

EUROPEAN COAL AND STEEL COMMUNITY
HIGH AUTHORITY

Ninth
GENERAL REPORT
on the
Activities of the Community

(1 February 1960 — 31 January 1961)

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FOREWORD

As has been its practice each year, the High Authority is submitting its General Report to the European Parliament prefaced by a brief introduction on the political aspects of its work.

As matters now stand, with Europe moving out of the construction stage into a period of consolidation within the process of continuing economic growth, it seems worth while to examine the contribution which the European Coal and Steel Community has made and is making to the European cause.

Last year at this time, the new High Authority recently installed provided an overall picture of the Community's position by drawing up a balance-sheet of everything that had been done since 1952. We are here concerned, therefore, to note the salient developments in the Community's affairs since January 1960.

The Record for 1960

The state of the coal market, thanks in part to the various measures adopted both by the High Authority and by the Governments and the firms and bodies directly concerned, and in part also to the high level of economic activity generally, underwent some improvement in the course of 1960. The comparatively balanced position thus restored cannot, however, be regarded as securely established, since it is dependent at once on temporary protective arrangements and on an outstandingly high rate of all-round expansion.

There can therefore be no possibility of letting up on the work of reorganization now in progress in the coalmining industry;

moreover, several coalfields are still experiencing serious immediate difficulties.

The emergency measures taken at the end of 1959 in respect of the Belgian coal market were extended into 1961, though they were at the same time relaxed somewhat with a view to the gradual restoration of normal conditions.

In relations with third countries, continued attention was given to the problems arising in connection with coal import restrictions. These were, however, disposed of in a spirit of mutual understanding.

Thanks to the special character of the E.C.S.C. Treaty, the Community was able to acquire a further affective means for the "readaptation" of workers affected by the reorganization of the coalmining industry. Concrete action has already been taken in a number of cases following the "minor revision" of Article 56 — the first instance of an amendment of the Treaty to allow for a radical change in economic conditions — effected by the co-operation of all four Community institutions, the High Authority, the Council of Ministers, the Court of Justice and the European Parliament.

The sound financial policy pursued in previous years made it possible to meet the whole of the recent substantial increase in expenditure on readaptation, without increasing the rate of the levy, which remained at 0.35% of the value of Treaty products sold.

In the steel market, expansion continued at an unprecedented rate without any serious problems arising as to raw-material supplies. More remarkable still, scarcely no tightness occurred, since price movements remained moderate and delivery dates reasonably short. No direct Community action was required in the steel market.

The level of investment declared in the iron and steel industry

was more than four times as high as the average for the four previous years. The High Authority issued opinions on a large number of capital projects.

The decisions taken early in 1958 by the High Authority concerning special rail tariffs were in the main upheld by the Court of Justice. One consequence of this clarification was the introduction of large-scale changes in ratemaking methods for the carriage of coal on the German railways.

The new ratemaking system for bulk consignments shipped as complete trainloads, which is on the lines of a proposal put forward by the High Authority several years ago, brings the transport costs for deliveries of coal to iron and steel works situated some distance from the Ruhr collieries well below what they would be if the coal were sent at the regular rates. The changes, which apply to shipments to all consignees within the Common Market, successfully overcome several problems which had been giving rise to serious differences of opinion ever since the Community's inception.

Among various improvements in the social field was a general trend in the direction of a shorter working week. The High Authority itself went ahead vigorously with its activities in this sphere: special mention should be made of the many research projects in connection with industrial health and medicine sponsored by the Community. Operations under the various Community schemes for the building of workers' houses continued with the help of credits granted by the High Authority.

Several new loans were raised, including one of 35 million dollars in New York in October 1960, and three others, to the equivalent of some seven million dollars, from banks in Switzerland, the Netherlands and Luxembourg in January 1961.

This brings the aggregate amount of the loans contracted by the High Authority to over 250 million dollars, and the Com-

munity's credit is now so well established that it is possible to look forward with confidence to the future development of these financial operations undertaken for the benefit of Community enterprises and workers. Applications for credit to the High Authority have always been in excess of funds available.

The High Authority organized a conference which compared and discussed in detail the various means of action to hand for assisting the industrial redevelopment of the areas affected by pit closures, and sketched outlines for a common policy. The High Authority emphasized its anxiety to help with the redevelopment problem by all the means at its disposal, and in particular by granting credits.

Several important cases in the field of cartels and concentrations were handled by the High Authority in 1960. Its refusal to authorize a single selling agency for Ruhr coal resulted in an appeal to the Court of Justice; pending the Court's decision, the existing arrangement was temporarily extended. A Joint Committee of representatives of the High Authority and the Governments was set up to study certain points relating to coal-selling organizations, in the context of a possible revision of the Treaty.

Further discussions were held with the French Government concerning the French official regulations for the purchase of coal from other member countries, and it seems likely that this matter will be finally disposed of in the near future. The Court action begun, which had been suspended in the hope of settling the dispute amicably, would then fall to the ground.

Co-operation between the High Authority and the E.E.C. and Euratom Commissions with regard to the co-ordination of energy policies produced useful results during 1960. An interim memorandum on long-term problems involved was submitted to the E.C.S.C. Council of Ministers, followed by proposals for possible initial steps towards co-ordination. A comprehensive corpus of basic material was supplied to the official bodies.

concerned, and projects for concrete action are shortly to come up for discussion by the Council.

The Significance of E.C.S.C.

This brief account of the main events of 1960 and the various measures adopted by the High Authority makes it immediately apparent that the steady development of the Community would not have been possible had it not been for the organizational balance and the special devices provided for by the Treaty of Paris.

