gas-cleansing plant; in addition, it is hoped to work out ways of eliminating the disadvantages of zinc concentration in the flue dust due to recycling, and of saving the space at present occupied by dust and slurry heaps.

COAL

127. Western European coal is today in an entirely *new situation*, characterized by a process of radical change in the structure of the energy market. This is still in full development, and may be expected to result in further changes in the pattern in favour of the sources of energy now competing with indigenous coal.

The aim must be to prevent an unduly rapid and irreversible contraction in Community coal production. That portion of Community potential which, in the medium and long term, represents an absolutely indispensable contribution to the covering of total requirements must be assured and maintained.

Over and above the various organizational measures to be taken with a view to maintaining the position of coal in the energy market — concentration of operations, “positive” and “negative” rationalization, thorough structural reorganization of the collieries — *technical research* has an important part to play: in the coalmining industry as in economic activities generally, it is the scientific basis for all modern production technology.

Alongside the *basic research*, *i.e.* the purely scientific side, concentrated mainly on long-term elucidations and objectives, the so-called “*applied research*”, focused on practical short-term objectives, is assuming increasing importance. Applied research leads on in its turn to “*technical development*”, the final stage in technical research, effected in very close conjunction with the practical side and consisting in developing and perfecting new machines and processes coming into practical use for the first time — in coalmining below ground more specifically in adapting them to the particular geological and tectonic conditions of the deposit — until they are ready to be introduced operationally on a large scale.

In this quasi-practical form — *i.e.* applied research and technical development — mining research is being utilized for the vital work of *strengthening the competitive capacity of the coalmining industry*, attention being concentrated more particularly on the following two main requirements:

- 1) as regards *mining technology*, the aim is to develop new mechanical processes and improve existing ones which when properly adapted to the consistently

difficult geological conditions of the Community coal-fields, will enable coal-winning operations to be extensively mechanized, thereby facilitating the concentration of workings below ground and helping to increase output;

- 2) in addition, work is going on to improve the competitive capacity of coal by supplying it in a form as attractive as possible to the consumer, *i.e.* by ensuring that the various products are both clean and convenient to handle and use, as well as having a high thermal efficiency. This aspect of mining research comes under the head of *coal valorization*.

Mining technology

128. This concern to maintain the position of coal in the energy market was the keynote at the tenth session of the High Authority's *International Committee of Mining Experts* ¹⁾, which was held in the Ruhr in October 1959.

The International Committee's job is to co-ordinate mining research in the coal-bearing countries of the Community in accordance with Article 55,1 of the Treaty. In addition to these countries, the United Kingdom, represented by the National Coal Board, has co-operated in the work of the Committee since its inception.

The nine earlier sessions were devoted principally to the industry's main job of *coal-winning*, together with its various concomitant operations such as face support, stowing, face conveyance and roadway haulage, and gate-road drivage ²⁾. On this occasion, however, departing from its previous practice, the Committee dealt with *general measures* of rationalization above and below ground. An account was given of all the ways and possibilities of rationalization and reduction of costs open to the coalmining industries of Western Europe today.

¹⁾ For the composition of the Committee (on which the National Coal Board is also represented), see *Sixth General Report*, Vol. II, No. 328.

²⁾ For details of the Committee's nine previous sessions and the subjects discussed there, see *Sixth General Report*, Vol. II, No. 329-336, and *Seventh General Report*, No. 167.

In this connection, also the main item is the *concentration of operations* above and below ground, the former by linking up two or more adjacent pits to form "integrated" mines, and the latter by setting up large combined workings below ground, and at the same time carrying out extensive mechanization.

Now that so much importance is being attached to achieving as large a tonnage as possible per working, the use of the *retreating system* has been advocated a good deal of late. Unfortunately, geological and tectonic considerations sometimes make this method impracticable. However, in the Nord/Pas-de-Calais coalfield, where conditions are suitable, over 40% of the coal produced is already mined in this way. An interesting variant is the *combined advancing and retreating method*, using the same gate-road to service the individual working districts, whether they are working toward the shaft or towards the boundary.

Another very intensive method, usable in flat seams, is the "double-unit" system, long used in British pits, with two faces giving on to one loader gate, one from above and the other from below. Workings of this type, fitted out with all the latest equipment, may produce anything up to 2 500 metric tons a day, the largest tonnage ever to come out of a single underground working.

All the views expressed regarding the introduction of more rational methods were focused on *one* objective, that of concentrating coal-winning operations into as small a number as possible of large workings, in order to keep the number of "unproductive shifts" below ground to a minimum, to limit consumption of material and energy as far as possible by highly concentrated utilization, and to ensure maximum efficiency in the employment of all plant and equipment below ground.

This is not the first time that endeavours of this kind have been made to tighten up the organization of coal-winning operations. There are, however, three elements today making in particular for speedy and effective action in this direction :

- 1) the efforts to maintain the position of coal;
- 2) the technical possibilities for steadily extending the mechanization of coal-winning operations. There is available today a considerable range of tried and tested mechanical methods. Machines are now much more powerful, with the result that the specific performance of coal-cutting machines per metre of coal-face frontage has been substantially increased;

- 3) the hopes entertained regarding the extension of mechanical face support.¹⁾ It is considered that the latest mechanical coal-winning methods will not produce their best results until fully mechanical hydraulic props are introduced on a more general scale.

Large workings require specially careful supervision, since even quite short interruptions in the operations involve substantial production losses. Here too modern technical methods have recently been introduced, the permanent personal supervision and organization of operations from the technical and safety standpoints being now supplemented by "remote metering" from central observation posts, mostly at the surface.

These installations provide the management with very valuable information, by regularly registering the operating periods and stoppages of the coal-getting and haulage plant and the flow of coal. In addition, they record any special indications suggesting reasons for breakdowns.

Other work-organization methods are also being introduced more and more. They include

- the employment of specialized engineers for important special jobs, such as planning of operations and matters in connection with mechanization, electrification, ventilation and roadway drivage;
- detailed work studies of the cycles of operation;
- the use of electronic computers to deal with planning and operational problems;
- establishment of the standard cost system.

Under this last head, a particularly interesting side of "centralized" management, production costs are calculated well in advance

¹⁾ Fully mechanical face support, in the form of self-advancing hydraulic props automatically moving forward with the advancing coal face, is a comparatively recent development. Technologically, like the invention of the coal plough some fifteen years ago, it marks a very substantial, not to say revolutionary advance. The development is not yet completed; even so, both in Britain, where it originated, and on the Continent there are already a number of workings equipped with fully mechanized support. Some of these were visited in the course of the tenth session of the Committee in the Ruhr, and earlier, during the ninth session, an opportunity was provided to inspect others in Britain.

for the coming year, in such a way that the necessary funds for the ongoing maintenance and modernization of the plant are made available. All operations have then to be planned and organized in accordance with these "standard costs". Should any extra charges accrue unexpectedly, for example as a result of wage increases or reductions in coal prices, it must be possible to fall back quickly on more economic coal-winning methods, for which adequate preparations — development work — must be made in plenty of time beforehand.

The tours of inspection arranged by the Ruhr collieries visited were excellently calculated to assist the main object of the session, namely to provide a comprehensive picture of general measures for the rationalization of operations above and below ground. Those taking part were shown :

- successfully completed concentrations of pits;
- the development of extraction and output performance of a new large pit, which were rising steeply exactly in accordance with schedule (extraction in 1952 200 metric tons a day, and in mid-1959 5 700 tons; underground o.m.s. in 1957, 1 556 kg., and in mid-1959 2 250-2 300 kg.);
- the highly successful modernization of surface installations at an old pit with a high daily rate of extraction, an operation which had been carried out without production suffering in any way, even temporarily;
- concentration of operations in steep seams, in some cases with mechanized support in the form of hydraulic frame supports;
- modern methods of hauling materials and equipment below ground.
- The Committee members visited the outstandingly impressive fully mechanized large working at the Bergbau A.G. Neue Hoffnung's Osterfeld pit. This working produces no less than 2 500 metric tons a day, which is equal to the entire daily production of a medium-sized colliery.
- They then went on to inspect various other large workings in which the coal-winning operations were fully mechanized, and some of which were also equipped with fully mechanized hydraulic support. In addition, they toured the surface installations at the new Emil Mayrisch pit owned by the Eschweiler Bergwerks-Verein in the Aachen coalfield, probably as highly-rationalized and advanced a complex — both on the technical side, in operational organization generally, and in the most judicious and efficient layout of the surface installations — as could be found anywhere in the world today.

129. As was noted in the Seventh General Report ¹⁾, the High Authority is helping to finance the following projects now in hand in the field of coal research:

- a) The 1957 *competition for the improvement of safety apparatus in coalmines* (firedamp-measuring equipment, alarm equipment, and self-rescue equipment affording protection against carbon monoxide), for which the High Authority made available a credit of 200 000 units of account.
- b) *Development of a universal roadway-tunnelling machine*, enabling roadways 3.7-4 metres in diameter to be tunnelled through all types of carboniferous strata by fully-mechanical means, for which the High Authority made available a credit of 850 000 units of account.
- c) *Research on the effects of strata pressure* on cavities below ground and on roadway and face support, which is being conducted jointly by the four coal-bearing countries of the Community, and for which the High Authority made available a credit of 1 668 000 units of account.
- d) *Research on sudden outbursts*, which is being conducted in the two Community countries where such incidents occur most frequently, France and Belgium, and for which the High Authority made available a credit of 545 900 units of account.

All these projects, which extend over a period of several years, were taken in hand during the past year, following the completion of the preliminary tests and studies. Results are communicated to all those concerned in the Community as quickly as possible. Special reports will be forthcoming when the projects have finally been brought to a conclusion.

¹⁾ See *Seventh General Report*, Nos. 161-166.

Coal valorization

130. Mention should be made in this connection of two further research projects of considerable interest now being conducted at Community level with financial assistance from the High Authority.

Both relate to the *carbonization of hard coal* : in the first the aim is to perfect the process of preheating the coking coke before it goes into the oven and charging the oven with a hot, dry charge (*the two-stage process*), while the second is a study of optimum operating conditions for coking by the *usual one-stage method*, with the object, *inter alia*, of securing as substantial a production as possible of metallurgical coke (large coke) irrespective of the throughput rate of the ovens.

(a) *The project concerning the two-stage coking process* : Early in February 1959, the Centre d'Etudes et de Recherches des Charbonnages de France (CERCHAR) applied to the High Authority for a grant to help finance the development of the two-stage carbonization process. The position is as follows :

The usual method is for the coking blend to be charged into the ovens cold, with a moisture content of approximately 8-11%. In the research planned, on the other hand, the coal is to be heated to a temperature of about 300° C. before charging, a practice which will have the following advantages :

- (1) The coal loses its moisture content, as a result of which its bulk density is higher than when it contains the percentage of water referred to. Consequently the amount of coke going into the ovens is greater, so that for this reason alone the throughput rate is bound to be increased.
- (2) The amount of heat already absorbed by the coking blend in the process of preheating to 300° is saved in the ovens. The resulting reduction of the coking time further increases the throughput rate of the ovens by a very much larger proportion than that mentioned under (1) above. These two factors together thus push up the performance of the coke-ovens quite considerably.
- (3) Thanks to the higher bulk density of the coking coal minus its moisture content, the coke produced is likely to be of better quality. It seems possible that in addition to the traditional coking grades some of the more weakly coking coals, including

in particular the very high-volatile types mined in Lorraine and certain other coalfields, will in future come to be used more and more for coking purposes.

This prospect is peculiarly important in view of the difficulty of finding a market for these particular coals. If the results of the research now in progress are satisfactory, there will be new openings for them thanks to the greater use made of them for coking purposes¹⁾.

- (4) Should the research planned demonstrate that the two-stage process can also be satisfactorily employed on an industrial scale, and that the advantages listed can still be obtained if it is used on a large scale, preheating would have the following advantages from the economic point of view over the traditional method :
- the capital costs of the coking-plants would fall, since the preheating equipment and the coking-plants (which would be smaller in size) would together cost less to install than a coking-plant of the standard (non-preheating) type producing the same volume of coke;
 - existing coking-plants could step up their performance quite substantially simply by installing preheating plant, which would cost less than the construction of an equivalent number of additional ovens;
 - in consequence of the considerable increase in capacity, overhead costs would probably also be reduced;
 - over and above these points, there are the advantages already mentioned, namely the better quality of the coke and the possibility of extending the range of coals suitable for coking thanks to the carbonization of larger tonnages of weakly-coking coals.

The tests are to be carried out at the experimental plant at Marienau, in Lorraine, which is run jointly by CERCHAR and IRSID (the Institut de Recherches de la Sidérurgie).

A major series of parallel tests, all with the same objective, has already been conducted in the plant's experimental coke-ovens (Marienau has four coke-ovens of the same height and width as those in current use). These related to the first stage of the preheating process,

¹⁾ It may be noted that the same result is also obtained by other methods which have been in use for some years, such as the stamping and the Sovaco processes : the only difference is that in the case with which we are concerned the scope of the research is much wider.

the *predrying of the coking coal to eliminate the moisture content*. As a result, predrying has now been developed to the stage where it could be introduced at industrial level.

The fresh tests which are to be carried out at Marienau following the application by CERCHAR are a continuation of the earlier series and based on its results. After it has been predried and before it is charged into the coke-ovens, the coal is to be *preheated*, as we have seen, to a temperature of approximately 300° C., *i.e.* just below softening-point. This is to be done both in a fluidized-bed apparatus developed at Marienau and in a cyclone heat-exchanger. These will be first tested to see whether they are suitable for the purpose, and if necessary technical improvements will be made to ensure that they are.

A further very important aim in these tests is to study the exceptionally complicated question of the handling of the hot and dry coking blends. These are difficult and even dangerous to manipulate, so that their storage, the loading of the coke-charging cars and the introduction of the charges into the ovens while at the same time providing inert-gas protection by means of a gas tight locking device constitute quite an important problem.

The project is expected to take three and a half to four years in all to complete. The cost of the tests to be carried out by CERCHAR, in association with the firm of Klöckner-Humboldt-Deutz is estimated at 1 004 000 units of account.

In view of the considerable sums which CERCHAR has already expended in connection with the work on the first stage of the new process — the predrying of the coke until the moisture content is eliminated — the High Authority has made available a grant of 700 000 units of account.

(b) *The study of optimum coking-plant operating conditions with a view, in particular, to increasing the output of metallurgical coke* — This project is being conducted by the Steinkohlenbergbauverein of Essen at its experimental coking-plant. The Steinkohlenbergbauverein applied to the High Authority in 1959 for a grant of 525 000 units of account, representing 60% of the estimated total cost of the scheme. The application has since been approved.

A number of laboratory and semi-industrial studies have already been carried out on the main technical and economic problems arising in connection with carbonization, but it has frequently been found that the results cannot be applied operationally in industry, or at any rate cannot be applied as they stand. "Industrial-scale" research and coking trials, *i.e.* carried out in experimental coking-plants at which the size and operating conditions of the ovens are the same as those

usual in industry, have therefore proved to be essential if results are to be obtained which it will be possible to use direct in industrial plants.

The Steinkohlenbergbauverein's experimental coking-plant has a battery of five industrial-scale experimental coke-ovens with an aggregate throughput rate of 100-120 metric tons a day, and also semi-industrial ovens with a chamber capacity of 0.315 cubic metres.

The aim of the project is to ascertain under what operating conditions the hard-coal carbonization process very much the most widely used, the normal high-temperature bulk-charging method, can be made, while keeping the throughput rate of the coke-ovens as high as possible, to produce (a) best-quality hard-coal coke and (b) a higher percentage of metallurgical (large) coke in the total output.

At the same time, tests are to be carried out to establish to what extent this qualitatively and quantitatively optimum coke-production method affects the quantity and quality of the by-products recovered.

It is planned to proceed as follows :

- (1) A study of the effects of the *coking temperature* on the consumption of heat in the coke-oven, on the throughput rate and on the output of metallurgical coke.
The object will be to examine how the maximum tonnage of metallurgical coke can be produced from the oven capacity available by changing the conditions of carbonization. This will involve recording the specific heat consumption in kcal per kg. coke, the throughput rate of the oven and the percentage of metallurgical coke produced in proportion to the coking time and carbonization temperature.
- (2) A study of the effects of the *moisture content of the coking coal* on the heat consumption and throughput rate of the coke-oven. This investigation is designed to establish what economies can be effected in coke-oven operation by the use of coal with a lower moisture content, and whether the higher expenditure involved by the predrying of the charge can be offset by the saving on heat consumption in the oven and by the improvement in the quality of the cokes. At the same time it is planned to ascertain how far the influence of the moisture content on the bulk density of the coking blend can be countered by the addition of small quantities of an appropriate oil.
- (3) A study of the effects on heat consumption and on the output of metallurgical coke of *differences in bulk density* of the coking coal due to disparate particle size distribution. Differences in the particle size distribution, and hence in the bulk density, of the coking coal — which are constantly crop-

ping up, for reasons connected with technical coal-winning and stratigraphical conditions — bedevil coking operations by causing corresponding differences in heat consumption and in the output of large coke and metallurgical coke. Several series of tests are planned to investigate this problem. In addition, efforts are to be made to determine how far differences in the particle size distribution in the coking coal can be equalized by the admixture of different amounts of oil.

- (4) A study of the effects on the *recovery of by-products* of the carbonization temperature in the coke-oven and of differences in moisture content and in the bulk density of the coking coal. In connection with all the tests carried out under the three heads just listed, care will be taken to record also the effects of the changes in operating conditions on the output, quality and composition of the by-products.

In order to ensure that the results are as conclusive and near-operational as possible, it is planned that the experiments shall take the form of parallel industrial-scale, semi-industrial and laboratory tests using the same coking coal. All will be accompanied by the usual petrographical and technological studies, including proximate analysis, determination of caking power, examination of plasticity, etc. The laboratories of the Steinkohlenbergbauverein's new mining research centre at Essen-Kray will be available for the purpose.

On request, parallel tests will also be carried out with coking coals from other Community coalfields if the results seem likely to be different from those of the main-projects. In addition, to help co-ordinate the numerous methods used for the investigation of carbonization techniques in the different countries, a joint study is planned with the various laboratories concerned in the Community area.

The tests are expected to take some three years to complete and evaluate, and will involve the carbonization of a total of 72-75 000 metric tons of coal.

Abstracting of technical literature from Eastern countries

131. The High Authority approved an application from the national coalmining research centres of the Community countries for a grant of 100 000 units of account to expand the work of abstracting technical literature from the Eastern countries.

Accounts of research and development work in the various Eastern countries with coalmining industries, of which in many cases too little is known in the Community, are to be evaluated and abstracts translated into the Community languages made available to all bodies and institutions interested. This will prevent duplication of effort, and help to make known the views of Eastern scientists and technicians on the present problems of the coalmining industry.

CHAPTER SEVEN

READAPTATION, INDUSTRIAL DEVELOPMENT AND LABOUR PROBLEMS

Section 1 — The Trend in Employment

132. Two separate trends were apparent in the employment situation in the Community industries during 1959.

In the *iron and steel industry* matters had gone badly during 1958 : in some countries workers had had to be discharged, and short-time working had made its appearance on a considerable scale. However, the economic recovery and the rise in iron and steel production which resulted, more particularly from mid-1959 onwards, brought a reversal of this trend : in Germany quite a substantial increase was recorded in the total numbers employed, and in the other countries too the level rose, though more gradually (Belgium and the Netherlands), or at least ceased to fall.

In the *iron-ore mines* and the *collieries*, on the other hand, the level of employment is going down. Market aspects apart, in the iron-ore mines the reduction in the labour force is part of the rationalization and modernization process going forward in the industry. The coal crisis, the first signs of which became apparent early in 1958, added to the employment difficulties in the collieries : recruitment was substantially reduced, and short-time working was introduced which reached alarming proportions during the first six months of 1959.

The social consequences of the coal crisis were undoubtedly seen at their worst in Belgium, where in some

collieries short-time working amounted to as much as twelve or thirteen days a month.

In Germany, there was a considerable shrinkage in manpower, though short-time working was kept within more reasonable limits.

In France, short-time working was avoided until as late as May 1959, and was even then introduced only on a minor scale in a few coalfields.

Only in the Netherlands has there been no short-time working at all since 1957.

The persisting glut more forcibly underlined the urgency of the need for a structural reorganization of the coal economy. Enterprises were obliged to decide on the partial or complete closure of a number of pits, mainly in Belgium and Germany.

The deterioration of the situation in the coalmining industry and in the level of employment is, in addition, likely to swell the drift of miners away from the industry. The structural difficulties in the coal sector are in striking contrast with the vigorous revival in progress in most other industries, which are thus tending to attract labour away from the collieries.

In view of this situation, the High Authority was particularly active in regard to employment, seeking to contain the adverse effects of short-time working on wage levels and on the stability of the labour force, and at the same time granting readaptation assistance to a steadily increasing number of workers to facilitate their re-employment.

The High Authority initiated and carried through the procedure laid down in Articles 95, 3 and 95, 4 of the Treaty for the revision of Article 56.

A detailed examination is to be made, in co-operation with the Governments and the European institutions, of

the problems associated with the industrial redevelopment of the areas affected by pit closures.

PROBLEMS OF INDUSTRIAL REDEVELOPMENT

133. This is practically the first time that the Community industries have had to do with industrial redevelopment and the implementation of the measures provided for by the Treaty in this regard. The envisaged Belgian colliery closures in particular, more especially in the Borinage and Centre coalfields, make it necessary that new economic activities offering openings for re-employment to the redundant mineworkers should be encouraged in the areas concerned.

Desiring to work out the most effective means of dealing with the matter, the Belgian Government asked the High Authority to take part, under Article 46, 4 of the Treaty, in studies on the Borinage: the object of these is to enable a redevelopment programme to be worked out with a view to the integration of the Borinage into the Common Market, in conjunction, more especially, with development operations in Northern France.

During 1959, the Belgian Government introduced legislation to facilitate the establishment of new employment opportunities in areas considered to be insufficiently developed economically. The Borinage and Centre, together with a portion of the Liège coalfield, are included among these "development areas",.

134. The Special Council of Ministers and the High Authority, having studied the Belgian coal situation, at their meeting on July 31, 1959, declared themselves in favour of calling a conference to examine problems of redevelopment in areas affected by pit closures. The main object of this conference, which will be held not later than June 1960, will be to see what other industries can best be attracted to these areas, and what can be done to provide incentives to industrialists to start operations there.

Experience in connection with redevelopment projects has in the past often proved disappointing; from the point of view either of the criteria laid down for the choice of industries to be attracted or of the incentives offered to them. It will be necessary to draw on past experience and on the practical details of the arrangements laid down by the Governments to facilitate the introduction of new employment opportunities.

What the conference will be required to do first and foremost will be to lay down the lines along which the Governments might co-operate to facilitate the industrial redevelopment of coalfields affected by pit closures, and the ways (surveys, grants, etc.) and means by which the High Authority, the European Economic Community and the Investment Bank could help in order that a real incentive might be provided for the enterprises. The conference may also be expected to work out possibilities for concerted action by Governments to facilitate participation by the European institutions.

Practical conclusions and suggestions will be contributed by experts who have themselves either carried out redevelopment operations or made a theoretical and methodological study of the subject.

The conference is being prepared by a High Authority working party, with officials of the Governments taking part.

The fact that the conference is to be held does not, however, preclude other High Authority action in regard to redevelopment.

In particular, the High Authority has obligations under Article 2 of the Treaty, which requires it to "safeguard the continuity of employment and avoid the creation of fundamental and persistent disturbances in the economies of the member States". In order to do this, it has open to it two main lines of action.

First, where the trend in the market or technical conversions result in the closure of enterprises under its jurisdiction, it can study the possibilities for re-employment by the introduction of new activities. To this end, it may take part in the framing of redevelopment programmes and the determining of industrialization objectives in areas where enterprises are having to be closed down.

Secondly, it can help to finance schemes for the reconversion of enterprises or the establishment of new activities, by granting loans or by giving its guarantee. Reconversion projects, by reabsorbing the workers who have had to be discharged, should dispose of some of the problems arising out of the wastage of economic potential in areas where closures are likely to create a vacuum.

The findings of the conference may clarify these means of action, and possibly add others. The High Authority is already at work to make the means of action at its disposal as fully effective as they will need to be. In December it received a number of applications from the French and Italian Governments — in this field it acts at the instance of the Governments — for assistance to facilitate the financing of industrialization and reconversion programmes designed to re-employ workers discharged from enterprises which it had already helped with readaptation grants under Section 23 of the Convention.

135. The High Authority commissioned the Institute of Economics of the Catholic University of Milan to conduct a survey on the activity in the iron and steel industry and on the employment situation in the Brescia and Udine areas. It also agreed to co-operate on a survey of the part of Umbria in which the steelmaking centre of Terni is located. Both studies are now in progress.

GENERAL TREND IN EMPLOYMENT

Iron and Steel Industry

136. a) Trend in numbers employed. — In consequence of the revival in activity which set in in the iron and steel industry towards the end of 1958 and gathered momentum in 1959, principally from April onwards, the total number of persons employed, which had been down to 530,900 at the end of March, regained its former level, going up by the end of June to 537,700 and by the end of September to 545,700 ¹⁾ — somewhat above the figure for September 1957.

The decrease in total personnel employed ¹⁾ from January to September 1958 was 8,800, and the increase during the corresponding period of 1959 11,200.

**Changes in the Number of Workers Employed
in the Iron and Steel Industry**

	January-September 1958	January-September 1959
Workers	-10 400	+ 10 000
Apprentices	+400	+200
Clerical, technical and managerial staff	+1 200	+1 000
	-8 800	+11 200

The largest increases were in Germany and the three Benelux countries. In France, the position remained on the whole unchanged, though in the Lorraine area the labour force was expanded from the level at which it had stood at the beginning of the year. The trend observed in the other countries may be expected ultimately to become apparent in France also.

¹⁾ Workers, apprentices and clerical, technical and managerial staff.

Movement of Manpower in the Iron and Steel Industry

('000 persons employed)

	1958				1959			
	Jan. 1	Sept. 30	Net change	% of total at Jan. 1	Jan. 1	Sept. 30	Net change	% of total at Jan. 1
Germany (Fed. Rep.) (incl. Saar)	237.9 (32.5)	233.9 (32.6)	-4.0 (+0.1)	-1.7 (+0.3)	229.7 (32.6)	238.5 (32.9)	+8.8 (+0.3)	+3.8 (+0.9)
Belgium	59.9	58.9	-1.0	-1.7	58.8	60.6	+1.8	+3.1
France	155.5	153.9	-1.6	-1.0	154.5	154.3	-0.2	-0.1
Italy	62.5	59.8	-2.7	-4.3	58.6	57.7	-0.9	-1.5
Luxembourg	21.2	21.2	—	—	21.3	21.6	+0.3	+1.4
Netherlands	11.0	11.5	+0.5	+4.5	11.6	13.0	+1.4	+12.0
Community	548.0	539.2	-8.8	-1.6	534.5	545.7	+11.2	+2.1

In Italy, the number of workers employed continued to decline gradually until April 1959, when it reached the point at which it has since remained. The rationalization and modernization programmes went ahead during this period.

Indices for Production, Employment and Hours Worked during the First Six Months of 1959

average for 1st six months of 1955 = 100

	Germany (Fed. Rep.) ¹⁾	Belgium	France	Italy	Luxembourg	Netherlands	Community
Production of pig-iron	106	108	113	125	113	167	111
Production of crude steel	115	103	117	119	113	160	116
Production of rolled products	121	109	120	106	108	150	118
Employment	114	108	106	101	111	123	109
Hours worked	95	97	95	91	100	114	95

¹⁾ Incl. Saar.

As a result of the technical progress made in the industry during the last few years capacities have attained a level where it has been possible to expand production without taking on a corresponding number of extra workers, in spite of the shorter working week introduced all over the Community. The following figures illustrate this point.

b) Movement of manpower. — During the first nine months of 1959, 51,300 new workers in all were recruited by the iron and steel industries of the Community countries, as against 38,300 and 65,200 respectively in the corresponding periods of 1958 and 1957.

	Recruitment ¹⁾	Wastage ¹⁾	Net change
Jan.-Sept. 1957	65 200	47 000	+18 200
Jan.-Sept. 1958	38 300	48 700	-10 400
Jan.-Sept. 1959	51 300	39 200	+12 100

¹⁾ Workers, exclusive of apprentices

Some 65% of the new intake was in Germany and Belgium (50% in Germany and 15% in Belgium). In France, where recruitment was on a smaller scale than in the other countries, it is possible that manpower requirements will increase in the course of the next few months.

c) Foreign workers. — In most of the countries it was possible to recruit the extra workers needed in the home labour market. The new intake indicated above included only 6,900 foreign workers, representing 13.5% of the total, as against 18-20% in 1957.

At the end of September 1959, 42,900 workers ¹⁾ were employed in the iron and steel industries of Community countries of which they were not nationals. The figure had been 43,000 at the end of December 1958, and 43,400 in September 1958.

d) Short-time working. — Short-time working, which had become widespread in 1958, particularly in Germany and Belgium, gradually diminished again, and seems now to be everywhere on the way out.

¹⁾ Workers, exclusive of apprentices.

Iron-ore mines

137. a) Trend in numbers employed. — During the first nine months of 1959 ¹⁾ the labour force at the iron-ore mines ²⁾ underwent a further contraction, reaching its lowest level since December 1954 with a total of only 54,500.

The trend recorded between January and September 1958, during which period the total number employed fell by 2,100, thus continued, with a further drop of 2,000 during the corresponding months of 1959.

**Changes in the Number of Workers Employed in the
Iron-Ore Mines**

	January-September 1958	January-September 1959
Workers	—2 100	—1 900
Apprentices	—200	—200
Clerical, technical and managerial staff	+200	+100
	—2 100	—2 000

The imbalance which developed in 1958 between production capacity and sales opportunities became still more marked during the first few months of 1959. After that, however, the position improved as a result of the recovery in the iron and steel industry. The iron-ore mines were sufficiently well equipped to adjust themselves promptly to the turnround; it would appear, moreover, that their present labour force is adequate as it stands, and that no major manpower requirements are to be expected.

The diminution in the numbers employed was the result in the main of reduced recruitment. The drop in production was due principally to short-time working and the shorter working week.

²⁾ Workers, apprentices and clerical, technical and managerial staff.

Movement of Manpower in the Iron-Ore Mines

(*000 persons employed)

	1958				1959			
	Jan. 1	Sept. 30	Net change	% of total at Jan. 1	Jan. 1	Sept. 30	Net change	% of total at Jan. 1
Germany (Fed. Rep.)	24.3	23.1	-1.2	-4.9	22.7	21.2	-1.5	-6.6
France	28.6	28.3	-0.3	-1.1	28.2	27.8	-0.4	-1.4
Italy	3.8	3.4	-0.4	-10.6	3.2	3.2	—	—
Luxembourg	2.6	2.4	-0.2	-7.7	2.4	2.3	-0.1	-4.2
Community	59.3	57.2	-2.1	-3.5	56.5	54.5	-2.0	-3.5

b) Short-time working. — Short-time working caused by lack of markets amounted to approximately 141,000 man-days during the first nine months of 1959, as against 127,000 for the year 1958.

	1958	first nine months, 1959
Germany (Fed. Rep.)	94 000 man-days	104 000 man-days
France	32 000 man-days	36 000 man-days

The incidence of short-time working was especially marked during the first few months of the year. From April onwards, however, it was rather less in evidence, both in Germany and in France, and the indications now are that it will diminish further. The number of man-days not worked because of reduced sales during the third quarter of 1959 was 23,000 in Germany and 6,700 in France.

Coalmining industry

138. a) Trend in numbers employed. — The present crisis in the coalmining industry has resulted in a sharper and sharper decrease in the labour force. Throughout 1959 the total number employed ¹⁾ fell steadily, to 1,019,700 at the end of March, 1,000,500 at the end of June and 970,400 at the end of September.

¹⁾ Workers, apprentices and clerical, technical and managerial staff.

The shrinkage in the labour force already apparent during the period January-September 1958, when 30,500 workers left the industry, subsequently became still more pronounced: during the corresponding months of 1959 the loss amounted to 66,900 men.

**Changes in the Number of Workers Employed
in the Coalmining Industry**

	January-September 1958	January-September 1959
Underground workers	—22 100	—48 000
Other workers	—4 400	—11 700
Apprentices	—5 000	—5 400
Clerical, technical and managerial staff	+1 000	—1 800
	—30 500	—66 900

In Germany and Belgium the steady reduction in underground personnel, which had gone on throughout 1958, continued in 1959 at the rate of 5,000-6,000 men a week in Germany and 300-400 in Belgium,

In France, the labour force, after remaining more or less stable up to March 1959, thereupon began to go down at the rate of 100-200 men a week, mostly in the Lorraine and Centre/Midi coalfields.

In the Netherlands, losses of underground workers remained very low.

b) Movement of Manpower. — Analysis of the changes in the numbers of men employed below ground ¹⁾ reveals the following trends.

	New entrants for duties below ground ¹⁾	of whom: Men not drawn direct from the coalmining industry
1st six months, 1957	105 500	61 600 = 58%
1st six months, 1958	81 000	38 700 = 48%
1st six months, 1959	45 600	16 600 = 35%

¹⁾ New workers signed on, including men transferred from one pit to another; men transferred from surface to underground duties; apprentices completing their apprenticeship.

¹⁾ Exclusive of apprentices.

In all the Community countries the new intake has been growing smaller and smaller. Moreover, the proportion of workers not coming direct from the coalmining industry amounted by 1959 to only 35% of all new entrants.

Movement of Manpower in the Coalmining Industry

Period January 1958 — September 1959

(*000 persons employed)

	Total, underground and surface ¹⁾				Underground workers ²⁾			
	Jan. 1, 1958	Sept. 30, 1959	Net change	% of total at Jan. 1, 1958	Jan. 1, 1958	Sept. 30, 1959	Net change	% of total at Jan. 1, 1958
Germany (Fed. Rep.) (incl. Saar)	607.4 (65.0)	543.2 (60.8)	-64.2 (-4.2)	-10.6 (-6.5)	359.1 (37.9)	317.9 (37.2)	-41.2 (-0.7)	-11.5 (-1.8)
Belgium	159.7	131.0	-28.7	-17.7	107.0	85.7	-21.3	-20.0
France	241.7	230.5	-11.2	-4.7	139.4	132.5	-6.9	-4.9
Italy	6.1	4.0	-2.1	-34.4	4.2	2.6	-1.6	-38.1
Netherlands	62.8	61.7	-1.1	-2.4	31.5	29.7	-1.8	-5.8
Community	1 077.7	970.4	-107.3	-10.0	641.2	568.4	-72.8	-11.4

¹⁾ Workers, apprentices, and clerical, technical and managerial staff.

²⁾ Exclusive of apprentices.

The indices for the intake of men not drawn direct from the industry reflect the reduction in recruitment in the different countries.

	Com- munity	Germany	Belgium	France	Nether- lands
1st six months, 1957	100	100	100	100	100
1st six months, 1958	63	73	47	59	89
1st six months, 1959	27	19	23	49	16

The collieries were thus compelled to find among their own workers, or among these leaving other collieries, the men absolutely indispensable to the efficient continuance of coal-winning operations.

The figures for underground workers lost to the industry indicate a certain slackening in the rate of wastage: though still high, they represent only 70% of the corresponding figures for 1958, and 66% of those for 1957.

	Underground workers leaving the industry ¹⁾
1st six months, 1957	55 700
1st six months, 1958	51 100
1st six months, 1959	36 700

¹⁾ Exclusive of men transferred to other pits and normal wastage (medical reasons, retirements and deaths).

This is borne out by the indices for the different countries.

	Com- munity	Germany	Belgium	France	Nether- lands
1st six months, 1957	100	100	100	100	100
1st six months, 1958	92	93	90	91	94
1st six months, 1959	66	65	63	74	67

There was an increase in the number of workers discharged due mainly to the reorganization schemes in progress in certain coal-fields. Some of the men concerned were then taken on by other collieries.

	Underground workers discharged
1st six months, 1957	4 200
1st six months, 1958	5 700
1st six months, 1959	7 000

c) Foreign workers. — In view of the general situation described, the countries normally employing foreign workers had naturally to stop or substantially curtail recruitment.

At September 30, 1959, the number of workers employed below ground in Community countries of which they were not nationals totalled 102,400 as against 117,100 at the end of December 1958 and 127,100 at the end of December 1957.

d) Short-time working. — Short-time working on account of poor sales, which had been introduced in the Belgian and German coalfields in 1958, was still more in evidence in 1959. 9,580,000 man-days in all were left unworked between January and September, some 7,500,000 of them by underground personnel. From June onwards workers in some French coalfields also began to be put on short time.

From October up to the end of the year the incidence of short-time working decreased in varying degrees in most Community coalfields. The most noticeable diminution was in the German industry. Only in the Netherlands has no short-time working had as yet to be introduced.