In all sorts of fields — the emergency measures for the re-organization of the Belgian coal market, the revision of Article 56, the decisions on the special rail tariffs, the High Authority's financial operations to aid the expansion of industry and the improvement of social conditions, the decisions on cartels and concentrations — it is hard to believe that such substantial results would have been forthcoming so comparatively quickly without the work of an organization independent of the individual Governments and in a position to weigh up the different interests involved while at the same time never losing sight of the general interest of the Community as a whole. Clearly a concert of Governments each with a power of veto would have been hampered in seeking to perform such tasks; it is hardly likely, either, that the Governments would have waived their veto as they did had they not recognized that an independent body acting in the interests of the Community as a whole offered a safeguard against compromises and shifting alignments liable to disregard minority standpoints.

The financial independence enjoyed by the High Authority is a particularly notable instance of the value of this principle. Had the High Authority not been in such a position, the various operations just listed could not possibly have been undertaken on the scale they were.

Until, with the progressive extension of the operation of the Treaty of Rome, the mass of regulations, procedures and powers of

intervention ultimately to constitute the General Common Market are finally in being, the E.C.S.C. Treaty will remain one instrument of European economic integration — only a partial one, it is true, with the various drawbacks which that involves, but one nevertheless enabling effective action to be taken to deal with concrete economic and social problems.

For this reason E.C.S.C.'s work is of profound political significance: to regard it as no more than a technicians' organization is to misunderstand its most important function.

This is equally true with regard to the High Authority's additional duties under the Protocol of October 1957 on ways and means of ensuring a co-ordinated energy policy. In a field where the interests of the countries consuming energy are sharply opposed to those of the countries producing it, it would scarcely be possible even to discuss such a policy without independent European institutions.

For the purposes of this discussion, the Executives can argue the need to work out arrangements which will be in the general interest of the Community and will take due account of all the legitimate individual interests involved; they do not, on the other hand, enjoy any new powers in the matter, as the 1957 Protocol is a procedural instrument only.

The Task ahead

Energy

The independent powers with which the High Authority was originally vested to enable it to introduce the Common Market for coal and steel have not been since augmented in face of the present tug of war between coal and the other sources of energy, so that all necessary extensions of Community action will need to be based on agreements with the Governments. As regards assisting and encouraging the drastic readjustment which the coalmining industry is having

to undergo, the High Authority does, thanks to its financial independence, possess concrete means of action of its own in the field of readaptation and redevelopment. However, to ensure that the rate and form of the reconstruction process will be socially and politically tolerable — particularly in the event of adverse developments in the economic situation generally — it will be necessary to extend the range of action open to the Community. This, then, is what the three Executives are seeking to do; in addition, they have pointed out that steps will need to be taken without delay to ensure that the individual Governments' policies will not further diverge and thereby make it even more difficult to arrive at a comprehensive solution.

Transport

One of the fields in which E.C.S.C. will have to deal with a number of important problems in the immediate future is that of transport. A different approach has had to be adopted since the Court of Justice reversed the High Authority's decision of February 18, 1959, concerning publication of road-haulage rates and conditions of carriage. Mention was made in the Foreword of the Eighth General Report of the disappointing position with regard to the transport sector as a whole, apart from the corpus of measures introduced in connection with railway rates. Now it is proving necessary to work out new ways of tackling the problem of the transport of coal and steel by road and by inland waterway.

This error of judgment has been attributed to defective economic forecasting. Severe criticism has been levelled at the 1956 General Objectives: careful examination of the figures, however, indicates that they should not be thus condemned, particularly in view of the necessarily relative value of all advance estimates in the economic field.

Thus steel production in 1960, for instance, reached exactly the maximum level computed five years ago. Total energy requirements were also accurately forecast. What has worked out in a manner quite unforeseeable some years back is the relative share of the different energy products: a whole set of new factors, some of

them political and hence impossible to calculate from economic data, came into play from 1957 onwards and invalidated the basic hypotheses generally adopted in all the major coal-producing countries of the world.

These points with regard to the 1956 forecasts seem worth making now that the High Authority is preparing to bring out a fresh series of General Objectives. Past experience is a valuable guide for the future, and must not be allowed to interfere with the work of improving forecasting methods and reducing the uncertainties inherent in long-term economic calculations.

Cyclical problems

The complications arising in the operation of the Common Market as a result of structural changes are liable to be sharply aggravated should a cyclical downward trend supervene as well, as was, for example, the case in the coal market in 1958. Since then there has been a turnaround, and the effects of the structural alterations have been to some extent masked by the buoyancy of the economy as a whole. 1960 saw a certain stabilization of conditions in the coal market. The various measures adopted by the Community and by the Governments and enterprises concerned played a vital part in bringing this improvement about, but it is only honest to recognize that demand for coal is still falling steadily in a number of consumer sectors, and that the stabilization has been conditioned by the exceptionally high level of business activity during the period just past. If it had not been for this fact, the problems would have been very much more serious, and the whole position for the Community probably quite different. So far as E.C.S.C. itself is concerned, the structural and cyclical problems of the Common Market will in any event require constant vigilance.

Cartels and concentrations

As well as seeking to ensure that economic development goes ahead smoothly, the Community must see to it that its objectives

are not impeded by the emergence of monopolistic set-ups. The old divisions based on the power of the individual States were not abolished simply in order to be replaced in practice by new divisions based on the power of individual enterprises and their organizations.

These problems, which in the heavy-industry sectors with their oligopolistic market structures are undoubtedly even more serious and more difficult than in many other branches of the economy, will continue to demand the High Authority's attention. The same set of problems is coming more and more to the fore for E.E.C. It is of the utmost importance that the European Communities should pursue a clear and coherent policy in this matter.

Studies with reference to a possible revision of the Treaty

The European Parliament on July 1, 1960, voted a Resolution containing the following passage :

“The European Parliament...

“considers that practical experience has shown the provisions of the Treaty establishing the European Coal and Steel Community to involve a number of difficulties of application, more particularly with regard to pricing and to agreements and concentrations among enterprises ;

“requests the High Authority to examine without delay, and to propose, such amendments to the Treaty as may prove of service in disposing of the difficulties of application just referred to, without detriment to the aims and objects of the Treaty.”