Man-Days Not Worked in the Collieries for Lack of Sales
January-December 1959 ¹⁾

	Total (underground and surface)	% of total of man-days not worked in Community	% of total of man-days worked and not worked
Germany (Fed. Rep.) (incl. Saar)	4 058 300 (694 000)	42.4 (7.2)	3.7 (5.3)
Belgium	5 230 000	54.6	17.4
France	287 900	3.0	0.6
Italy	3 900	0.0	0.4
Netherlands	—	—	—
Community	9 580 100	100.0	4.8

¹⁾ Provisional figures.

The highest rate of short-time working was in Belgium, with an average of 7.8 man-days a month, as against 1.2 in Germany; the hardest-hit German collieries never went above 5, man-days a month, whereas in Belgium the rate in some cases rose to 12 and even 13.

¹⁾ Provisional figures

WORK OF THE HIGH AUTHORITY

139. The High Authority proposed a number of measures to preserve continuity of employment in the collieries and stabilize the labour force.

It has repeatedly drawn attention to the importance of arrangements to help keep miners in the industry and assist recruitment.

Its suggestions in this connection gave rise to the studies undertaken by the I.C.F.T.U. and Christian trade unions which culminated in the drafting of a European Miner's Code.

These suggestions and drafts have for some months been under examination by the European Parliament's Social Affairs Committee ¹⁾. In view of the worsening of the coal situation, the institutions of the Community have in the meantime been obliged to take special measures with regard to the miners.

140. In conjunction with its plan of action under Articles 58 and 74 of the Treaty ²⁾, the High Authority proposed to the Special Council of Ministers that assistance be made available under Article 95, 1 to Community mineworkers put on short time.

The Council felt unable to agree to this. However, it gave the consent required to enable the High Authority to continue paying the temporary assistance known as the "E.C. S.C. allowance", to workers at Belgian collieries who were hit hardest by short-time working ³⁾.

¹⁾ See Resolution of the European Parliament, *Journal officiel des Communautés européennes*, May 8, 1959.

²⁾ See Chapter Four, Section 2. above.

³⁾ See Decisions Nos. 22/59 and 25/59, *Journal officiel des Communautés européennes*, April 3 and 30, 1959.

General Manpower Situation in the Community Industries

('000 persons employed)

	September 1958				September 1959			
	Workers	Apprentices	Salaried personnel	Total	Workers	Apprentices	Salaried personnel	Total
<i>Coalmining industry</i>								
Germany (Fed. Rep.)	496.5	43.0	53.5	593.0	456.0	33.9	53.3	543.2
(incl. Saar)	(53.6)	(3.5)	(6.3)	(63.4)	(51.7)	(2.7)	(6.4)	(60.8)
Belgium	131.9	2.3	14.7	148.9	115.5	2.1	13.4	131.0
France	204.3	5.7	26.7	236.7	198.4	5.7	26.4	230.5
Italy	4.2	—	0.7	4.9	3.5	—	0.5	4.0
Netherlands	52.2	4.2	7.3	63.7	50.4	3.9	7.4	61.7
Community	889.1	55.2	102.9	1 047.2	823.8	45.6	101.0	970.4
<i>Iron and steel industry</i>								
Germany (Fed. Rep.)	197.6	7.6	28.7	233.9	202.3	7.1	29.1	283.5
(incl. Saar)	(27.7)	(0.8)	(4.1)	(32.6)	(28.0)	(0.7)	(4.2)	(32.9)
Belgium	51.4	—	7.5	58.9	53.0	—	7.6	60.6
France	126.7	2.3	24.9	153.9	126.3	2.8	25.2	154.3
Italy	52.3	0.2	7.3	59.8	50.4	0.1	7.2	57.7
Luxembourg	18.7	0.4	2.1	21.2	19.2	0.3	2.1	21.6
Netherlands	7.9	0.3	3.3	11.5	8.8	0.5	3.7	13.0
Community	454.6	10.8	73.8	539.2	460.0	10.8	74.9	545.7
<i>Iron-ore mines</i>								
Germany (Fed. Rep.)	19.7	1.0	2.4	23.1	18.0	0.8	2.4	21.2
Belgium	0.0	—	0.0	0.0	0.0	—	0.0	0.0
France	24.4	0.7	3.2	28.3	23.8	0.7	3.3	27.8
Italy	3.1	0.0	0.3	3.4	2.9	—	0.3	3.2
Luxembourg	2.2	—	0.2	2.4	2.1	—	0.2	2.3
Community	49.4	1.7	6.1	57.2	46.8	1.5	6.2	54.5
Total Community	1 393.1	67.7	182.8	1 643.6	1 330.6	57.9	182.1	1 570.6

The High Authority's reasons for granting this allowance were in the main as follows :

- a) short-time working was seriously reducing the men's earnings and encouraging them to leave the industry;
- b) the reorganization programme would need to be phased, and it was felt desirable that advance action should be taken by cutting back production at some pits, while limiting the effects on the men's monthly earnings.

The special temporary allowance is payable in respect of each day after the second of collective short-time working due to lack of markets per calendar month, up to a maximum of nine days, consecutive or otherwise, in any one month. The sum paid amounts to 20% of the worker's daily wage.

Under Decision No. 22/59, of March 25, 1959, the E.C.S.C. Allowance was to be paid from April 1 to May 31, up to a maximum total of 2 million dollar units of account.

By Decisions Nos. 32/59, of June 1, and 41/59 of October 14, this period was successively extended up to September 30 and October 31, while the maximum total was raised to 5 million units of account.

Actual expenditure under this head from April to October 1959 worked out at 3,020,000 units of account : the average number of workers on short time was 80,000 at the beginning of the period and 65,000 at the end.

On December 16 the High Authority decided that the allowance should be paid up to December 31. For the first nine months of 1960 a descending scale was introduced ¹⁾. There can be no doubt that the E.C.S.C. Allowance has been a major contribution to the maintenance of social calm in the Belgian coalmining industry, which is in process of financial

¹⁾ For further details see Chapter Four, end of Section 2, above.

and economic reorganization. It has also helped to safeguard the incomes of workers put on short time. This has reduced the wastage of mining personnel — a particularly valuable achievement inasmuch as most of the men affected are employed at pits rated as possibilities for ultimate integration into the Common Market.

The E.C.S.C. Allowance is thus, along with the readaptation grants, doing something to help solve the whole problem of the reorganization of the Belgian coalmining industry.

Section 2 — Readaptation

READAPTATION OF WORKERS

141. The provisions relating to the readaptation of workers can still be applied for two years following the expiry of the transition period, *i.e.* up to February 10, 1960. The High Authority has, however, to obtain the agreement of the Council of Ministers before deciding each individual case.

The system of written communication, instituted to enable the Council to give its agreement as quickly as possible, was continued.

During the first nine months of 1959, it agreed to all the High Authority's applications, made on behalf of workers in 35 enterprises, *viz.*

- 8 Belgian collieries
- 3 French collieries
- 3 German collieries
- 1 French iron and steel works
- 20 Italian iron and steel works.

142. The approach of February 10, 1960, when Section 23 of the Convention containing the Transitional Provisions is due to become inoperative, impelled the Governments to

submit a large number of applications to the High Authority, mainly relating to collieries.

During January, the High Authority had to ask for the Council's agreement to applications in respect of some sixty collieries in Germany which are planning to close part or all of their capacity, of twenty-one in Belgium, and of seven small pits in France which are to close down altogether.

The Council was also asked to agree to applications in respect of one iron-ore mine and one iron and steel works in Germany, of three iron and steel works in France and of seven iron and steel works in Italy. It should be noted, however, that the closures in these cases are for the most part staggered over three years, from 1959 to 1961.

Applications during 1959 with regard to which it was decided to implement Section 23 of the Convention and to which the Council's agreement was asked covered in all something between 52,000 and 53,000 workers. Of these some were entitled to pensions; most of the others were or are likely to be taken on at other collieries.

Germany

The High Authority concluded an agreement with the Federal Government laying down the arrangements with regard to the payment of assistance under Section 23 of the Convention to workers either

- (a) discharged;
- (b) signed on at other pits belonging to the same enterprise;
- (c) aged not less than 40 and not more than 64, entitled to a pension, a pension from the miners friendly society (*Knappschaftsrente*) or a disability pension for 50% disablement or over, and voluntarily retiring to enable another worker to be kept in his employment.

A worker under (c) will receive a gratuity of DM. 3,000, plus DM. 300 for each dependent child and DM. 240 as compensation for the forfeiture or reduction of his entitlement to concessionary coal. An amount equal to one month's instalment of his friendly society pension will be deducted, up to a maximum of DM. 500. Payment will be made as follows: one-half of the total sum on the day of departure, one-quarter on the first day of the seventh month and one-quarter on the first day of the tenth month following departure.

Discharged workers

(a) A discharged worker finding himself unemployed is to be entitled to a tide-over allowance for one year, calculated on a descending scale for three periods of four months each, at 90, 80 and 70% respectively of his former monthly wage.

From this will be deducted unemployment and sickness benefit and any earnings totalling more than DM. 40 per month from activities exercised on the worker's own account or on that of another party.

(b) A worker undergoing retraining within twelve months from the date of his discharge will be entitled during such retraining to assistance at the first-period tide-over rate.

In addition, he will be refunded all expenses incurred in connection with his attendance at a retraining course approved by the labour exchange.

(c) A worker taking up employment in an industry other than the coalmining industry will be entitled to a differential allowance, making up his new wage for the first six months to 95% of his former wage, and for the following six months to 90%.

Where a worker signed on at another pit is downgraded or put from piece rates to day wage rates, he will be

entitled for six months to an allowance making up his new wage to 95% of his former wage.

Other provisions in the agreement

(a) A discharged worker called for interview by a prospective new employer is to be entitled to a refund of his travel expenses.

(b) For twelve months following discharge or transfer to another pit or branch of the enterprise, a worker will be refunded any additional travel expenses incurred as a result of his having to travel a greater distance to reach his work.

(c) Where the distance between a worker's new place of employment and his home is so great that he cannot cover it in both directions daily, he will be entitled to a separation allowance of DM. 7.50 a day, and to a refund of the cost of one journey home per month.

(d) A worker compelled to change his residence in order to take up new employment will be refunded his travel expenses and those of his dependents, and his removal expenses; in addition, he will be entitled to a resettlement allowance amounting to two months' wages. The resettlement allowance will be payable only within the twelve months following his discharge or transfer. As regards removal expenses, on the other hand, a worker finding new employment within twelve months of his discharge may apply for a refund in respect of a removal up to two years from the discharge.

(e) Over and above the tide-over, differential or retraining allowance, workers will receive a specified sum (DM. 20 or DM. 10 per month, according as they are or are not heads of households) in compensation for the loss of their entitlement to concessionary coal.

Belgium

Readaptation assistance was granted to workers at seven pits in the Borinage, Centre, Charleroi and Liège coal-fields which had closed or were to close before the end of 1959. Other closures, in connection with which the High Authority had already decided to grant assistance, took place in the Borinage. The great majority of the 11,000 workers laid off in Belgium up to October 1959 were subsequently found fresh employment. Under agreements with the Government, workers are entitled to all the allowances granted since 1956 in connection with other readaptation cases.

The proportions of the Belgian coal crisis, however, brought home to all that it was absolutely essential to intensify and extend the reorganization arrangements earlier envisaged to enable the Belgian collieries to maintain themselves within the Common Market.

The Belgian Government accordingly submitted to the High Authority an overall programme of colliery closures. Immediate implementation of this programme would have entailed the dismissal of large numbers of workers who could not have been readily reabsorbed. It was therefore planned that the closures should be staggered over a period up to June 30, 1961.

At the same time, this temporary continuance of operations on social grounds, at pits which from the purely economic standpoint would be better closed forthwith, is of course involving extra financial burdens which are likely to add considerably to the production costs of the enterprises concerned.

The Belgian Government invoked Section 23 of the Convention, and asked that *readaptation grants* should be made available not only to the workers, in the form of tide-over, resettlement and retraining allowances, but also to the enterprises, in the form of a labour-cost subsidy, to enable them

to go on paying their regular wages to workers at the pits scheduled for closure. The High Authority discussed the matter on July 31, 1959, with the Council of Ministers, which gave its consent to the arrangements planned.

However, the High Authority agreed to the Belgian Government's request only on condition that

- development operations were discontinued;
- a schedule of closures was drawn up in detail;
- recruitment was prohibited, except in special cases.

Individual applications were submitted colliery by colliery through the Belgian Government, and referred to the Council for its agreement.

France

A number of small pits in the Centre/Midi coalfield, employing in all some 600 workers, were obliged to close, in consequence, more particularly, of the ending of the subsidy on the coal sold by them to briquetting-plants in the coastal areas. The men discharged from these pits are covered by the assistance arrangements which have been operative in France since 1955.

In the iron and steel industry, one enterprise is carrying out a partial reconversion affecting 90 workers. These men will not be discharged, but stood off temporarily, and will be entitled during the stand-off, under Section 23, 4 of the Convention, to an allowance equal to their former real wage, including bonuses. The reorganization is to take one year. The enterprise undertook not to discharge workers in receipt of the allowance either during the period for which this is payable or during the six months following.

Two other enterprises closed down parts of their plants; the number of workers affected in all is some 400.

New arrangements were introduced from January 1, 1960, with regard to the tide-over allowances : in future French workers will receive a tide-over allowance equal to

- 90% of their former wage for two months following discharge;
- either 80 or 70%, according as the former basic wage amounted to less or more than Ffr. 35,000, for a further six months;
- either 60 or 40%, according as the former basic wage amounted to less or more than Ffr. 35,000, for a final four months.

Italy

In consequence of modernization and rationalization schemes and of closures, something like 2,300 workers in all were discharged from twenty iron and steel enterprises in various parts of the country. A fresh agreement was concluded between the Government and the High Authority. Applications from seven enterprises intending to close down altogether are now before the Council of Ministers. The arrangements for granting allowances to the workers are practically the same as those employed in 1957 and 1958 ¹⁾.

143. At September 30, 1959, credits made available by the High Authority for readaptation totalled 16,782,000 units of account; actual disbursements up to the same date amounted to 7,195,000 units of account ²⁾. At February 10, 1960, readaptation credits extended by the High Authority since 1952 amounted in all to approximately 42 million units of account. Applications for readaptation assistance submitted since the introduction of the Common Market relate to a total of 110,000 workers employed in 195 enterprises.

The assistance granted by the High Authority, in co-operation with the Governments of the Member States

¹⁾ See *Seventh General Report*, No. 185.

²⁾ See *Seventh General Report*, footnote to No 186.

concerned, has made it possible for the adjustments necessitated by the effects of the Common Market to go through without involving serious social disturbances. The measures taken, which were adapted as far as was at all possible to the special requirements of each case, helped the workers through the difficult period following their discharge, and in most cases made it easier for them to find fresh employment.

It was no doubt in consideration of the results obtained that the European Parliament and the employers' and workers' associations repeatedly expressed the hope that the High Authority would continue its readaptation work after the expiry of Section 23.

The support they gave the High Authority when it submitted its proposals for the revision of Article 56 of the Treaty was a valued encouragement to it.

REVISION OF ARTICLE 56

144. As far back as 1957 the High Authority began to examine those provisions in the Treaty which seemed to call for revision. Taking the same view of the situation as did the European Parliament and various circles in industry, it devoted particular attention to the possibility of revising Article 56.

The lines along which the Common Market had developed had shown that, over and above the necessary adjustment to the effects of its actual introduction, the process of adjustment to its structural evolution would continue to raise problems even after the expiry of the transition period, and that Article 56 as it stood, since it provided only against the effects of technological changes, did not offer a proper basis for dealing with them. The complications which have arisen in the coal sector since 1958 only underline this point.

In the debates on the subjects at the February 1958 session of the European Parliament, the High Authority reaffirmed its intention of taking as a first limited objective

in the revision of the Treaty the rewording of Article 56, thus demonstrating its concern as to how the workers could be protected from the burden of readaptation after the expiry of the transition period.

145. In July 1959, the High Authority proposed to the Council of Ministers that Article 56 be amended by the addition of an Article 56A. Its draft was based in the main on the following considerations :

- the aim must be to enable readaptation assistance to be granted where the structural development of the market, by altering the sales opportunities for coal and/or steel, obliges certain enterprises to discontinue, reduce or change their activities;
- the High Authority felt it necessary to maintain the principle of equal treatment for coal and steel as provided for in the Treaty : its proposed text was therefore applicable to both;
- as the Treaty to be revised was concluded for a period of fifty years from the date of its entry into force (Article 97), the High Authority saw no reason to make the new Article applicable for a shorter period.

146. At the Council's meeting on November 17, 1959, the High Authority and the Council agreed on a proposal for the revision of Article 56. Some Governments, citing various factors of uncertainty regarding the course of economic and social policy in the Community, could not see their way to committing themselves at this stage to the line of action suggested by the High Authority for the whole of the period which the Treaty had still to run. It was also commented that no necessity for such action was at present apparent in the steel sector.

Since it proved impossible to reach agreement on any other basis, the High Authority concurred in the suggestion

put forward. The High Authority and the Council agreed to propose that the new provisions should apply only to the coal sector and only for a period of three years. They further agreed that should a similar state of affairs occur in the steel market during these three years they would adopt the same approach to deal with it.

On this basis the Council and the High Authority on November 17, 1959, adopted a draft amendment to Article 56, which was at once submitted in accordance with Article 95, 4 of the Treaty, for the opinion of the Court of Justice. It ran as follows.

“Should profound changes in the marketing conditions of the coalmining industry make it necessary for certain enterprises permanently to discontinue, curtail or change their activities, the High Authority, at the request of the interested Governments :

- (a) may, in accordance with the methods provided for in Article 54, facilitate the financing, either in the industries under its jurisdiction or, with the agreement of the Council, in any other industry, of such programmes as it may approve for the creation of new and economically sound activities, or for the conversion of enterprises, which are capable of assuring productive re-employment to workers rendered redundant;
- (b) shall grant non-repayable assistance as a contribution to
 - The payment of compensation to tide the workers over until they can obtain new employment,
 - the enabling of the enterprises, by special grants, to continue paying their personnel in the event of temporary lay-offs made necessary by changes in their activities,

- the granting of resettlement allowances to the workers,
- the financing of technical retraining for workers who are obliged to change their employment.

The High Authority shall make the granting of non-repayable assistance conditional upon the payment by the interested State of a special contribution at least equal to the amount of such assistance, unless an exception is authorized by a two-thirds majority of the Council.

The benefit of these provisions shall be extended to the parties concerned only up to February 10, 1963. „

147. The Court, while granting that Articles 95, 3 and 95, 4 could be invoked for the purpose of effecting the desired revision, and acknowledging the existence of a situation calling for the revision of Article 56, found that the text submitted by the High Authority and the Council was not in conformity with the Treaty, in that, in particular :

- the new Article was to be applicable for a limited period only;
- the new Article was to be applicable to the coalmining industry only;
- the scope of applicability of the new Article was unduly wide.

The substance of the Court's opinion was, therefore, that the situation did in fact call for the revision of Article 56 of the Treaty, but that the draft would have to be amended to eliminate certain features incompatible with the Treaty.

148. Accordingly, the High Authority, backed by a resolution adopted unanimously by the European Parliament at its sitting on January 14, 1960, decided to go ahead with its endeavours to supplement the means of action open to it in the field of readaptation. At the meeting of the Council of Ministers on January 26, 1960, the Council and the High

Authority agreed on an amendment to Article 56 redrafted to take account of the Court's objections. The new draft, which was approved by a five-sixths majority, ran as follows :

“ Should profound changes in the marketing conditions of the coalmining or of the iron and steel industry, not directly connected with the introduction of the Common Market, make it necessary for certain enterprises permanently to discontinue, curtail or change their activities, the High Authority, at the request of the interested Governments,

(a) may, in accordance with the methods provided for in Article 54, facilitate the financing, either in the industries under its jurisdiction or, with the agreement of the Council, in any other industry, of such programmes as it may approve for the creation of new and economically sound activities, or for the conversion of enterprises, which are capable of assuring productive re-employment to workers rendered redundant;

(b) may grant non-repayable assistance as a contribution to

- the payment of compensation to tide the workers over until they can obtain new employment,
- the enabling of enterprises, by means of special grants, to pay their personnel during any temporary stand-offs necessitated by the change in their activities,
- the granting of resettlement allowances to the workers,
- the financing of technical retraining for workers who are obliged to change their employment.

The High Authority shall make the granting of non-repayable assistance conditional upon the payment by the interested State of a special contribution at least equal to the amount of such assistance, unless an exception is authorized by a two-thirds majority of the Council. ,,

The new draft was submitted forthwith for the opinion of the Court of Justice. Should this be favourable, it will then be laid before the European Parliament. It will come into force if approved by a majority of three-fourths of the votes cast and of two-thirds of the total membership of the Parliament.

Section 3 — Development of Vocational Training in the Community Industries

Trend in numbers of juveniles undergoing apprenticeship

149. Repeated reference has been made in previous General Reports to the steady decline in the number of boys undergoing systematic training in the collieries and the iron-ore mines. This downward trend has become considerably more marked since July 1958, and has also spread to the iron and steel industry.

At the end of June 1959, the total number of apprentices training in all the Community industries together was 60,900: this was 10,100 fewer than in June 1958, and 21,900 fewer than at the end of 1954. The proportion of apprentices to total personnel decreased from 5.2% at the end of 1954 to 4.2% in June 1958 and 3.8% at the end of June 1959.

This is a trend to be watched most carefully by all those concerned with such matters in the industries of the different countries. If it is not halted and reversed, the Community industries will in a few years' time be finding themselves seriously short of young skilled workers and technicians — and it will be even harder to close the gap by then, particularly given full employment, than it is proving now to recruit apprentices.

In the *coalmining industry* the number of apprentices fell from 57,900 at the end of June 1958 to 48,600 at the end of June 1959. Within this overall decline, there were some upturns: France, Belgium and the Netherlands each showed an increase of some 200, as against a plunge in Germany, including the Saar, of 9,900 (from 47,100 to 37,200).

During the coal year 1957-58 the number of apprentices in France and Belgium had gone down, while that in Germany remained

more or less unchanged : in 1958-59, however, this state of affairs was reversed, with the decrease in Germany reaching very substantial proportions indeed. The reason is no doubt the deterioration in the sales and employment situation, which caused school-leavers to think twice and three times before entering the industry. Many coalmining enterprises failed even to find and engage the number of apprentices they required.

In the *iron and steel industry* the number of apprentices went down by about 500, from 11,200 at the end of June 1958 to 10,700 at the end of June 1959. In France, there was an increase of 100, and in Luxembourg and the Netherlands the total remained unchanged, while in Germany with the Saar there was a drop of 600 (to 7,100) and in Italy of 100 (to 200).

In the *iron-ore mines* the number of apprentices was 1,600 as against 1 900 in 1958. The drop amounted to 200 in Germany and 100 in France; in Italy and Luxembourg no apprentice training was given.

150. Quantitatively, as we have seen, the apprentice position in 1958-59 was disquieting. Qualitatively, there are no major changes to report.

Minor improvements of detail continued, on the other hand, to be effected all the time in regard to methods and organization. Personal experience and the exchange of experience and information at Community level were the mainsprings of this ongoing process of adjustment, especially in the case of the comparatively recently-introduced training programmes for electricians to work below ground in the coal and iron-ore mines.

The endeavours in the iron and steel industries of the various countries to secure the reorganization of the systematic training of boys for trades on the production side brought no final result in 1959.

Work in connection with the preparatory and advanced training of managerial personnel and specialists in the various fields was stepped up in 1959. Progress in technology and work organization is now such that the Community industries are having more and more to take action to see that their personnel receive the necessary instruction. They are therefore entering into all kinds of co-operative arrangements with the Universities, technical colleges and specialized institutes.

The latest development in this connection is the establishment of such institutes to provide advanced training for managerial staff at

European level. These are run by national institutes, big industrial concerns, employers' and workers' associations, chambers of commerce and so on, and supported by the various European organizations. In this way the consolidation of the Common Market is linked with the work of training the managerial staff of tomorrow for tomorrow's changed technical, economic and social requirements.

Further details concerning these developments in the Community industries will be found in the High Authority's annual brochure, "Informations sur le développement de la Formation professionnelle dans les industries de la Communauté.,,"

WORK OF THE HIGH AUTHORITY

Joint action by the Governments and the High Authority to promote vocational training in the Community

151. The promotion of vocational training agreed on at the end of 1957, following discussion between the Council of Ministers and the High Authority, was continued in 1959. As, however, the situation varies from one country to another, a good deal of preliminary work is having to be done before concrete results can be achieved. The following is a brief progress report.

Closer co-operation between educationalists and the Community industries

In co-operation with Government experts, the High Authority drew up a report on present conditions and past experience in this field in the countries of the Community. Preparations for a study conference are in hand.

Elimination of Customs and administrative impediments to the exchange of teaching aids within the Community

On the basis of material agreed upon with Government experts in November 1958, the High Authority prepared a draft analysis of the reports from the different countries, summarizing the main points with regard to the laws, admin-

istrative regulations, formalities and checks in the six member States on temporary, non-commercial imports and exports of teaching aids, comparing and contrasting them, and listing problems to be dealt with. The draft is now being examined by the Government experts: when their views are known, concrete proposals for the abolition or simplification of the formalities concerned will be framed and submitted to the Council of Ministers.

Harmonization of vocational training

The harmonization of vocational training is something very much to be worked for all over the Community. By this is meant aligning and rendering comparable the qualifications of skilled, supervisory and managerial personnel. It is, however, an extraordinarily difficult objective to achieve in practice, owing to the sometimes very considerable differences between the educational and training systems of the different countries. It is therefore a problem which has to be tackled by stages.

The Government experts consulted by the High Authority suggested two preliminary studies, which the High Authority is now carrying out.

The first is a comparative survey of the structure and organization of general education and technical instruction in the Community countries. The findings, which are to be submitted early in 1960, will be used as working documents for further discussions between the experts and the High Authority.

The second is the working-out of "minimum standards", of theoretical knowledge and practical proficiency for the exercise of basic occupations in the Community industries. The High Authority prepared draft standards for the occupations of "hewer (coalmines)", and "keeper (blast-furnaces)", which were submitted for checking to experts in the employers' and workers associations at the end of 1959, and will be

appraised by the Government experts early in 1960. If they are generally recognized, similar standards will be worked out and published for all the other main occupations in the Community industries. This would be a first practical step towards the harmonization of the occupational training of Community workers.

Vocational training of migrant workers

The preliminary studies, which were comparatively well advanced, had to be suspended at the beginning of 1959, as in consequence of the difficulties in the coalmining industry recruitment of foreign workers has been reduced to a minimum.

Encouragement of vocational training in the Community industries

152. The High Authority did not concentrate exclusively on direct co-operation with the Governments, as described above. It also sought to promote vocational training by arranging for a *systematic exchange of experience among experts from the employers' and workers' associations, enterprises, colleges and so on.* The following were its main contributions in the different industries.

Training of supervisory staff for duties below ground in the coalmines

A study meeting organized by the High Authority in Luxembourg in June 1959 was attended by 160 experts from Community collieries. The meeting was intended as a forum for the discussion of experience in the different countries with regard to the training of underground supervisory personnel. Attention was devoted principally to problems of selection and of preparatory and advanced training, viewed in the light of the latest developments in technology and work organization. The keynote of the talks and discussions was the work of the collieries to make productions more economic and coal more competitive, and the great point on which to concentrate, it was emphasized, was the systematic and com-

prehensive training of the middle grades of supervisory personnel at the pits. In conclusion, the meeting submitted a number of suggestions as to ways in which the work could be furthered and intensified by the collieries and the High Authority. A detailed report of the proceedings will be issued early in 1960.

Study visits to orefields

After the High Authority's publication in February 1959 of its monograph *La Formation professionnelle dans les mines de fer des pays de la Communauté*, the Sub-Committee on Vocational Training (Iron-Ore Mines) in April 1959 spent ten days touring the iron-ore mines of Lorraine, Luxembourg and the Siegerland and Salzgitter areas. The aim was to exchange information on the most important institutions and arrangements for the training of iron-ore miners and deputies in the Community, to compare and contrast training methods in the different orefields visited, and to prepare the second stage in the Sub-Committee's studies. The tour made it clear that training of necessity varies from one mine to another, inasmuch as there are very considerable differences in the geological mining conditions in the different orefields. As regards problems of method and instruction, the value and importance of the exchange of experience initiated by the High Authority was underlined. It was proposed that a study be made of the various ways and means of training instructors and of providing vocational training in very small mines. In addition, it was felt that something should be done to step up intra-Community exchanges of young miners and instructors. The High Authority intends, in co-operation with the Sub-Committee, to devote careful study to the various suggestions put forward during the tour.

Instructor training in the iron and steel industry

Work was begun on a study to review experience with regard to instructor training in the iron and steel industries of

the Community countries. It is, of course, vital to the success of all subsequent training work that the instructors themselves should be carefully selected and properly trained.

Cost of vocational training

Vocational training is a cost item the make-up of which demands the utmost attention on the part of training officers in the enterprises. The High Authority's annual survey of wages and social charges provides the necessary elements for the study of the cost of recruitment and training.

The following are the results of the 1958 survey.

Employers' Expenditure on Recruitment and Vocational Training, 1958 Amount per hour

		Coalmining industry ¹⁾		Iron and steel industry		Iron-ore mines	
		In currency of country	In % ²⁾	In currency of country	In % ²⁾	In currency of country	In % ²⁾
Germany (Fed. Rep.)	DM.	0.09	1.72	0.08	1.68	0.06	1.62
Saar	Ffr.	7.81	1.36	3.64	0.78		
Belgium	Bfr.	0.46	0.78	0.07	0.13		
France	Ffr.	9.21	1.63	7.40	1.76	13.76	1.91
Italy	Lit.	0.02	0.01	3.36	0.63	0.51	0.12
Luxembourg	Bfr.			0.33	0.50	0.05	0.06
Netherlands	Hfl.	0.14	3.17	0.23	6.45		

¹⁾ Total, underground and surface workers.

²⁾ Of employers' total expenditure in wages and social charges.
(See *Informations Statistiques*, 6th year, No. 5).

These figures lose something in absolute value inasmuch as they include both recruitment and training expenses. They do, however, give some indication of the expenditure on vocational training in the industries of the different countries. The High Authority will endeavour to provide more accurate figures on future occasions.

As can be seen from these details, the High Authority in 1959 went ahead with its work in connection with vocational training at the level of direct co-operation with the Governments, and also continued to promote the exchanges of experience which it had been at pains to arrange in previous years among experts appointed by the Community industries. Its activities in the two fields, for co-operation both with the Governments and with the industries, are mutually complementary in a manner most beneficial to all concerned.

CHAPTER EIGHT

LIVING AND WORKING CONDITIONS

Section 1 — Wages, Social Security and Terms of Employment

DEVELOPMENTS IN THE COMMUNITY

153. The dominant problem in the Community at present is the coal crisis. Consequently, the principal concern of the trade unions in 1959 was to protect their members against the effects of the economic difficulties. This they sought to do by putting in claims for a shorter working week and guaranteed employment, and by continuing to work for the introduction of a Miners' Code.¹⁾

In the iron and steel industry the production trend was particularly satisfactory, but, as a result of improved productivity, was accompanied by only a minor increase in the labour force. Collective-bargaining activity did not produce any very substantial changes in wages, but was concentrated on the improvement of terms of employment and the consolidation of earlier gains. The agreed wage schedules underwent some alteration, but on the whole increases in actual wages were on a limited scale.

Special mention should be made of developments in this connection in two of the Community countries. In France, the course of collective bargaining was undoubtedly affected by the economic policy of the Government: it was not until the end of the year that negotiations were begun in all industries and in all parts of the country, and that wage increases

¹⁾ See No. 139 above.

were granted in the nationalized industries. In the Netherlands, 1959 saw the end of a strict system of wage regulation : while the employers' and workers' associations still do not enjoy complete freedom of action in regard to collective bargaining, at least they had, proportionate to the productivity of the industry or enterprise, a good deal more scope than before.

The cost of living changed very little in the Community; in Belgium, and France, however, it did move sufficiently to bring the sliding scale into operation. It should be recalled that in France, since the ordinance of December 31, 1959, only the guaranteed minimum inter-industry wage (S.M.I.G.) is linked to the price-index on a sliding-scale basis.

Consumer-Price-Index

1953 = 100

Country	Year 1958	January 1959	September 1959
Germany (Fed. Rep.)	110	110	112
Saar	130	134	—
Belgium ¹⁾	108	109	110
France (Paris)	122	127	129
Italy	113	113	113
Luxembourg ¹⁾	107	107	108
Netherlands	117	117	120

¹⁾ Exclusive of rents.

Wages

154. In most of the countries wage increases were not a main concern of the unions, which concentrated rather on securing a shortening of the working week (particularly in the mines) and the guaranteeing of jobs and wages.

The accompanying tables show the trend in direct wages in the Community countries.

**Trend in Direct Hourly Wages and Total Hourly Wage Costs
in the Coalmining Industry¹⁾**

(1953 = 100)²⁾

	1952		1953		1954		1955		1956		1957		1958		1959		
	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage ³⁾		
															1st qtr.	2nd qtr.	3rd qtr.
Germany (Fed. Rep.)	93.0	94.0	100	100	103.0	103.9	112.5	113.2	124.5/120.4	134.5/133.6	137.0/146.2	137.5/146.2	139.5/147.2	146.2	146.2	146.2	147.2
Saar	98.7	97.9	100	100	101.3	102.1	110.1	110.6	132.5/122.0	144.0/135.8	146.5/154.0	146.5/154.0	157.8/156.3	161.2	161.2	161.2	—
Belgium	99.2	99.1	100	100	100.8	101.2	103.6	105.0	111.8/109.5	129.4/133.8	132.3/138.8	132.3/138.8	159.6/161.2	161.2	161.2	161.2	—
France	99.6	97.1	100	100	102.2	102.0	111.9	112.6	121.6/125.9	137.4/144.8	153.5/167.6	153.5/167.6	159.6/161.2	161.2	161.2	161.2	—
Italy	—	—	100	100	102.7	106.0	109.4	115.4	118.3/—	118.1/140.0	123.3/155.4	123.3/155.4	124.7/124.1	123.3	123.3	123.3	—
Netherlands	98.8	98.9	100	100	109.0	110.2	116.8	122.2	125.7/134.5	144.3/154.2	154.5/162.2	154.5/162.2	158.8/152.6	152.6	152.6	152.6	—

¹⁾ For definition, see *Les Salaires et les Charges Sociales dans les Industries de la Communauté, Luxembourg, May 1956, Vol. 1, section on wage costs and employers' labour charges* (pp. 10-14).

²⁾ For wages in absolute figures from 1952 to 1958 inclusive, see *Les Salaires et les Charges Sociales dans les Industries de la Communauté, Luxembourg, May 1956, and Informations Statistiques*. For 1959, see *Bulletin Statistique*.

³⁾ Indices for hourly wages from 1956 onwards allow for pay in respect of off-days granted in lieu of a general reduction in working time.

⁴⁾ First figure exclusive of shift bonus; second figure inclusive of shift bonus.

⁵⁾ Exclusive of shift bonus.

Trend in Direct Hourly Wages and Total Hourly Wage Costs in the Iron and Steel Industry ¹⁾

(1953 = 100) ²⁾

	1952		1953		1954		1955		1956		1957		1958		1959		
	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage ³⁾		
															March	June	Sept.
Germany (Fed. Rep.)	96.1	95.4	100	100	104.4	103.3	113.6	113.7	123.8	124.2	138.8	138.2	146.1	145.1	152.9	153.4	155.3
Saar	99.8	100.1	100	100	100.7	100.2	115.5	115.2	129.3	132.0	143.3	147.4	175.7	178.0	183.6	197.3	—
Belgium	102.7	102.1	100	100	103.9	102.9	110.4	110.1	120.9	122.0	131.0	134.3	132.2	135.5	134.5	135.4	138.5
France	100.4	98.0	100	100	104.4	102.7	117.6	115.9	130.0	131.4	139.4	142.1	159.1	164.7	163.0	162.1	163.6
Italy	102.0	97.9	100	100	106.4	104.6	110.5	106.9	119.8	120.6	124.4	123.2	130.0	131.8	133.0	133.9	133.6
Luxembourg	102.1	102.9	100	100	101.6	99.3	109.9	107.1	119.7	120.7	134.8	134.7	138.9	138.5	142.3	141.1	145.6
Netherlands	88.7	92.2	100	100	107.3	110.6	119.3	129.8	124.0	143.6	138.7	156.9	143.3	164.7	144.0	144.6	154.6

¹⁾ For definition, see *Les Salaires et les Charges Sociales dans les Industries de la Communauté*, Luxembourg, May 1956, Vol. I, section on wage costs and employers' labour charges (pp. 10-14).

²⁾ For wages in absolute figures from 1952 to 1958 inclusive, see *Les Salaires et les Charges Sociales dans les Industries de la Communauté*, Luxembourg, May 1956, and *Informations Statistiques*. For 1959, see *Bulletin Statistique*.

**Trend in Direct Hourly Wages and Total Hourly Wage Costs
in the Iron-Ore Mines ¹⁾**
(underground and surface)

(1953 = 100) ²⁾

	1953		1954		1955		1956		1957		1958		1959		
	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage ³⁾	Total cost	Direct hourly wage ³⁾	Total cost	Direct hourly wage ³⁾	Total cost	Direct hourly wage ³⁾		
													Feb.	May	Aug.
Germany	100	100	105.1	108.2	115.2	118.9	125.9	128.7	138.6	143.4	143.0	154.1	143.6	145.5	—
(Fed. Rep.)	100	100	103.0	103.9	116.4	118.3	130.4	137.9	142.5	152.4	160.0	173.8	162.4	165.8	165.7
France (East)	100	100	105.6	105.3	110.6	109.2	114.6	113.6	119.1	118.5	121.2	125.9	121.5	126.5	124.3
Italy	100	100	101.1	100.1	104.7	104.5	112.5	117.4	122.2	126.5	125.1	130.0	127.8	124.1	126.5
Luxembourg	100	100	101.1	100.1	104.7	104.5	112.5	117.4	122.2	126.5	125.1	130.0	127.8	124.1	126.5

¹⁾ For definition, see *Les Salaires et les Charges Sociales dans les Industries de la Communauté, Luxembourg, May 1956, Vol. I, section on wage costs and employers' labour charges* (pp. 10-14).

²⁾ For wages in absolute figures from 1953 to 1958 inclusive, see *Les Salaires et les Charges Sociales dans les Industries de la Communauté, Luxembourg, May 1956*, and *Informations Statistiques, For 1959*, see *Bulletin Statistique*.

³⁾ Exclusive of shift bonus.

Federal Republic of Germany

In a general economic situation still anything but promising at the beginning of 1959, the principal problem was the coal crisis. As the year went on there was a marked revival of activity in the iron and steel industry, and productivity rose steeply. Actual direct wages remained largely unchanged; on the other hand, there was a fairly substantial shortening of the working week in both the coal and the steel sector, as well as some increases in allowances and bonuses in the iron and steel industry. Moreover, rises in the prices of certain food-stuffs pushed up the cost-of-living index.

Another important event of the year was the reintegration of the Saar into the German economy. This caused considerable changes in the income pattern of Saar workers (mainly with regard to social allowances and benefits), and led to the conclusion of fresh collective-bargaining agreements for the Saar.

A number of wage agreements in the iron and steel metal-working industries were denounced at the beginning of the year. In the main, however, claims were not for direct wage increases, but for concessions on allowances and bonuses, stronger guarantees and shorter hours.

Coalmining industry. — The wage schedules agreed in 1957 were increased by 10-12% with effect from May 1st, to offset the shortening of the working week.

The reincorporation of the Saar was followed by the signing on July 2 of a fresh collective-bargaining agreement for the Saar collieries. To compensate the Saar miners for the 6% difference in prices, they were granted a cost-of-living allowance amounting to 9.5% of their wages.

Iron and steel industry. — Two agreements were signed during 1959.

In the negotiations for the renewal of the collective-bargaining agreement for North Rhine/Westphalia in August 1959, the unions said they were prepared to retain the other terms and conditions as they stood, provided greater security was afforded as to wages and related items.

The new agreement, which was signed on September 1, is an attempt to reduce the difference between the scheduled and the actual wages. It provides for

- a larger contractual wage guarantee (increase of 11% in scheduled day rates and 15% in the guaranteed piece rates);

- higher additions for regular night and Sunday work;
- smaller regional abatements;
- the abolition of differences between men's and women's wages.

In the Saar, an agreement was signed on July 10 aligning steelworkers' wages with those in North Rhine/Westphalia, and making some changes in the bonuses payable.

Belgium

The economic situation began to look up in the course of the year. From the second quarter onwards industrial production rose, except in the coalmining industry, where it continued to fall fairly steeply. The iron and steel industry, on the other hand, was one of the sectors in which the recovery was most apparent.

The persisting coal crisis, among other factors, kept unemployment high, particularly during the first quarter. In view of the state of the labour market, the trade unions asked the authorities for safeguards against unemployment (*e.g.* control of shutdowns and a guaranteed weekly wage) rather than wage increases. No action to speak of was taken to secure changes in the wage clauses of the agreements in force. Other claims put in were for concessions on terms of employment, such as double holiday pay and the granting of education leave.

The Fédération Générale du Travail de Belgique several times asked the Government to call a tripartite social and economic conference (Government, workers and employers). Fresh representations were made in this connection towards the end of December, but the Government declined to respond. The F.G.T.B. then embarked on an intensive nation-wide campaign to press home its claims.

The cost of living rose, particularly from the second quarter onwards. As wages are in many cases linked, by the terms of the collective-bargaining agreements in force, to the movements of the cost-of-living index, there were a number of wage increases in September and October. In the coalmining and metal industries wages were increased by 2.5% with effect from September 1.

France

The economic and social situation in 1959 was considerably influenced by the economic measures introduced at the end of December 1958.

Although the general market position improved, the Government continued to set its face against all-round wage increases. All arrangements linking wages to the cost of living had been abolished by the decree of December 31, 1958, except in the case of the guaranteed minimum inter-industry wage.

On February 1, 1959, this guaranteed minimum was raised by 4.5%, although there had not been a corresponding rise in the cost of living. The aim was to afford the workers in the low-income bracket some safeguard against any rise in prices which might result from the Government's latest decisions. The cost of living remained more or less steady from February to June, but rose appreciably from July to October. On November 1, the guaranteed minimum was again raised by 2.67%.

Union claims were mainly for the abolition of certain measures reducing social-security benefits, and for wage increases. The Government abolished the system, introduced by the decree of December 31, 1958, whereby the first Ffr. 3 000 of medical expenses incurred was not repayable to the worker, and granted an increase in family allowances from July 1. It continued in principle to oppose wage increases on a general scale. However, at the beginning of the fourth quarter, having regard to the development of the economic situation, it relented somewhat, and agreed to sector-by-sector negotiations, though insisting that increases must not exceed either 3% or 4% *per annum*, according to the sector concerned. In the last few months of the year there were a considerable number of meetings between employers and workers, as a result of which certain agreements were concluded.

In the coalmining industry a 4% increase in the basic wage rates had been granted from February 1. In view of the industry's difficulties, the unions concentrated on securing shorter hours. Workers at the iron-ore mines were also granted a 4% increase from February 1. In the iron and steel industry, the unions used the marked upturn in production as an opportunity for putting in claims for wage increases. In June there was some agitation in the Eastern region, and in November a number of meetings of employers' and workers' representatives were held to examine the men's claims. An agreement was signed in the Eastern region, raising guaranteed earnings by approximately 5% and actual wages by about 3%.

Italy

The general economic situation in 1959 was comparatively favourable. Industrial production, after the lull in 1958, picked up satisfactorily. In addition, the cost of living went down during the first

half of the year. The operation of the sliding scale caused the cost-of-living allowance (*contingenza*) to be reduced from the quarter May-July onwards by between Lit. 12.30 and Lit. 17.93 per hour, according to the wage group and area concerned. In the following quarters the allowance remained unchanged.

The unions were chiefly concerned in their negotiations for the new collective-bargaining agreements to obtain improvements in wages and terms of employment. During the negotiations there were a good deal of agitation and some strikes in the metal industry and at the mines.

Towards the end of the year the unions and the employers came to terms with regard to the renewal of the national agreements for the metal-producing and metalworking industry (*metalmeccanica*). The wage rates for this industry were increased by 5.5%. In addition, women were given the same absolute increases as men in the same grades: they thus obtained a larger percentage increase than the men, so that the difference between men's and women's pay was lessened. Increases were also made in the minimum piece-rate payments and in the rates for overtime and work on public holidays.

In the coalmining industry the negotiations for the renewal of the collective-bargaining agreement culminated at the end of November in an arrangement granting a 2.5% rise in wages and an increase of Lit. 12-15 a day in the underground bonus. Owing to some differences of opinion as to the interpretation of the provisions, the final text has not yet been signed.

In January 1960, the Government agreed to a suggestion by the Confederazione Italiana Sindacati Lavoratori that it convene a tripartite conference (Government, workers and employers). This will be the first conference of its kind to be held in Italy.

Luxembourg

Both in the iron and steel industry and in the iron-ore mines the renewal of the collective-bargaining agreements was the occasion for a clash of interests.

The trade unions did not ask for major increases in direct wages: they asked for improvements to certain related items, the inclusion in the basic wage rates of all non-contractual allowances and bonuses, increases in sickness benefit and in the rates for work at night and on public holidays, the institution of a holiday allowance, etc. The em-

ployers refused, mainly on the grounds that wages and wage costs in Luxembourg were the highest in the Community.

During the year some concessions were made on both sides. The new wage agreements for the iron and steel industry and the iron-ore mines were signed in September, while at the same time the two parties agreed to take the matter to arbitration to settle the points still in dispute. The tribunal decided on December 31 that an overall increase of Bfr. 500 should be paid for the second half of 1959, and an increase of Bfr. 1 per hour granted from January 1, 1960.

Netherlands

In the Netherlands wage policy underwent quite a notable change during 1959. The new Government announced on May 26 that in future the two sides of industry would be allowed greater freedom in determining wages and terms of employment, and on July 6 it embodied this new policy in directives to the Rijksbemiddelaars (National Arbitration Board).

Whereas up to then changes in collective-bargaining agreements had to be kept within the limits laid down by the Rijksbemiddelaars, the parties to the agreement are now able to negotiate freely; the approval of the Rijksbemiddelaars is, however, still be required. The Rijksbemiddelaars has to examine each agreement and decide whether the increase in labour costs resulting from the higher wages and improved terms of employment is or is not in excess of the increase in productivity in the enterprise or sector concerned.

The first agreement concluded under this new policy was that for the metal industry, which also covers the iron and steel industry. It was approved by the Rijksbemiddelaars, and came into force on August 1. It provides for

- a 5% increase in the contractual wage rates;
- the inclusion in the wage of the rent-increase allowance;
- a reduction in regional abatements, which will in future not exceed 7 cents per hour, as against the previous ceiling of 11 cents;
- the payment to all workers not on piece or incentive rates of a bonus amounting to not more than 7.5% per individual worker and not less than 5% of the average for all workers in the grade concerned;
- the reduction of the difference between men's and women's wages from 30 to 25%.

In the coalmining industry the contractual wage rates were not increased. The special bonus of Hfl. 1.50 per shift payable to underground workers since 1957 was also paid in 1959, in accordance with an order from the Mijnindustrieraad (Board of Mines).

The cost of living rose in 1959 by slightly over 2%.

Social Security

155. In a number of Community countries minor structural reforms are gradually welding the social-security arrangements into a system ultimately covering all risks and all sections of the population. Of the many small changes made in regard to benefits, a few will be found listed below.

A 6.1% increase was granted in the Federal Republic of Germany, with effect from January 1, 1959, in the seven million-odd pensions paid to persons retired or disabled since 1957 or before. This was the consequence of the all-round increase in the basis figures for the assessment of the new pensions for 1958.

The law on tuberculosis, which came into force on October 1, 1959, provides that workers and old-age pensioners and any of their dependents suffering from active tuberculosis are to receive treatment free of charge, and to be assisted in various other ways, also free of charge, until they are fully recovered or able to resume work.

The law of March 16, 1959, raised family allowances for third and subsequent children from DM. 30 to DM. 40, with effect from March 1.

In the Saar, the social legislation of the Federal Republic¹⁾ entered into force on July 5, when the transition period for the territory expired. This meant, *inter alia*, that the family allowances previously payable in respect of the first and second child were no longer so. In the case of the miners a new collective-bargaining agreement was concluded providing for special allowances in compensation for this loss.

In Belgium, a Royal decree of April 1959 guaranteeing miners a short-time-working allowance in respect of even a single shift not worked per week was extended up to March 5, 1960.

¹⁾ With certain exceptions, and where no separate arrangements had been specially introduced earlier.

A decree issued in August provided that in calculating annual holidays days not worked owing to accident or illness should be treated as normal working days.

From June 3, 1959, family allowances were made payable, subject to certain conditions, in respect of young persons between 18 and 21 still undergoing full-time instruction. Following the rise in the cost-of-living index, family allowances were increased by 5% on October 1.

In *France*, a number of changes were made in the basis for the calculation of social-security contributions and benefits:

- the ceiling of the income subject to compulsory contributions under the general and the mining-industry scheme was raised as from January 1, 1959, from Ffr. 600 000 to Ffr. 660 000 *par annum*, and the contribution rate from 16% to 18.5%;
- the reference wage for the calculation of family allowances was raised by 10%, bringing the monthly figure up from Ffr. 19 000 to Ffr. 21 000 from August 1 onwards (a total average increase of approximately 6% in the allowances actually paid);
- the employer's contribution for family allowances was reduced from 16.75% to 14.25% from January 1, 1959, the ceiling of incomes subject to contributions being fixed at Ffr. 660 000;
- from December 1 the health-insurance contribution in the coalmining industry was raised from 8% of the wage to 9%, 7% to be paid by the employer;
- miners' pensions were increased by 4.14% from March 1;
- by a decree of May 4, 1959, disability and old-age pensions were raised by 13.5% with effect from April 1, and accident benefits with effect from March 1;
- from July 1 the arrangement under the decree of December 31, 1958, whereby insured persons receiving medical attention were not entitled to recover the first Ffr. 3 000 in any six-monthly period, was discontinued.

An instance of the streamlining in progress in the social-security system is the new arrangement regarding accident insurance, making it compulsory from June onwards to make lump-sum cash settlements in lieu of small pensions (for less than 10% disability).

One of the most important events of the year was the coming into force, on January 1, 1959, of the agreement signed on December 31, 1958, between the employers' association (the Conseil National du Patronat Français) and the workers' organizations (the Confédération

Française des Travailleurs Chrétiens, the Confédération Générale du Travail-Force Ouvrière and the Confédération Générale des Cadres), providing for the payment of supplementary unemployment benefit. Its provisions, instituting for the first time in France a system of unemployment insurance for practically all industrial and commercial enterprises, with the exception of the coalmines, were, by a decree of May 12, 1959, made binding upon all such enterprises belonging to sectors represented in the C.N.P.F. Payments to workers over and above the existing statutory benefits vary according to the wage of the man concerned, but must amount to not less than Ffr. 380 per day in areas where no abatement is made. The regular rate for the supplementary benefit is 35% of the average daily wage for the last six months, and it is payable for a maximum of nine months in all. The funds come from employers' and workers' contributions amounting respectively to 0.8% and 0.2% of the wages.

The second structural change of importance for the social protection of Community workers was introduced by an agreement signed on December 15, 1959, between the employers' and workers' organizations in the coalmining industry (with the exception of the C.G.T. union), establishing a supplementary mineworkers' retirement scheme from January 1, 1960. The pension payments under this arrangement, which will be additional to the statutory amounts, vary according to the man's wage and length of membership.

A migrant workers' social-security centre was set up to co-ordinate, in France, the social-security arrangements in favour of migrant workers coming under Regulations 3 and 4 of the Council of Ministers of the European Economic Community.

In *Italy* the "minor reform" of I.N.A.M., the national health-insurance institute, became operative on January 1, 1959. In addition to general improvements in the benefits (period of hospital treatment extended from 30 to 180 days, daily sickness benefits to amount to 54% of the total wage), certain structural changes were made: thus in future persons regarded as being dependent on the insured worker in respect of family allowances are to be entitled to sickness benefit. The reform also did away with most of the disparities between the benefits paid by the different sectors of industry.

From May 7, 1959, the health-insurance contribution was put up from 6.4% of the wage to 7.3%.

In *Luxembourg*, an official body was established by law in May to be responsible for the rehabilitation of physically-handicapped workers. These are defined for the purposes of the law as including all persons with a disability of 30% or over, whether due to occupational accident, war injuries or any other cause.

All enterprises, public and private, employing more than 50 persons are required to reserve 2% of their regular appointments for handicapped workers. Enterprises employing between 25 and 50 persons must give priority to one handicapped man for a job for which such a man is fit.

Under a law of August 10, 1959, a general system of family allowances was introduced from September 1, and changes were made in the regulations in force for workers. Allowances are paid for children in general up to the age of 19, and for children still receiving full-time education up to the age of 23. Where the children are ill or unable to support themselves, the allowance is payable up to any age.

In the *Netherlands*, a partial adjustment to the cost of living was made as from January 1, 1959, in the pensions of retired miners under the age of 65, pending the general reform planned in regard to pensions of workers in the coalmining industry.

In accordance with the overall development and extension process in the field of social security, a law which came into force on October 1 introduced a pensions scheme for widows and orphans alongside the general system of old-age pensions.

Terms of Employment

156. *Germany*. — In the non-continuously-operating departments of the iron and steel industry the working week was reduced from 45 to 44 hours under an agreement concluded in May 1958, which came into force on January 1, 1959. The continuously-operating departments work a 42-hour week, by the terms of earlier agreements.

The employers and workers exerted themselves to get working hours in the Saar iron and steel industry into line with those in the rest of the Federal Republic. On January 20, 1959, two collective-bargaining agreements were concluded limiting the working week to 48 hours in the continuously-operating departments, *i.e.* the coking-plants and the blast-furnaces; an agreement signed on July 10 provides for its further scaling-down, in a series of stages up to March 31, 1960, to 42 hours in these departments and to 44 on the non-continuously-operating side. The wage adjustment rates were fixed in accordance with a special scale of wage quotas (*Lohnquotensystem*).

The main development with regard to working-time in the *coalmining industry* (Ruhr, Aachen, Lower Saxony) was the introduction of the five-day week on May 1, 1959. Over and above the twelve paid public holidays and the twelve further off-days already allowed in lieu of the impending general reduction, 28 additional off-days were granted

(bringing the total to 52), to enable the free Saturday to be introduced. At the same time the shift was extended from 7 1/2 to 8 hours below ground and from 8 1/2 to 9 at the surface; the shift at the surface was subsequently reduced, as from October 1, to 8 hours 45 minutes, including a 30-minute break. Compensation for the 28 additional off-days is being paid in three instalments. From May 1, 1961, onwards all off-days will be paid. In the continuously-operating departments the working week was reduced from 48 to 42 hours with effect from May 1, 1959.

In the Saar coalmining industry the five-day week was not introduced. A collective-bargaining agreement has, however, concluded on July 2, 1959, reducing working time by increasing the number of paid off-days in accordance with a staggered schedule whereby the number will be first raised from 8 to 12 days for 1960, thereafter stepped up from year to year, and finally, from 1964 onwards, fixed at 25 days for underground and 16 for surface workers.

For the continuously-operating departments an agreement concluded in December 1958 reduced the working week to 48 hours with effect from April 1 and May 1, 1959.

By an agreement signed on June 9, 1959, workers at the *iron-ore mines* were granted 17 paid off-days, inclusive of statutory public holidays, between January 1 and December 31, 1959, and will be entitled to 32 in 1960 and 35 in 1961.

Under a collective basic-wage agreement for the *iron and steel, metalworking and electrical-engineering industries*, which came into force on January 1, 1959,

- after receiving notice of discharge in the normal way from his employer, a worker is entitled to up to four hours' paid time off to seek new employment;
- longer compassionate leave is allowed, and a number of fresh grounds entitling workers to such leave are admitted;
- juveniles are entitled to 18 days' annual holiday instead of 15, or to 21 instead of 18, according to seniority.

The agreement also provides that a worker discharged before, upon or following the introduction of short-time working is to receive his full regular wage while serving his notice.

Belgium. — Social claims were mainly for security of livelihood and stability of employment.

The Belgian Government has already brought in several Bills with this end in view: one concerning closures of enterprises was submitted to the Chamber of Representatives on June 25, 1959. It applies to all enterprises which were employing 50 workers or more on September 30,

1958 : it provides that a gratuity, varying according to seniority, is to be paid by the employer, or failing him through a fund of the Office National du Placement et du Chômage, to all workers whose contracts, although concluded for an indefinite period, are terminated by the employer owing to the closure of the enterprise, and also that committees of employers' and workers' representatives are to establish the arrangements to be made as regards giving prior notice of closure to the workers, authorities and organizations directly concerned, and finding fresh employment for the men.

France. — In accordance with its general economic policy, the French Government sought to contain wage increases; at the same time, it took various *steps to improve the workers' position.*

A decree was issued on January 7, 1959, extending the statutory non-liability to dismissal enjoyed by members of works councils and workers' delegates. Another decree of the same date laid down details as to conditions of discharge.

By a further decree of January 7, 1959, the Government indicated the lines to be followed in any arrangements for workers' participation in the benefits of their enterprises. This enactment is designed to enable agreements to be freely negotiated between unions and managements, and is not itself legally binding.

Finally, a law promulgated on July 31, 1959, on "social promotion", laid down the framework and broad outlines of an overall programme to co-ordinate, assist and extend the improvement of workers' skills and chances of promotion. The State is to contribute financially to the development and establishment of institutions to provide appropriate instruction, and will provide the funds to pay the workers attending them.

In view of the coal crisis, the workers' claims continued to centre on the question of employment, and hence on that of the *working week in the coalmining industry.* The unions felt the 40-hour, five-day week, without loss of wages, to be the answer to the problems of redevelopment and short-time working. The Government did not specifically oppose this, but drew attention to the economic implications of any shortening in working hours.

To expedite the industrialization of the country by the establishment of new economic activities offering adequate openings on the spot to workers laid off from enterprises in difficulties, the Government planned to set up an office of industrial conversion and development (Bureau de conversion et de développement industriels). The Cabinet on November 23, 1959, examined a Bill providing, *inter alia*, for the financing of State-controlled companies out of public funds, during a

transition period, by an institution to be called the Bureau de Participations Industrielles. The Bureau's capital would come mainly from public funds or from taxes on one or more sources of energy. These funds would be earmarked for the partial reconversion of the coalmining industry.

Italy. — The agreement signed on March 7, 1959, *shortening the working week* in the iron and steel industry by an hour and a half, came into force on January 1, 1959: up to December 31, 1958, 70% of the reduction had been observed, as a transitional measure.

In the coalmining industry it was agreed that working time should be reduced by six paid working days in the year. The practical details have not yet been settled.

The main *legislative changes* were the new mines regulations, contained in a decree of April 9, 1959, and the law of July 14, 1959 (which came into force on October 3), empowering the Government to decree minimum standards regarding wages and terms of employment for all workers in a given category. The law laid down no actual rules for the general extension of the existing system to all wage agreements, but the same end was achieved in practice: decrees issued under it by the Government faithfully respected all the terms of the various collective bargaining agreements operative at the time of its entry into force, while in the case of individual contracts the provisions of the decrees automatically replaced all clauses except those more favourable to the workers.

The new collective-bargaining agreements for the metal-producing and metalworking industry and the mining industry contain various important improvements. In the case of the former a procedure was instituted for settling grievances concerning the fixing of piece rates and grading, and adjustments were made with regard to holiday arrangements and severance allowance. In the mining industry the new agreement, in addition to introducing the reduction in working time already referred to, lays down a procedure for settling piece-rate grievances, increased severance allowance and provides that certain customary holidays, such as St. Barbara's Day, shall be paid even when they fall on a Sunday.

Luxembourg. — A Grand Ducal decree of October 30, 1958, amended the regulations concerning workers' delegates in industrial and commercial enterprises and small businesses. Under the new regulations workers' delegates must be appointed in all such enterprises and businesses regularly employing 15 persons or more, instead of the former 20.

The principal functions of these delegates are

- to give their views concerning the framing or amendment of works or shop rules and regulations;
- to co-operate in the establishment and implementation of apprenticeship arrangements;
- to take part in the administration of welfare arrangements;
- to even out difficulties between the employer and the workers by conciliation;
- to endeavour to get disabled persons re-employed;
- to help ensure the prevention of industrial accidents and occupational diseases.

The term of office of workers' delegates was extended from two to four years; the minimum age for eligibility was reduced from 25 to 21, and foreign workers were admitted as eligible subject to certain conditions.

Election procedure was fixed by a Grand Ducal decree of November 21, 1958.

Netherlands. — The new collective-bargaining agreement for the *metal-producing and metalworking industries*, signed on June 30, 1959, provides for the possibility of a reduction of one hour in the present 48 hour week with effect from April 1, 1960, and of three hours from January 1, 1961, The Rijksbemiddelaars (National Arbitration Board) approved the terms of the draft, so that all that is now required is for the parties to reach agreement.

In the *coalmining industry*, the employers and workers took advantage of the scope offered by the new wage policy to introduce a further cut in working time by granting a second free Saturday per month as from October 1, 1959. This is additional to the first, which was granted in 1957. Thus the underground workers have two free Saturdays in the month; the surface workers, who after the first reduction had to make up for their free Saturday by working extra hours during the week, get the full benefit of the newly-granted second Saturday.

WORK OF THE HIGH AUTHORITY

Wages

157. (a) As part of its general information work, the High Authority published a survey (submitted in advance for

examination by the Committees on Wages, Social Security and Terms of Employment) on supplementary social-security schemes, ¹⁾ and also a study of the wage trends and wage policy in 1958. ²⁾ following up a work on this subject for the period 1945-56, which is now available in its final printed form. The High Authority intends to issue regular supplements to this publication.

(b) The High Authority also assembled the necessary material for a first study of the trend in wages and terms of employment for non-manual workers in the Community industries. It had for some years been carrying out surveys on those of the miners and steelworkers, and now embarked — as the employers' and workers' associations had expressed the hope that it would — on a study of the position in regard to the non-manual workers whose role in industry is growing in importance all the time. During 1960 the draft studies for the individual countries will be finalized, and the High Authority, in accordance with its usual practice, will contact the organizations directly concerned, in order to discuss these and where necessary expand them.

(c) Thanks to the co-operation of the employers' and workers' associations, the survey concerning the various systems for linking wages to productivity, production and output employed in the different Community industries and Community countries ³⁾ were completed and distributed. There is a separate survey for each industry, consisting of monographs describing the position in each country and an overall report seeking to establish a typology of the different systems in force in the Community. They show that in the coalmining industry :

¹⁾ *Régimes complémentaires de sécurité sociale applicables aux travailleurs des industries de la Communauté*, Luxembourg, July 1959.

²⁾ *Evolution des salaires et politique salariale dans les industries de la Communauté en 1958*, Luxembourg, June 1959.

³⁾ *Informations sur les systèmes de liaison des salaires à la production, au rendement et à la productivité*, Luxembourg, September 1959.

- payment at piece rates is the system in most common use, employed for between 40 and 60% of underground workers, according to country;
- in some countries time studies are being introduced more and more for the calculation of piece rates, in place of the older rule-of-thumb methods;

in the iron-ore mines

- the position is much the same as in the coalmining industry;
- in Germany and, in particular, in France, the piece-rate system, based entirely on the amount produced, is tending to be replaced, as a consequence of mechanization, by an arrangement whereby the worker receives an incentive or output bonus over and above a fixed wage;

while in the iron and steel industry

- a great many different systems, often highly complex, are employed not only within the industry, but within individual enterprises;
- the practice of awarding collective bonuses is becoming increasingly frequent.

(d) The High Authority's work on job evaluation had to be to some extent pigeonholed during 1959, its attention being occupied by other matters. This is not to say, however, that its studies in this connection have been dropped: it proposes to resume them shortly, as it is being urged to do from a number of quarters.

(e) While the High Authority's investigations provide it with a picture of the situation prevailing at a given moment, it has also been concerned to obtain a picture of the ongoing trend in regard to wage systems, and to compare this with the trend in production and organization methods.

It commissioned specialized institutes in the six countries to carry out studies on the problem, but the subject

was such a wide one that these had to be confined to the iron and steel industry, and within that industry again to the rolling-mill sector only. The findings were published under the title *Niveau de Mécanisation et Mode de Rémunération*, and were followed by an overall summary report comparing and contrasting points observed in the different countries.¹⁾ The studies covered 22 rolling-mills in all, at 11 Community works. They provided a number of useful pointers as to

- the gradual change in the nature of the work required, away from physical effort and craft skills towards a higher and higher degree of mechanization, culminating eventually in mere machine-minding — a process which is having far-reaching effects on team make-up and the worker's influence on production;
- the change in wage systems, with the fixed portion tending to increase at the expense of the variable portion traditionally linked to production;
- the operation of the various wage systems, which is affected by differences in the methods used.

Judging by the reactions to date to this new departure, the High Authority can say that its purpose has been largely achieved: this study work has aroused a great deal of interest in the Community. Employers' and workers' associations asked the High Authority to organize meetings at which the points raised can be gone into more fully, with a view to having the subject further thrashed out between the research specialists and the men on the spot in industry. The High Authority agreed to supply the additional information requested, and meetings are to be held early in 1960. The High Authority also received a number of memoranda refuting or supporting individual points made.

¹⁾ *Niveau de mécanisation et mode de rémunération*, Luxembourg, October 1958. — *Niveau de mécanisation et mode de rémunération*, by B. Lutz and A. Willenez, with foreword by M. Georges Friedman (overall summary report), Luxembourg, November 1959.

The whole concept of wages has changed a great deal, and is still changing. Both to the employer and to the worker the wage is now more than a mere item in production costs — the cost of one production factor — or the return for a job performed. Views have altered, therefore, concerning wage levels, wage scaling and the possibilities and prospects as to wage changes : such matters can no longer be treated purely from the technical or economic angle. The position of both employer and worker is determined by factors often transcending the bounds of the actual shop or works itself. Wages have become a social fact. These are all aspects which have to be borne in mind in considering the subject of wage systems.

The High Authority decided to restart work in connection with its earlier research projects, and to undertake an additional one. It commissioned two research centres, in Germany and in France, to carry out a more comprehensive investigation of the subject of incentive rates, and of resistance to changes in methods of payment. Further studies are also to be effected by other research centres in the Community.

Thus in regard to certain questions the High Authority is adopting a somewhat new approach. In past years its aim was to take stock of the existing situation : this was the object of the surveys on wages and wage costs, the study on wage trends and wage policy, the monographs on the social-security schemes applicable to miners and steelworkers, and the monographs just published on the trend in terms of employment. It makes every effort to bring these up to date each year. And the stock-taking process is by no means over : it is focused at present on the trend in the field of social security and in the salaries and terms of employment of non-manual workers.

At the same time the High Authority is studying the profound changes at work in the industrial society of today. Technological changes are revolutionizing all our

ideas as to work, jobs, organization, labour relations, grading and so on. The whole structures of the industries and the enterprises — like the social structure generally — are in a state of flux. It is essential to be fully conversant with every detail of the situation as it now is : such details the High Authority must, as the Treaty provides, ascertain and make more widely known, but it regards it as equally essential to make preparations for the situation as it will be, and to afford every assistance to study and discussion on the subject.

Terms of employment

158. In co-operation with representatives of the employers' and workers' associations, the High Authority continued to seek ways and means of improving and levelling-up living and working conditions.

(a) The Employers' and Workers' Joint Committee on the Harmonization of Terms of Employment in the Iron and Steel Industry met again in July 1959. It noted the progress made to date in the fields dealt with by it on previous occasions, namely working hours, annual holidays and paid public holidays.

The Committee examined and endorsed the comparative tables drawn up by a working party, in co-operation with departments of the High Authority, showing the employment position *de jure* (under enactments and collective-bargaining agreements) and *de facto* in the Community industries. These indicate conditions in the six countries with regard to types of contract, recruitment, the worker's position in the event of (i) temporary suspension of operations, (ii) the introduction of short-time working or (iii) a change in the legal status of the enterprise, transfer, individual dismissal (normal discharge, dismissal without notice), collective discharge and legal redress against dismissal.

The Committee requested the High Authority to assemble material for it to discuss at a future meeting on either :

— workers' representation at enterprise and industry level (representatives' functions and competencies),

— the repercussions of technical progress in the iron and steel industry on productivity, wages, working hours and employment.

The High Authority decided to concentrate to begin with on the first of these questions. Its appropriate departments are engaged on the preparatory work for the examination of the second.

(b) The Joint Committee on the Harmonization of Terms of Employment in the Coalmining Industry is to meet again in the course of the next few months.

(c) After consulting the Committees on Wages, Social Security and Terms of Employment, the High Authority recently published a series of monographs on the trend in terms of employment in the six countries. These will be brought up to date each year, and are designed, in conjunction with the reports on wage trends and social security, to give a regular picture of the social situation in the Community.

(d) The group of experts on labour law attached to the High Authority continued its work.

One study, "La représentation des travailleurs sur le plan de l'entreprise", has just been published; another, "Le régime juridique de la grève et du lock-out", is printing, while a third, "La protection des travailleurs en cas de perte de l'emploi", is in preparation. The first title of the series, "Les sources du droit du travail", is being revised for printing. Work is to begin shortly on a new study, "La participation des travailleurs à l'organisation de la vie économique et sociale".

The interest with which the volumes published so far have been received has shown the value of what the High Authority is doing to determine the broad outlines of labour law in the six Community countries.

Section 2 — Housing*ASSISTANCE FOR THE BUILDING OF WORKERS' HOUSES*

159. Since the publication of the last General Report, 10,586 dwellings have been financed. This means that up to January 1, 1960, the High Authority had approved arrangements to finance 44,987 dwellings in all. Of these 24,851 were already completed, 14,285 building, and 5,851 in preparation. The total amount set aside by the High Authority for this purpose up to the same date was 74,600,000 units of account.

Of the 44,987 dwellings, 26,563 were intended to be let, and 18,424 to be available for ultimate ownership by their occupiers.

The accompanying table shows the funds provided and the stage now reached in operations under the four building schemes (covering in all 36,208 housing units), *viz.*

- the first and second experimental schemes and
- the first and second housing schemes assisted by High Authority loans.

The financial operations in connection with Loan Scheme II were completed by the following arrangements in respect of the Grand Duchy of Luxembourg.

The High Authority extended a credit of Lfr.20 million to the Caisse d'Epargne de l'Etat, to be used to build dwellings for steelworkers and iron-ore miners. Of this total,

— one-half came from the High Authority's own funds, and was lent for 23½ years at 1% p.a.;

— one-half came from a loan raised by the High Authority from the Etablissement d'assurance contre la Vieillesse et l'Invalidité, Luxembourg, and was lent for 23½ years at 5½% p.a.

The High Authority's object in charging the low rate of 1% on its own funds was to offset the higher rate of

**Financial and Operational Position under Experimental
Schemes I and II and Loan Schemes I and II**

(as at January 1, 1960)

Country	Credits ('000,000 units of account) of which						Dwellings financed	of which		
	High Authority funds	%	Supple- mentary funds	%	Total amount advanced	%		in pre- paration	building	completed
Germany (Fed. Rep.)	22 518 000	51	12 100 000	71	34 618 000	56	25 223	1 148	4 143	19 932
(incl. Saar)	6 262 000	14	—	—	6 262 000	10	2 514	358	231	1 925
Belgium	10 819 500	25	—	—	10 819 500	19	3 854	426	1 707	1 721
France	2 550 000	6	600 000	4	3 150 000	5	3 214	1 205	1 565	444
Italy	458 000	1	200 000	1	658 000	1	181	60	44	77
Luxembourg	1 453 000	3	4 200 000	24	5 653 000	9	1 222	72	779	371
Netherlands										
Community	44 060 500	100	17 100 000	100	61 160 500	100	36 208	3 269	8 469	24 470

5½% on the borrowed funds, so as to enable the Caisse d'Épargne to relend the Lfr. 20 million for the 23½ years at 3½%. The credit will enable some 75 dwellings to be financed.

Scheme III

160. To ensure continuity in its policy of granting loans to assist the building of workers' houses, the High Authority had earlier decided to launch a third scheme and to set aside 15 million units of account from its own funds, to be used during 1959 and 1960.

During the period under review, the High Authority decided on the following operations under Scheme III. ¹⁾

(1) The High Authority granted to the Landesbank and Girozentrale Saar, Saarbrücken, out of the special reserve, a loan of Ffr. 400 million (810,198,79 units of account), for 25 years at 1% p.a.

The Landesbank und Girozentrale Saar supplemented the High Authority's contribution by making available Ffr. 1,200 million, also for 25 years, at 5,66% p.a.

The High Authority will thus be able to advance a total of Ffr. 1,600 Million (3,240,795.13 units of account), for 25 years at 4,5% p.a., for the building of houses for Saar miners and steelworkers under Scheme III. These funds, from which loans covering up to 50% of the total building costs are granted, will make it possible to construct in all approximately 800 dwellings, representing an expenditure of Ffr. 3 200 million.

(2) The High Authority had already decided in December 1958 to set aside DM.12 million out of its own funds to

¹⁾ See *Seventh General Report*, Nos. 230 and 231.

finance the building of houses for steelworkers in Germany, ¹⁾ and had made available a first *tranche* of DM. 5.4 million.

German social-security institutions had then agreed to supplement the High Authority's contribution with moneys of their own. The High Authority accordingly decided, after consultation with the appropriate authorities in Germany, to release the remaining DM. 6.6 million, which was duly supplemented by DM. 19.8 million from the German social-security institutions. The High Authority is charging 1.25% on its own contribution, thus offsetting the rate of 5.5½% payable on the supplementary funds. The total credit of DM. 26.4 million, which will thus be made available at 4.25%, will facilitate the financing of some 3 200 dwellings, to a total cost of approximately DM. 100 million. Of these about 1 200 will replace hutments and other temporary accomodation.