The High Authority proposed to the Council that a Joint Study Committee be set up, which was done in October 1960. The Committee then embarked on an examination of the question whether the structural changes in the energy market suggest that certain provisions in the Treaty call for amendment, in particular those relating to cartels.

1950-1960 — an Idea Becomes a Reality

Having thus briefly glanced over the various aspects of E.C.S.C.'s tasks, we examine the position from a different angle. In this General Report dealing with the tenth year after M. Robert Schuman's declaration of May 9, 1950, and due to be submitted to the Parliament almost exactly ten years after the conclusion of the Treaty, it seems worth comparing the initial idea of the Communities' founder with the facts as they are today.

The opening sentence of the Declaration remains as true as ever: "World peace cannot be safeguarded without the making of constructive efforts proportionate to the dangers which threaten it." Constructive efforts there have certainly been in the years behind us, but if we measure their scale and effects against the magnitude of the dangers, it is obvious that there is still much to be done.

Similarly, the profound truth of another point from the Declaration, "Europe will not be made all at once, or according to a single general plan: it will be built through concrete achievements, which first create a *de facto* solidarity," remains ever present to the minds of all those engaged in day-to-day work for Europe. The question is now whether that *de facto* solidarity has reached a stage where it can henceforward be built upon.

There can be no doubt that on the economic plane such a solidarity began to develop from the very inception of the Common Market for coal and steel, and that the same thing happened as soon as a start was made on the introduction of the General Common Market. It has sometimes been said that the Common Market is a more real and concrete thing for those in the industries than it appears to be to the representatives of the Governments meeting in the Community institutions.

The High Authority for its part considers that the operation of the institutions as laid down in the E.C.S.C. Treaty has developed in practice in a manner giving every promise of a successful future. The four institutions have each of them settled into their allotted

function and individual style; they are all essential to the common task, and there has in actual fact grown up within them a solidarity worthy of the name. The bold and original structure proposed in 1950 has become a political reality.

Thus the organizational and economic operation of this first Community is a valuable contribution to one of the main aims laid down in the preamble to the Treaty of April 18, 1951: "to lay the bases of institutions capable of giving direction to their future common destiny."

Convinced of the lasting value of the experience gathered and the methods developed within E.C.S.C., the High Authority has laid stress, in the debates on the proposed "merger" of the Executives, on the need to preserve intact all that has been gained to date in the process of building Europe. While it welcomes the concept of a single Executive for the three existing Communities, it also wants to underline the danger involved by any whittling-down, even on apparently minor points, of the fundamental content of the E.C.S.C. Treaty. Accordingly, its President on November 22, 1960, drew the attention of the European Parliament to two points in the Report by M. Maurice Faure which it felt called for careful examination, namely the status of the Members of the single Executive, which it considered should be further harmonized with that of its own Members at present, and the need to preserve in full the existing independence of E.C.S.C. in financial and budgetary matters. Both aspects are obviously of the greatest importance in ensuring an effective and independent single Executive.

If the merger is thus a pooling of everything that the three Communities are and stand for under one European Executive, it will be a really big step forward. The Resolution voted by the Parliament on this point on November 24 was therefore — with the adoption of the draft Convention on election to the Parliament by direct universal suffrage — one of the outstanding Parliamentary events of 1960.

The establishment of a single Executive would mean co-ordinated action by the three Communities, an overall awareness of all the economic problems arising — which could only add weight to the Executive's conclusions — and increased efficiency all round.

Thus for instance the work on energy policy could, both at Executive and at departmental level, be handled from the start as a single whole, instead of having to be co-ordinated among a number of independent bodies each with its own activities and responsibilities. Similarly with problems of transport, social policy, commercial policy, and so on. The deliberations of the single Executive could thereby be better prepared, the more so since, as is clear from the foregoing observations, some of the problems to which the High Authority is now devoting most attention either themselves go beyond the confines of the coal and steel sectors proper, or arise in similar form for the other two Communities also.

The merger will not, however, resolve such problems of its own accord: it will merely open up certain fresh possibilities. Positive results will be forthcoming only if those possibilities are turned to account with imagination and perseverance for the purpose of conducting a dynamic overall policy and of carrying out whatever progressive adjustments may be necessary as time goes on. Technical and economic improvement can never achieve us European unity unless accompanied by a definite drive on the political plane.

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; EXTERNAL RELATIONS

Section 1 : The Activities of the Institutions; Inter-Community Co-operation

THE INSTITUTIONS

The High Authority

1. The activities of the High Authority during 1960 are described in the various Chapters of this Report. Here, therefore, we note only a few points concerning the organization of its work.

2. To ensure that all those coming within the jurisdiction of E.C.S.C. in respect of whom the High Authority has issued or may issue decisions, recommendations or opinions are furnished with clear and objective criteria by which to interpret these, the High Authority in a decision of September 16, 1960, laid down the exact form to be followed in wording them, and also the procedure for their notification and publication.¹⁾

The Rules of Procedure of the High Authority were remodelled,²⁾ and a new set of organizational rules was adopted governing the preparation of High Authority decisions by the working parties. Working parties are in future to comprise two or more Members of the High Authority, one of them acting as chairman. All Members may, however, attend the meetings of any working party, or send a member of their personal staff on their behalf.

¹⁾ See *Journal Officiel des Communautés Européennes*, Septembre 29, 1960.

²⁾ See *Journal Officiel des Communautés Européennes*, May 3, 1960.

3. The allocation of duties among the Members of the High Authority remains based on a system of seven working parties covering the different fields of activity, in addition to the Examination Party and the Administration Committee. The working parties deal respectively with

- (1) the coal and steel markets ;
- (2) rules of competition (including transport rules) ;
- (3) external relations and information ;
- (4) social problems ;
- (5) finance and investment ;
- (6) economic policy and industrial redevelopment ;
- (7) co-ordination of energy policy.