The credits will be extended to the housing associations through four mortgage banks for a period of about 35 years, at an interest rate of 4.75% and an annual redemption rate of 6%. The terms are thus the same as for the first *tranche*.

Up to January 1, 1960, the High Authority had approved allocations to help finance 8 679 dwellings in Germany. Of these 5 490 are intended to be let, and 3 189 to be acquired by their occupiers as their own property.

The schemes for Belgium, Italy, France and the Netherlands are in preparation.

Special measures

162. (a) The High Authority made an arrangement with the Caisse d'Epargne et de Retraite, Brussels, enabling the latter to make available to its associated credit institutions a total of Bfr. 65 million in the form of special loan.

¹⁾ See *Seventh General Report*, No. 231.

After consultation with all those concerned with workers' housing in Belgium, this amount was allocated among the different producer areas as follows :

Campine	Bfr. 20 million
Liège	20 million
Hainaut	20 million
Other provinces ...	5 million

After the regional committee for each area had been given an opportunity to state its views, the funds were duly disbursed to finance the building of 288 dwellings, all to be acquired by the steelworkers and miners occupying them as their own property.

(b) The High Authority decided to set aside funds from the readaptation reserve for loans in connection with the provision of alternative accomodation for workers having to be resettled following transfers to jobs in other parts of the country. The High Authority's departments wrote to the French Government asking its agreement to the granting of a loan to build 100 dwellings for workers of the Compagnie des Ateliers et Forges de la Loire transferred from Assailly to St. Etienne. The French Government gave its agreement in principle to the High Authority's proposals. The High Authority thereupon granted the Office public d'habitations à loyer modéré, St. Etienne, a loan of Ffr. 160 million (324 079.51 units of account) for a period of 40 years at 1% p.a., to finance the 100 dwellings, the city of St. Etienne agreeing to stand guarantor. The French Government is also to make a grant on the same terms. Forges de la Loire have provided the sites, and building operations are to begin shortly.

SURVEY OF COMMUNITY WORKERS' HOUSING REQUIREMENTS

162. To obtain a picture of the housing situation of workers in the Community industries, the High Authority as long ago

as 1952 set up within its Investment Committee a Sub-Committee on Workers' Housing, consisting of representatives of the employers' associations, the trade unions and the Governments, and of building experts. The Sub-Committee submitted a report the following year estimating requirements at something like 250,000 dwellings. In order to keep in touch with the situation, the High Authority early in 1955 asked the employers' associations for the relevant figures as at January 1, 1955 : these indicated that the situation was much the same as before.

It must, however, be borne in mind that housing requirements tend to fluctuate, being conditioned by various factors. These include changes in the number of workers at Community enterprises, and also in the number of dwellings available for miners and steelworkers (existing accommodation falling vacant, new houses being built).

To gain as accurate a picture as possible of the situation, in order to be able to take the requisite steps, the High Authority in October 1957 decided to conduct a survey on the subject.

In co-operation with the official statistics departments of the different countries, a sample survey was carried out in 1958, ¹⁾ covering some 40 000 Community workers. This yielded a considerable volume of factual data, from which it was possible to derive valuable indications as to actual housing requirements and the lines along which the High Authority's future housing policy could be developed. ²⁾

The results of the survey show that a great deal remains to be done. Inasmuch as 10% of the workers are still housed in "substandard", accommodation, the total number of urgently-needed dwellings works out at about 150 000. In addition, there are a number of dwellings, in buildings put up before 1918 and in too bad a state to be repaired, which

¹⁾ See *Seventh General Report*, Nos. 232 and 233.

²⁾ See *Informations Statistiques*, May-June and November 1959.

are too small and no longer up to standard as regards sanitary conditions, general amenities and comfort.

At the same time, the survey indicates only requirements in respect of those already employed in the coalmining and iron and steel industries. To these must be added the further requirements resulting from the recruitment of new workers and the replacement of those leaving the industry (owing to disability, retirement or other causes).

163. In order of priority, the tasks for the future must be as follows :

- (1) to build more dwellings, with the object of finally getting rid of all hutments and temporary accommodation, and enabling workers to move out of slum-type dwellings in old buildings;
- (2) to promote building projects necessitated by the transfer of workers in connection with adjustment and conversion schemes;
- (3) to build dwellings with a view to making good the continuing shortage, both for social reasons (to do away with such unsatisfactory features as separation of families, more than one household sharing the same dwelling, workers living in rooms, unduly long distances to travel to work) and for economic reasons (economic expansion, recruitment of workers, etc.);
- (4) to renovate old dwellings in regard to sanitary conditions, amenities and comfort.

The High Authority has all along regarded its financial assistance in respect of workers' housing as a supplementary contribution. Its object has been to make it possible for extra housing to be provided for workers in the coalmining and iron and steel industries, over and above that built under the national housing programmes. This policy it intends to continue.

The findings of the housing survey, which have meantime been worked out separately for the individual producer areas, will serve as the basis for its operations. In preparing its schemes, allocating the funds available and selecting sites and housing associations, it will continue to be guided by the regional committees. These bodies, which consist of representatives of the enterprises, the trade unions and the Ministries directly concerned, thus have a large share of responsibility in the matter.

The High Authority is now conducting a study of the results of Schemes I and II. This should yield valuable data as to financing, costs, remunerativeness and rents charged. In addition, a census is being taken of the sizes of the dwellings, the number of rooms and the standard of amenities and comfort. All these points are noted with reference to the year of construction, to enable trends to be worked out. The study is subdivided by countries and producer areas, so as to pinpoint differences in the financing, costs, size and amenities of the dwellings concerned, and also dwelling habits, if any. The results will be published during 1960.

HOUSING DESIGN COMPETITION

164. After technically and financially assisting the building of workers' houses, the High Authority was of the opinion that it was also necessary to do something to ensure more attractive and better-laid-out dwellings for workers.

It therefore decided to sponsor a housing design competition, for which architects in all the Community countries were to be invited to enter. Competitors were to design model houses suitable for occupation by miners and steelworkers, and for erection under public housing schemes in all six countries. The dwellings were also to be of a type to fit satisfactorily into the average town-planning arrangements of today.

The Ministers responsible for housing in the different Community countries agreed to be patrons. In addition, they each appointed one expert to sit on a working party which was to settle the rules and conditions of the competition in co-operation with the International Union of Architects (I.U.A.).

1 153 architects in all originally entered their names for the competition. By the closing date, August 1, 1959, plans had been submitted by 250.

The panel of judges completed their selection towards the end of October, and their findings were published in the form of a report giving their reasons for their final decisions. All the plans entered were displayed at a special exhibition held in Luxembourg from December 7 to 18, 1959.

In their final observations, the judges made the following points :

- “ The number and variety of the entries demonstrate
- that a great many architects are interested in the absorbing problem of workers' housing;
 - that this problem can be resolved in very different ways according to climate, usage and the development of building techniques;
 - that, notwithstanding the variety of the solutions submitted, it is possible to discern a number of common trends in regard both to the town-planning side and to the architectural aspect proper, as well as a common anxiety to develop and improve living conditions ,,

The winners were handed their prizes at a ceremony in Luxembourg on December 17, at which the Ministers responsible for housing affairs in the member countries were present. The prize-winning entries will be displayed at public exhibitions in all six countries.

The High Authority intends to bring out a brochure on the results of the competition, containing studies by mem-

bers of the panel of judges on its various aspects. This will be made available to all bodies and authorities dealing with housing matters.

In agreement with the prize-winners, the Governments and the housing associations and estate-development companies, the High Authority is to recommend to all those concerned in the six countries the adoption of the winning designs, and to set aside for this object a portion of the funds available under its own building schemes.

Section 3 — Industrial Health, Medicine and Safety

DEVELOPMENTS IN THE COMMUNITY

165. During 1959 further steps were taken in the Community countries to improve the health services and medical facilities for the workers in the coalmining and iron and steel industries. At the same time, a number of countries introduced additional laws and regulations for the more effective protection of workers in general against the diseases and hazards to which they are exposed.

In *Germany*, the text of a Bill amending the health-insurance arrangements was approved by the Cabinet on November 20, 1959. The Bill is now before the Bundestag. The Bundestag on November 11 also passed a law on air pollution.

During the year the Bergmannsheil surgical centre at Bochum started a skin bank for the treatment of burns. The Bergbau-Berufsgenossenschaft is planning the institution of isolation facilities with a special section for miners suffering from silico-tuberculosis.

In *Belgium*, a new decree on the rehabilitation of physically-handicapped workers was promulgated on April 28, 1959. Particular attention was devoted to the reintegration of these men into normal social life.

The following services were officially inaugurated during the years

- a silico-tuberculosis section at the Pellenberg University Sanatorium;
- the Institut Sainte-Barbe, Lanaken, established by the Association Charbonnière de Campine;
- a traumatology and functional-rehabilitation centre at Montignies-sur-Sambre, established and opened by the Caisse Commune des Assurances;
- a safety and health research centre at the Institut Malvoz, Liège.

Other services in preparation are

- a traumatology and rehabilitation centre at Loverval, financed by the iron and steel industry in the Charleroi area (to come into operation early in 1960, and to have a special burns section and a helicopter landing-space for emergency cases;
- the Institut des Mutualités Socialistes, Charleroi (main structure completed).

In *France*, a decree of January 6, 1959, made it compulsory for the coalmining industry to have organized medical services, as industry in general, including the iron and steel industry, has been required to have since 1946. It should be noted, however, that the Charbonnages de France had already instituted such services of its own accord.

By a decree of October 15, a commission was set up at the Ministry of Public Health and Population to study problems in connection with medical rehabilitation.

Hospital facilities were also further expanded. Thus a traumatology centre was opened at the Hôpital Cochin, Paris, the Charbonnages de France set up a separate burns wing at the hospital at Freyming, Moselle, and a new rehabilitation centre for disabled workers was brought into operation in Paris.

In *Italy*, the industry and the mines inspectorats carried out various operations preparatory to the implementation of the new mines regulations, which were scheduled to come into force on January 1, 1960.

Institutes opened included an I.N.A.I.L. traumatology centre at Padua and a traumatology and industrial-medicine study centre close to the I.N.A.I.L. traumatology centre in Florence.

A special department was set up in the new Ministry of Health to deal with rehabilitation of physically-handicapped workers.

In the *Netherlands*, a new regulation concerning State aid for the rehabilitation of disabled persons came into force on January 1, 1959.

A law was passed on February 19, 1959, making it compulsory for enterprises to set up and maintain medical departments.

In *Luxembourg*, a draft Grand Ducal decree providing that enterprises normally employing 50 or more persons shall reserve jobs for physically-handicapped workers was submitted for discussion by the Council of State.

WORK OF THE HIGH AUTHORITY

166. Aspects of the High Authority's work included

Promotion of scientific research designed to extend knowledge with a view to preserving the health and ensuring the safety of workers in the coalmining and iron and steel industries.

Amounts set aside by the High Authority under this head since 1952 total 4.2 million units of account, of which 3 million had been actually committed by the end of 1959.

The first four-year research project in the field of industrial health and medicine reached its conclusion. The Industrial Health and Medicine Research Committee then worked out a full balance-sheet of the results obtained by the research centres. The High Authority in 1959 continued its work in this field by making preparations, in co-operation with the appropriate committees, for the launching of a second programme.

The research work on the three subjects being dealt with under a special programme — dust suppression, rehabilitation of accident victims, human factors in industrial accidents — has reached the stage where practical results are beginning to emerge.

Organization of such contacts as may seem indicated among research workers, those responsible on the spot in industry, and Government experts.

The existing working parties continued their activities, and new working parties were set up, more particularly to deal with the research projects included under the special programme.

In accordance with special agreements, British and Austrian experts were associated with the High Authority's work on industrial medicine and safety. Contact was also maintained with the appropriate departments of the other Community institutions, and of the international organizations. An agreement arranging for an exchange at technical level was concluded with the European Office of the World Health Organization.

Development of information work with reference to industrial safety and medicine.

As the first medical-research programme drew to an end, the High Authority decided that full reports must be prepared in order to pass on the results as a whole to all those directly concerned.

The High Authority also availed itself of various other facilities for publicizing and disseminating the results. In addition, it decided to support the steps taken by the International Labour Office and the International Social Security Association in connection with the establishment of an international industrial health and safety information centre.

INDUSTRIAL HEALTH AND MEDICINE

167. The research programme approved in October 1955 reached its scheduled conclusion at the end of 1959.

Since 1956, the High Authority has made available grants totalling 1 073 290 dollar units of account to 72 research centres, at which 164 projects in all were carried out.

The Industrial Health and Medicine Research Committee carefully examined the results obtained at the various centres, which it found showed that notable advances had been made.

As will be seen from the following necessarily very much condensed account, 1959 was quite as successful a year as its predecessors.

Basic silicosis research

Research was continued at fifteen centres, and a number of further conclusions were reached.

It was confirmed that pulmonary elimination *via* the bronchi played considerable part in clearing the respiratory passages of dust inhaled: on the other hand where dust had not been so eliminated it was much more difficult to get rid of. Repeated introduction of dust further considerably impeded elimination.

Fresh tests confirmed the noxiousness of quartz, due to its physical properties, which are considered by some research workers to be comparable to those of catalysts. The injurious action of quartz was further aggravated by the association of infectious factors. Cells exposed simultaneously to quartz and to the influenza virus showed signs of being particularly severely affected.

Death of the cells released into the lung toxins held by the Clinica del Lavoro to be responsible for silicotic fibrosis. (Vigliani, Pernis *et al.*, of course, consider silicotic fibrosis to be the result of an immunization process). This Italian thesis was debated at some length at the conference on pneumoconiosis held in Johannesburg from February 9 to 24, 1959. Other Community research establishments — the study centre at Sin-le-Noble, the pneumoconiosis institute at Münster and the silicosis research centre at Homberg — have been exploring the possibility that an immunization mechanism may be at the root of silicotic fibrosis. The Münster institute detected in silicosis subjects a series of biological reactions the positive responses of which seemed to support this theory.

A number of laboratories continued their investigations into the action of pharmacodynamic substances in the development of silicotic lesions. CERCHAR observed that in animals the histamine-releasing drug 1935 L delayed this process.

Cardio-respiratory function

The committee ¹⁾ set up to standardize ventilatory tests on subjects at rest completed its *aide-mémoire* on spirographical practice, which is now printing.

Systematic research established exactly, in calories, the effort required of the respiratory system to ensure pulmonary ventilation. This effort is governed by certain factors affected in varying degrees by pulmonary complaints, namely the elasticity of the lung and the permeability of the respiratory passages.

Maldistributions of the respiratory gases were shown up with impressive clarity by the instantaneous-recording method using the infra-red analyser. These are frequently found in persons suffering from emphysema, which explains the arterial desaturation which occurs in such subjects during exertion.

However, even a very careful study of ventilatory phenomena did not fully explain all the anomalies which came to light in the analysis of the blood gases. To enter the blood the respiratory gases have to pass through the alveolo-capillary membrane, the permeability of which may be impaired, seriously or otherwise. The pneumoconiosis study centre at Merlebach recently perfected a new method of measuring the permeability of the alveolar membrane. The passage through the membrane marks the end of the ventilatory stage in respiration and the beginning of the circulatory stage.

¹⁾ See *Sixth General Report*, No. 259, and *Seventh General Report*, No. 238.

The Clinica del Lavoro tested the haemodynamics of thirty silicosis subjects by catheterization of the heart. Most of the cases examined showed a rise in blood pressure in the pulmonary artery. This is attributed by the Italian researchers to the shrinkage in the capillary bed.

By a simultaneous study of ventilation, alveolar metabolism and pulmonary circulation, the experimental pathology laboratory at Nancy succeeded in detecting pulmonary hypertension in pneumoconiosis subjects whose spirometry was practically normal and who showed neither oxyhaemoglobin desaturation nor accumulation of carbon dioxide in the blood. Anatomical shrinkage of the capillary bed imposes undue effort on the heart; the danger of heart failure is still greater where the oxygenation of the blood is insufficient and this in its turn becomes a cause of pulmonary arterial hypertension.

Various research centres studied the tests for the overall investigation of respiratory insufficiency, *viz.* oxymetry and the effort tests.

Oxymetry, a photometric method determining the degree of oxygenation of the arterial blood from the colour of the ear-lobe, had been criticized by some correspondents: the Clinica del Lavoro made a further study of the subject, and perfected a process sufficiently accurate for clinical purposes.

In muscular exercise more effort is required of the cardio-pulmonary system than when the subject is at rest. Effort tests are therefore valuable in appraising the subject's functional capacity.

The bicycle ergometers commonly used in this type of test are known to differ technically according to the model used, so that the performances recorded tend to vary. The Leyden institute of preventive medicine has constructed a gauge by means of which ergometers can be rendered comparable.

One test was studied with particular attention by the research centres specializing in functional questions, namely that to determine the maximum strain endurable by a subject performing the most concentrated effort which it is possible to achieve consonant with physiological equilibrium.

Radiological diagnosis

Many improvements were introduced in radiological technique. By the use of high voltages (150-200 kV) much clearer images can be obtained of certain discrete deteriorations caused by pneumoconiosis and emphysema. High voltages have the further considerable advantage of requiring a shorter exposure, so that the subject receives a smaller dose of X-rays when the film is made.

Advances were made in stereoradiographical technique by the radiology department of the Evangelical Hospital in Essen.

Technical progress was also recorded in the field of radio-histology; the radiology centre at Bochum produced a number of excellent films of very fine cross-sections of lungs.

Pneumoconiosis in the iron-ore mines

The study in progress on the incidence of pneumoconiosis in workers at the French iron-ore mines was considerably extended, and now covers more than 24 000 subjects. The nomenclature approved by the I.L.O. Committee in November 1958 for the classification of radiological images was adopted by the experts who had carried out the X-ray survey at the French mines. This survey indicated that the proportion of pneumoconiotic images was 3.23%; the incidence for the iron-ore mines in Normandy was even lower, only 3%. The survey also confirmed the value of the 10 × 10 cm. (3 7/8 × 3 7/8 in.) format.

Pulmonary tuberculosis is not often found in French iron-ore miners. Pseudo-tumoral images are also uncommon, and when they do occur comparatively small in size. The study of the respiratory and circulatory functions carried out at the experimental pathology laboratory in Nancy nevertheless brought to light in a number of iron-ore miners disorders of these functions taking the form of fibroses or circulatory anomalies similar to those of silicosis.

Pneumoconiosis in the iron and steel industry

The institute of industrial medicine at Saarbrücken found a higher incidence of disorders of the upper respiratory passages and sinuses in workers employed at the sintering-plants than in those from other sectors, such as the blast-furnaces. This special prevalence of such complaints, which is confirmed by the absenteeism figures, is thought to be due to the dust conditions.

The medical department of Cockerill-Ougrée studied a special hazard incident to the iron and steel industry, the danger of silicosis from the sawing of refractory bricks with a high silica content. Good results are apparently being achieved by the use of moisteners to keep down the dust.

Emphysema and bronchitis

Eleven research centres received grants to enable them to study emphysema and bronchitis in miners and steelworkers.

In order to compare the incidence of emphysema among miners and among workers in other industries, various centres carried

out systematic research in accordance with the criteria recommended by the Working Party on Emphysema at its meetings in July and September 1958.

The Bethanien-Krankenhaus, Moers, recorded a residual pulmonary volume in 17% of the cases in workers not exposed to dust, in 31.4% in miners not suffering from silicosis but exposed to dust, and in over 60% in silicosis subjects.

It is emphasized at Moers, however, that no definite conclusions can as yet be drawn from these recordings as to the incidence of emphysema.

Important studies were carried out on the pathogenesis of emphysematous conditions. Aspects investigated included the effects of

- bronchospasm — Certain tests were employed to detect abnormal bronchial irritability. The institute of pneumology of the Staatsmijnen Limburg found from these that one group of miners showed a condition akin to asthmatic predisposition. Dr. Carstens, of Recklinghausen Hospital, considers such a predisposition to play a part in bronchial complaints which he regards as essentially a reaction to dust;
- bronchitis — The functional-investigation laboratory of the Hopital Saint-Antoine, Paris, carried out exceptionally detailed studies on persons suffering from bronchitis, taking profuseness of expectoration as the criterion of severity. Of the subjects with high expectoration, 28% were found to have a history of exposure to dust, and 17% of exposure to irritant gases. Exposure to weather, on the other hand, did not play a greater part with expectorant than with non-expectorant subjects;
- dust accumulation in the lung — The laboratory of pulmonary pathology at Lyons confirms a statistically significant difference in the incidence of respiratory insufficiency in dust-affected and in non-dust-affected subjects;
- overworking (increased alveolar pressure). The Bethanien-Krankenhaus carried out tests to discover whether heavy physical work was liable to foster emphysema. A number of builders' labourers engaged on heavy jobs were examined: however, no change in respiratory volume during the work cycle was detected.

After examining the results of these studies, the working party dealing with this field concluded that it would be necessary to conduct still more detailed studies comparing the clinical and anatomical data. This can be done only if the largest possible number of observations are assembled in accordance with a properly-defined plan.

The Münster institute of pathological anatomy recently worked out a classification system by means of which it will be possible to evaluate statistically more than 500 anatomical and clinical observations recorded in surveys.

Treatment of respiratory complaints

The Institut d'Hygiène des Mines de Hasselt found that certain new drugs improve the sensitivity of the respiratory centre in emphysema subjects, so that they can be given oxygen treatment more satisfactorily.

Tuberculosis in dust-affected subjects raises special problems, as it progresses at a rather special pace. The tuberculo-pneumoconiotic (Di Biasi-Husten) complexes are comparatively torpid and non-exudative, and moreover do not react at once to antibiotics.

A special committee carried out a detailed study of methods currently employed in the treatment of respiratory complaints in miners, including the various types of bronchitis, silico-tuberculosis and silicosis condensations. A very full survey was produced, and was approved by specialists in the Community countries and in Great Britain.

Carbon-monoxide poisoning

The Marseilles institute of industrial medicine found that a notable reactional syndrome, with nervous and endocrine reactions, was observable in animals suffering from poisoning following exposure to air containing carbon monoxide in the proportion 1:10 000.

In men working in atmospheres with this concentration no signs of chronic carbon-monoxide poisoning were observed ¹⁾ either by the Bochum hospital or by the industrial-medicine centre at Couillet.

On the other hand, according to the institute of industrial medicine, at Naples, sub-acute poisoning caused by passing inhalations of higher concentrations frequently lead to cardio-vascular sequelae.

Work at high temperatures

Quite a number of results were recorded in this field. New caloric-radiation and air-speed measuring instruments were developed. On the physiological side it was found that work at high temperatures affected renal secretion: this is attributed by the Dortmund institute of industrial physiology to diminished flushing of the kidneys by the blood following the afflux of blood to the skin and the muscles at work. The Strasbourg institute of industrial physio-pathology succeeded in determining the psycho-physiological effects of combined thermal stress and lack of

¹⁾ See *Seventh General Report*, No. 243.

sleep. The findings suggest a special risk to health in the case of workers subjected to both.

On the clinical side, interesting studies were carried out in a number of iron and steel enterprises on tolerance of heat. From these it should be possible to draw valuable conclusions in regard to work organization, the breaks to be allowed and the types of drink to be provided for the men.

Noise abatement

The electrotechnical institute at Turin perfected a portable device indicating on a given job the overall sound volume at (a) danger level, (b) disturbance level and (c) tolerance level.

As regards the physio-pathological aspects, research showed that laboratory animals were affected by the emotional associations of noise as well as by the noise itself. They were found to develop disorders of the endocrine glands as a result of noise. Investigations were also conducted in the iron and steel industry.

As regards the clinical side, the ear, nose and throat department of the University of Milan examined the effects of noise on men employed at the steelworks (open-hearth and electric furnaces), rolling-mills roughing, plate and wire-mills) and foundries. Cases of hypoacusis (diminished hearing) were observed: these were more marked in workers from the boiler shops, grimming shops and forges, and less so in those from the open-hearth furnaces and rolling-mills.

As regards industrial psychology, an investigation by the Dortmund institute of industrial physiology covering 1 000 workers brought complaints of complications in human relations in the enterprise from 12% of the men exposed to noise and from only 6% of those not so exposed. As against this, the institute of health engineering at The Hague found from a study of noise at work that men on noisy jobs did not as a rule complain of special difficulties in connection with this circumstance.

The Milan ear, nose and throat institute and the medical department of the Netherlands State Mines studied the physical characteristics of noises interfering with ability to take in the spoken word. The results are of considerable value to specialists in the field of noise abatement, and to industrial medical officers who recommend ear-protectors. Ear-protectors effectively excluding the lower frequencies do in fact impede perception of speech, and an Italian expert, Calearo, of Milan, advises against their employment in jobs in which the man has to take in what is said to him while he works.

168. *Results of the industrial-medicine research programme (1956-59).* — The Industrial Health and Medicine Research Committee embarked on a detailed examination of the findings by the various research centres, and was able to determine how much could now definitely be considered established and how much still remained to be clarified.

Under the first head, that of objectives achieved, it may be recorded that Community research established the diagnostic value of the 10 × 10 cm. (3 7/8 × 3 7/8 in). X-ray-film as against other formats; produced rules of spiropgraphical practice; standardized ventilatory tests at rest; determined the incidence of pneumoconiosis in the French iron-ore mines and the degree of noxiousness of the dusts produced in the Luxembourg rolling-mills; established the functional and anatomical criteria for emphysema; developed new types of instrument for measuring atmospheric conditions; pinpointed the effects of Thermal stress on the kidneys; perfected devices for gauging the sound volume on particular jobs; determined the neuro-circulatory and psycho-social effects of noise, and delimited the concept of carbon-monoxide poisoning from the clinical angle.

As regards the points not yet fully disposed of, considerable advances were none the less made, so that the questions under examination have changed even since 1957, when the Research Committee drew up a provisional balance-sheet of the results for the first two years of the programme. On the basis of its findings as to points established and gaps still remaining, the Research Committee put forward proposals for a future plan of action; the elements of this plan, which will be used in the framing of a fresh High Authority research programme, are indicative of the change, as some of the matters to be dealt with fall within new fields such as immunology.

The High Authority realizes that its research policy will have to be so planned as to ensure that its promotion methods are in line with the change in focus thus produced by the projects it has assisted so far. In regards to some pro-

blems there is already the likelihood of closer co-operation among the research centres, with agreement on the methods of investigation to be used in a concerted campaign of studies.

DUST PREVENTION AND SUPPRESSION; REHABILITATION;
HUMAN FACTORS (SAFETY)

(special programme with allocation of 3 million units of account)

169. The preparation of the research plans was completed in 1959.

Details follow with regard to each of the three fields covered by the allocation of 3 million dollar units of account.

Prevention and suppression of dust in the mines

Grants made by the High Authority in respect of a first series of research projects on the prevention and suppression of dust in the mines totalled 572 248 units of account.

The general programme already issued (see *Seventh General Report*, No. 248) is broken down as follows.

(a) *Development and improvement of methods of dust measurement in the mines*

13 research projects were approved by the High Authority. Some are for the improvement of apparatus for measuring the concentrations and particle-sizes of dust, others for the development of dust-sampling apparatus and methods, and others again for the improvement of methods of analysing dust samples taken.

The main aim is to facilitate the practical application of measurement methods in the mines.

(b) *Study of dust conditions in the mines with regard to the characteristics of the dust and its behaviour below ground*

3 projects were approved, the reason for them being that extra-fine dust, as found in the air in, *inter alia*, mines, does not behave in accordance with the normal laws of physics.

(c) *Development and improvement of methods of dust prevention and suppression in the mines*

Dust prevention and suppression was considered by the High Authority to be especially deserving of encouragement.

6 projects are for the improvement of the method of water-infusion into the solid coal. It is very important that this process should be made suitable for use on as wide a scale as possible, in view of its value in the chemical prevention of pneumoconiosis. A number of points are to be systematically investigated :

- basic research into the phenomenon of the wetting of coal;
- shallow infusion, improvement of effectiveness by adding wetting agents, direction of infusion holes;
- development of the method of " long hole ", infusion perpendicular to the face and parallel to the face;
- selection of infusion pump in accordance with the pressure required;
- determination of the lower wetting limit which must be reached to ensure suppression of the dust, and rapid methods of checking this factor.

2 projects are for the development of ways and means of dealing with the not inconsiderable source of dust production represented by pneumatic stowing and caving.

Other projects approved related to

- the suppression of dust raised in shotfiring (3 projects);
- forced settlement of dust during the ploughing of coal (1 project);
- measures against settled dust (3 projects);
- dedusting of ventilation air (2 projects);
- dust-suppression measures on machines producing particularly large quantities of dust (1 project).

(d) *Protection of mining personnel against dust*

Activities in this connection will consist mainly in the scientific evaluation of card-indexed information on dust conditions in workings and on the state of health of the men.

Work has already been begun on this under the industrial-medicine programme. The Institut d'Hygiène des Mines de Hasselt has embarked on a study, scheduled to cover a considerable period of time, on the long-term effects of dust on the respiratory condition of the men. Parallel research is going on in Britain under the " Twenty-Five-Pit Scheme ". As it was felt this work deserved to be pursued on a more considerable scale, the High Authority approved 3 projects in this field.

Dust prevention and suppression in the iron and steel industry

Grants made by the High Authority in respect of a first series

of research projects on dust prevention and suppression in the iron and steel industry totalled 194 800 units of account.

A progress report follows.

(a) *Applied research*

Applied research in this field was concentrated on the improvement and development of

- dust-prevention and suppression methods for the protection of furnace and ladle liners and other workers (moulders, coremakers, strippers, casting trimmers, sandblast cleaners) similarly required to handle refractories containing silica. 2 projects were approved, one relating to the collective protection of furnace liners (*inter alia* by the replacement of silica-containing materials), and the other to individual protection by improved fresh-air masks;
- methods of suppressing dust and smoke produced by the use of oxygen in steelmaking, more particularly in converters, in electric-arc furnaces and in the scarfing of crude-steel ingots. 2 projects are envisaged for consolidating dust and smoke by electric fields at the highest possible temperatures (approximately 300° C and over, as against the usual 25-150°) and precipitating them with normal mechanical separators;
- methods of suppressing dust smoke and fumes in steel-melting furnaces, cold- and hot-blast cupola furnaces, heating and drying furnaces, ladle-heating processes, *etc.* 1 project was approved, relating to the suppression of dust produced in granulating slag;
- methods of suppressing dust produced in the preparation of the blast-furnace burden (including crushing and screening of ores and fluxes) and in the sintering of ore fines (including operations connected with the storing and transporting of ores, fluxed and sintered material). 1 project approved relates to the precipitation of the dust by a special wetting process adapted to the physical and mineralogical properties of the different types of dust concerned, and a second to precipitation by the projection of a mist of water at the points where the dust is formed.

(b) *Basic research*

- *Coordination of methods of dust measurement in the iron and steel industry*

The object is to standardize the reference values (dust produced per metric ton of steel or per cubic metre of gas per second), instruments and methods employed.

One project is for the development of a simple process of determining dust production by measuring the dust content of the air simultaneously with micro-pore membranes, thermal precipitators and electrostatic filters.

A second aims at systematic comparison of measurements recorded with ordinary instruments, and at the perfecting of instruments enabling an accurate check to be kept on the effectiveness of the dust-filtering and collecting installations.

— *Determination of dust conditions in the different jobs in the iron and steel industry*

Research under this head will be concerned with the nature of the dust and the quantities produced, the number of men employed on the jobs concerned, and the degree of noxiousness of the different types of dust.

Studies already effected suggest that details should shortly be available as to which jobs are to be regarded as priorities for intensified dust prevention and suppression.

— *Rehabilitation of accident victims and persons suffering from occupational diseases*

Certain research work on rehabilitation financed by the High Authority under its industrial-health and medicine programme yielded a number of findings which must be recorded.

The Bergmannsheil Hospital, Bochum, continuing its work on *psychological problems resulting from industrial accidents*, studied the following groups of patients:

- those suffering from injuries to the spinal column;
- those seriously disabled and showing symptoms of abulia;
- those having suffered minor injuries and not wishing to resume work.

These investigations brought to light a number of points. Thus in the first category only 3% were on regular work, the rest not taking on jobs, partly by reason of their disabilities and partly for fear of pension cuts. With regard to the second category, it was felt that neuroses and abulia must be considered from the angle of personal motivation; psychotherapy must also be employed.

The traumatology centre of the University of Lille continued its research on the *early-stage rehabilitation* of paraplegics, and observed the advantages of taking surgical action in plenty of time whenever compression of the medulla was suspected. Advances in surgical technique have been such that the risk of fatal complications is now very slight.

The surgical clinic of the University of Amsterdam completed its clinico-histological and experimental research on *deep burns of the hands*. The results indicate that prompt excision of the burned skin and immediate grafting prevents the formation of retractile scars and facilitates functional rehabilitation. It was also shown that thermal and tactile sensitivity returned to the grafted areas, an important point for workers who are required to use their hands all the time.

Particularly active study was devoted to the subject of *severe burns*. A Special Committee for Basic Research on Burns was set up to co-ordinate and promote research on the physiology and treatment of this type of injury. It has already drawn up a general programme to provide an effective scientific line of approach at European level. Specialists from London and Birmingham have been sitting in at its discussions.

A working party of chief works medical officers has also been dealing with burns from the point of view of co-ordinating transport facilities and arranging for mutual aid among the countries in any large-scale disaster. In particular, the working party studied a scheme for sending teams of specialists to the hospital in the disaster area.

Parallel with the research, meetings were organized among rehabilitation specialists, in particular to study fractures of the vertebral column and muscular disorders in accident victims. A special process, electromyography, is being used to good effect in the study of the latter. One group of rehabilitation specialists recommended close collaboration between the rehabilitation specialist and the surgeon, as being essential if there was not to be a timelag between the operation and the starting of the process of functional retraining.

A new skeleton programme for research on rehabilitation, drawn up with the aid of the appropriate consultative committees, was adopted by the High Authority early in 1959 and issued to the centres concerned. Its various heads relate to the rehabilitation of workers suffering from injuries to the spinal column and medulla to the trunk and limbs, and to the skull and brain, from burns, and from silicosis and emphysema.

Following the distribution of the programme, a large number of research projects were submitted to the High Authority by University institutes, hospitals and specialized research centres, and were duly examined by the Committees. The High Authority is therefore now in a position to take the necessary decisions.

Human factors (safety).

On the basis of suggestions by the Research Committee, the Committee of Government Experts and the Producers' and Workers' Committee, the High Authority on January 28, 1959, adopted a working

programme on research in connection with human factors as they affect safety. The programme was published in the *Journal Officiel des Communautés* of February 11, 1959.

Following consultations with the Committees, the following five general subjects for research were established :

- individual accident-proneness;
- psychological and sociological aspects of the worker's occupational environment;
- work organization (with special reference to the adaptation of the work to the individual);
- selection and training of personnel;
- general protective arrangements.

The High Authority finally adopted three main lines of action.

- Promotion of research on the selection and training of personnel and on personal protective equipment.

In particular, efforts are to be made to clear up certain points as to the importance and effectiveness from the accident-prevention angle of present personnel-selection and training methods. It is also hoped to make some progress before long with regard to the specific problems involved by the adaptation of personal protective appliances and the men's attitude to these.

- Promotion of basic research on the nature, causes and circumstances of accidents.

As regards the other three subjects recommended for its attention, the High Authority felt direct promotion of research to be more difficult, as they were a good deal more complex and had a great many ramifications into other fields.

However, as a first step practical co-operation needed to be organized between the research centres and the enterprises in order better to assess the data established and to pinpoint the problems to be investigated. It was therefore decided to promote parallel Community-level research in the coalmining and iron and steel industries of the member countries for the purpose of assembling a corpus of detailed observations, by methods jointly worked out beforehand, the whole to be then evaluated at Community level.

- Promotion of co-operation among research centres and between them and industry.

Finally, as well as fostering the actual research, it will be necessary to carry on supplementary activities to facilitate co-operation among the different research centres and between one branch of research and

another, and the provision of documentary material and information to those concerned both on the scientific and on the industrial side, particularly with regard to research methods.

Operations under all these heads are now either in hand or to be started shortly.

(a) *Promotion of research under the general programme*

64 projects, to a total cost of approximately 1 600 00 units of account, were submitted to the High Authority between March and June 1959 by research organizations and research workers in the different countries. They were successively examined by the three consultative committees during the second half-year, and on the basis of the opinions expressed the High Authority was able at the beginning of 1960 to take the decisions which seemed indicated.

Of the projects approved, 5 relate to individual means of protection. One is for the improvement of devices for the protection of the hands, and another for that of the safety boots worn in the pits. The incidence of injuries to the limbs, and particularly to the hands and feet, is of course very high. The other three are in connection with the workers' attitude to the protective equipment provided: it is important to ascertain what considerations might induce the men to make more use of it. The purpose of the projects is to discover whether refusal to use certain types of equipment is due to psychological factors arising out of opinions held among the workers, or to certain physiological intolerances attributable to the devices themselves.