The Examination Party has jurisdiction in all matters concerning checking for compliance with the rules of the Common Market and, in particular, infringements of these; where necessary it proposes to the High Authority the institution of disciplinary action as provided for in the Treaty.

The Administrative Committee is specially responsible for making proposals to the President or to the High Authority concerning matters of administration and personnel.

4. On May 9, 1960, in the presence of M. Robert Schuman, Honorary President of the European Parliament and sometime Foreign Minister of the French Republic, the High Authority officially celebrated the tenth anniversary of the Schuman Declaration, which originally gave rise to the founding of the European Coal and Steel Community.

The ceremony took place in Luxembourg, and was attended by T. R. H. the Grand Duchess and the Prince of Luxembourg and by the Presidents of the four European Institutions, Prof. Piero Malvestiti, President of the High Authority, M. Jean Fohrmann, Vice-President

of the European Parliament (representing Herr Hans Furler, the President), Herr Ludger Westrick, President in office of the Special Council of Ministers, and Mr. A. M. Donner, President of the Court of Justice of the European Communities.

5. On January 19 and 20, 1961, the High Authority paid an official visit to the Italian Government in Rome, during which it discussed with the Italian authorities those problems of the Coal and Steel Community more especially affecting Italy.

On January 21, the High Authority was received in audience at the Vatican.

The Consultative Committee

6. The Consultative Committee attached to the High Authority, which consists of 17 producers', 17 workers' and 17 consumers' and dealers' representatives, met seven times during the period under review (59th-66th meetings).¹⁾

7. During the financial year 1960-61 the Chairman of the Committee was Mr. Isaac Baert, of the workers' group. At its 59th meeting, on January 15, 1961, the Consultative Committee elected its officers and appointed its standing sub-committees on the General Objectives, labour problems, and market and price conditions. At a later meeting (the 64th) it was decided to set up a new sub-committee on technical research projects, whose membership and terms of reference were settled at the first meeting for 1961-62, on January 24, 1961.

¹⁾ 59th meeting, January 15, 1960; 60th meeting, March 15, 1960; 61st meeting, April 5, 1960; 62nd meeting, June 7, 1960; 63rd meeting, July 5, 1960; 64th meeting, October 4, 1960; 65th meeting, January 10, 1961; 66th meeting, January 24, 1961; 67th meeting, January 24, 1961.

8. The High Authority submits to the Committee prior to publication its quarterly and long-term forecasts. Once a quarter, when submitting the "programmes with forecasts" which it is required to draw up under Article 46 of the Treaty, it makes to the Committee a general statement on the state of the markets and the activities on which it is engaged. This was done at the 61st, 63rd, 64th and 65th meetings.

At its 61st meeting, the Committee took cognizance of the High Authority's forward estimates for coal during 1960. At its 63rd meeting, it engaged in a comprehensive discussion of the programmes and forecasts, comparing, in particular, the figures forecast with those actually recorded. It confirmed the value of the programmes for the purpose of providing a short-term picture of trends in the coal and steel markets, but put forward a number of suggestions for improving the methods employed in drawing them up.

9. At the same meeting, the High Authority gave the Committee an account of the position regarding the co-ordination of energy policy. Following its quarterly statement at the 65th meeting, the High Authority gave the Committee a further progress report on the subject, describing in particular the initial measures submitted to the Council of Ministers. The Committee expressed its desire to be closely associated with the work of framing proposals for a co-ordinated energy policy.

At the 61st meeting, a draft Resolution, the Baseilhac Resolution, was laid before the Committee requesting the High Authority to take certain definite steps to alleviate the situation in the coal market. In January 1961, at the 65th meeting, the Committee adopted a Resolution in this connection asking the High Authority to "see to it" that something was done to expedite the work for a co-ordinated energy policy: in the Committee's view, such a policy should seek to harmonize conditions of competition between Community coal and other sources of energy, and should be accompanied by the co-ordination of the member countries' commercial policy on imports of coal from third countries.

10. The High Authority reported to the Committee at the 64th meeting on the Intergovernmental Conference on the industrial re-development of Community coalmining areas affected by pit closures. The High Authority's policy on the readaptation of workers was discussed at the 63rd meeting.

Having been consulted by the High Authority under Article 55 of the Treaty, the Committee at its 67th meeting expressed itself in favour of making available a new special temporary allowance to Belgian mineworkers placed on collective short time owing to lack of sales.

The Committee further urged that action should be taken to restart the activities of the joint employers' and workers' committees on the harmonization of terms of employment in the coalmining and iron and steel industries.

11. In accordance with the Treaty, the High Authority consulted the Committee concerning the various technical and economic research projects for which it proposed to grant financial assistance. As is noted in the section on technical research,¹⁾ the High Authority gave the Committee at its 64th meeting a general account of all the research projects which it is promoting.

12. The Committee at its 60th and 62nd meetings expressed itself in favour of the High Authority extending its authorization of certain joint financial arrangements operated by the Ruhr collieries.

13. On January 24, 1961, the Committee held its 66th meeting. This was the constituent session for 1961-62; the Committee, whose new membership had just been decided by the E.C.S.C. Council of Ministers, elected as its Chairman Sig. Domenico Taccone, of the producers' group.

¹⁾ See Chapter Four, Section 3.

The European Parliament

14. The European Parliament, which exercises control over the activities of the three Executives of the European Community, met in plenary session on the following dates :

March 26-April 1,
May 10-18,
June 27-July 1,
October 12-18,
November 17-24, 1960,
and January 16-21, 1961.

At its session in March 1960, the Parliament elected Herr Hans Furler President and M. Robert Schuman Honorary President. The Bureau of the Parliament was made up by the election as Vice-President of M. Jean Fohrmann, M. Charles Janssens, Mr. C. P. Hazenbosch, Sig. Edoardo Battaglia, M. Émile Vanrullen, Sig. Leopoldo Rubinacci, Herr Helmut Kalbitzer and M. Jacques Vendroux.