9 projects relate to the selection and training of personnel in the coalmining and iron and steel industries. The High Authority has long stressed that safety training, both general and individual, could play a considerable part in accident prevention. In particular, in view of all that is being done by the enterprises regarding the training of personnel, it is felt that efforts could usefully be made to determine how effective the training facilities and methods employed actually are. The problem of selection is equally important: endeavours are to be made to establish the exact contribution of the selection methods used to the improvement of safety conditions.

Research on these various factors has now begun in the centres receiving High Authority assistance. To facilitate co-operation, arrangements were made for the research workers concerned to meet in the initial stage of the projects and again at intervals as the work proceeded.

(b) *Promotion of basic research*

With the co-operation of the consultative committees, a Community research project was planned, to be conducted on the responsibility of the contracting research centres.

This study, which is to be a pilot project confined to one or two enterprises in each country, will make it possible to gain a better knowledge of the basic accident-producing factors, and will provide an opportunity for close co-operation among research workers both as between one country and another and as between those on the spot in industry and those in the research centres proper.

The object of the Community research is

- to assemble a systematized corpus of observations from the iron and steel and coalmining industries, by the strictest and most reliable methods possible and thereupon
- to evaluate these with a view to working out certain general conclusions for the two industries and ascertaining how they can be applied in practice to improve standards of accident prevention.

A fairly considerable part of the work will be concerned with the establishment of methods, by active co-operation among the research centres in the different countries taking part.

170. *Dissemination of scientific results and provision of practical information to enterprises* — The High Authority informed the circles concerned in industry of the results obtained at the research centres. It also organized exchanges of information and experience among those dealing with health and safety matters in the enterprises.

Various means were employed for these purposes. Thus,

- the Medical Documentation Pool continued its reference and abstracting work as in previous years. Over 1 500 abstracts have been issued to date of articles on pneumoconiosis appearing in the world medical Press;
- special reprints of publications on projects conducted with High Authority assistance were sent to Universities, Ministries and enterprises for the information of specialists in the fields concerned. More than 250 such reprints in all have been sent out so far under the industrial-medicine research programme;
- the results of the research work were discussed at meetings of the Working Party on Information of

Industrial Medical Officers (Coal-mining Industry) and the Working Party on Information of Industrial Medical Officers (Iron and Steel Industry);

- broader-based information meetings were organized, the two Working Parties mentioned under (c) being restricted groups of experts. In October 1959, three study conferences were held at which more than 100 industrial medical officers and safety engineers from the E.C.S.C. industries heard accounts of the results of research promoted by the High Authority in connection with work at high temperatures and noise abatement;
- the results of the research work under the industrial-medicine programme were assembled and collated for the production of a summary report to go more particularly to industrial medical officers and safety engineers. The report has just been completed, and is to be distributed shortly;
- it was decided to bring out monographs on safety in the iron and steel industry and in the coalmining industry. Representatives of the Producers' and Workers' Committee on Industrial Safety and Medicine are actively assisting with the preparation of these by assembling the necessary material.

Section 4 — Mines Safety Commission

It was noted in the *Seventh General Report* that the Mines Safety Commission was preparing its first annual report.¹⁾ This was published in April 1959.

As regards both the work of the Commission and developments in connection with safety in mines in the Community countries, the following account therefore deals more

¹⁾ See *Seventh General Report* No. 254.

particularly with the period between the publication of the Commission's report and the time of going to press.

171. *Work of the Mines Safety Commission.* — The Commission continued its many-sided work. It kept up to date the list of measures taken in the Community countries to implement the recommendations of the Conference on Safety in Coal-mines. It heard further reports on accidents, and following some of these had various technical problems studied by its working parties. It also continued to circulate accident reports containing points which might be instructive for the industry in general.

Accidents which occurred in 1959 and were reported to the Commission included the following :

- on February 10, at the Saint-Charles pit, Petite Rosselle, Lorraine, a firedamp and dust explosion which killed five men who were improving the ventilation in a working after the ventilation deputy had drawn attention to the firedamp concentration;
- on May, 29, at Sainte-Fontaine, Lorraine, an explosion during hydraulic stowing operations, which killed fourteen miners, seriously injured thirty-one (of whom twelve later died), and slightly injured eight; :
- on June 19, at the Maria pit of the Eschweiler Bergwerksverein, a winding accident in which sixty-nine miners were injured;
- on June 25, a firedamp explosion at the fully-electrified anthracite mine of Gouley-Laurweg, Aachen.

As during the previous year, the numerous meetings of the working parties and their committees both produced a number of interesting conclusions and enabled the work already in hand to be carried forward satisfactorily.

172. The activities of the working parties are briefly outlined as follows.

1) *Final conclusions* op the Mines Safety Commission in regard to technical problems. The Commission was consulted concerning the results of studies effected in Belgium to determine the adequacy or otherwise of the regular methods of protection against electrocution hazards, and asked its Working Party on Electricity to examine the matter. The Working Party in its findings recommended certain devices in being but not yet employed on a general scale in the industry, and listed a number of others in process of development. All are devices which in the event of a fault at a given point enable the current to be cut off very quickly, and then restored to the whole circuit with the exception of the faulty section.

The Commission's conclusion was that shotfiring cables, and more particularly special plastic-sheathed cables, should be so manufactured and employed that a nick, even undetectable by visual inspection, cannot produce a spark which might ignite firedamp in a damp atmosphere.

2) *Work now in progres* is concerned with technical problems, rescue operations, and human factors in safety.

(a) *Technical problems*

1. A committee has catalogued the properties which oils and lubricants should possess (without detriment to their technical qualities) if they are to be regarded as incombustible, or at any rate not readily inflammable, while not injurious to the personnel. On the basis of this catalogue, the committee is working out a set of criteria which will in practice amount to specifications applicable throughout the Community. It is also developing tests to indicate whether a given product is up to specification from the technical, safety and health angles. The conducting of the tests in the laboratory and the discussion of the results are likely to take some considerable time.

2. The Working Party on Electricity is dividing into two stages its study of the risks of fire or combustion spreading

via flammable materials inside a cable with a non-flammable sheath. Tests are to be effected in an experimental gallery in Germany — where conditions are exactly similar to those in an actual working — in order to check the conclusions of the fully reproducible laboratory experiments now being conducted by Cerchar in a special wind tunnel.

3. The Working Party on Fires and Underground Combustion and the Working Party on Co-ordination of Rescue Arrangements felt that practical tests were desirable to check the theoretical results of the work on a method for determining in advance, from the diameter depth and characteristics of the shaft, the ventilation of the pit, *etc.*, what would be the aerodynamic effects of the spillage of a large quantity of water in a shaft, and particularly in a down-cast shaft.

4. The Working Party on Winding-Ropes and Guides is studying possible improvements in non-destructive testing of winding-ropes. A committee has compared the results of electromagnetic tests on a number of cables in service using the three appliances at present available, with the conditions found when the same cables were removed and untwisted.

(b) *Rescue operations*

The Working Party on Co-ordination of Rescue Arrangements is preparing a report on points learned in the course of tours of inspection it has made in all the coal-bearing countries of the Community and in Great Britain.

One of its most recent visits was to Mansfield and Doncaster, where members were able to inspect a liquid-air breathing-apparatus. The National Coal Board hopes to make even further improvements in this device, which is already in service at about one third of the industry's rescue stations. The other stations are still, like those on the Continent, using compressed-oxygen appliances. The Working Party also noted that careful study was being devoted at British rescue stations to the effects of heat and humidity on the

physical reactions of rescue workers, and that the greatest importance was attached to their medical supervision. Rescue workers undergo regular examination, and with the exception of the first team down the pit are subjected to a special examination before any rescue operation. The Working Party and its hosts held a detailed discussion concerning the tests employed in the different medical check-ups.

Finally, during its visit to Britain the Working Party witnessed

- experiments with short-wave radio links between rescue stations, and between a rescue station and cars (during movement and during operations);
- a demonstration of a mobile winder in two parts (a diesel-driven generator set and winch) which can carry a five-ton load and is used for repair and rescue work where the ordinary cages have been damaged or immobilized.

(c) *Human factors in safety*

At its plenary session on July 7, 1959, the Commission set up four working parties (now consisting of workers' as well as of Government and employers' representatives) to study a number of problems in connection with human factors affecting safety.

Each working party is now engaged in assembling the information it will need in order to examine the matters assigned to it.

1. "Working Party on the Incidence of Methods of Payment on Safety",

- Payment of piece rates by special methods to ensure that they will not constitute an inducement to undue risk-taking, or at least to limit this possibility;
- special problems with regard to individual piece work;
- special problems with regard to piece work in small teams and in large teams;

- special measures to be taken in connection with piece rates regarding both workers and supervisory personnel.

2. “ Working Party on the Incidence of Hours of Work on Safety „

- Problems with regard to difficult and unhealthy workings (hot workings, damp workings, thin seams);¹⁾
- problems with regard to the actual number of hours worked (*i.e.* including overtime);
- problems with regard to various methods of fixing working hours, and in particular the organization of mid-shift breaks.

3. “ Working Party on Psychological and Sociological Problems of Safety Policy „

- Measures to be taken to enable workers to recognize dangers and work in such a manner as to avoid them;
- safety training for managerial personnel;
- measures to be taken to ensure that all concerned co-operate in securing as high a standard of safety as possible.

4. “ Working Party on Medical Problems of Safety Policy „

- Particulars of a number of colliery medical services;
- action taken with regard to doctors specializing or wishing to specialize as colliery medical officers;
- particulars of some achievements in functional rehabilitation and occupational retraining;
- comparison of arrangements in operation for the

¹⁾ The Working Party will endeavour to establish the degree of heat (taking into account temperature, air velocity and heat-radiation effects) and humidity of the working and of thinness of the seam beyond which it is desirable that special measures should be taken, particularly with regard to working hours.

reemployment of workers who have undergone occupational retraining or whom medical examination has shown to be unfit to continue in their present jobs.

173. *Developments in safety in mines in the Community countries* — In Belgium, two Ministerial decrees (on approval of explosives and training of shotfirers) were promulgated laying down the details as to the implementation of one of the Royal decrees listed in the Seventh General Report. ¹⁾ A Ministerial decree on approval of shotfiring cables and a Royal decree setting up regional committees under the Conseil Supérieur de la Sécurité are in preparation.

An important decree, containing no less than six hundred articles, and amounting to a full-scale mines safety code, was promulgated in Italy on April 11, 1959. It applies to all Italian mines, not only the coalmines. As regards the technical side, it incorporates the gist of the recommendations of the Conference on Safety in Coalmines, adjusted on certain points to cover conditions peculiar to the Italian industry. It provides for the setting-up of a corps of safety and health delegates and of works safety and health committees to act as advisers to the managements. With regard to human factors, it lays down a number of principles for which the details of implementation will be issued later.

In addition to the general measures adopted in Belgium and Italy pursuant to the Conference's recommendations, various individual steps in connection with specific recommendations or points therein have been or are shortly to be taken in the different member countries. ²⁾

174. *Competition for the improvement of safety apparatus in coalmines* — Although this scheme was initiated by the High

¹⁾ See *Seventh General Report*, No. 255.

²⁾ For the action taken in the Netherlands, see *Seventh General Report*, No. 255.

Authority direct, before the Mines Safety Commission assumed its duties, and is accordingly proceeding outside the latter's jurisdiction, it can suitably be dealt with under this head. The original idea arose in connection with the Safety Conference, moreover, the High Authority delegated responsibility for the organizational side to the secretariat which it provided for the Commission.

The lines of action recommended by the Conference included research with a view to the invention or improvement of individual protective devices against poisonous gases and oxygen deficiency, and of devices for the immediate detection of danger from gas, *viz.*

- self-rescue equipment affording full protection for at least one hour;
- portable methanometers;
- portable threshold-value methane detectors;
- portable threshold-value oxygen indicators;
- carbon-monoxide recorders.

The High Authority in July 1957 announced a competition with prizes to a total value of 200 000 units of account, ¹⁾ entries to be submitted not later than September 1, 1959.

The prototypes received are to be first checked (to make sure that they are in accordance with the criteria specified in the rules of the competition) and then tested in two Community countries; in each country the checking will be done in a laboratory, and the practical tests, lasting not less than six months, will be conducted in two separate pits specially selected for their difficult working conditions.

The panel of judges appointed by the High Authority are experts on safety equipment.

¹⁾ See the High Authority's brochure *Concours 1957 de la Haute Autorité pour l'Amélioration des Appareils de Sécurité dans les Mines.*

175. The account just given of the social climate in the six countries and the High Authority's policy on labour problems is a sufficiently detailed one.

In conclusion, however, it should be emphasized that during 1959 the work of the High Authority in the social field underwent a process of expansion. The following is a brief outline of the form this expansion took with regard to study, research and the safeguarding of workers' earnings.

176. The various studies which the departments of the High Authority have been preparing and circulating are of considerable assistance to the two sides of industry in their activities at national level in connection with those aspects of living and working conditions on which the High Authority itself has no power to take direct action; the employers' and workers' associations now have to hand material which they had not previously time or facilities to secure, and are making use of it in accordance with their particular aims and objects.

All the benefit of the High Authority's work to date would obviously be lost if it were to allow its statistics and monographs to become out of date. It has not, however, confined itself to keeping abreast of events as far as possible : it has also sought to get ahead of them. Not content with merely describing the actual position with regard to such matters as wages, social security or vocational training, it has endeavoured to indicate the outlook as to developments of which only the first symptoms are at present visible.

The studies which the High Authority recently undertook concerning trends in social security and the changes which will be necessary in methods of payment as a result of scientific and technical progress are designed to enable the employers and workers to follow developments and make preparations to deal with them.

177. Encouraged by the increasing interest which its research activities in connection with industrial safety, health and medicine have been arousing among research workers and among those concerned with such matters in industry and in the employers' and workers' organizations, the High Authority set aside for this purpose larger sums than before.

Now that the evaluation of the projects which have been submitted to Luxembourg from all the countries of the Community has been pretty well completed, the programmes relating to technical methods of dust suppression and to non-technical factors liable to cause accidents are reaching the stage of practical action.

The large-scale Community research scheme described on an earlier page, ¹⁾ which was specially planned to meet the wishes of those immediately concerned, will make for an intensification of the spontaneous co-operation already existing among a host of research workers of different nationalities.

Again, by indicating the lines along which safety measures and mines regulations should be adapted, and enabling all those concerned to benefit in their day-to-day activities from experiments conducted in individual coalfields, the exchanges of views and experiences among the Government, employers' and workers' representatives on the Mines Safety Commission have made possible definitive improvements in safety standards.

Finally, as regards workers' housing, the High Authority has not concerned itself purely with the number of houses to be provided, but has also sought to promote better design and quality. It had already calculated housing requirements and financed two experimental building schemes and was continuing to assist building by means of low-interest loans: in addition, it enabled an overall examination to be made of optimum conditions for the accommodation of miners

¹⁾ See Nos. 166 ff. above.

and steelworkers and for the development of housing estates in the neighbourhood of big industrial centres. The housing design competition organized in 1959 proved highly successful and instructive.

178. While duly keeping up the activities begun in the past and also devoting much attention to long-term questions, the High Authority at the same time faced up to the problems of the present.

It succeeded in having Article 56 adapted to structural developments. The fact that many more decisions in implementation of Section 23 of the Convention containing the Transitional Provisions have been issued in the last few months than in the preceding several years clearly shows that the High Authority has not sought to elude its obligations by pointing to the very large sums involved or taking refuge behind a restrictive interpretation of the provisions in force. On behalf of both the steelworkers and the miners, it has availed itself of every possibility open to it in the field of readaptation. Its view was that this was economically as well as socially imperative: if the workers discharged were left to their fate, it would not be possible to carry out without disturbance the closures and conversions planned for enterprises with which the consequences of the introduction of the Common Market, delayed by some years of boom conditions, are now catching up.

In addition, the High Authority was able, by invoking Article 95, 1 of the Treaty, to cope with the immediate needs of the situation: with the agreement of the Council of Ministers, it cushioned the effects of the coal crisis on the miners' standard of living, by helping to finance the holding of stocks in order to contain unemployment, and by making available the "E.C.S.C. allowance", to miners in Belgium put on short time. ¹⁾ This ensured that considerably less hardship was incurred by the workers most directly affected by the falling-off in coal sales.

¹⁾ See Nos. 60, 59 and 140 above.

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ANNEX ON FINANCE
(Situation as at 31 December 1959)

I — REVENUES AND EXPENDITURES OF THE HIGH AUTHORITY

A — Revenues

1. PROCEEDS OF THE GENERAL LEVY

(in thousands of E.M.A. Units of Account) ¹

Country	Financial Year 1958-1959			Financial Year 1959-60 (1st 6 months)
	1st 6 months	2nd 6 months	Total	
Germany (Fed. Rep. including Saar)	7 147	6 354	13 501	7 868
Belgium	1 244	979	2 223	1 312
France	3 186	3 053	6 239	3 264
Italy	1 096	1 109	2 205	1 353
Luxembourg	415	441	856	471
Netherlands	529	504	1 033	587
Community	13 617	12 440	26 057	14 855

2. OTHER REVENUES

	Financial Year 1958-1959			Financial Year 1959-60 (1st 6 months)
	1st 6 months	2nd 6 months	Total	
Interest on bank deposits and investments	3 386	3 299	6 685	3 329
Fines and interest on arrears	12	27	39	—
Receipts for pension fund	567	720	1 287	574
Miscellaneous	47	182	229	306
	4 012	4 228	8 240	4 209

¹) 1 E.M.A. Unit of Account — 0.88867088 gr fine gold, or one U.S. \$.

B — Expenditures*('000 units of account)*

	Financial Year 1958-1959			Financial Year 1959-60 (1st 6 months)
	1st 6 months	2nd 6 months	Total	
Administrative expenses of the High Authority	4 602	4 944	9 546	4 141
Administrative expenses of the other Institutions	932	1 173	2 105	1 078
Expenditure on readaptation	89	2 250	2 339	4 332
Expenditure on technical research	1 108	2 382	3 490	1 085
Bank charges and issue costs	2 361	141	2 502	116
Disbursements under pension scheme	62	49	111	111
Total	9 154	10 939	20 093	10 863

II — ALLOCATIONS TO OR WITHDRAWALS FROM RESERVE ACCOUNTS (INCL. THE SPECIAL RESERVE)

A — Determination of Balance to be Allocated

('000 units of account)

	Financial Year 1958-59	Financial Year 1959-60 ¹⁾
Total revenue	34 297	19 064
Total expenditures	20 093	10 863
Revaluation of assets	14 204 5 566	8 201 —
Balance to be allocated	8 638	8 201

1) First six months.

B — Allocations to or withdrawals from Reserve Accounts (incl. the Special Reserve)

('000 units of account)

	Financial Year 1958-59	Financial Year 1959-60 ¹⁾
Guarantee Fund	—	—
Special Reserve	5 931	8 237
Allocations :		
for financing of readaptation operations	—2 339	—1 303
for financing of research projects	7 310	—967
for loan service	474	238
Pension Fund	1 176	463
Allocation for administrative expenses (incl. unallocated balance)	—3 914	1 533
Total	8 638	8 201

1) First six months.

III — SURPLUS FUNDS OF THE HIGH AUTHORITY AT THE END OF THE FINANCIAL YEAR

A — Funds which may not be used to cover budgetary expenses

(*'000 units of account*)

	Position as at 30-6-1959	Position as at 31-12-1959
Guarantee Fund	100 000	100 000
Special Reserve	25 713	33 950
Pension Fund	5 544	6 007
Allocation for loan service	733	971
Total	131 990	140 928

B — Funds allocated to cover budgetary expenses

(*'000 units of account*)

	Position as at 30-6-1959	Position as at 31-12-1959
Allocation for readaptation operations	26 720	25 417
Allocation for technical research	18 508	17 541
Allocation for Administrative Expenses (incl. unallocated balances)	4 484	6 017
Total	49 712	48 975

IV — COMMITMENTS OF THE HIGH AUTHORITY FOR READAPTATION OPERATIONS

('000 units of account)

	Credits opened since 1952	Total paid out ¹⁾ since 1952	Net commitments as at 31-12-1959
1) <i>General readaptation (Section 23 of the Convention)</i>	17 712	8 219	9 493
2) <i>Exceptional measures to deal with the crisis</i>			
a) <i>Measures to ease the situation of coalmining enterprises (Decision No. 27/58)</i>	7 000	2 253 ¹⁾	4 747
b) <i>“Special E.C.S.C. grant for Belgian miners put on short time”</i>	5 000	3 260	1 740
c) <i>Plan for the reorganization of the Belgian mines (Section 23 of the Convention)</i>	7 500	—	7 500
Total	37 212	13 732	23 480

¹⁾ Including loans granted to a total of 1 770 000 units of account but not shown under “Revenues and Expenditures” (p. 369).

**V — COMMITMENTS OF THE HIGH AUTHORITY
FOR TECHNICAL RESEARCH**

('000 units of account)

	Credits opened since 1952	Total amounts paid out since 1952	Net commitments as at 31-12-1959
Iron and steel industry	6 270	2 095	4 175
Coalmining industry	4 590	954	3 636
Iron and other ores	5 000	1 473	3 527
Experimental housing programmes (1st and 2nd programmes)	1 960	1 450	510
Industrial health, safety and medicine	3 000 ¹⁾	3 000 ¹⁾	--
	4 195	1 153	3 042
Total	25 015	10 125	14 890

¹⁾ This sum of 3 million units of account was transferred to the Special Reserve for the granting of loans for experimental housing programmes.

VI — BORROWINGS OF THE HIGH AUTHORITY

Country	Year of issue	Interest % p.a.	Lifetime (Years)	Amount of loan in currency concerned	Equivalent in E.M.A. units of account
United States	1954	3 7/8	25	100 000 000	100 000 000
Germany (Fed. Rep.)	1955	3 3/4	25	\$ DM	11 904 762
Belgium	1955	3 1/2	25	Bfr.	4 000 000
Luxembourg	1955	3 1/2	25	Lfr.	100 000
Luxembourg	1955	3 1/2	25	Bfr.	400 000
Saar ¹⁾	1956	4 1/4	20	DM	708 923
Switzerland	1956	4 1/4	18	Sfr.	11 655 012
United States	1957	5 1/2	18	\$	25 000 000
United States	1957	5	3-4-5	\$	7 000 000
United States	1957	5	3-4-5	\$	3 000 000
Luxembourg	1957	5 3/8	25	Lfr.	100 000 000
United States	1958	5	20	\$	35 000 000
United States	1958	4 1/2	3-4-5	\$	15 000 000
				Total	215 768 697

¹⁾ This loan which was originally contracted in French francs, was converted into Marks following the economic reintegration of the Saar with the Federal Republic of Germany in July 1959.

VII — LOANS GRANTED BY THE HIGH AUTHORITY

A — Overall Picture of Loan Operations from 1952 to 31.12.59

(*000,000 units of account)

	Loans from borrowed funds	Loans from High Autho- rity's own resources	Total
Amounts available	215.77	34.20	249.97
Amounts committed	215.77	30.36	246.13
Paid out	215.77	23.45	239.22
Redemption payments	7.27	0.40	7.67
Amount of loans outstanding as per balance-sheet of December 31, 1959	208.50	23.05	231.55
Not yet drawn down	—	7.31	7.31
Not yet committed	—	3.84	3.84

B — Breakdown of Loans by Countries

(*000,000 units of account)

Country	Initial amount of loans from borrowed funds	Initial amount of loans from own resources	Total of loans granted
Germany (Fed. Rep., incl. Saar)	132.98	15.65	148.63
Belgium	18.40	1.06	19.46
France	35.10	3.87	38.97
Italy	26.19	0.58	26.77
Luxembourg	3.10	1.00	4.10
Netherlands	—	1.29	1.29
Total	215.77	23.45	239.22

C — Breakdown of Loans by Types of Investment

('000,000 units of account)

	Loans from borrowed funds	Loans from own resources	Total
a) Coalmining industrie (including coking-plant)	87.14	—	87.14
b) Pithead power-stations	46.31	—	46.31
c) Iron-ore mines and ore-pre- paration plants	21.85	—	21.85
d) Iron and steel industry	40.36	—	40.36
e) Housing for miners and steel- workers	20.11	20.89	41.00
f) Readaptation	—	1.84	1.84
g) Other projects	—	0.72	0.72
Total	215.77	23.45	239.22

D — Securities for Loans granted from Borrowed Funds
(as at December 31, 1959)

('000,000 units of account)

1. Guarantees by Governments of member countries, plus negative-pledge clauses	23.22
2. Guarantees by Governments of member countries	6.71
3. Guarantees by banks, plus mortgages	106.23
4. First mortgages	11.53
5. Second mortgages	3.03
6. Guarantees by industrial concerns, plus negative- pledge clauses	42.64
7. Guarantees by industrial concerns	14.20
8. Negative-pledge clauses	0.94
Total	208.50

VIII — INDIRECT MEDIUM-TERM LOANS

These loans are granted to enterprises in the coal-mines and steel industries by the banks in the Community countries on their own responsibility under special agreements concluded between the High Authority and the banks concerned.

Country	Amount in national currency	Equivalent value in million units of account
Germany (Fed. Rep., incl. Saar)	DM 128 847 280	30.7
Belgium	Bfr 376 000 000	7.5
France	Ffr 2 750 000 000	5.6
Italy	Lit 5 000 000 000	8.0
Luxembourg	Lfr 100 000 000	2.0
Netherlands	Hfl 2 700 000	0.7
Community	—	54.5

STATISTICAL ANNEX

TABLE No. 1

Hard-Coal Production
(by countries)

('000 metric tons)

Year	Germany (Fed. Rep.)	Saar	Belgium	France	Italy	Nether- lands	Com- munity
1952	123 278	16 235	30 384	55 365	1 089	12 532	238 883
1953	124 472	16 418	30 060	52 588	1 126	12 297	236 961
1954	128 035	16 818	29 249	54 405	1 074	12 071	241 653
1955	130 728	17 329	29 978	55 335	1 136	11 895	246 401
1956	134 407	17 090	29 555	55 129	1 076	11 836	249 092
1957	133 156	16 455	29 086	56 795	1 019	11 376	247 888
1958	132 582	16 423	27 062	57 721	721	11 880	246 390
1959 ¹⁾	125 586	16 247	22 752	57 601	737	11 978	234 902

¹⁾ Provisional figures.

TABLE No. 2

Hard-Coal Production
(by coalfields)

('000 metric tons)

Coalfield	1952	1953	1954	1955	1956	1957	1958	1959 ¹⁾
Ruhr	114 417	115 551	118 712	121 106	124 627	123 209	122 302	115 389
Nord/Pas-de-Calais	29 406	27 554	28 705	29 101	28 583	28 725	28 858	29 249
Southern Belgium	20 672	20 577	19 991	19 833	19 085	18 755	17 089	13 982
Saar	16 235	16 418	16 818	17 329	17 090	16 455	16 423	16 247
Lorraine	12 210	12 001	12 996	13 157	13 286	14 297	14 971	15 142
Dutch Limburg	12 532	12 297	12 071	11 895	11 836	11 376	11 880	11 978
Campine	9 712	9 483	9 258	10 144	10 468	10 331	9 973	8 770
Aachen	6 439	6 588	6 857	7 062	7 208	7 619	8 020	7 894
Loire	3 805	3 460	3 330	3 355	3 432	3 354	3 531	3 313
Cévennes	2 893	2 875	2 819	2 841	2 909	3 215	3 139	2 921
Blanz	2 678	2 589	2 612	2 582	2 641	2 743	2 727	2 717
Lower Saxony	2 422	2 333	2 466	2 560	2 573	2 328	2 260	2 303
Aquitaine	2 100	2 020	1 910	2 138	2 185	2 202	2 227	2 133
Auvergne	1 145	1 120	1 092	1 185	1 168	1 227	1 287	1 151
Sulcis	954	1 004	958	1 039	973	914	628	653
Dauphiné	536	542	536	604	564	630	675	718

¹⁾ Provisional figures

TABLE No. 3

Underground Output per Man/Shift in the Hard-Coal Mines ¹⁾

Coalfield	(kilogrammes)									
	1938	1952	1953	1954	1955	1956	1957	1958	1959 ²⁾	
Ruhr	1 960	1 503	1 486	1 523	1 572	1 591	1 614	1 675	1 886	
Nord/Pas-de-Calais	1 136	1 228	1 277	1 349	1 426	1 484	1 506	1 499	1 507	
Southern Belgium	1 004	965	986	1 011	1 028	1 034	1 032	1 049	1 149	
Saar ³⁾	1 570	1 623	1 676	1 744	1 810	1 819	1 800	1 797	1 851	
Lorraine	2 014	2 018	2 088	2 214	2 257	2 275	2 310	2 285	2 424	
Dutch Limburg	2 371	1 609	1 587	1 497	1 486	1 496	1 499	1 521	1 617	
Campine	1 523	1 300	1 307	1 352	1 484	1 492	1 450	1 387	1 499	
Aachen	1 409	1 194	1 186	1 200	1 279	1 281	1 314	1 375	1 516	
Lower Saxony	1 380	1 200	1 130	1 169	1 228	1 274	1 264	1 198	1 368	
Centre/Midi	1 176	1 270	1 343	1 424	1 513	1 590	1 634	1 634	1 688	
Sulcis	—	—	609	636	867	949	957	1 039	1 165	
Community	1 590 ⁴⁾	1 389 ⁴⁾	1 393 1 401 ⁴⁾	1 438 1 447 ⁴⁾	1 497 1 502 ⁴⁾	1 525 1 529 ⁴⁾	1 541 1 545 ⁴⁾	1 577 1 579 ⁴⁾	1 721 1 724 ⁴⁾	

¹⁾ The output of the German and Netherlands mines is given as 2-3% below the true level, the low-grade fuel mined by them having been converted into terms of saleable products.

²⁾ Saarbergwerke.

³⁾ Provisional figures.

⁴⁾ Exclusive of the Sulcis coalfield.

TABLE No. 4

Production of Coke-Oven Coke

('000 metric tons)

Year	Germany (Fed. Rep.)	Saar	Belgium	France	Italy	Nether- lands	Com- munity
1952	37 233	3 888	6 407	9 216	2 350	3 285	62 379
1953	37 776	3 590	5 945	8 631	2 327	3 245	61 514
1954	34 921	3 666	6 147	9 220	2 499	3 381	59 833
1955	40 520	3 939	6 600	10 725	2 949	3 901	68 633
1956	43 435	4 206	7 270	12 249	3 411	4 238	74 809
1957	45 193	4 324	7 156	12 564	3 687	4 243	77 168
1958	43 439	4 175	6 906	12 468	3 360	4 081	74 431
1959 ¹⁾	38 392	4 335	7 217	13 082	3 041	4 073	70 140

¹⁾ Provisional figures.

TABLE No. 5

Pithead Stocks of Hard Coal

('000 metric tons at end of period)

Coalfield	1952	1954	1955	1956		1957		1958		1959
				Total tonnage	Low-grade products ¹⁾	Total tonnage	Low-grade products ¹⁾	Total tonnage	Low-grade products ¹⁾	Total tonnage
<i>Germany (Fed. Rep.)</i>	465	654	572	700	2%	735	3%	8565	3%	10330
Ruhr	445	617	540	653	2%	684	3%	7817	2%	9444
Aachen	12	17	19	29	10%	25	4%	563	18%	497
Lower Saxony	8	21	13	17	0%	26	0%	185	0%	389
<i>Saar</i>	462	821	228	102	68%	181	45%	898	14%	1436
<i>Belgium</i>	1673	2815	371	179	69%	1413	45%	6928	36%	7499
Campine	667	898	69	23	78%	500	27%	2506	20%	2341
South	1006	1917	302	156	66%	913	56%	4423	46%	5158
<i>France²⁾</i>	4213	7838	5983	4524	88%	4583	83%	7380	68%	11028
Nord/Pas-de-Calais	1553	2995	1759	1416	68%	1559	62%	2450	61%	3691
Lorraine	1181	2032	1790	1458	98%	1498	98%	2612	72%	3865
Centre/Midi	1442	2769	2417	1636	94%	1506	90%	2308	73%	3455
<i>Italy</i>	53	26	65	29	7%	50	2%	21	21%	111
All coalfields										
<i>Netherlands</i>	237	287	292	259	68%	312	55%	746	40%	864
Limburg	7103	12441	7511	5793	75%	7273	65%	24538	36%	31269
Community										

1) Percentage of low-grade products covers middlings, slurry, slack and various other low-grade fuels.

2) Including stocks at mines which have not been nationalized.

3) Provisional figures.

 EUROPEAN COAL AND STEEL COMMUNITY

TABLE No. 6

Stocks of Coke at Coking-Plants*(⁰⁰⁰ metric tons at end of period)*

Country	1952	1953	1954	1955	1956	1957	1958	1959 ¹⁾
Germany (Fed. Rep.)	110	3 429	1 984	164	178	622	5 316	7 062
Saar	18	34	19	12	20	53	51	18
Belgium	101	200	127	71	87	237	276	292
France	187	435	375	164	175	448	708	702
Italy	52	63	58	62	50	129	321	200 ²⁾
Netherlands	63	99	82	82	68	163	342	300
Community	531	4 260	2 645	555	578	1 653	7 015	8 573

¹⁾ Provisional figures.²⁾ Estimated.

TABLE No. 7

Hard-Coal Imports from Third Countries

('000 metric tons)

Country of destination \ Country of origin	U.S.A.	U.K.	Poland	U.S.S.R.	Other third countries	Total
<i>Germany (Fed. Rep.)</i>						
1952	7 377	482	9	—	11	7 897
1953	3 421	1 521	76	—	27	5 045
1954	1 823	1 633	262	0	163	3 881
1955	6 998	1 339	714	69	151	9 271
1956	11 486	1 099	861	96	140	13 682
1957	15 904	497	560	38	147	17 147
1958	11 205	218	1 248	117	129	12 916
1959 ¹⁾	4 650	218	833	178	118	5 997
<i>Belgium</i>						
1952	794	337	5	33	4	1 173
1953	664	420	—	46	2	1 133
1954	253	526	6	62	4	852
1955	784	485	—	124	60	1 453
1956	1 980	597	30	68	147	2 822
1957	2 138	564	33	50	35	2 820
1958	1 879	389	11	70	1	2 352
1959 ¹⁾	1 049	349	3	34	1	1 434
<i>France</i>						
1952	3 138	1 125	752	199	148	5 361
1953	289	448	480	260	138	1 615
1954	55	994	514	404	248	2 215
1955	802	950	438	550	161	2 901
1956	6 052	777	1 208	611	156	8 804
1957	6 903	742	1 281	605	169	9 701
1958	2 762	472	690	687	276	4 888
1959 ¹⁾	774	215	288	703	200	2 180
<i>Italy</i>						
1952	2 885	1 083	741	114	254	5 007
1953	1 609	1 704	613	46	249	4 222
1954	2 852	1 324	375	111	179	4 842
1955	5 632	781	106	208	92	6 820
1956	6 665	380	133	229	174	7 581
1957	8 201	132	125	239	107	8 805
1958	6 727	28	565	251	172	7 744
1959 ¹⁾	4 913	101	745	348	177	6 284

¹⁾ Provisional figures.

TABLE No. 7 (contd.)

('000 metric tons)

Country of destination \ Country of origin	Country of origin					Total
	U.S.A.	U.K.	Poland	U.S.S.R.	Other third countries	
<i>Luxembourg</i>						
1952	—	67	—	—	—	67
1953	—	6	—	—	—	6
1954	—	5	—	—	—	5
1955	—	—	—	—	—	—
1956	37	—	—	—	—	37
1957	13	2	—	—	—	15
1958	—	—	—	—	—	—
1959 ¹⁾	—	—	—	—	—	—
<i>Netherlands</i>						
1952	2 108	422	121	36	19	2 707
1953	701	986	24	80	10	1 802
1954	1 181	809	—	135	4	2 129
1955	1 719	750	—	128	5	2 603
1956	4 169	713	4	171	63	5 120
1957	4 581	697	—	69	37	5 384
1958	3 237	526	59	45	69	3 935
1959 ¹⁾	2 625	355	88	57	137	3 262
<i>Community</i>						
1952	16 302	3 516	1 628	382	436	22 264
1953	6 684	5 085	1 193	432	426	13 823
1954	6 164	5 291	1 157	712	598	13 924
1955	15 935	4 305	1 258	1 079	469	23 048
1956	30 389	3 567	2 235	1 175	680	38 046
1957	37 828 ²⁾	2 635	1 999	1 001	495	43 959 ²⁾
1958	25 820 ²⁾	1 634	2 574	1 171	647	31 845 ²⁾
1959 ¹⁾	14 011	1 238	1 957	1 320	632	19 157

¹⁾ Provisional figures.²⁾ Including 87 to the Saar.³⁾ Including 10 to the Saar.