Most unhappily, Mr. Hazenbosch was killed in an accident on January 10, 1961.

15. Members being of the opinion that the time had come to associate the peoples of their countries direct with the building of Europe, a draft convention was drawn up on election to the Parliament by direct universal suffrage. As required by the Treaties¹⁾, the House adopted this at its session in May 1960. It instructed its President to pass the draft to the Council of Ministers, and empowered a delegation of its Members to make all necessary approaches to the responsible authorities in the member States and to the Councils of Ministers to ensure that it was approved and put into force. At the

¹⁾ Articles 21, 138 and 108 of the Treaties establishing the European Coal and Steel Community, the European Economic Community and the European Atomic Energy Community respectively.

same time it passed a number of Resolutions laying down the details of implementation.¹⁾

16. In accordance with its practice for some years, the Parliament at its November session held a "colloquy," or exchange, with the Councils and Executives of the European Communities. The topics discussed were the external policy of the member States, with special reference to matters affecting the European Community, and the establishment of a single Executive for the three Communities.

On behalf of the High Authority, the President, Prof. Malvestiti, defined the position of his Executive *vis-à-vis* the projected merger.²⁾

The House, convinced that the institution of a single Executive was practically necessary and politically desirable, voted in favour of a merger of the Executive of the three European Communities.³⁾

17. At its June-July and October sessions the Parliament debated the establishment of a European University, as provided for in the Treaties of Rome. At the first of these sessions it adopted a Resolution concerning the structure of the proposed University: in this it was emphasized in particular that "the aim must be that all disciplines should be represented at the European University, and that students who have not yet completed their education in their own countries should be able to pursue their studies there." A further point was that "the statutes of the University must guarantee its independence and complete freedom of teaching and research."⁴⁾

In October 1960, the Parliament voted a further Resolution deploring the fact that the installation of the European University

1) See *Journal Officiel des Communautés Européennes*, June 2 and July 27, 1960.

2) See High Authority booklet *E Pluribus Unum* (Obtainable from the Publications Departments of the European Communities - 2568/5/60/1).

3) See *Journal Officiel des Communautés Européennes*, December 16, 1960.

4) See *Journal Officiel des Communautés Européennes*, July 27, 1960.

was being held up by the need to secure unanimity on the E.E.C. and Euratom Councils, and stressing once more the vital importance of the project to the unification of Europe.

18. During the past twelve months the affairs of E.C.S.C. were debated at the February, June-July and October sessions.

In March, the President of the High Authority submitted the Eighth General Report on the activities of E.C.S.C. The Report was examined by the appropriate Committees of the Parliament, and debated at the June-July session. The following Resolutions were passed, covering practically the whole of E.C.S.C.'s activities during 1959 and 1960:

- (i) concerning co-ordination in the matter of energy policy;
- (ii) concerning certain current problems in the coal and steel markets;¹⁾
- (iii) concerning certain problems in the coal and steel markets in connection with reorganization, energy policy, fraudulent practices relating to scrap, and harmonization of conditions of competition;
- (iv) concerning readaptation in the coalmining industry and the social situation of the colliery labour force;
- (v) concerning safety in coalmines;
- (vi) concerning scientific and technical research within E.C.S.C.;
- (vii) concerning the human-factors and medical sides of research in Community countries on industrial safety and health;
- (viii) concerning the budgeting and finances of E.C.S.C.;
- (ix) concerning the securing and dissemination of information in the European Communities.²⁾

The High Authority received with gratitude the valuable suggestions and opinions put forward by the Parliament in these Resolutions.

¹⁾ See No. 23 below.

²⁾ Adopted in November 1960 in respect of all three Communities.

19. On March 29, 1960 the Parliament passed the amendments to Article 56 of the Treaty which were submitted to it by the High Authority following approval by the Council of Ministers and examination by the Court of Justice of the European Communities.

In a statement concerning the revision of this Article (the provisions on readaptation), the President of the High Authority, Prof. Malvestiti, emphasized to the House the major political significance of its vote. "I tell you," he said, "that aspect is of the utmost importance. For the first time in the history of E.C.S.C. our four Institutions have availed themselves of the sum total of their powers to dispose of a single concrete problem."

The Special Council of Ministers

20. The Council was closely associated with all E.C.S.C. activities as detailed in the various chapters of this Report: we here briefly outline its work during the past year.

The Council met six times between February 1960 and January 1961 (67th-72nd meetings).¹⁾ The principal matters discussed were energy policy, the Belgian coal crisis and the revision of the Treaty.

21. As is related in Chapter Two following, the High Authority on March 22, 1960, submitted to the 67th meeting of the Council an interim memorandum, drawn up by the Inter-Executive Working Party on Energy, concerning the co-ordination of energy policies. The memorandum was discussed by the Council on June 14, when the three Executives were requested to submit as soon as possible proposals for steps to be taken forthwith.

¹⁾ 67th meeting, March 22; 68th meeting, May 9; 69th meeting, June 14; 70th meeting, October 11; 71th meeting, November 29, 1960; 72nd meeting, January 10, 1961.

At the 72nd meeting of the Council, on January 10, 1961, the High Authority submitted on behalf of itself and of the E.E.C. and Euratom Commissions a joint memorandum concerning initial measures for the co-ordination of the energy policies of the member States.

22. Problems in connection with the coal situation in Belgium were discussed by the Council at its 70th, 71st and 72nd meetings. In particular, the Council approved the production tonnage which the Belgian Government was to be authorized to subsidize during 1960 and 1961 on condition that a production ceiling was imposed for the pits concerned. It was consulted concerning the extension of the application of Article 37 to Belgium for the year 1961, and it discussed the proposed renewal, along somewhat different lines, of the "E.C.S.C. allowance" granted to Belgian miners placed on short time in consequence of poor sales.

23. On July 22, 1960, the High Authority asked the Council to include on its agenda the proposal to set up a joint study commission of High Authority and Government representatives, pointing out that the European Parliament, basing itself on a report by M. Poher, had on July 1 adopted a Resolution of which sections 7 and 8 ran as follows :

"The European Parliament...

"considers that practical experience has shown the provisions of the Treaty establishing the European Coal and Steel Community to involve a number of difficulties of application, more particularly with regard to pricing and to agreements and concentrations among enterprises ;

requests the High Authority to examine without delay, and to propose, such amendments to the Treaty as may prove of service in disposing of the difficulties of application just referred to, without detriment to the aims and objects of the Treaty."

The Council at its 70th meeting approved the appointment of the joint commission suggested by the High Authority, for the purpose

of studying certain points with regard to a possible revision of some of the economic provisions in the Treaty. The Commission duly met several times, and examined various problems in connection with the operation of coal-selling agencies.

24. The Council was consulted at its 69th meeting, on June 14, 1960, concerning the extension of certain joint financial arrangements operated by the Ruhr coal-selling agencies. In response to the High Authority's request, it gave its agreement to the setting-aside of financial assistance for a number of technical and economic research projects.

The Court of Justice of the European Communities

25. The Court is made up as follows :

President, A. M. Donner ;

Presidents of the two Chambers, C. L. Hammes, N. Catalano ;

Judges, O. Riese, J. Rueff, L. Delvaux, R. Rossi ;

Court Advocates, K. J. Roemer, M. Lagrange ;

Clerk to the Court, A. Van Houtte.

Since October 1, 1960, the two Chambers have been made up as follows :

1st Chamber, N. Catalano, President ;

O. Riese and L. Delvaux, Judges ;

M. Lagrange, Court Advocate.

2nd Chamber, C. L. Hammes, President ;

J. Rueff and R. Rossi, Judges ;

K. J. Roemer, Court Advocate.

Under Court Rule 7,2, should the President of the Court be absent or otherwise unable to perform his duties, the office of Acting President is to devolve in the first instance on M. Hammes.

26. On September 6, 1960, the representatives of the Governments of the member States of Euratom, E.C.S.C. and E.E.C. reappointed M. Jacques Rueff to the Court of Justice, the appointment to run from the date of M. Rueff's acceptance, September 13, 1960.

27. 22 appeals against the High Authority were lodged with the Court during 1960. The Court issued 16 judgments in cases concerning the High Authority; 4 actions were withdrawn. The four actions brought against the E.E.C. Commission culminated in two Court judgments. Mention should also be made of a case brought by a staff member of the High Authority against a member State concerning observance of the Protocol on the Privileges and Immunities of E.C.S.C., in which the Court found for the appellant.

The present backlog of pending E.C.S.C. cases totals 29, of which one was brought by a member Government, 25 by enterprises and three by E.C.S.C. staff members. 18 of these actions relate to the scrap compensation scheme, 5 to problems in connection with cartels, concentrations and competition, 3 to personnel matters, and 3 to miscellaneous questions, including in particular the isolation of the Belgian coal market and the payment of a regular shift bonus to miners employed below ground in Germany:

28. The following are some brief particulars of judgments issued by the Court on matters concerning E.C.S.C. during the period under review.

29. By a judgment of February 12, 1960, the Court dismissed as inadmissible Appeals Nos. 16, 17 and 18/59, lodged by the Ruhr coal-selling agencies against certain of the reasons cited by the High Authority in its Decision No. 17/59 extending for one year, up to March 31, 1960, its authorization of the agencies in question. The judgment rules that the contested provisions do not constitute decisions within the meaning of Articles 15 and 33 of the Treaty, and in support of its findings makes the following observations:

- (a) the explanatory points and letter complained of form an integral part of the reasons for Decision No. 17/59, extending the

authorization of the Ruhr coal-selling agencies up to March 31, 1960 ;

- (b) the substance of these is, moreover, not a ground for complaint by the appellants, " inasmuch as, firstly, it is not binding upon the parties in respect of whom the decision was issued, and secondly, it is not binding upon the High Authority with regard to the future exercise of its powers of authorization."

30. By a further judgment of February 12, 1960, the Court dismissed Appeals Nos. 15 and 29/59, lodged by the Société Métallurgique de Knutange against the High Authority's Decision No. 2/57 refusing to exempt the company in question from payment of the surcharge due on 1,763 metric tons of scrap consumed in 1958.

The appellants had pleaded violation of the Treaty due to a defect in the wording of Decision No. 2/57, namely a contradiction between its basic objective and the provisions instrumental thereto, and in particular Article 3,2 of the decision limiting the accounting period to three months.

The Court found that the High Authority's decision contained no irregularity. It held that, in view of the nature of the compensation scheme instituted to encourage enterprises to economy in the use of scrap, the High Authority was entitled to select whatever arrangements seemed most appropriate to that end, and could accordingly impose a surcharge on an enterprise in respect of a quarterly accounting period even though the latter's actual consumption of scrap during the six months including that quarter had not exceeded the reference tonnage: for the Court to take such a point into account would have been to query the High Authority's evaluation of the situation, based on economic facts and circumstances, which had led to the issuing of Decision No. 2/57, and this it was debarred from doing by the second sentence of Article 33,1 of the Treaty.

31. By a judgment of March 8, 1960, the Court dismissed Appeal No. 3/59, lodged by the Government of the Federal Republic of Germany against the High Authority's decision of December 1, 1958,

concerning non-compliance with its decisions of February 9, 1958, concerning certain special rates applied in respect of the carriage of hard coal and iron ore.

The Court rejected the German Government's case, and stated that an appeal by a member State under Article 33 for the reversal of a High Authority decision did not entail a stay of execution of that decision. Article 39 (which specifies this) applied to States as well as to enterprises, since in this respect Governments enjoyed no special privilege over private enterprises.