TABLE No. 8

Hard-Coal Exports to Third Countries

('000 metric tons)

Country of origin	Country of destination					
	U.K.	Scandinavian countries	Switzerland	Austria	Other countries	Total
<i>Germany (Fed. Rep.)</i>						
1952	—	434	511	1 627	532	3 104
1953	26	548	405	1 778	507	3 264
1954	407	500	561	1 889	371	3 729
1955	181	563	555	1 081	445	2 825
1956	—	542	611	921	415	2 489
1957	—	477	587	923	687	2 675
1958	—	138	352	684	573	1 747
1959 ¹⁾	—	288	395	753	1 383	2 819
<i>Saar</i>						
1952	—	80	253	81	139	552
1953	227	185	315	196	171	1 094
1954	498	171	355	147	167	1 337
1955	742	254	440	243	97	1 776
1956	231	2	360	132	72	797
1957	83	—	371	64	40	557
1958	—	—	227	46	21	294
1959 ¹⁾	—	—	209	38	—	248
<i>Belgium</i>						
1952	—	139	50	—	43	232
1953	192	64	50	2	274	582
1954	911	132	230	1	123	1 397
1955	1 537	116	348	0	55	2 056
1956	747	107	300	0	11	1 165
1957	616	77	161	—	1	855
1958	644	17	77	—	1	738
1959 ¹⁾	93	31	212	1	10	347
<i>France</i>						
1952	—	54	265	40	182	539
1953	116	229	267	129	140	881
1954	557	172	322	43	195	2 288
1955	1 994	429	526	99	282	3 330
1956	350	122	442	46	159	1 119
1957	161	9	412	58	224	863
1958	50	—	275	34	570	930
1959 ¹⁾	—	—	239	25	308	572

¹⁾ Provisional figures.

TABLE No. 8 (contd.)

('000 metric tons)

Country of origin \ Country of destination	U.K.	Scandinavian countries	Switzerland	Austria	Other countries	Total
	<i>Netherlands</i>					
1952	—	—	—	—	15	15
1953	—	0	39	0	12	51
1954	—	13	87	1	8	110
1955	—	11	93	2	4	110
1956	—	3	137	6	6	152
1957	—	20	121	5	4	149
1958	—	74	72	2	5	154
1959 ¹⁾	—	50	58	1	1	110
<i>Community</i>						
1952	—	707	1 079	1 748	908	4 442
1953	561	1 026	1 076	2 105	1 104	5 872
1954	2 373	988	1 555	2 081	864	7 861
1955	4 455	1 372	1 962	1 425	883	10 097
1956	1 328	776	1 850	1 105	663	5 722
1957	859	582	1 651	1 050	957	5 099
1958	694	228	1 004	767	1 170	3 863
1959 ¹⁾	93	369	1 113	818	1 702	4 096

¹⁾ Provisional figures.

TABLE No. 9

Coke Exports to Third Countries

('000 metric tons)

Country of origin \ Country of destination	Scandinavian countries	Switzerland	Austria	Other third countries	Total
<i>Germany (Fed. Rep.)</i>					
1952	3 049	412	240	323	4 024
1953	2 251	384	275	310	3 220
1954	2 766	422	336	905	4 430
1955	2 848	414	313	495	4 070
1956	2 800	469	309	176	3 574
1957	1 787	420	362	291	2 860
1958	1 226	291	344	399	2 261
1959 ¹⁾	1 346	281	341	506	2 474
<i>Saar</i>					
1952	—	—	6	—	6
1953	—	—	4	—	4
1954	—	—	1	—	1
1955	—	—	1	3	4
1956	—	0	—	—	0
1957	—	0	—	—	0
1958	—	—	—	—	—
1959 ¹⁾	—	—	7	—	7
<i>Belgium</i>					
1952	200	43	0	172	415
1953	337	17	9	93	456
1954	165	17	7	137	326
1955	206	8	1	63	278
1956	283	12	0	5	300
1957	197	11	0	9	217
1958	464	3	3	18	488
1959 ¹⁾	266	6	1	23	296
<i>France</i>					
1952	3	12	—	17	32
1953	21	29	2	19	71
1954	42	40	2	24	108
1955	113	48	4	24	189
1956	11	50	—	18	79
1957	1	50	—	22	73
1958	2	28	—	18	48
1959 ¹⁾	—	28	2	16	46

¹⁾ Provisional figures.

TABLE No. 9 (contd.)

(000 metric tons)

Country of origin \ Country of destination	Scandinavian countries	Switzerland	Austria	Other third countries	Total
<i>Italy</i>					
1952	—	—	—	79	79
1953	—	—	—	70	70
1954	—	—	—	51	51
1955	—	—	—	14	14
1956	—	5	5	0	5
1957	—	—	—	3	3
1958	—	3	3	5	11
1959 ¹⁾	—	11	16	7	34
<i>Netherlands</i>					
1952	452	134	—	54	637
1953	427	113	—	37	577
1954	487	124	—	16	627
1955	608	116	—	40	764
1956	642	138	—	46	826
1957	466	118	21	27	631
1958	386	88	25	50	550
1959 ¹⁾	282	99	31	107	520
<i>Community</i>					
1952	3 704	601	246	645	5 193
1953	3 036	543	290	529	4 398
1954	3 460	603	346	1 133	5 543
1955	3 779	586	319	636	5 319
1956	3 735	669	314	245	4 963
1957	2 450	600	383	351	3 785
1958	2 078	413	375	491	3 358
1959 ¹⁾	1 894	426	398	659	3 377

¹⁾ Provisional figures.

TABLE No. 10

**Trade in Hard Coal and Hard-Coal Briquettes
within the Community**

Country of supply	Countries of destination	1952	1953
<i>Germany (Fed. Rep.)</i>	Belgium	317	691
	France/Saar	3 706	3 828
	Italy	2 993	3 421
	Luxembourg	103	127
	Netherlands	2 143	2 544
	Total		9 262
<i>Belgium</i>	Germany (Fed. Rep.)	19	107
	France/Saar	1 228	1 830
	Italy	681	839
	Luxembourg	65	23
	Netherlands	574	1 070
	Total		2 567
<i>France/Saar</i>	Germany (Fed. Rep.)	3 940	4 320
	Belgium	169	147
	Italy	214	471
	Luxembourg	155	129
	Netherlands	4	106
	Total		4 482
<i>Netherlands</i>	Germany (Fed. Rep.)	—	10
	Belgium	4	175
	France/Saar	—	74
	Italy	—	4
	Luxembourg	—	—
	Total		4
	Grand total	16 315	19 916
	<i>of which</i>		
	Germany (Fed. Rep.)	3 959	4 437
	Belgium	490	1 013
	France/Saar	4 934	5 732
	Italy	3 888	4 735
	Luxembourg	323	279
	Netherlands	2 721	3 720

TABLE No. 10 (contd.)

('000 metric tons)

1954	1955	1956	1957	1958	1959 1) 2)	1959 1) 2)
1 930	1 197	1 160	1 258	1 826	2 244	2 244
4 256	3 568	3 629	4 259	4 490	4 641	5 839
3 505	2 899	3 011	2 778	1 286	2 052	2 058
118	119	141	131	126	130	149
3 028	2 440	2 264	2 104	2 001	2 339	2 339
12 837	10 223	10 205	10 530	9 729	11 406	12 627
226	754	424	260	52	113	113
1 597	1 502	1 440	2 002	1 279	933	933
576	185	98	23	0	61	61
38	49	49	44	13	24	24
2 166	2 965	1 915	1 480	868	844	844
4 603	5 455	3 926	3 809	2 212	1 975	1 975
4 239	5 141	3 919	3 858	3 024	3 487	1 844
331	602	406	293	192	243	243
417	308	233	157	40	31	27
132	132	135	125	115	90	71
10	455	46	51	48	24	24
5 129	6 638	4 739	4 484	3 419	3 876	2 210
124	227	198	229	119	277	277
521	356	330	405	763	946	946
386	337	309	372	498	850	850
—	—	—	0	4	16	16
—	—	—	0	0	1	1
1 031	920	837	1 006	1 384	2 090	2 090
23 600	23 236	19 707	19 829	16 745	19 346	18 902
4 589	6 122	4 541	4 347	3 195	3 877	2 233
2 782	2 155	1 896	1 956	2 781	3 433	3 433
6 239	5 407	5 378	6 633	6 268	6 424	7 621
4 498	3 392	3 342	2 957	1 330	2 160	2 160
288	300	325	301	254	245	245
5 204	5 860	4 225	3 635	2 917	3 208	3 208

1) Provisional figures.

2) The Saar was reintegrated with the Federal Republic of Germany on July 6, 1959. For purposes of comparison, the figures in this column give the situation as it would be if the status of the Saar had remained unchanged.

2) This column gives the true situation for 1959, allowing for the change in the status of the Saar.

TABLE No. 11

Coke Trade within the Community

Country of supply	Countries of destination	1952	1953
<i>Germany</i> (<i>Fed. Rep.</i>)	Belgium	—	8
	France/Saar	3 442	2 768
	Italy	2	11
	Luxembourg	2 970	2 798
	Netherlands	179	270
	Total	6 593	5 855
<i>Belgium</i>	Germany (Fed. Rep.)	201	21
	France/Saar	197	—
	Italy	—	220
	Luxembourg	140	102
	Netherlands	5	22
	Total	543	365
<i>France/Saar</i>	Germany (Fed. Rep.)	120	158
	Belgium	—	—
	Italy	—	—
	Luxembourg	—	—
	Netherlands	—	—
	Total	120	158
<i>Netherlands</i>	Germany (Fed. Rep.)	—	2
	Belgium	2	17
	France/Saar	518	448
	Luxembourg	234	203
		Total	754
	Grand total	8 104	7 075
	<i>of which</i>		
	Germany (Fed. Rep.) ¹⁾	321	181
	Belgium	2	25
	France/Saar	4 251	3 463
	Italy	2	111
	Luxembourg	3 344	3 103
	Netherlands	184	292

¹⁾ Including some small tonnages delivered by Italy.

²⁾ Provisional figures.

³⁾ Including 3 to Italy.

⁴⁾ Including 7 to Italy.

⁵⁾ Including 25 to Italy.

⁶⁾ The Saar was reintegrated with the Federal Republic of Germany on July 6, 1959. For purposes of comparison, the figures in this column give the situation as it would be if the status of the Saar had remained unchanged.

⁷⁾ This column gives the true situation for 1959, allowing for the change in the status of the Saar.

TABLE No. 11 (contd.)

('000 metric tons)

1954	1955	1956	1957	1958	1959 *) *)	1959 *) *)
48	60	59	57	73	58	58
2 212	3 523	3 582	3 625	3 383	2 779	3 119
23	21	4	13	49	15	29
2 773	3 140	3 187	3 086	3 085	3 044	3 044
346	386	315	271	194	305	305
5 402	7 130	7 147	7 052	6 784	6 201	6 554
1	23	115	9	5	13	17
451	356	386	467	331	312	308
—	—	—	1	1	15	15
102	92	91	173	59	210	210
8	27	33	36	14	—	—
562	498	625	686	410	550	551
184	166	143	156	64	155	72
4	7	0	3	1	7	7
—	—	—	—	39	46	33
—	—	—	—	—	—	—
—	14	2	0	—	—	—
188	187	145	159	104	208	112
3	13	12	13	7	210	210
24	73	47	60	76	108	108
565	721	744	788	612	654	654
246	304	363	451	370	421	421
838	1 111	1 166	1 315 *)	1 072 *)	1 418 *)	1 418 *)
6 990	8 992	9 137	9 338	8 400	8 376	8 633
188	267	305	181	76	378	298
76	140	106	120	150	173	173
3 228	4 601	4 726	4 984	4 357	3 745	4 080
23	21	4	16	96	100	102
3 121	3 536	3 641	3 730	3 514	3 674	3 674
354	427	350	307	208	305	305

TABLE No. 12

**Total Deliveries of Hard Coal and Hard-Coal Briquettes
to Consumers within the Community**

(quarterly figures)

('000 metric tons)

Year	1st quarter	2nd quarter	3rd quarter	4th quarter
1957	64 304	63 743	61 831	62 284
1958	58 273	54 701	55 804	56 582
1959	53 935	51 125	50 654	55 855 ¹⁾

¹⁾ Provisional figure.

TABLE No. 13

**Actual Consumption of Hard Coal and Hard-Coal Briquettes
within the Community**

(quarterly figures)

('000 metric tons)

Year	1st quarter	2nd quarter	3rd quarter	4th quarter
1957	64 773	59 710	58 785	64 378
1958	57 584	53 581	54 932	58 840
1959	54 769	50 876	51 050	57 645 ¹⁾

¹⁾ Estimated.

TABLE No. 14

**Deliveries of Hard Coal and Hard-Coal Briquettes to
Consumers within the Community**

(by countries)

('000 metric tons)

Country	1957	1958	1959 ¹⁾
Germany (Fed. Rep.)	126 710	114 549	105 352
Saar	7 482	7 154	7 402
Belgium	25 012	20 742	21 841
France	62 107	57 139	53 131
Italy	12 725	9 995	9 031
Luxembourg	324	260	250
Netherlands	17 870	15 487	14 685
Community	252 229	225 327	211 691

¹⁾ Provisional figures.

TABLE No. 15

**Stocks of Hard Coal and Hard-Coal Briquettes held
by Consumers within the Community**

('000 metric tons)

At end of period	Coking-plants	Railways	Power-stations	Gas-works	Iron and steel industry	Miscellaneous industries	Total
1953	1 311	1 484	2 393	1 167	312	3 666	10 333
1954	1 381	1 300	2 770	1 068	301	3 350	10 170
1955	1 798	1 036	3 092	1 055	347	4 332	11 660
1956	2 155	1 203	4 758	1 170	408	5 116	14 810
1957	2 678	1 879	6 734	1 966	423	5 646	19 326
1958	2 401	1 945	8 612	1 603	350	4 838	19 749
October 1958	2 519	2 188	9 183	1 721	352	5 446	21 409
October 1959	2 448	1 410	7 756	1 227	262	4 596	17 749

TABLE No. 16

Development of Coal Prices in the Community¹⁾

(for certain types and sizes in the main coalfields of the Community)

Type	Size	Year	Ruhr		Aachen		Netherlands		Belgium ¹⁾ Cobecchar sales		Belgium inde- pendent sales		Nord/ Pas-de-Calais		Lorraine		Saar				
			month	price	month	price	month	price	month	price	month	price	month	price	month	price	month	price	month	price	
Anthra- cite	French nuts	1952	May	19.20	May	19.20			June	27.22					May	26.06					
		1953	March	22.80	March	24.06	April	21.71	March	27.60					March	26.57					
		1954	April	22.80	April	24.52	April	21.33	April	27.60					April	26.86					
		1955	May	22.97	May	25.49	May	22.49	June	30.—					May	27.83					
		1956	April	23.16	April	25.90	April	23.81	April	30.—					April	27.83					
		1957	April	24.08	April	27.49	April	25.53	April	33.60					April	27.83					
		1958	March	25.69	March	28.93	March	25.33	March	34.60					March	26.50					
		1959	Jan.	25.69	Jan.	28.93	Jan.	27.12	Jan.	34.60					Jan.	25.83					
		1960	Jan.	25.49	Jan.	29.83	Jan.	27.78	Jan.	34.60	Jan.	34.60	Jan.	34.60	Jan.	25.83	Jan.	25.83			
		1952	May	16.23	May	16.23	May	16.23		June	27.22					May	26.06				
Low vola- tile	small nuts	1953	March	19.37	March	20.63	April	21.71	March	27.60					March	26.57					
		1954	April	19.37	April	20.86	April	21.33	April	27.60					April	26.86					
		1955	May	19.54	May	21.95	May	22.49	June	30.—					May	27.26					
		1956	April	19.73	April	22.36	April	23.81	April	30.—					April	27.26					
		1957	April	20.65	April	23.37	April	24.60	April	33.60					April	27.26					
		1958	March	22.15	March	25.05	March	26.19	March	34.10					March	25.79					
		1959	Jan.	22.15	Jan.	25.05	Jan.	26.19	Jan.	34.10					Jan.	25.22					
		1960	Jan.	22.06	Jan.	24.57	Jan.	26.46	Jan.	32.60					Jan.	25.22					
		1952	May	11.65	May	11.65	May	11.65		June	17.22					May	16.51				
		Semi- bituminous	singles	1953	March	13.66	March	14.92	April	14.48	March	16.40					March	16.80			
1954	April			13.66	April	14.35	April	14.48	April	16.40					April	17.14					
1955	May			14.05	May	14.40	May	14.55	June	15.70					May	16.29					
1956	April			14.25	April	14.82	April	14.55	April	15.70					April	16.29					
1957	April			15.16	April	16.06	April	17.33	April	19.40					April	19.14					
1958	March			16.32	March	17.39	March	18.65	March	20.10	March	20.10	March	20.10	March	17.07					
1959	Jan.			16.32	Jan.	17.39	Jan.	18.65	Jan.	19.70	Jan.	19.70	Jan.	19.20	Jan.	16.—					
1960	Jan.			15.77	Jan.	16.91	Jan.	17.20	Jan.	18.30	Jan.	18.30	Jan.	17.60	Jan.	16.—					

High-volatile bituminous	No. 2 nuts (doubles)	1952	May	11.31				17.43	17.71	17.71
		1953	March	13.32				17.83	17.83	March
		1954	April	13.09				17.69	17.83	April
		1955	May	13.25				17.69	17.83	May
		1956	April	13.45				17.69	17.83	April
		1957	April	14.37				18.66	17.83	April
		1958	March	15.40			18.90	17.24	16.67	March
		1959	Jan.	15.40			18.90	15.60	15.50	Jan.
		1960	Jan.	14.63			16.40	15.60	15.50	Jan.
High-volatile bituminous	No. 5 nuts (grains)	1952	May	11.20				15.54	13.49	May
		1953	March	13.20				15.83	14.29	March
		1954	April	12.86				15.83	14.29	April
		1955	May	13.03				15.83	13.86	May
		1956	April	13.22				15.83	13.86	April
		1957	April	14.14				15.83	14.23	April
		1958	March	15.29				17.43	16.43	March
		1959	Jan.	15.29				15.64	14.38	Jan.
		1960	Jan.	14.29				14.89	13.58	Jan.
								15.83	13.58	Jan.
Bituminous	washed duff or coking fines	1952	May	10.86				13.89	12.51	May
		1953	March	12.63				14.40	12.63	March
		1954	April	12.17	13.84	April		14.26	13.00	April
		1955	May	12.34	12.95	May		13.70	12.66	May
		1956	April	12.53	12.96	April		13.70	12.66	April
		1957	April	13.45	12.96	April		13.70	12.66	April
		1958	March	14.49	14.55	March	17.30	14.57	14.00	March
		1959	Jan.	14.49	15.34	Jan.	17.30	13.95	13.69	Jan.
		1960	Jan.	14.47	15.34	Jan.	15.60	13.27	13.57	Jan.
					14.42	Jan.	14.60	13.27	13.57	Jan.

TABLE 16 (contd.)

Type	Size	Year	Ruhr		Aachen		Netherlands		Belgium ¹⁾ Cobéchar sales		Belgium inde- pendent sales		Nord/ Pas-de-Calais		Lorraine		Saar					
			month	price	month	price	month	price	month	price	month	price	month	price	month	price	month	price	month	price		
Coke	Large	1952	May	13.94	May	13.94							May	18.66	May	20.14	May	20.14				
		1953	March	15.26	March	16.52	April	16.63					March	18.80	March	20.29	March	20.29				
		1954	April	14.80	April	16.06	April	16.13					April	18.80	April	20. —	April	19.71				
		1955	May	15.23	May	16.72	May	16.40					May	18.09	May	19.57	May	19.43				
		1956	April	16.24	April	17.49	April	17.99					April	18.09	April	19.57	April	20.14				
		1957	April	17.72	April	18.96	April	19.58					April	20.23	April	21. —	April	20.86				
		1958	March	19.10	March	20.90	March	21.03					March	19.76	March	21.43	March	21.19				
		1959	Jan.	19.10	Jan.	20.90	Jan.	21.03					Jan.	19.04	Jan.	20.86	Jan.	20.47				
		1960	Jan.	19.07	Jan.	20.88	Jan.	18.65					Jan.	19.04	Jan.	20.86	Jan.	21.71				
		Taxes to be added		1952		4.16%		4.16%		4.16%						7.93%		7.93%		7.93%		9.11%
				1953		4.16%		4.16%		4.16%		4.50%				7.93%		7.93%		7.93%		9.11%
				1954		4.16%		4.16%		4.16%		4.50%				7.93%		7.93%		7.93%		9.11%
1955				4.16%		4.16%		4.16%		4.50%				7.93%		7.93%		7.93%		9.11%		
1956				4.16%		4.16%		5.3%		5.0%				9.29%		9.29%		9.29%		11.11%		
1957				4.16%		4.16%		5.3%		5.0%				11.11%		11.11%		11.11%		11.11%		
1958				4.16%		4.16%		5.3%		5.0%				11.11%		11.11%		11.11%		11.11%		
1959		4.16%		4.16%		5.3%		5.0%				11.11%		11.11%		11.11%		11.11%				
1960		4.16%		4.16%		5.3%		5.0%				11.11%		11.11%		11.11%		11.11%				

1) The prices, expressed in E.M.A. units of account, are per metric ton, for delivery « f.o.t. at colliery or coking-plant », exclusive of all taxes but including, for Ruhr and Aachen products, the contribution payable at the time to the miners' housing fund and the compensation levy invoiced over and above the schedule prices.
 2) As from the end of December 1958, three Campine enterprises, have resumed their commercial independence and have lodged price-schedules of their own. On January 16, 1960, a fourth enterprise, producing only anthracite, also lodged its own price schedule.
 See notes on next page.

Notes to Table 16

A new industrial coal size has been introduced — the 5-10 mm high-volatile bituminous “No. 5 nuts” or “grains”, the marketing of which is meeting with exceptionally keen competition from oil products.

The 1952 prices are prices for sales in the internal market. Export prices, even those for exports to other Community countries (which were not then part of the Common Market), were for the most part much higher. This system of dual pricing was abolished when the Common Market was introduced.

The prices of the Ruhr and Aachen coalfields were before the introduction of the Common Market for delivery “f.o.t. Ruhr basing point”. The change in the method of quoting to “f.o.t. at colliery” reduced the delivered price for the customers located nearer to the colliery than to the basing point. This was, for instance, the case for the majority of the customers of the Aachen coalfields.

Since the contribution to the miners' housing fund — which was levied for seven years at varying rates — has been abolished, the amounts payable to the fund at the time as also the compensation levy invoiced over and above the schedule prices have been added to the prices of Ruhr and Aachen products. All the prices shown are thus basis prices as invoiced to customers and are more easily inter-comparable.

The types listed in col. I of the accompanying table correspond to the following schedule descriptions in the different coalfields:

Anthracite :

- Anthrazitkohlen (Ruhr), 7-10% volatile matter;
- Anthrazitkohlen (Aachen), 10% V.M.;
- Antraciet (Netherlands), 10-14% V.M. (up to May 1955);
9-12% V.M. (up to May 1958);
8-10% or < 10% V.M. (since April 1958);
- Maigres (Belgium), < 10% V.M.;
- Maigres or anthracites (Nord/Pas-de-Calais), < 10% V.M.

Low volatiles :

- Magerkohlen (Ruhr and Aachen), 10-14% V.M.;
- Mager (Netherlands), 13-16% V.M.;
- 10-12% V.M. (as from April 1, 1958);
- 1/4 gras (Belgium), 10-12.5% V.M.;
- 10-14% V.M. (as from April 1, 1958);
- 1/4 gras (Nord/Pas-de-Calais), 10-14% V.M.

Semi-bituminous :

- Esskohlen (Ruhr), 14-19% V.M.; 16-20% V.M. (as from April 1, 1959);
- 3/4 Fettkohlen or Esskohlen (Aachen), 16-19% V.M.;
- 3/4 Vet-rookzwakkekolen (Netherlands), 15-20% V.M.
14-18% V.M. (as from April 1, 1958);
- 3/4 gras (Belgium), 16-20% V.M.
18-20% V.M. (as from April 1, 1958);
- Demi-gras (Nord/Pas-de-Calais), 14-18% V.M.

Bituminous :

Fettkohlen (Ruhr), 18-28% V.M.;
Fettkohlen (Aachen), > 19% V.M.;
Vetkolen (Netherlands), 20-25% V.M.;
Gras A (Belgium), 20-28% V.M. (as from November 6, 1957
— Campine);
Gras and 3/4 gras (Nord/Pas-de-Calais), > 18% V.M.
Gras (Lorraine), 36-39% V.M.;
Fett B (Saar), 33-40% V.M.

High-volatile bituminous :

Gas- und Gasflammkohle (Ruhr), 28-40% V.M.;
33-40% V.M. (as from April 1, 1959);
Gras B (Belgium), > 28.5% V.M. (as from November 6,
1957 — Campine);
Flénus (Nord/Pas-de-Calais), > 30% V.M.;
Flambants secs (Lorraine), 40-42% V.M. for No. 2 nuts;
Oberste Flammkohle (Saar), 40-42% V.M. for No. 2 nuts;
Flambants ordinaires (Lorraine), 39-41% V.M. for No. 5 nuts;
Flammkohle (Saar), 39-41% V.M. for No. 5 nuts.

TABLE No. 17

Development of Pithead Prices for Certain Types and Grades of Belgian Coal ¹⁾

(Bfr. per metric ton)

Period	Gras B >28% V.M. 30-50 mm		Gras A >20-28% V.M. washed fines 0-10 mm.		34/ Gras >18-20% V.M. 10-20 mm.		Maigras >10-14% V.M. 20-30 mm.		Androcites >10% V.M. 20-30 mm.		½ Gras brquettes 14-18% V.M. 10-14% ash	
	Campine		Campine		Cobechar		Cobechar		Cobechar		Cobechar	
	Cobechar sales	Independent sales	Cobechar sales	Independent sales	Cobechar sales	Independent sales	Cobechar sales	Independent sales	Cobechar sales	Independent sales	Cobechar sales	Independent sales
January 1, 1953	911		736		861		1 361		1 361		881	
March, 15, 1953	860	911	710	860	875	911	1 380	1 380	1 380	1 380	870	870
Nov. 1, 1953	860	860	703	860	820	860	1 380	1 380	1 380	1 380	870	870
April 1, 1954	860	860	703	860	820	860	1 380	1 380	1 380	1 380	870	870
June 1, 1954	813	813	691	813	785	813	1 500	1 500	1 500	1 500	870	870
June 16, 1955	813	813	720	813	810	813	1 500	1 500	1 500	1 500	870	870
June 8, 1956	813	813	810	813	885	810	1 555	1 555	1 555	1 555	1 010	1 010
October 1, 1956	890	890	810	890	910	810	1 585	1 585	1 585	1 585	1 025	1 025
January 11, 1957	905	905	825	905	970	905	1 680	1 680	1 680	1 680	1 100	1 100
April 1, 1957	945	945	865	945	970	945	1 705	1 705	1 705	1 705	1 120	1 120
Nov. 6, 1957	945	945	865	945	1 005	945	1 730	1 730	1 730	1 730	1 120	1 120
May 2, 1958	945	945	835	945	1 005	945	1 705	1 705	1 705	1 705	1 090	1 090
January 1, 1959 ²⁾	945	860	785	945	985	860	1 705	1 705	1 730	1 730	990	990
June 15, 1959	860	860	730	860	915	860	1 630	1 630	1 730	1 730	965	965
January 16, 1960	820	820	730	820	915	820	1 630	1 630	1 730	1 730	965	915
Variation between November 1, 1953 and November 6, 1957	frs % + 34 + 3.7%	+ 69 + 7.6%	+ 149 + 20.8%	+ 169 + 23.6%	+ 144 + 16.7%	+ 344 + 25.3%	+ 344 + 25.3%	+ 344 + 25.3%	+ 344 + 25.3%	+ 344 + 25.3%	+ 239 + 27.1%	+ 239 + 27.1%
Variation between March 15, 1953 and November 6, 1957	frs % + 85 + 9.9%	+ 120 + 14%	+ 155 + 21.8%	+ 175 + 24.6%	+ 130 + 14.9%	+ 325 + 23.6%	+ 325 + 23.6%	+ 325 + 23.6%	+ 325 + 23.6%	+ 325 + 23.6%	+ 250 + 28.7%	+ 250 + 28.7%
Variation between March 15, 1953 and January 16, 1960	frs % - 40 - 4.7%	- 5 - 0.6%	+ 20 + 2.8%	+ 55 + 7.7%	+ 40 + 4.6%	+ 250 + 18.1%	+ 250 + 18.1%	+ 250 + 18.1%	+ 350 + 25.3%	+ 350 + 25.3%	+ 95 + 10.9%	+ 45 + 5.2%

¹⁾ Names of types are those adopted on November 6, 1957.

²⁾ At the end of December, 1958, three Campine enterprises resumed their commercial independence and now lodge price-schedules of their own. At the end of December, 1959, one other enterprise followed suit.

TABLE No. 18

Comparative Movement of Coal Prices in the Different Coalfields of the Community

	1953 = 100										Ruhr prices in 1953 = 100									
	1953 = 100					1953 = 100					1953 = 100					1953 = 100				
	1953	1954	1955	1956	1957	1958	1959	1960	1953	1954	1955	1956	1957	1958	1959	1960				
Ruhr																				
Anthracite	100	100	101	102	106	113	112	112												
Low-volatile	100	100	101	102	107	114	114	114												
Semi-bituminous	100	100	103	104	111	119	115	115												
High-volatile bit. No. 2 nuts	100	98	99	101	108	116	110	110												
High-volatile bit. No. 5 nuts	100	97	99	100	107	116	116	108												
Washed fines, bituminous	100	96	98	99	106	115	115	115												
Coke	100	97	100	106	116	125	125	125												
Aachen																				
Anthracite	100	102	106	108	114	120	120	124	106	108	111	112	114	113	113	117				
Low-volatile	100	101	106	108	113	121	121	119	107	108	112	113	113	113	113	111				
Semi-bituminous	100	96	97	99	108	117	117	113	109	105	103	104	106	107	107	107				
Washed fines, bituminous	100	97	97	100	107	115	115	115	110	110	109	111	111	110	110	110				
Coke	100	97	101	106	115	127	127	126	108	109	110	108	107	109	109	109				
Saar																				
High-volatile bit. No. 2 nuts	100	102	102	100	101	95	87	90	134	139	137	133	125	111	101	109				
High-volatile bit. No. 5 nuts	100	103	102	104	113	109	104	103	103	109	106	107	109	97	93	98				
Bituminous fines	100	103	102	103	110	112	109	116	107	115	112	112	110	104	102	108				
Coke	100	97	96	99	103	104	101	107	132	133	128	124	118	111	107	114				
Netherlands																				
Anthracite	100	98	104	110	118	118	125	128	95	94	93	103	106	99	106	109				
Low-volatile	100	98	104	110	113	121	121	122	112	110	115	121	119	118	118	120				
Semi-bituminous	100	100	100	100	120	129	129	119	106	106	104	102	114	114	114	109				
Bituminous fines	100	94	94	94	105	111	111	104	110	106	105	103	108	106	106	100				
Coke	100	97	99	108	118	126	126	116	109	109	108	111	110	110	110	98				

Belgium (Cobechar sales)	100	109	109	122	125	125	125	121	121	131	140	135	135	136
Anthracite	100	109	109	122	124	124	114	142	142	154	163	154	154	143
Low-volatile	100	96	96	118	123	120	107	120	112	110	128	123	123	112
Semi-bituminous	100	95	95	110	110	110	95	129	131	121	132	123	123	112
High-volatile bit. No. 2 nuts	100	100	100	119	119	112	100	114	117	115	126	116	116	105
High-volatile bit. No. 5 nuts	100	99	97	122	122	111	103	112	116	112	110	129	119	108
Bituminous fines														101
Belgium (Independent sales)	100	96	96	118	123	117	102	120	120	112	110	128	123	118
Semi-bituminous	100	95	95	110	110	100	95	129	131	123	121	132	123	112
High-volatile bit. No. 2 nuts	100	100	100	119	119	105	103	112	116	112	110	129	119	105
High-volatile bit. No. 5 nuts	100	99	97	122	122	110	103	112	116	112	110	129	119	108
Bituminous fines														101
Nord/Pas-de-Calais	100	105	105	105	100	107	107	117	118	121	116	103	103	101
Anthracite	100	103	103	103	97	95	95	137	139	140	138	132	116	114
Low-volatile	100	97	97	114	102	95	95	123	125	116	114	126	105	98
Semi-bituminous	100	99	99	105	97	87	87	134	135	134	132	130	112	101
High-volatile bit. No. 2 nuts	100	95	95	110	99	94	94	120	123	115	113	123	102	97
High-volatile bit. No. 5 nuts	100	99	95	101	97	92	92	114	117	111	109	108	96	92
Bituminous fines	100	96	96	108	105	101	101	123	127	119	111	114	103	99
Coke														100
Lorraine	100	100	100	100	93	87	87	134	136	135	133	124	108	101
High-volatile bit. No. 2 nuts	100	97	100	115	101	95	95	108	111	106	108	116	94	89
High-volatile bit. No. 5 nuts	100	103	100	111	108	108	108	100	107	103	101	104	94	94
Bituminous fines	100	96	96	103	106	103	103	132	135	128	121	119	112	109
Coke														101

N.B. The very steep drop in the March, 1958 indices for the Saar, Nord/Pas-de-Calais and Lorraine coalfields reflects the incidence on the prices of French and Saar coal in the Community of the application to coal, on October 28, 1957, of the French currency measures known as "Operation Twenty per Cent". Similarly, the very steep drop in the January 1959 indices for the same areas (Saar, Nord/Pas-de-Calais and Lorraine) reflects the incidence on the prices, expressed in E.M.A. units of account, of the French currency adjustments of December 27, 1958.

EUROPEAN COAL AND STEEL COMMUNITY

TABLE No. 19

Price of U.S. Coal
(slack/coking fines)

(\$ per metric ton)

Year	Price f.o.b. U.S. port ¹⁾	Average freight- charge Hampton- Roads-Rotterdam ²⁾	Price c.i.f.
<i>1953</i>			
March	10.38	4.83	15.21
June	10.38	4.31	14.69
September	9.55	3.90	13.45
December	9.55	4.11	13.66
<i>1954</i>			
March	8.57	4.66	13.23
June	8.57	4.56	13.13
September	9.06	5.11	14.17
December	9.06	6.88	15.94
<i>1955</i>			
March	9.84	6.79	16.63
June	9.84	8.13	17.97
September	11.27	9.19	20.36
December	11.27	9.30	20.57
<i>1956</i>			
March	11.51	10.09	21.60
June	11.51	10.00	21.51
September	11.51	9.92	21.43
December	11.76	15.05	26.81
<i>1957</i>			
March	11.76	9.72	21.48
June	11.51	6.79	18.30
September	11.27	3.30	14.57
December	10.83	3.55	14.38
<i>1958</i>			
March	9.84	3.00	12.84
June	9.84	3.21	13.05
September	9.84	3.10	12.94
December	9.84	3.68	13.52
<i>1959</i>			
March	9.84	2.94	12.78
June	9.84	2.87	12.71
September	9.84	2.87	12.71
December	9.84	3.74	13.58
<i>1960</i>			
January	9.84		

¹⁾ Estimated.²⁾ Mean between maximum and minimum figures charged during the month in respect of single voyages.

TABLE No. 20

Sums allocated under Decision No. 27/58 for the Financing of Exceptional Accumulations of Coal Stocks

	Year 1958		Year 1959							
	November	December	January	February	March	April	May	June	July (3 months)	
	<i>Federal Republic of Germany</i>									
1. Monthly increase of stocks (in metric tons)	170 641	399 371	165 064	335 144	430 811	338 698	336 746	379 278		
2. Amounts requested per month (in units of accounts)	28 440	95 002	122 513	178 370	250 172	306 622	362 746	425 959		
3. Total tonnage to be financed (in metric tons)	170 641	570 012	735 076	1 470 152	1 501 031	1 839 729	2 176 475	2 555 753		
4. Sums allocated (in units of account)	341 282	1 140 024	1 470 152	2 140 440	3 002 062	3 679 458	4 352 950	5 111 506	5 266 593	
<i>Belgium</i>										
1. Monthly increase of stocks (in metric tons)	100 123	135 149	149 630	78 289	148 873	246 977	78 928	59 534		
2. Amounts requested per month (in units of accounts)	8 344	19 606	32 075	38 599	51 005	71 587	78 164	83 125		
3. Total tonnage to be financed (in metric tons)	100 123	235 272	384 902	463 191	612 064	859 041	937 969	997 503		
4. Sums allocated (in units of account)	100 123	235 272	384 902	463 191	612 064	859 041	937 969	997 503	1 026 283	

<i>Netherlands</i>										
1. Monthly increase of stocks (in metric tons)	—	—	—	—	—	—	27 072	18 930	9 023	
2. Amounts requested per month (in units of accounts)	—	—	—	—	—	—	2 256	3 834	3 082	
3. Total tonnage to be financed (in metric tons)	—	—	—	—	—	—	27 072	46 002	36 979	
4. Sums allocated (in units of account)	—	—	—	—	—	—	27 072	46 002	36 979	37 100
<i>France</i>										
1. Monthly increase of stocks (in metric tons)	—	—	—	—	—	14 765	109 513	156 180	263 736	
2. Amounts requested per month (in units of accounts)	—	—	—	—	—	1 230	3 657	25 798	47 776	
3. Total tonnage to be financed (in metric tons)	—	—	—	—	—	14 765	43 887	309 580	573 316	
4. Sums allocated (in units of account)	—	—	—	—	—	14 765	43 887	309 580	573 316	633 004
<i>Community</i>										
Sums allocated (in units of account)	441 405	1 375 296	1 855 054	2 618 396	3 658 013	4 718 971	5 646 501	6 719 304	6 962 980	

TABLE No. 21

Hard-Coal Production (a), Output per Shift (b), and Number of Miners employed underground (a) in the Belgian Coalfields from 1950 to 1959

(a) '000 metric tons
(b) in Kg
(c) '000¹⁾

Year	Centre			Charleroi			Liège			Borinage			Southern Belgium			Campine			Total			
	a	b	c	a	b	c	a	b	c	a	b	c	a	b	c	a	b	c	a	b	c	
	1950	3 323	969	13-6 6 810	1 013	25-7 4 422	851	21-6 4 644	951	20-1 19 199	949	81-1	8 122	1 211	27-6 27 321	1 014	108-7					
1951	3 589	1 016	14-8 7 173	1 030	29-0 4 785	865	24-0 4 840	962	21-1 20 387	975	88-9	9 265	1 315	30-8 29 657	1 060	119-8						
1952	3 713	1 011	14-9 7 205	1 004	28-5 4 957	866	23-8 4 798	945	21-4 20 672	965	88-7	9 712	1 300	30-9 30 384	1 051	119-6						
1953	3 673	1 025	14-5 7 275	1 043	27-5 5 003	900	23-0 4 621	936	20-4 20 578	986	85-4	9 483	1 307	29-8 30 060	1 068	115-2						
1954	3 605	1 067	14-0 7 149	1 088	26-6 4 963	929	22-0 4 274	952	18-7 19 991	1 011	81-3	9 258	1 352	28-5 29 249	1 099	109-8						
1955	3 669	1 096	14-9 7 165	1 100	28-1 4 818	956	22-2 4 123	941	19-6 19 775	1 025	84-8	10 144	1 484	29-7 29 919	1 145	114-5						
1956	3 598	1 098	13-9 6 877	1 112	25-5 4 531	929	20-8 3 987	965	17-7 18 993	1 028	77-9	10 468	1 492	29-3 29 461	1 156	107-2						
1957	3 471	1 045	15-2 6 873	1 119	29-1 4 323	921	21-8 4 004	996	18-6 18 670	1 031	450	32-3 29 001	1 146	31-9 27 052	1 152	105-7						
1958	2 936	1 065	17-4 6 479	1 135	25-4 4 069	927	19-8 3 605	1 047	16-3 17 089	1 049	73-8	9 973	1 387	31-9 27 052	1 152	105-7						
1959 ^{a)}	2 066	1 125	10-4 5 520	1 287	21-6 3 823	1 011	16-8 2 576	1 145	12-9 13 986	1 151	61-7	8 771	1 499	29-5 22 757	1 264	91-2						

¹⁾ At end of year, including supervisory personnel.

²⁾ The output figures for the years 1951 to 1953 were calculated on a different basis from that used for other years and are therefore not comparable.

³⁾ Provisional figures.

TABLE No. 22

Situation of pits in operation on December 31, 1959

Pits in the Belgian coalfields which were closed, linked up, temporarily closed or re-started during the period January 1 to December 31, 1959, together with their production figures in metric tons per year for 1957 and 1958

(production in '000 metric tons)

	Centre		Charleroi		Liège		Borinage		Southern Belgium		Campine		Total	
	Num-ber of pits	Production in metric tons per year	Num-ber of pits	Production in metric tons per year	Num-ber of pits	Production in metric tons per year	Num-ber of pits	Production in metric tons per year	Num-ber of pits	Production in metric tons per year	Num-ber of pits	Production in metric tons per year	Num-ber of pits	Production in metric tons per year
Pits in operation on December 31, 1958	13 ¹⁾	—	—	—	—	—	—	—	—	—	—	—	—	—
Number of pits closed and re-started during the year	4	560	4	617	2	199	4	656	16	2 032	16	2 032	16	2 032
a) pits closed	—	—	—	—	1 ²⁾	243	—	—	1 ³⁾	243	—	—	—	—
linked up	—	—	—	—	—	247	—	—	—	247	—	—	—	—
Total (a)	4	560	4	617	3	442	4	656	17	2 275	17	2 275	17	2 275
b) pits subdivided or re-started	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total (a-b)	4	560	4	617	3	442	4	656	17	2 275	17	2 275	17	2 275
Pits in operation on December 31, 1959	9	—	—	—	20	—	—	—	83	—	7	—	—	—

1) Although scheduled for closure, Housou pit (Charbonnages Resaix) did not close down in 1958. The number of pits in production on 31.12.1958 therefore rises from 12 to 13.
 2) The Monceau-Fontaine Pit No. 24 closed down on 31.12.1958. The number of pits in production on 31.12.1958 is thus reduced from 47 to 46.
 3) Link-up of Gosson I and Gosson II pits on 1.1.1959.
 4) The Charbonnage de la Minerie was temporarily closed for one month.

TABLE No. 23

Community Position as regards Iron Ore

('000,000 metric tons Fe content)

Availabilities and requirements	1957	1958	1959
Production of saleable ore	24.3	24.1	24.5
Imports	13.5	13.0	12.4
Availabilities	37.8	37.1	36.9
Consumption	35.8	34.8	37.9
Exports	0.33	0.27	0.3
Requirements	36.1	35.1	38.2
Stock changes	+1.7	+2.0	-1.3

TABLE No. 24

Production of Crude Iron Ore in the Community

('000 metric tons)

Period	Germany (Fed. Rep.)	Belgium	France	Italy	Luxem- bourg	Com- munity
1952	15 408	132	41 184	11 320	7 248	65 292
1953	14 621	100	42 924	1 429	7 168	66 242
1954	13 029	81	44 362	1 601	5 887	64 970
1955	15 682	106	50 885	2 151	7 204	76 028
1956	16 928	144	53 359	2 650	7 594	80 675
1957	18 320	137	58 527	2 608	7 843	87 435
1958	17 984	124	60 186	2 145	6 636	87 075
1959	18 061	142	61 673	2 044	6 510	88 430
Difference between 1959/1958(in%)	+0.4	+14.5	+2.5	-4.7	-1.9	+1.6
1959						
1st quarter	4 376	37	15 319	501	1 495	21 728
2nd quarter	4 433	37	15 422	511	1 638	22 041
3rd quarter	4 560	29	14 331	566	1 624	21 110
4th quarter	4 692	39	16 601	466	1 753	23 551

TABLE No. 25

Iron-Ore Stocks in the Community*(1'000,000 metric tons Fe content)*

Stocks	End of 1955	End of 1956	End of 1957	End of 1958	End of 1959
Stocks at works					
Germany (Fed. Rep.), Belgium, Italy, Nether- lands	3.3	4.4	5.5	6.5	5.7 ¹⁾
France, Saar, Luxem- bourg	1.2	1.2	1.4	1.7	1.5 ¹⁾
Stocks at mines	1.3	1.1	1.5	2.2	1.9 ¹⁾
Total Community stocks	5.8	6.7	8.4	10.4	9.1

¹⁾ Estimated.

TABLE No. 26

Iron-Ore Trade within the Community

Country of supply	Countries of destination	1952	1953	1954	1955	1956	1957	1958	first six months	
									1958	1959
Germany (Fed. Rep.)	Belgium/Luxembourg	—	—	1.2	0.9	1.7	1.3	1.6	0.8	0.5
	France/Saar	51.6	57.6	51.6	24.1	39.0	59.8	36.8	19.8	12.7
	Italy	1.2	1.2	1.2	2.1	2.1	1.7	1.6	0.7	0.7
	Netherlands	0.0	0.0	0.0	3.0	4.2	13.9	0.4	0.2	0.9
	Total	52.8	58.8	54.0	30.1	47.0	76.7	40.4	21.5	14.8
Luxembourg	Germany (Fed. Rep.)	434.4	267.6	99.6	386.0	586.7	378.1	17.4	17.1	—
	France/Saar	10.8	614.4	27.6	36.5	60.5	133.9	94.0	46.8	55.4
	Total	445.2	882.0	127.2	422.5	647.2	512.0	111.4	63.9	55.4
France	Germany (Fed. Rep.)	379.2	340.8	242.4	353.9	589.7	1 064.6	1 110.1	580.6	643.1
	Belgium/Luxembourg	8 395.2	9 001.2	10 261.2	12 537.5	12 634.4	12 559.7	13 616.5	6 770.8	7 273.5
	Netherlands	132.0	187.2	144.0	141.4	104.5	57.7	51.6	27.0	—
	Total	8 906.4	9 529.2	10 647.6	13 032.8	13 328.6	13 682.0	14 778.2	7 378.4	7 916.6
	Grand total ¹⁾	9 404.4	10 470.0	10 828.8	13 521.5	14 067.6	14 313.8	14 941.6	7 475.1	7 989.4
	of which ²⁾ :									
	Germany (Fed. Rep.)	813.6	608.4	342.0	776.0	1 221.2	1 481.5	1 139.1	609.0	645.1
	Belgium/Luxembourg	8 395.2	9 001.2	10 262.4	12 538.4	12 636.1	12 561.4	13 618.1	6 771.6	7 274.2
	France/Saar	62.4	672.0	79.2	60.6	99.5	193.7	130.8	66.6	68.5
	Italy	1.2	1.2	1.2	2.1	2.1	1.7	1.6	0.7	0.7
	Netherlands	132.0	187.2	144.0	144.4	108.7	75.5	52.0	27.2	0.9

¹⁾ Including some small tonnages delivered by Italy and the Netherlands.

²⁾ Estimation based on deliveries.

TABLE No. 27

Iron-Ore Imports from Third Countries

Country of origin	Period						first nine months	
	1954	1955	1956	1957	1958	1958	1959	
Spain	554.5	1 250.6	2 042.5	1 910.0	1 158.7	930.4	623.2	
Greece	19.3	110.6	289.0	286.0	101.8	90.5	31.3	
Norway	720.7	844.3	973.9	797.8	760.6	595.9	525.0	
Sweden	7 689.1	9 418.2	10 833.1	11 442.9	10 627.3	7 732.8	7 800.9	
Turkey	126.0	334.1	512.1	608.9	348.2	246.9	221.0	
Algeria	653.5	1 307.6	929.6	1 147.0	863.4	654.4	443.6	
Liberia	245.0	498.2	508.8	723.6	953.6	698.9	839.9	
Marocco ¹⁾	200.5	480.2	818.4	920.2	308.2	381.2	188.8	
Tunisia	278.1	278.2	278.8	291.2	338.3	262.8	175.8	
British West Africa	19.1	418.1	456.4	493.7	647.4	520.0	528.3	
India	183.0	180.5	87.9	109.5	175.7	128.7	80.0	
Portuguese possessions in Asia	575.1	766.8	890.8	783.0	1 387.1	1 185.2	880.1	
Canada	724.3	1 176.5	1 562.1	1 638.3	1 736.6	1 240.9	1 044.1	
Brazil	308.1	483.9	603.8	678.1	692.2	590.2	591.6	
Chile	38.8	144.1	274.8	242.1	150.1	117.1	133.9	
Peru	—	98.3	487.0	806.5	722.2	534.1	574.2	
Venezuela	9.6	280.5	712.7	1 220.2	1 869.6	1 476.6	1 311.4	
Other countries	245.7	467.0	578.5	692.3	716.7	543.7	396.0	
Total	12 590.5	18 537.8	22 840.2	24 791.4	23 757.9	17 930.3	16 389.2	

¹⁾ Moroccan territory : from 1954 to 1958, the former French and Spanish zones; as from January 1, 1959, the area bounded by the present frontiers.

TABLE No. 28

Community Balance-Sheet for Pig-Iron and Scrap Supplies

('000,000 metric tons)

Availabilities and consumption	1955	1956	1957	1958	1959
<i>Steel</i>					
Production	52.63	56.80	59.81	57.99	63.1
<i>Pig-iron</i>					
1. Consumption by steelworks	37.27	39.88	41.22	40.43	44.03
2. Stock changes	+0.10	+0.12	+0.55	+0.34	-0.49
3. Availabilities for foundries	3.74	3.74	3.45	3.21	3.58
4. Production	41.04	43.57	45.11	43.51	46.67
5. Net imports	+0.07	+0.17	+0.11	+0.47	0.45
<i>Scrap</i>					
6. Consumption by steelworks	20.91	22.98	24.90	23.73	25.79
7. Consumption by blast-furnaces	4.02	4.36	3.91	3.17	2.90
8. Steel works' own arisings	13.66	14.69	15.56	15.96	16.79
9. Recovery from the Common Market	10.03	10.21	10.41	9.92	12.45
10. Sales by iron and steelworks	0.73	0.90	1.15	1.23	1.31
11. Imports required from third countries ¹⁾	1.97	3.34	3.99	2.25	0.76
12. Imports ¹⁾	2.95	3.19	4.23	2.40	0.9
13. Stocks changes	+0.98	-0.15	+0.24	+0.15	+0.14

¹⁾ Including shipbreaking scrap and certain types of high-cost scrap recovered within the Community.

TABLE No. 29

Scrap Trade between Community Countries ¹⁾

('000 metric tons)

Country	1954	1955	1956	1957	1958	first six months	
						1958	1959
Deliveries to other Community countries by :							
Germany (Fed. Rep.)	676	560	820	776	859	387	502
Belgium/ Luxembourg	142	122	31	91	136	79	64
France/Saar	916	848	620	678	559	256	495
Italy	0	0	2	6	0	0	0
Netherlands	118	190	254	263	172	96	110
Community	1 852	1 720	1 727	1 814	1 726	818	1 171
Purchases from other Community countries by :							
Germany (Fed. Rep.)	287	285	133	218	87	47	98
Belgium/ Luxembourg	136	197	424	235	198	95	97
France/Saar	65	107	253	253	360	211	117
Italy	1 342	1 120	907	1 091	1 063	455	843
Netherlands	22	11	10	17	18	10	16
Community	1 852	1 720	1 727	1 814	1 726	818	1 171

¹⁾ Customs figures; deliveries calculated from import statistics.

Development of Pig-Iron Prices in the Community
(showing maximum and minimum prices)

Quality	(\$ per metric ton exclusive of taxes)				
	Germany (Fed. Rep.)	Belgium	France	Italy	Netherlands
Phospheric foundry pig-iron P = 1.0% — 1.4% Mn = 0.6% minus rebate	May 1953	65.40 Ober-	60 Longwy	68.80 Naples	57 Beverwijk
	Oct. 1954	65.40 hausen	60	64	57
	Aug. 1957	75.67 ¹⁾	69.05 ¹⁾	89.60 Trieste	74.25
	Feb. 1959	75.67 (65.95)	66	64 Trieste	74.25
	Jan. 1960	75.67 (61.37)	57	64	74.25
Hematite foundry pig-iron P = 0.08 — 0.12% Mn 0.7 — 1.5% Netherlands P = 0.06 — 0.08% minus rebate	May 1953	69.29 Ober-	70.71 Longwy	68.80 Genoa	67.50 Beverwijk
	Oct. 1954	69.29 hausen	66.86	64 Genoa	67.50
	Aug. 1957	80.70 ¹⁾	86.29 ¹⁾	91.20 Trieste	83
	Feb. 1959	80.70 (70.98)	83.90	65.60 Trieste	83
	Jan. 1960	80.70 (66.40)	68.—	65.60	83
Hematite steel-making pig-iron P = 0.08 — 0.12 D Mn 2 — 3% Netherlands 0.10 max. minus rebate	May 1953	58.29 Siegen	61.43 Longwy	64 Genoa	61.44 Beverwijk
	Oct. 1954	54.77 ¹⁾	58.86	59.20 Genoa	61.44
	Aug. 1957	69.37 ¹⁾	82.57	88 Genoa	81.75
	Feb. 1959	69.37 (60.24)	80.10	57.60 Pion-	81.75
	Jan. 1960	69.37 (60.24)	63.—	57.60 bino	81.75
Spiegel iron Mn 10 — 12%	May 1953	83.21 Siegen	82 Longwy	92.80 Genoa	—
	Oct. 1954	83.21	78.57	92.80	—
	Aug. 1957	94.41 ¹⁾	95.60 ¹⁾	103.20	—
	Feb. 1959	94.41	81.53	102.40	—
	Jan. 1960	94.41	78.—	102.40	—
Ferro-manganese	May 1953	203.91 Ober-	177.71 Outreau	240 Aosta	—
	Oct. 1954	203.91 hausen	166.57	240	—
	Aug. 1957	246.20 ¹⁾	203.10 ¹⁾	284.80	—
	Feb. 1959	246.20	150.29	208	—
	Jan. 1960	246.20	145.—	164.—	—

¹⁾ December 1957.

N.B. The figures in brackets are the prices less rebates. In the case of the prices for January 1960, the above rebates are allowed up to March 31, 1960, or to June 30, 1960, if the buyer undertakes to place his orders exclusively within the Community area.

TABLE No. 31

External Trade in Pig-Iron with Third Countries

('000 metric tons)

	1954	1955	1956	1957	1958	first nine months	
						1958	1959
Imports	300	567	576	506	648	458	532
Exports	360	498	410	393	204	144	228
Net Imports	60	69	166	113	444	314	304

TABLE No. 32

The Community's Internal Trade in Pig-Iron

('000 metric tons)

	1954	1955	1956	1957	1958	first nine months	
						1958	1959
Deliveries to other Community Countries by :							
Germany (Fed. Rep.) ²⁾	180	200	180	290	224	160	135
Belgium/Luxembourg	45	50	24	30	43	29	42
France ³⁾	126	286	289	240	131	97	163
Netherlands	100	104	94	81	75	54	55
Community	451	640	587	641	473	339	395
Purchases from other Community Countries by : ¹⁾							
Germany (Fed. Rep.) ²⁾	76	95	64	47	55	37	70
Belgium/Luxembourg	162	308	300	284	204	134	190
France ³⁾	106	143	112	175	148	113	90
Italy	97	85	103	125	62	53	40
Netherlands	10	9	8	10	4	2	5
Community	451	640	587	641	473	339	395

¹⁾ Customs statistics : deliveries calculated from import statistics.²⁾ Including the Saar as from July 6, 1959.³⁾ Including the Saar up to July 5, 1959.

TABLE No. 33

Fig-Iron and Ferro-Alloys Production

('000 metric tons)

Year	Germany (Fed. Rep.)	Saar	Bel- gium	France	Italy	Luxem- bourg	Nether- lands	Com- munity
1952	12 877	2 550	4 775	9 772	1 143	3 076	539	34 732
1953	11 654	2 382	4 228	8 664	1 254	2 719	591	31 492
1954	12 512	2 497	4 573	8 838	1 298	2 800	610	33 128
1955	16 482	2 879	5 343	10 941	1 677	3 048	669	41 039
1956	17 577	3 017	5 683	11 419	1 935	3 272	662	43 565
1957	18 358	3 125	5 579	11 884	2 138	3 329	701	45 114
1958	16 659	3 083	5 524	11 951	2 107	3 275	917	43 516
1959	18 392	3 211	5 956	12 434	2 120	3 416	1 140	46 669
1st quarter (m'ly av.)	1 299	260	466	995	162	270	86	3 538
2nd quarter (m'ly av.)	1 483	273	490	1 043	177	283	87	3 836
3rd quarter (m'ly av.)	1 629	270	489	981	188	284	99	3 940
4th quarter (m'ly av.)	1 719	267	540	1 125	179	302	108	4 240

TABLE No. 34

Trend in New Orders for Rolled Products According to Origin

('000 metric tons)

Year	Home markets	Other Community countries	Third Countries
1954	24 738	4 827	7 854
1955	27 307	5 101	7 321
1956	27 492	4 644	9 876
1957	28 028	5 162	7 029
1958	23 958	4 299	9 249
1959	31 428	7 140	11 880
1st quarter (m'ly av.)	2 101	336	1 106
2nd quarter (m'ly av.)	2 693	849	955
3rd quarter (m'ly av.)	2 694	538	861
4th quarter (m'ly av.)	2 988	657	1 032

TABLE No. 35

New Orders for Rolled Products, Deliveries by Works and Orders in Hand

('000 metric tons)

Year	New orders	Deliveries by works	Orders in hand (at end of period)
1954	37 419	31 813	11 716
1955	39 729	37 980	13 688
1956	42 012	41 124	15 244
1957	40 219	42 923	12 842
1958	37 506	41 945	8 651
1959	50 442	46 053	13 334
1st quarter (m'ly av.)	3 707	3 383	9 518
2nd quarter (m'ly av.)	4 330	3 822	11 149
3rd quarter (m'ly av.)	4 093	3 850	12 033
4th quarter (m'ly av.)	4 684	4 295	13 334

TABLE No. 36

Rate of Utilization of Steel-Production capacities

(in %)

	1955	1956	1957	1958	1959
Germany (Fed. Rep.)	97.0	97.7	95.2	82.1	87.4
Saar	95.9	98.5	97.1	96.4	96.8
Belgium	94.3	93.8	87.9	80.8	95.1
France	93.9	95.0	94.6	93.4	93.7
Italy	94.3	92.6	91.5	80.1	83.8
Luxembourg	98.7	98.5	97.0	93.6	99.0
Netherlands	96.9	97.3	93.3	92.5	95.8
Community	95.7	96.1	93.9	85.9	89.8

N.B. Since the steelworks in any one country cannot in practice all work at the same time for a whole year at full capacity, the practical maximum varies from country to country, as can be seen from the figures for 1955 and 1956. France and Belgium, particularly the latter, had a number of strikes in 1957.

TABLE No. 37

Community and World Production of Crude Steel
1952-1959

Country	in '000 metric tons										Increase 1958/ 1959 in %	in % of world production						
	1952.	1953	1954	1955	1956	1957	1958	1959 ¹⁾	1952	1953		1954	1955	1956	1957	1958	1959	
	Germany (Fed. Rep.) (without the Saar)	15 806	15 420	17 435	21 336	23 189	24 507	22 785	25 824	13.3		7.5	6.6	7.8	7.9	8.2	8.4	8.6
Saar	2 823	2 682	2 805	3 166	3 374	3 466	3 485	3 613	3.7	1.3	1.1	1.3	1.2	1.2	1.3	1.2		
Belgium	5 170	4 527	5 003	5 894	6 376	6 267	6 007	6 426	7.0	2.4	1.9	2.2	2.2	2.2	2.1	2.1		
France	10 867	9 997	10 627	12 631	13 441	14 100	14 633	15 192	3.8	5.1	4.3	4.8	4.7	4.7	5.4	5.0		
Italy	3 535	3 500	4 207	5 395	5 911	6 787	6 271	6 753	7.7	1.7	1.5	1.9	2.0	2.1	2.3	2.2		
Luxembourg	3 002	2 658	2 828	3 226	3 456	3 493	3 379	3 663	8.4	1.4	1.1	1.3	1.2	1.2	1.2	1.2		
Netherlands	693	874	937	979	1 051	1 185	1 437	1 671	16.3	0.3	0.4	0.4	0.4	0.4	0.5	0.6		
Community	41 896	39 658	43 842	52 627	56 798	59 805	57 997	63 142	8.9	19.7	16.9	19.7	19.6	20.0	21.3	20.9		
United Kingdom	16 681	17 891	18 817	20 108	20 991	22 047	19 873	20 509	3.2	7.9	7.6	8.4	7.4	7.4	7.5	7.4		
United States	84 521	101 251	80 115	106 173	104 522	102 255	77 334	84 640	9.4	39.9	43.2	35.8	39.3	36.8	34.9	28.5		
U.S.S.R. Eastern	34 492	38 128	41 434	45 271	48 698	51 043	54 868	59 700	8.8	16.3	16.3	18.5	16.7	17.2	17.4	20.2		
Europe ²⁾	11 225	12 695	13 044	14 211	15 329	16 153	17 394	18 650	7.2	5.3	5.4	5.8	5.2	5.4	6.4	6.2		
Japan	6 988	7 662	7 750	9 408	11 106	12 576	12 118	16 600	37.0	3.3	3.3	3.5	3.5	3.9	4.5	5.5		
China	1 350	1 770	2 230	2 850	4 520	5 250	8 000	11 000	37.5	0.6	0.8	1.0	1.0	1.6	1.8	2.9		
Other countries	14 847	15 245	16 368	19 752	21 836	23 857	23 916	27 559	15.2	7.0	6.5	7.3	7.3	7.7	8.2	9.1		
World ³⁾	212 000	234 300	223 600	270 400	283 800	293 100	271 500	301 800	11.2	100	100	100	100	100	100	100		

¹⁾ Provisional figures.²⁾ Estimated.³⁾ Eastern Germany, Bulgaria, Poland, Roumania, Czechoslovakia, Hungary.

TABLE No. 38

Crude-Steel Production
(by manufacturing processes)

('000 metric tons)

Year	Basic Bessemer	Acid Bessemer	Open-hearth	Electric-furnace	Other processes	Total
1953	20 886	234	15 387	3 106	48	39 661
1954	22 633	216	17 387	3 601	5	43 842
1955	27 520	246	20 477	4 370	12	52 625
1956	29 388	252	22 103	5 035	17	56 796
1957	30 156	249	23 597	5 731	71	59 804
1958	29 282	240	22 121	5 712	643	57 998
1st quarter (m'ly av.)	2 559	23	2 025	487	45	5 139
2nd quarter (m'ly av.)	2 377	21	1 868	481	54	4 801
3rd quarter (m'ly av.)	2 368	18	1 760	453	53	4 652
4th quarter (m'ly av.)	2 457	17	1 720	481	63	4 738
1959						
1st quarter (m'ly av.)	2 432	15	1 718	486	74	4 725
2nd quarter (m'ly av.)	2 668	14	1 944	521	78	5 225
3rd quarter (m'ly av.)	2 742	13	1 968	518	80	5 321

TABLE No. 39

Production of High-Grade and Special Steels

('000 metric tons)

Year	Germany (Fed. Rep.) ¹⁾	Benelux	France/Saar ²⁾	Italy	Community
1955	1 755	168	1 296	838	4 057
1956	2 048	202	1 400	882	4 532
1957	1 905	183	1 495	1 007	4 590
1958	1 822	110	1 453	1 110	4 495
1st quarter (m'ly av.)	168.4	9.5	136.6	90.9	405.4
2nd quarter (m'ly av.)	163.0	8.6	130.0	95.5	397.1
3rd quarter (m'ly av.)	140.6	8.7	107.1	83.0	339.4
4th quarter (m'ly av.)	135.4	9.6	110.8	100.4	356.2
1959					
1st quarter (m'ly av.)	156.3	9.5	109.1	103.8	378.7
2nd quarter (m'ly av.)	164.9	9.9	115.8	93.3	383.9
3rd quarter (m'ly av.)	190.7	10.1	90.7	104.0	395.5

1) Including the Saar as from July 1, 1959.

2) Including the Saar up to June 30, 1959.

TABLE No. 40
Production of Finished Products
 (by types of product)

('000 metric tons)

Type of product	1952	1953	1954	1955	1956	1957	1958	1959 first 10 months
Permanent-way material	1 432	1 497	1 107	1 414	1 484	1 633	1 610	1 176
Heavy sections	2 723	2 549	2 738	3 298	3 629	3 846	3 259	2 853
Light sections	10 033	8 859	9 385	11 456	12 578	12 227	11 408	10 383
Wire-rod	2 844	2 491	3 161	3 638	3 751	3 895	4 069	3 942
Tube screws	973	980	1 132	1 323	1 457	1 543	1 391	1 245
Hoop and strip	2 273	1 848	2 569	3 011	3 087	3 155	3 227	3 240
Plate 3 mm. and over	4 288	4 501	4 428	5 614	6 737	7 475	6 977	5 568
Sheet under 3 mm.	3 950	3 789	4 971	6 274	6 448	6 935	7 634	6 957
Coils (finished products)	2	50	70	127	129	226	229	316
Total	28 518	26 564	29 561	36 155	39 300	40 935	39 804	35 680

TABLE No. 41

Trade in Iron and Steel Products within the Community
(Treaty products, including pig-iron)

Country of supply	Country of destination	1952	1953
<i>Germany (Fed. Rep.)</i>	Belgium/Luxembourg	88.8	118.8
	France/Saar	9.6	28.8
	Italy	62.4	79.2
	Netherlands	141.6	220.8
	Total	302.4	447.6
<i>Belgium/Luxembourg</i>	Germany (Fed. Rep.)	532.8	478.8
	France/Saar	14.4	73.2
	Italy	135.6	145.2
	Netherlands	571.2	546.0
	Total	1 254.0	1 243.2
<i>France/Saar</i>	Germany (Fed. Rep.)	243.6	543.6
	Belgium/Luxembourg	70.8	184.8
	Italy	121.2	253.2
	Netherlands	45.6	108.0
	Total	481.2	1 089.6
<i>Italy</i>	Germany (Fed. Rep.)	0.5	0.0
	Belgium/Luxembourg	0.8	0.0
	France/Saar	0.1	3.6
	Netherlands	1.0	1.2
	Total	2.4	4.8
<i>Netherlands</i>	Germany (Fed. Rep.)	9.6	57.6
	Belgium/Luxembourg	51.6	36.0
	France/Saar	3.6	12.0
	Italy	3.6	8.4
	Total	68.4	114.0
	Grand Total	2 108.4	2 899.2
	<i>of which</i> ¹⁾		
	Germany (Fed. Rep.)	786.5	1 080.0
	Belgium/Luxembourg	212.0	339.6
	France/Saar	27.7	117.6
	Italy	322.8	486.0
	Netherlands	759.4	876.0

¹⁾ Estimates based on deliveries.

('000 metric tons)

1954	1955	1956	1957	1958	first 6 months	
					1958	1959
119.7	116.5	183.5	233.4	215.9	91.8	96.8
117.6	163.1	227.2	425.3	371.3	222.9	136.7
150.3	115.1	150.5	212.8	205.2	97.2	91.9
384.0	437.3	356.6	628.2	486.9	272.0	253.0
771.6	832.0	917.8	1 499.7	1 279.3	683.9	578.4
652.5	1 041.1	784.2	642.6	774.8	410.9	451.0
303.3	524.9	572.1	655.3	767.1	486.1	291.8
119.4	103.0	85.7	106.6	128.3	55.3	96.6
711.0	814.5	773.5	805.0	469.7	219.9	282.5
1 786.2	2 483.5	2 215.5	2 209.5	2 139.9	1 172.2	1 121.9
863.4	1 297.3	1 055.9	1 003.3	1 065.0	501.4	755.5
138.3	311.7	281.5	245.7	153.4	74.9	135.7
249.9	255.8	174.3	186.4	210.8	72.9	200.0
69.3	77.9	96.7	117.0	73.7	32.5	68.6
1 320.9	1 942.7	1 608.4	1 552.4	1 502.9	681.7	1 159.8
1.8	8.2	11.1	0.6	2.2	0.8	6.6
0.0	0.0	1.2	0.9	2.8	0.7	5.2
6.0	53.3	36.5	70.2	80.9	55.9	36.6
0.0	0.1	0.1	0.2	0.0	0.0	0.1
7.8	61.6	48.9	71.9	85.9	57.4	48.5
160.2	217.1	147.4	227.5	271.6	154.0	149.1
59.4	78.4	63.5	59.8	51.9	24.5	28.8
27.3	40.2	64.8	67.1	64.0	32.3	31.9
20.4	8.6	13.4	27.4	22.3	11.8	10.8
267.3	344.3	289.1	381.8	409.8	222.6	220.6
4 153.8	5 664.1	5 079.7	5 715.3	5 417.8	2 817.8	3 129.2
1 677.9	2 563.7	1 998.6	1 874.0	2 113.6	1 067.1	1 362.2
317.4	506.6	529.7	539.8	424.0	191.9	266.5
454.2	781.5	900.6	1 217.9	1 283.3	797.2	497.0
540.0	482.5	423.9	533.2	566.2	237.2	399.3
1 164.3	1 329.8	1 226.9	1 550.4	1 030.3	524.4	604.2

TABLE No. 42
Deliveries of Steel by one Community Country to Another

('000 metric tons)

Product or Group of products Period	Ingots & sems	Coils	Perman- ent-way material	Wire- rod	Joists & sections over 80 mm.	Merchant bars & other sections	Hoop & strip	Plate	Sheet	Total Treaty products	Total non-Treaty products
1954	550	192	74	315	337	1 059	286	348	453	3 615	210
1955	595	333	77	318	418	1 491	382	567	661	4 843	292
1956	431	276	74	332	402	1 324	398	530	664	4 431	351
1957	637	366	90	344	449	1 324	459	642	741	5 052	368
1958	611	388	73	423	401	1 057	418	651	911	4 933	334
1958 first six months	312	234	34	195	249	532	206	366	457	2 586	152
1959 first six months	320	254	42	294	188	654	226	274	616	2 868	202

TABLE No. 43

Community Steel Exports to Third Countries

(,000 metric tons)

Product or Group of products	Ingot & semis	Coils	Perman-ent-way material	Wire-rod	Joists & sections over 80 mm.	Merchant bars & other sections	Hoop & strip	Plate	Sheet	Total Treaty products	Total non-Treaty products
Period											
1954	631	10	278	287	592	2 187	233	757	1 105	6 080	1 338
1955	605	16	412	329	682	2 674	288	765	1 454	7 225	1 608
1956	613	15	491	372	881	3 185	321	1 102	1 684	8 664	1 846
1957	865	14	576	347	884	3 089	262	1 250	1 731	9 020	2 106
1958	1 086	29	644	449	623	2 856	243	1 358	2 206	9 494	2 033
1958 ¹⁾ 1959 ¹⁾	763 774	7 52	514 206	311 477	410 673	2 022 2 666	173 233	957 873	1 516 1 680	6 672 7 636	1 442 1 722

1) First nine months.

TABLE No. 44

Imports of Iron and Steel Products from Third Countries ^{1) 2)}
(by countries of origin)

('000 metric tons)

Country of origin	Country of destination						Total
	Austria	U.K.	Sweden	U.S.A. and dependencies	Eastern Europe and U.S.S.R.	Other third countries	
<i>Germany (Fed. Rep.) ⁴⁾</i>							
1954	127	20	25	28	1	12	213
1955	136	16	48	76	72	34	382
1956	159	11	46	106	183	23	528
1957	268	11	33	123	74	14	522
1958 ⁵⁾	219	88	51	131	146	131	765
1958 ⁵⁾	167	46	33	106	111	104	567
1959 ⁵⁾	179	124	39	66	104	74	585
<i>Belgium/Luxembourg</i>							
1954	27	10	22	26	34	29	148
1955	15	17	26	30	88	33	209
1956	17	24	10	18	156	29	253
1957	21	22	10	22	73	37	185
1958	23	31	8	26	38	27	153
1958 ⁵⁾	14	17	5	24	9	16	85
1959 ⁵⁾	34	24	6	6	95	17	182
<i>France ⁵⁾</i>							
1954	4	3	7	17	—	6	37
1955	8	3	10	16	—	6	43
1956	8	4	13	11	13	13	62
1957	21	12	15	19	29	16	112
1958	7	1	12	2	23	16	61
1958 ⁵⁾	5	0	9	1	12	11	39
1959 ⁵⁾	2	1	6	1	8	10	27
<i>Italy</i>							
1954	214	42	8	75	43	22	404
1955	263	20	5	79	70	109	546
1956	259	14	5	58	87	109	532
1957	344	38	3	46	97	84	612
1958	260	30	3	62	135	88	578
1958 ⁵⁾	188	23	2	57	88	75	434
1959 ⁵⁾	155	32	2	22	206	42	459

TABLE No. 44 (contd.)

('000 metric tons)

Country of destination \ Country of origin	Country of origin						Total
	Austria	U.K.	Sweden	U.S.A. and dependencies	Eastern Europe and U.S.S.R.	Other third countries	
<i>Netherlands</i>							
1954	2	64	1	66	4	8	145
1955	4	56	2	170	17	35	284
1956	2	43	3	112	10	20	190
1957	9	50	2	71	11	14	157
1958	7	42	2	51	6	50	159
1958 ^{a)}	3	31	2	41	6	48	130
1959 ^{a)}	5	33	3	31	4	15	91
<i>Community</i>							
1954	375	136	63	214	78	81	947
1955	426	112	92	371	247	217	1 465
1956	445	96	77	304	449	194	1 566
1957	663	133	63	281	284	165	1 589
1958	516	191	76	273	348	311	1 716
1958 ^{a)}	377	117	50	230	226	253	1 253
1959 ^{a)}	375	214	57	125	416	157	1 345

¹⁾ Treaty products, exclusive of old rails, including pig-iron.

²⁾ As figures have been rounded off, totals by countries of origin vary slightly from totals by groups of products.

³⁾ First 9 months.

⁴⁾ Including the Saar as from July 6, 1959.

⁵⁾ Including the Saar up to July 5, 1959.