The Court furthermore explicitly upheld the High Authority's case, which was that a member State not carrying out a High Authority decision is guilty of non-compliance with Treaty obligations (Article 86,1).

32. By a judgment of April 4, 1960, the Court declared Appeal No. 34/59, lodged by Herr Elz against the President of the High Authority's decision of July 9, 1956, to be inadmissible in view of the lapse of time intervening.

33. By a further judgment of April 4, 1960, the Court dismissed Appeal No. 31/59, lodged by the Italian company Acciaieria e Tubificio di Brescia against the High Authority's decision of April 15, 1959, concerning a spot-check on the appellants' premises.

The Court thus upheld the High Authority's case, which was that enterprises are obliged to admit High Authority inspectors to their premises on seeing the latter's credentials. In the event of their refusing, the High Authority is entitled to issue a decision under Article 47,3, whereby it may subsequently impose a fine.

34. By a third judgment of April 4, 1960, on the consolidated Appeals Nos. 4-13/59, the Court reversed eleven separate High Authority decisions of January 6, 1959, concerning the restitution of amounts paid under the price-compensation scheme for imported scrap in respect of tonnages later established not to have been eligible for compensation.

The Court thus found that the compensation payments improperly made by the Compensation Office in Brussels need not be refunded by the iron and steel enterprises concerned, which had received scrap incorrectly declared as eligible for compensation, inasmuch as no responsibility could be held to lie with them in the matter.

At the same time, the Court recognized the High Authority's right to take an enforceable decision under Article 92 in connection with an established financial arrangement to secure the repayment of sums improperly paid out in the first place.

35. By a judgment of May 10, 1960, the Court dismissed Appeal No. 1/60, lodged by the Italian company Acciaieria Ferraria di Roma (FERAM) for the reconsideration of the judgment given in Case No. 23/59.

Upholding the High Authority's case, the Court found that in this instance the prerequisites laid down in the Protocol on the Code of the Court of Justice were not fulfilled, including in particular "the discovery of a fact susceptible of exerting a decisive influence which was unknown prior to the rendering of the ruling."

36. By further judgments of May 10, 1960, the Court dismissed Appeals Nos. 27-29/58, 3-18/58, 25 and 26/58, and 19/58 against the High Authority's decision of February 9, 1958, concerning special tariff measures on the German and French State Railways in respect of coal and iron ore.

The appellants were,

- (1) in the German actions, the Federal Government and 18 enterprises of the German iron and steel and iron-ore industries (Mannesmann, Südwestfalen, Hüttenwerke Siegerland, Salzgitter, Ilsede-Peine, Maxhütte and others), with six Land Governments (Bavaria, Baden-Württemberg, Hesse, Rhineland-Palatinate, North Rhine/Westphalia and Lower Saxony) intervening on behalf of the enterprises;

- (2) in the French actions, one mining enterprise, the Société d'Exploitation Minière des Pyrénées, and two iron and steel enterprises, the Compagnie des Hauts Fourneaux et Fonderies de Givors and the Compagnie des Ateliers et Forges de la Loire.

The case had lasted over two years in all.

Generally speaking, the Court upheld the interpretation of Article 70 of the Treaty and Section 10,7 of the Convention containing the Transitional Provisions on which the High Authority had based its decisions.

Points emerging from the judgments include the following :

- (a) the concept of discrimination in respect of transport rates referred to in Article 4,b of the Treaty, and further defined in Article 70,1, applies only to conditions "relating to transport" ;
- (b) the High Authority's entitlement under Article 70,4 of the Treaty to approve "the application of special domestic tariff measures in the interest of one or several coal or steel-producing enterprises" is a deliberate exception on the part of the Treaty to a general prohibition on discriminations ;
- (c) supporting tariffs are allowable only in so far as they are necessary to enable the enterprises concerned to overcome exceptional temporary difficulties (as in the case of German enterprises in the vicinity of the zonal border) ;
- (d) the application of the supporting tariffs in question for the purpose of attracting industries is not allowable ;
- (e) tariffs designed to keep in being a flow of traffic for the carriers are allowable provided they can be clearly shown to have been instituted primarily in the carriers' interest and are not contrary to the aims of the Treaty.

37. The Court on July 15, 1960, gave judgment on the following cases :

38. Appeals Nos. 24/58 and 34/58, lodged by the Chambre Syndicale de la Sidérurgie de l'Est de la France, the Chambre Syndicale

de la Sidérurgie de la Moselle and seven French iron and steel enterprises, for the reversal of the High Authority's decision of February 9, 1958, concerning the tariff rates chargeable in Germany in respect of the carriage by rail of fuels for the iron and steel industry, and for the withdrawal of the High Authority's letter of June 7, 1958, to the appellants, on grounds of failure to act.

In its judgment concerning Case No. 24/58, the Court found that the tariff system at issue did not, even as a whole, contain discrimination based on considerations of nationality, and was therefore in accordance with the principles of the Treaty: this being so, the extension to the appellants of the tariff arrangements in force for the German iron and steel enterprises would not be compatible with Articles 4,b and 70 of the Treaty.

The Court nevertheless reversed the decision inasmuch as it recognized as compatible with the Treaty, Tariff AT 6 B 33 (I), in respect of the carriage of coke only, and Tariff AT 6 B 30 (II), in respect of the carriage of hard coal and coke from the Königsborn and Westfalen pits.

In Case No. 34/58, the appeal was dismissed as inadmissible to the extent that it was against the High Authority's refusal to recommend the German Government to institute a general tariff applicable to the carriage of mineral fuels by complete trainload. It was dismissed as unjustified to the extent that it was directed against the High Authority's tacit decision not to recommend the German Government to institute in favour of non-German iron and steel enterprises a tariff for mineral fuels equivalent to that in force for German iron and steel enterprises.