TABLE No. 45

Imports of Iron and Steel Products from Third Countries ^{1) 2)}
(by groups of products)

('000 metric tons)

Country of destination	Group of products			
	Pig-iron	Ingots semis	Finished products and end-products	Total
<i>Germany (Fed. Rep.) ⁴⁾</i>				
1954	59	3	151	213
1955	134	18	230	382
1956	79	159	289	527
1957	30	172	321	522
1958	246	100	420	765
1958 ^{a)}	174	71	322	567
1959 ^{a)}	186	36	363	585
<i>Belgium/Luxembourg</i>				
1954	92	1	55	148
1955	148	14	47	209
1956	201	7	45	253
1957	124	5	57	186
1958	94	9	49	153
1958 ^{a)}	52	1	32	85
1959 ^{a)}	99	25	58	182
<i>France ^{a)}</i>				
1954	6	0	31	37
1955	9	0	34	43
1956	24	5	33	62
1957	58	1	53	112
1958	22	15	24	61
1958 ^{a)}	15	7	18	39
1959 ^{a)}	10	7	10	27
<i>Italy</i>				
1954	130	54	220	404
1955	268	62	216	547
1956	250	91	191	532
1957	272	126	214	612
1958	268	85	224	578
1958 ^{a)}	205	74	154	434
1959 ^{a)}	223	65	171	459

TABLE No. 45 (contd.)

('000 metric tons)

Country of destination \ Group of products	Pig-iron	Ingots semis	Finished products and end-products	Total
<i>Netherlands</i>				
1954	13	0	132	145
1955	8	116	160	284
1956	223	47	122	192
1957	22	0	134	157
1958	18	40	101	159
1958 ^{a)}	14	40	76	130
1959 ^{a)}	15	0	77	91
<i>Community</i>				
1954	300	59	588	947
1955	567	211	687	1 465
1956	576	310	680	1 566
1957	506	304	779	1 589
1958	648	250	819	1 716
1958 ^{a)}	458	193	602	1 253
1959 ^{a)}	532	134	679	1 345

¹⁾ Exclusive of old rails.

²⁾ As figures have been rounded off, totals by groups of products vary slightly from totals by countries of origin.

³⁾ First 9 months.

⁴⁾ Including the Saar as from July 6, 1959.

⁵⁾ Including the Saar up to July 5, 1959.

TABLE No. 46

Exports of Iron and Steel Products to Third Countries^{1) 2)}
(by countries of destination)

Country of destination		North America	Central & South America	U.K.	Sweden	Eastern Europe & U.S.S.R.	Other European countries	Overseas territories of member States ⁴⁾	Asia	Africa less territories of member States	Other areas	Total
Country of origin												
<i>Germany (Fed. Rep.)⁵⁾</i>												
1954		77	237	31	180	40	533	0	305	35	2	1 440
1955		48	209	62	165	52	602	1	254	51	4	1 445
1956		186	219	173	181	262	670	3	463	87	9	2 253
1957		102	346	103	229	337	843	14	703	89	4	2 770
1958		113	471	56	181	300	656	7	855	85	4	2 728
1958 ³⁾		57	288	53	143	229	469	6	520	62	2	1 828
1959 ³⁾		379	504	39	109	226	643	8	394	33	3	2 339
<i>Belgium-Luxembourg</i>												
1954		300	522	64	230	64	618	126	380	139	40	2 484
1955		282	413	223	245	65	736	150	415	198	77	2 805
1956		604	366	352	170	177	695	161	687	186	50	3 448
1957		405	709	153	236	119	668	175	704	199	11	3 379
1958		639	815	91	171	125	640	101	759	183	17	3 541
1958 ³⁾		423	624	88	119	93	472	78	557	144	13	2 611
1959 ³⁾		870	398	20	166	67	534	73	394	113	10	2 644
<i>France⁶⁾</i>												
1954		149	345	71	85	107	536	457	184	160	15	2 126
1955		203	359	316	85	154	715	526	360	194	41	2 953
1956		312	190	200	55	191	642	455	486	129	31	2 691
1957		188	253	59	60	261	556	554	420	112	28	2 491
1958		161	266	17	63	358	471	603	527	72	17	2 554
1958 ³⁾		62	191	15	31	282	311	447	343	49	6	1 737
1959 ³⁾		398	252	11	71	197	470	274	392	108	10	2 183

('000 metric tons)

<i>Italy</i>	0	43	8	—	2	31	—	1	5	2	90
1954	0	26	3	0	2	77	—	17	11	5	141
1955	9	61	12	0	63	97	0	118	17	7	384
1956	1	134	2	0	71	101	2	159	18	1	490
1957	0	148	5	4	101	99	0	124	17	4	502
1958 ^{a)}	0	107	4	4	70	79	0	84	15	3	366
1959 ^{a)}	15	78	11	7	131	75	1	30	6	1	354
<i>Netherlands</i>											
1954	4	19	92	62	—	100	3	12	5	3	299
1955	1	42	157	60	—	89	10	11	2	5	377
1956	0	21	98	39	15	83	10	27	3	0	296
1957	0	58	72	43	6	67	12	20	4	0	283
1958	2	55	149	50	2	71	6	34	5	0	374
1958 ^{a)}	0	37	110	36	2	54	5	27	4	—	273
1959 ^{a)}	8	56	120	43	—	87	4	24	1	1	344
<i>Community</i>											
1954	530	1 166	265	556	215	1 834	587	883	345	62	6 440
1955	532	1 048	762	556	273	2 216	686	1 058	455	134	7 723
1956	1 110	858	835	446	708	2 187	629	1 782	421	97	9 074
1957	697	1 501	389	568	793	2 236	756	2 006	422	44	9 413
1958	916	1 755	318	469	885	1 936	718	2 299	362	42	9 699
1958 ^{a)}	541	1 247	270	333	676	1 385	535	1 531	274	23	6 816
1959 ^{a)}	1 670	1 289	202	395	621	1 808	360	1 234	261	25	7 864

1) Treaty products, exclusive of old rails, including pig-iron.

a) As figures have been rounded off, totals by countries of destination vary slightly from totals by groups of products.

b) First 9 months.

c) Without Morocco and Tunisia as from January 1, 1959.

d) Including the Saar as from July 6, 1959.

e) Including the Saar up to July 5, 1959.

TABLE No. 47

Exports of Iron and Steel Products to Third Countries ^{1) 2)}
(by groups of products)

('000 metric tons)

Country of origin \ Group of products	Pig-iron	Ingots and semis	Finished products and end-products	Total
<i>Germany (Fed. Rep.) ³⁾</i>				
1954	181	164	1 095	1 440
1955	122	164	1 159	1 445
1956	229	167	1 858	2 254
1957	246	223	2 302	2 770
1958	117	353	2 258	2 728
1958 ³⁾	83	199	1 546	1 828
1959 ³⁾	138	416	1 784	2 339
<i>Belgium Luxembourg</i>				
1954	1	163	2 320	2 484
1955	1	163	2 641	2 806
1956	4	187	3 257	3 448
1957	14	369	2 997	3 379
1958	5	475	3 061	3 541
1958 ³⁾	3	383	2 226	2 611
1959 ³⁾	6	175	2 463	2 644
<i>France ⁵⁾</i>				
1954	49	260	1 817	2 127
1955	206	240	2 507	2 953
1956	84	150	2 458	2 692
1957	68	122	2 301	2 491
1958	31	144	2 379	2 554
1958 ³⁾	14	96	1 627	1 737
1959 ³⁾	22	118	2 042	2 183
<i>Italy</i>				
1954	2	44	44	90
1955	2	37	102	142
1956	5	109	270	384
1957	2	152	336	490
1958	1	113	389	502
1958 ³⁾	1	83	283	366
1959 ³⁾	4	64	286	354

TABLE No. 47 (contd.)

('000 metric tons)

Country of origin \ Group of products	Pig-iron	Ingots and semis	Finished products and end-products	Total
<i>Netherlands</i>				
1954	127	0	172	299
1955	167	—	210	377
1956	89	0	207	296
1957	64	0	219	283
1958	50	2	321	374
1958 ^{a)}	43	2	228	273
1959 ^{a)}	57	0	287	344
<i>Community</i>				
1954	360	631	5 449	6 440
1955	498	605	6 620	7 723
1956	410	613	8 051	9 074
1957	393	865	8 155	9 413
1958	204	1 086	8 409	9 699
1958 ^{a)}	144	763	5 910	6 816
1959 ^{a)}	228	774	6 863	7 864

¹⁾ Treaty products, exclusive of old rails, including pig-iron.

²⁾ As figures have been rounded off, totals by groups of products vary slightly from totals by countries of destination.

³⁾ First 9 months.

⁴⁾ Including the Saar as from July 6, 1959.

⁵⁾ Including the Saar up to July 5, 1959.

TABLE No. 48

**Development of Average Schedule Prices
for Finished Steel Products ¹⁾**

(Price indices for the Community : 1953 = 100)

Country	May 20, 1953	Jan. 1, 1954	April 1, 1954	Jan. 1, 1955	Jan. 1, 1956	Jan. 1, 1957	July 1, 1957	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960
<i>Basic Bessemer</i>										
Germany (Fed. Rep.)	101	96	96	97	99	104	104	109	110	108
Belgium	100	100	95	96	109	111	117	117	103	113
France	99	99	96	96	96	101	104	97	92	92
Luxembourg	99	99	96	96	102	108	113	114	111	111
Netherlands	100	100	95	102	110	114	119	119	105	114
Community	100	98	96	96	100	104	106	106	101	103
<i>Basic Steel ²⁾</i>										
U.K.	89	89	89	89	95	108	108	118	131	116
U.S.A.	88	92	92	96	104	112	119	119	140	124
<i>Open-hearth</i>										
Germany (Fed. Rep.)	93	89	89	90	94	101	101	106	106	105
Belgium	103	103	95	95	109	112	120	120	102	113
France	96	96	94	94	102	107	110	101	92	92
Italy	116	116	114	113	117	130	130	125	112	114
Netherlands	94	94	89	95	102	110	112	110	103	108
Community	100	98	96	97	102	110	111	111	105	103
<i>Basic Steel ²⁾</i>										
U.K.	78	78	78	79	83	95	95	104	103	102
U.S.A.	78	81	81	84	91	99	105	105	109	109

¹⁾ Taken from the most representative schedules in the market.

²⁾ The Basic Steel produced in the United Kingdom and the United States may be regarded as a quality half-way between the basic Bessemer (Thomas) and open-hearth qualities produced in the Community.

N.B. Since a price index is involved, the same weighting is used with regard to the various products for each year and for each country of the Community, the United Kingdom and the United States. This weighting corresponds to that now in use in the Community and the United Kingdom but differs slightly from that actually employed in the United States. The same weighting as between products is also used for the Community, but the average Community price of each product takes into account each Community country's share in the total production of the product concerned. For this reason it is not possible to recalculate the Community index from the indices for the individual countries.

TABLE No. 49

Development of Basis Prices for Rolled Products in the Community, the U.K. and the U.S.A.
(exclusive of taxes)

Product	Germany (Fed. Rep.)						Belgium			France				Italy					
	Jan. 1, 1957	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1957	Jan. 30, 1959	Jan. 1, 1958	Jan. 1, 1959	Jan. 1, 1960	Jan. 1, 1957	Jan. 1, 1958	Jan. 1, 1959	Jan. 1, 1960	Jan. 1, 1957	Jan. 1, 1958	Jan. 1, 1959	Jan. 1, 1960		
	(\$ per metric ton)																		
Merchant bars	b.B.	95.10	99.20	96.45	96.45	103	108	85 ¹⁾	99	90	86.70	82.40	82.40	—	—	—	—	—	
	o/h	104.25	109.05	109.05	109.05	126	132	100 ¹⁾	104	110	104.40	95.20	95.20	128	100.8	96	105.60	115.20	
Joists	b.B.	92.80	96.90	96.90	96.90	107	114	100 ¹⁾	107	91.15	87.70	83.40	83.40	—	—	—	—	—	
	o/h	101.95	106.75	106.75	106.75	128	136	115 ¹⁾	122	112.30	105.75	96.45	96.45	137.6	137.6	120.	107.2	113.6	
Wire-rod	b.B.	97.15	101.70	101.70	101.70	104	108	102	110	93.15	90.65	86.15	86.15	—	—	—	—	—	
	o/h	106.30	111.55	111.55	111.55	117	123	117	125	111.70	105.20	95.95	95.95	136.9	132	112	121.6	—	
Hoop and strip	b.B.	107.65	112.90	112.90	112.90	100	107	107	109	99.15	95.50	90.70	90.70	—	—	—	—	—	
	o/h	120.45	126.40	126.40	126.40	121	129	129	131	121.45	114.35	104.30	104.30	142.4	139.2	131.2	115.2	—	
Plate	b.B.	104	109.05	106.50	106.50	120	130	100 ¹⁾	122	106.30	102.35	97.25	97.25	—	—	—	—	—	
	o/h	117.50	122.75	119.75	119.75	140	142	112 ¹⁾	138	128.30	120.85	110.20	110.20	171.2	171.2	152	140.8	—	
Sheet (hot-rolled)	b.B.	128.70	135.10	135.10	132.55	128	136	136	136	125.45	120.80	114.05	114.05	—	—	—	—	—	
	o/h	139.65	146.50	146.50	144	140	148	148	148	147.15	138.55	126.35	126.35	172	172	158.4	163.2	—	
Sheet (cold-rolled) (1 — 1.10 mm.)	b.B. - o/h	149.50	156.70	156.70	153.85	142.3	150.3	150.3	150.3	142.25	137	129.35	129.35	191.2	177.6	174.4	174.4	—	
Basing-points :	Oberhausen Essen For plate : Essen For sheet : Siegen	Seraing ¹⁾ Clabecq												Thionville For plate and sheet : Montmédy			Novi Ligure Genoa : sheet (cold-rolled)		

TABLE No. 49 (contd.)

(\$ per metric ton)

Product	Luxembourg				Netherlands				United Kingdom				U.S.A.				
	Jan. 1, 1957	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1957	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1957	Jan. 1, 1958	Jan. 1, 1959	Jan. 30, 1960	Jan. 1, 1957	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	
	Merchant bars	101	100	100	100	110.75	103	88.4	108.80	97.70	107.7	104.95	104.05	110.25	116.3	121.25	121.25
o/h	—	—	—	—	107.5	98.85	98.85	109.75	105.65	113.2	111.85	111.85	111.9	119.6	125.1	125.1	
Joists	101	106	104	104	128.40	116.25	112.50	117.50	98.20	105.80	104.40	104.40	110.25	116.30	121.25	121.25	
o/h	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Wire-rod	101	106	100	103	113.75	116.25	105.50	111.75	96.75	109.50	108.45	108.45	127.90	135.60	141.10	141.10	
o/h	—	—	—	—	115.50	118	110	115.50	99.60	113.60	109.55	109.55	108.05	108.60	112.45	112.45	
Hoop and strip	99.5	107	107	107	107.75	111.75	111.75	114.25	102.95	112.60	111.20	111.20	106.90	112.45	116.85	116.85	
o/h	—	—	—	—	117.50	122.50	123.75	126.25	109	—	—	—	—	—	—	—	
Plate	117	124	118	118	107.50	115	100	107.50	109	—	—	—	—	—	—	—	
o/h	—	—	—	—	120	—	127.50	112.50	119.35	—	—	—	—	—	—	—	
Sheet (hot-rolled)	130.6	135.6	138.6	138.6	134.10	142.85	131.60	131.60	121.40	118.65	115.90	115.90	103.05	108.60	112.45	112.45	
(2.75 — 3 mm.)	—	—	—	—	—	—	—	—	109	—	—	—	—	—	—	—	
o/h	—	—	—	—	143	148	141.75	141.75	(119.35)	(131.75)	(129)	(128.25)	(125.10)	(136.15)	(140)	(140)	
Sheet (cold-rolled)	142.3	150.3	150.3	150.3	155.10	160.15	146.35	146.35	131.05	143.45	140.70	137.95	138.90	149.90	154.85	154.85	
(1 — 1.10 mm.)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Basing-points :	For 1957 : Luxembourg	For 1957 : Luxembourg	For 1957 : Luxembourg	For 1957 : Luxembourg	For merchant bars : Utrecht	For merchant bars : Utrecht	For merchant bars : Utrecht	For merchant bars : Utrecht	Price delivered place of destination, less transport costs	Price delivered place of destination, less transport costs	Price delivered place of destination, less transport costs	Price delivered place of destination, less transport costs	Price delivered place of destination, less transport costs	Pittsburgh	Pittsburgh	Pittsburgh	Pittsburgh
	For 1958 : Belval	For 1958 : Belval	For 1958 : Belval	For 1958 : Belval	For wire-rod and hoop and strip : Zwijndrecht	For wire-rod and hoop and strip : Zwijndrecht	For wire-rod and hoop and strip : Zwijndrecht	For wire-rod and hoop and strip : Zwijndrecht									
	Dudelage	Dudelage	Dudelage	Dudelage	For plate and sheet : Velsen-Beverwijk	For plate and sheet : Velsen-Beverwijk	For plate and sheet : Velsen-Beverwijk	For plate and sheet : Velsen-Beverwijk									

N.B. This table shows the development of basis prices. The pricing bases are intercomparable as between the Community countries. In comparison with British and American prices there are certain differences, which are quite considerable in the case of steel sheet, and certain extras have therefore been added to the above prices to make them broadly comparable. The British basis prices are for delivery at place of destination. A flat transport rate of \$ 4.80 per ton has been deducted to make them comparable with the prices in the other countries. Turnover tax deducted : Germany 4%, Netherlands 5%.

*Notes to Table No. 49***Trend in Prices for Rolled Steel Products in 1959**

In the *Federal Republic of Germany*, prices remained unchanged with few exceptions. Basis prices for sheet were reduced at the end of June by 1.6-6% according to quality, and extras for loading and weighing were also adjusted to allow for the substantial reduction in costs which could be achieved for some sizes rolled in hot wide-strip mills. Prices for tinplate, hitherto mainly sold by alignment with third countries, were reduced by 8.5% in July, while prices for broad-flanged beams and sheet-piling rose by DM. 10 per metric ton.

Several works in *Belgium* progressively stepped up their prices for merchant bars and concrete-reinforcing rods to the level of those charged by other works, thereby cancelling out the steep drop caused in 1958 by the very low French prices and increased competition in the Common Market. The same occurred, to a lesser degree, in respect of heavy and medium plate, while wire-rod and hoop and strip went up by 8 and 2% respectively.

In *France*, no further price changes occurred after the rise at the end of January 1959 following the revaluation of the franc.

In *Italy*, the fall in prices (very steep for some products) which took place in 1958 was offset from the middle of 1959 when prices were progressively stepped up with due regard to the state of the market for each product.

Works in *Luxembourg* made up one half of the drop in wire-rod prices which had occurred in March 1958.

In the *Netherlands*, the substantial fall in prices for merchant bars, and particularly for concrete-reinforcing rods, dating from the recession, was partially made up in several stages. Wire-rod went up by 6% and heavy and medium plate rose 7.5% in two stages.

TABLE No. 50

Export Prices for Steel Average Export Prices

Average Export Prices
(Index : Brussels Agreement prices on May 30, 1953 = 100)

	May 30, 1953	April 1, 1954	Jan. 5, 1956	Jan. 1, 1957	Jan. 1, 1958	Jan. 1, 1959	Jan. 1, 1960
Community : Brussels prices	100	88	109	117	117	100	—
United Kingdom : Agreed prices	102	97	108	127	129	117	117
United States : Agreed prices	100	100	106	115	121	124	122
Community : Market prices	—	—	121	132	102	105	112

TABLE No. 51

Export Prices by Products

(\$ per metric ton)

	May 30, 1953			January 1, 1960		
	E.C.S.C.	U.K.	U.S.A.	E.C.S.C. (market prices)	U.K.	U.S.A.
					(agreed prices)	
Merchant bars	93	96	105	110	113	131
Sections	93	105	104	102	109	131
Plate	115	127	104	111	116	127
Sheet (cold-rolled)	147	128	134	180	155	157

TABLE No. 52

Basis Prices for Exports to Third Countries

(\$ per metric ton f.o.b. port of shipment, exclusive of taxes.)

	Community (overall) ¹⁾				United Kingdom				United States			
	Brussels Agreement prices			Market prices	Published prices			Published prices				
	Jan. 1, 1957	Jan. 1, 1958	Jan. 1, 1959		Jan. 1, 1957	Jan. 1, 1958	Jan. 1, 1959	Jan. 1, 1960	Jan. 1, 1957	Jan. 1, 1958	Jan. 1, 1959	Jan. 1, 1960
Merchant bars ¹⁾	112/118	84/101	80/93	106/114	119.35/ 152.95	119.33/ 152.95	107.50/ 116.65	109.75/ 116.65	121.25/ 123.25	129.40/ 131.60	128.30/ 135.58	127 —/ 134.25
Joists	123.50	103	94	101/102	156.40	146.05	109.20	109.20	121.25	128.10	133.15	131.85
Wire-rod	112	105	96	130/135	No price	No price			132.30	140.20	144.85	146.15
Hoop and strip	113	113	108	110 and +	123.45/ 124.85	123.45/ 124.85	123.45/ 124.85	123.45/ 124.85	113.10	119.25	119.25	117.95
Plate	135	122	110	110/112	161.90	161.90	116.02	116.02	117.05	123.35	128.09	126.75
Sheet (hot-rolled)	147.65	150.65	150.65	160/165	133.65	148.10	148.10	148.10	134.50	145.95	143.05	141.75
Sheet (cold-rolled, 1 mm)	150.20	156.20	156.20	180 and +	151.55 ^{a)}	164.65 ^{a)}	164.65 ^{a)}	164.65 ^{a)}	153.00	164.68	158.05	156.75

¹⁾ According to product. ²⁾ According to width. ³⁾ According to country of destination. ⁴⁾ Market prices as from July 1959.
N.B. This table shows the development of basis prices. The bases on which these are fixed in the Community, the United Kingdom and the United States respectively are sometimes appreciably different, chiefly in the case of sheet. Prices given in this table for sheet include extras, which makes them broadly comparable. Prices are those of basic Bessemer quality for the Community, and of basic open-hearth for the United Kingdom and the United States.

Specific Capital Expenditure in the Coalmining Industry¹⁾
(pits)

Country/Coalfield	1953 - 1958			1957			1958		
	Expenditure \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expenditure \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expenditure \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced
Ruhr	●09.1	725 507	0.84	121.51	123 209	0.99	119.67	122 302	0.98
Aachen	52.33	43 354	1.21	7.37	7 619	0.97	12.37	8 020	1.54
Lower Saxony	22.83	14 519	1.57	5.41	2 328	2.32	5.28	2 260	2.34
Germany (Fed. Rep.)	684.17	783 380	0.87	134.29	133 156	1.01	137.32	132 582	1.04
Saar	95.54	100 533	0.95	19.80	16 455	1.20	20.57	16 423	1.25
Campine	91.49	59 657	1.53	18.33	10 331	1.77	17.01	9 973	1.71
Southern Belgium	143.48	115 330	1.24	27.22	18 755	1.45	21.42	17 089	1.25
Belgium	234.97	174 987	1.34	45.55	29 086	1.57	38.43	27 062	1.42
Nord/Pas-de-Calais	212.97	171 526	1.24	29.63	28 725	1.03	26.26	28 858	0.91
Lorraine	161.92	80 708	2.01	26.73	14 297	1.87	23.68	14 971	1.58
Centre-Midi	77.53	77 468	1.00	11.30	13 373	0.84	12.53	13 586	0.92
France	451.47	329 702	1.37	67.66	56 395	1.20	62.47	57 415	1.09
Italy (Sulcis/La Thuile)	11.13	6 152	1.81	1.60	1 019	1.57	1.12	721	1.55
Netherlands (Limburg)	78.20	71 355	1.10	12.55	11 376	1.10	12.48	11 880	1.05
Community	1 555.48	1 466 109	1.06	281.45	247 487	1.14	272.39	246 083	1.11

¹⁾ Capital expenditure as recorded in 1959 Investment Survey.
Production, exclusive of German "small mines" and French non-nationalized mines.

TABLE No. 54

Specific Capital Expenditure on the Coking-Plants ¹⁾
(mine-owned, steelworks-owned and independent)

Country	1953 - 1958			1957			1958		
	Expenditure \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expenditure \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expenditure \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced
Germany (Fed. Rep.)	232.64	245 284	0.95	42.84	45 193	0.95	44.99	43 439	1.04
Saar	54.21	23 900	2.27	14.65	4 324	3.39	17.02	4 175	4.08
Belgium/Netherlands	75.81	63 113	1.20	9.60	11 399	0.84	12.00	10 987	1.09
France ²⁾	205.35	65 857	3.12	20.20	12 564	1.61	16.45	12 468	1.32
Italy	25.34	18 233	1.39	8.70	3 687	2.36	7.64	3 360	2.27
Community	593.35	416 387	1.42	95.99	77 167	1.24	98.10	74 429	1.32

¹⁾ Capital expenditure as recorded in 1959 Investment Survey.

Production as recorded in annual investment surveys.

²⁾ Exclusive of Gaz de France as from 1957.

TABLE No. 55

Specific Capital Expenditure in the Iron-Ore Industry ¹⁾
(extraction and preparation of ore at the mine)

Country/Orefield	1953 - 1958			1957			1958		
	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced
Salzgitter, Ilsede, Lower Harz				3.54	10 767	0.35	5.78	10 774	0.54
Osnabrück, Weser, Wiehengebirge				0.75	1 965	0.38	0.52	1 969	0.26
Siegerland-Wied				2.18	1 444	1.51	0.99	1 364	0.73
Central and Southern Germany ²⁾				0.53	1 585	0.33	0.95	1 464	0.65
Other German orefields ³⁾				1.36	2 561	0.53	1.46	2 413	0.61
Germany (Fed. Rep.)	47.66	96 572	0.49	8.36	18 322	0.46	9.70	17 984	0.54
Belgium	0.12	691	0.17	0.04	137	0.29	0.08	123	0.65
Eastern France				33.73	53 833	0.63	27.53	55 912	0.49
Western France				2.94	4 341	0.68	3.16	3 883	0.81
Centre-Midi				0.22	350	0.63	0.21	392	0.54
France	151.13	310 241	0.49	36.89	58 524	0.63	30.90	60 187	0.51
Italy	19.59	12 585	1.56	2.87	2 610	1.10	1.77	2 145	0.83
Luxembourg	6.11	42 332	0.14	1.64	7 843	0.21	1.00	6 636	0.15
Community	224.61	462 421	0.49	49.80	87 435	0.57	43.45	87 075	0.50

¹⁾ Capital expenditure as recorded in 1959 Investment Survey. Production, as recorded in annual Investment Surveys.

²⁾ Sauerland-Waldeck, Lahn-Dill, Taunus-Hunsrück, Oberhessen.

³⁾ Doggererzgebiet, Kreideerzgebiet.

TABLE No. 56

Specific Capital Expenditure on Pig-Iron Production ¹⁾
(blast-furnaces and preparation of burden)

Country/Area	1953 - 1958			1957			1958		
	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced
	Northern Germany ²⁾ North Rhine/Westphalia Southern Germany ³⁾ Germany (Fed. Rep.) Saar Belgium Eastern France Northern France Other parts of France France Coastal areas of Italy Other areas of Italy Italy Luxembourg Netherlands Community	240.69 18.59 72.13 209.54 23.22 46.69 18.23 629.09	93 242 16 986 30 929 63 698 10 409 18 443 4 145 237 852	2.58 1.09 2.33 3.29 2.23 2.53 4.40 2.64	11.22 38.96 2.53 52.71 4.91 17.04 42.17 10.35 7.17 59.69 3.95 1.57 5.52 7.25 8.45 155.57	2 316 14 970 1 072 18 358 3 125 5 579 9 183 1 669 1 032 11 884 2 138 3 329 701 45,114	4.84 2.60 2.36 2.87 1.57 3.05 4.59 6.20 6.95 5.02 2.58 2.18 12.05 3.45	11.70 58.58 1.70 71.98 6.03 19.56 45.56 11.03 7.45 64.04 8.37 1.53 9.90 7.68 2.88 182.07	2 312 13 362 986 16 660 3 083 5 524 9 274 1 695 981 11 950 2 106 3 275 913 43 511

¹⁾ Capital expenditure as recorded in 1959 Investment Survey.
²⁾ Schleswig-Holstein, Lower Saxony, Hamburg, Bremen.
³⁾ Hesse, Rhineland-Palatinate, Baden-Württemberg, Bavaria.

TABLE No. 57

Specific Capital Expenditure on Crude-Steel Production ¹⁾
(steelworks)

Country/Area	1953 - 1958			1957			1958		
	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced
Northern Germany ²⁾				8.23	3 042	2.71	3.70	3 039	1.22
North Rhine/Westphalia				53.03	20 033	2.65	36.80	18 401	2.00
Southern Germany ³⁾				2.39	1 432	1.67	0.64	1 345	0.48
<i>Germany (Fed. Rep.)</i>	251.85	124 670	2.02	63.65	24 507	2.60	41.14	22 785	1.81
<i>Saar</i>	21.38	18 979	1.13	6.33	3 465	1.83	6.67	3 486	1.91
<i>Belgium</i>	44.43	34 075	1.30	11.85	6 267	1.89	14.37	6 006	2.39
Eastern France				8.67	9 216	0.94	7.67	9 670	0.79
Northern France				4.09	3 174	1.29	3.77	3 279	1.15
Other parts of France				5.71	1 710	3.34	4.11	1 684	2.44
<i>France</i>	100.83	75 428	1.34	18.47	14 100	1.31	15.55	14 633	1.06
Coastal areas of Italy									
Other areas of Italy	45.73	32 066	1.43	10.28	6 787	1.51	8.35	6 266	1.33
<i>Italy</i>	27.39	19 040	1.44	10.07	3 493	2.88	4.81	3 379	1.42
<i>Luxembourg</i>	21.29	6 462	3.29	7.72	1 185	6.51	2.85	1 437	1.98
<i>Netherlands</i>	512.90	310 720	1.65	128.37	59 804	2.15	93.74	57 992	1.62
Community									

¹⁾ Capital expenditure as recorded in 1959 Investment Survey.

²⁾ Schleswig-Holstein, Lower Saxony, Hamburg, Bremen.

³⁾ Hesse, Rhineland-Palatinate, Baden-Württemberg, Bavaria.

TABLE No. 58

Specific Capital Expenditure on Rolled-Steel Production¹⁾
(rolling-mills and ancillary plant)

Country/Area	1953 - 1958			1957			1958		
	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced	Expend- iture \$ '000,000	Production '000 me- tric tons	\$ per metric ton produced
Northern Germany ²⁾				19.14			12.95	1 780	7.28
North Rhine/Westphalia				78.10			48.29	12 120	3.98
Southern Germany ³⁾				3.43			3.62	1 130	3.20
Germany (Fed. Rep.)	712.61	81 707	8.72	100.67	16 154	6.23	64.86	15 030	4.32
Saar				20.54	2 330	8.82	5.49	2 390	2.30
Belgium				16.05	4 386	3.66	20.17	4 170	4.84
Eastern France				36.71			29.62	7 210	4.11
Northern France				24.50			14.46	2 240	6.46
Other parts of France				13.56			13.84	1 030	13.44
France	381.40	53 136	7.18	74.77	10 068	7.43	57.92	10 480	5.53
Coastal areas of Italy				25.06			11.28	1 640	6.88
Other areas of Italy				24.47			24.27	2 490	9.75
Italy	209.62	21 112	9.93	49.53	4 499	11.01	35.55	4 130	8.61
Luxembourg	49.20	14 072	3.50	9.30	2 589	3.59	5.26	2 420	2.17
Netherlands	34.73	5 001	6.94	11.48	911	12.60	6.90	1 020	6.76
Community	1 555.77	212 159	7.33	282.34	40 937	6.90	196.15	39 640	4.95

¹⁾ Capital expenditure as recorded in 1959 Investment Survey.

²⁾ Schleswig-Holstein, Lower Saxony, Hamburg, Bremen.

³⁾ Hesse, Rhineland-Palatinate, Baden-Württemberg, Bavaria.

TABLE No. 59

Net Increase in Production Potential (based on compulsory statements)

Sector	Production	Production potential 1958	Declarations received during			
			1956	1957	1958	1959
<i>Coalmining industry</i>						
Pits	Hard coal ('000 m.t.)	258 370	2 560	5 786	10 220	786
Coking-plants (mine-owned)	Coke ('000 m.t.)	53 100	3 846	220	545	—
Coking-plants (independent) ¹⁾	Coke ('000 m.t.)	4 230	281	196	—116 c)	—
Pithead power-stations	Installed capacity ('000 kW)	6 056 ²⁾	688	285	386	750
Hard-coal briquetting plants	Hard-coal briquetting ('000 m.t.)	20 260	—	—	460	430
<i>Iron ore mines</i>	Crude ore ('000 m.t.)	95 380	150	1 725	1 800	200
<i>Iron and Steel industry</i>						
Coking-plants (steelworks-owned)	Coke	21 570	2 246	917	174	267
Preparation of burden	Sinter	24 910	6 605	3 290	8 350	6 823
Blast furnaces	Pig-iron	49 480	4 614 a)	2 445 a)	2 529 a)	2 431 a)
Steelworks : a)	Basic Bessemer steel	32 730	2 534 b)	1 225 b)	1 288 b, d)	105
b)	Open-hearth steel	26 680	1 757 b)	108	339 b)	294
c)	L/D and similar steels	1 030	0	895 b)	680 d)	420
d)	Electric-furnace steel	7 220	850	174	274 b)	210
Rolling-mills : a)	Semis	—	4 881	425	1 200	2 670
b)	Sections	27 310	547	60	315	621
c)	Flats	22 680	1 946	114	916	2 734
Power-stations (at works)	Installed capacity ('000 kW)	—	106	48	89	15

¹⁾ Exclusive of Gaz de France.

²⁾ Installed capacity as at the beginning of the year 1958.

Notes to Table No. 59

- a) The increase in the production potential for sintered ore accounts for a proportion of the increase expected in the production potential for pig-iron, viz.;

1956 278 000 metric tons of pig-iron;

1957 552 000 metric tons;

1958 650 000 metric tons;

1959 987 000 metric tons.

- b) The increase in the production potential for pig-iron accounts for a proportion of the increase expected in the production potential for the different qualities of steel :

('000 metric tons)

	1956	1957	1958	1959
Basic Bessemer	773	825	228	—
Open-hearth	130	—	158	—
L/D and similar steels	—	180	—	—
Electric-furnace steel	—	—	75 *)	—

*) using Duplex process.

- c) After cancellation of a capital scheme previously declared.
- d) The installation of an L/D steelworks should increase the production potential for L/D steel by 200 000 metric tons per year and reduce the production potential for basic Bessemer by the same amount.

TABLE No. 60

Personnel employed in the Community Industries

('000)

Industry	September 1958				September 1959			
	Workers	Apprentices	Salaried employees	Total	Workers	Apprentices	Salaried employees	Total
<i>Coalmining industry</i>								
Germany (Fed. Rep.)	442.9	39.5	47.2	529.6	404.3	31.3	46.7	482.3
Saar	53.6	3.5	6.3	63.4	51.7	2.7	6.4	60.8
Belgium	131.9	2.3	14.7	148.9	115.4	2.1	13.5	131.0
France ¹⁾	204.3	5.7	26.7	236.7	198.4	5.7	26.4	230.5
Italy	3.9	—	0.6	4.5	3.6	—	0.5	4.1
Netherlands	52.2	4.2	7.3	63.7	50.4	3.9	7.4	61.7
Community	888.8	55.2	102.8	1 046.8	823.8	45.7	100.9	970.4
<i>Iron and steel industry</i>								
Germany (Fed. Rep.)	169.9	6.8	24.6	201.3	174.3	6.3	25.2	205.8
Saar	27.7	0.8	4.1	32.6	28.0	0.8	4.1	32.9
Belgium	51.4	—	7.5	58.9	53.0	—	7.6	60.6
France	126.7	2.3	24.9	153.9	126.3	2.8	25.1	154.2
Italy	52.3	0.2	7.3	59.8	50.4	0.1	7.2	57.7
Luxembourg	18.7	0.4	2.1	21.2	19.2	0.3	2.1	21.6
Netherlands	7.9	0.3	3.3	11.5	8.9	0.4	3.7	13.0
Community	454.6	10.8	73.8	539.2	460.1	10.7	75.0	545.8
<i>Iron-ore mines</i>								
Germany (Fed. Rep.)	19.7	1.0	2.4	23.1	18.0	0.8	2.4	21.2
Belgium	0.0	—	0.0	0.0	0.0	—	0.0	0.0
France	24.4	0.7	3.2	28.3	23.8	0.7	3.3	27.8
Italy	3.1	0.0	0.3	3.4	2.9	—	0.2	3.1
Luxembourg	2.2	—	0.2	2.4	2.1	—	0.2	2.3
Community	49.4	1.7	6.1	57.2	46.8	1.5	6.1	54.4
Community total	1 392.8	67.7	182.7	1 643.2	1 330.7	57.9	182.0	1 570.6

¹⁾ Including small non-nationalized mines.