39. Appeals Nos. 20/59 and 25-59, lodged by the Government of the Italian Republic and the Kingdom of the Netherlands respectively for the reversal of the High Authority's Decision No. 18/59, of February 18, 1959, concerning the publication or notification to it of all rate schedules, charges and terms in respect of consignments of coal and steel hauled by road within the Community on behalf of third parties.

The Court by its judgment reversed the decision in question, principally on the grounds that the High Authority has no statutory powers of its own to issue regulations in the matter (since neither the letter of the Treaty, and in particular Articles 70,3 and 60,2,a, nor its general approach can be construed as seeking to invest the High Authority with statutory powers entitling it to secure the implementation of Article 70,3 by decisions), and that it had not given the two Governments an opportunity to present their views, as it was required to do by Article 88. The Court ruled that it was an unlawful application of Article 88 to reproach a State with failing in its duty when that State was in no way prejudicing the objective of a particular provision in the Treaty, but merely elected not to adopt unconditionally one of the measures listed by the High Authority as the only appropriate ones for attaining that objective.

40. Appeals Nos. 36-38/59 and 40/59, lodged by the Ruhr coal-selling agencies and I. Not, wholesale coal merchant, for the reversal of certain provisions in the High Authority's Decision No. 36/59, of June 17, 1959, partially abrogating and supplementing its Decision No. 17/59, of February 17, 1959, concerning the trading regulations of the Ruhr coal-selling agencies.

The Court reversed as insufficiently reasoned the provisions in Decision No. 36/59 relating to the reference tonnages entitling dealers to buy direct from the agencies.

At the same time it upheld that portion of the decision whereby the High Authority declined to authorize the earlier reference figure of 60,000 metric tons.

41. Appeals Nos. 27/59 and 39/59, lodged by Sig. Alberto Campolongo. The Court found that in view of the "functional unity" of the European Communities a staff member leaving one Community for another is not entitled to the special payments normally allowed in respect of termination of service and of fresh appointment. In particular, he is not entitled to the settling-in-allowance, to the recovery of his travel and removal expenses, or even to the departure gratuity. He is, on the other hand, entitled to the amounts referred

to in Articles 62, a and 62,b of the Community Staff Rules and Regulations.

42. The Court on December 16, 1960, gave judgment in the following cases.

43. Appeals No. 41/59, lodged by Hamborner Bergbau AG. and Friedrich Thyssen Bergbau AG. for the reversal of the High Authority's decision contained in its letter to them of July 24, 1959, and No. 50/59, lodged by Hamborner Bergbau AG. for the reversal of the High Authority's tacit refusal as inferred from its failure to reply to the appellants' letter of August 6, 1959.

The Court dismissed Appeal No. 41/59 as unjustified (in its letter of July 24, 1959, the High Authority had informed the appellants that they could not be allowed a rebate on the E.C.S.C. levy for 1959-60, since neither the Treaty nor any past decision concerning the levy made any provision for such an arrangement), and Appeal No. 50/59 as inadmissible.

44. Appeal No. 6/60, lodged by M. Jean Humblet, staff member of the High Authority, against the Belgian State. The Court found that member Governments may not include the salary paid by E.C.S.C. to a member of its staff for the purpose of assessing the income-tax payments due from his wife on the basis of their combined incomes.

INTER-COMMUNITY CO-OPERATION

Joint services

45. After a two-year running-in period, the practical difficulties of organizing joint services common to all three Executives — described in last year's General Report — had by the beginning of 1960 been pretty well overcome.

In March 1960, the three Presidents agreed on the general administrative and organizational rules for the three joint services,

the Legal Department, the Statistics Office and the Information Service.

Each of these is now administered by a Board of three members, one from each Executive, with the representative of the Executive in administrative charge of the service concerned acting as chairman.¹⁾

The Boards are required

- (a) to submit for decision annually to the three Executives the draft budget estimates for each of the joint services, together with the organization chart for each and, in the case of the Statistics Office and the Information Service, a general schedule of activities, for the coming year ;
- (b) to take decisions concerning recruitment and promotion of staff, the actual appointment or promotion, however, to be made by the Executive under whose Staff Rules and Regulations the staff member concerned actually comes ;
- (c) to supervise the implementation of the schedules of activities and, where these are joint activities, to rule on the practical arrangements for their implementation.

46. Board decisions must be unanimous. They are binding on the three Executives without special ratification by the latter, except in matters concerning the budget estimates, organization charts and schedules of activities.

For administration and budgeting purposes each service comes under a given Executive, which is answerable to the other two for its proper functioning. As regards personnel management, however, each member of the staff of the joint services remains under the Executive which originally recruited and appointed him.

¹⁾ The High Authority is responsible for the Statistics Office, the E.E.C. Commission for the Information Service, and the Euratom Commission for the Legal Department.

The Legal Department

47. For the organization and tasks of the joint Legal Department, see the relevant sections of the Seventh and Eighth General Reports.¹⁾

The Statistics Office

48. The Statistics Office of the European Communities now comprises, in addition to sections dealing with agricultural statistics and social statistics, the following four Directorates under a Directorate-General:

General Statistics ;

External Trade and Transport Statistics ;

Energy Statistics ;

Industrial Statistics (including small industry).

It has offices both in Luxembourg and in Brussels.

49. The two major publications issued by the Statistics Office in 1960 were surveys of the family budgets of E.C.S.C. workers in 1956/57 and E.C.S.C. real incomes between 1954 and 1958.

The series of regular publications was continued. This includes, as well as the periodical *Informations Statistiques*, special issues on agricultural, industrial, external-trade and social statistics. In addition, the Office brings out a monthly Statistical Bulletin of a more general nature.

In the autumn of 1960, two large-scale surveys were conducted. The first was a census of the gainfully-employed population of the six Community countries, broken down by occupational categories: some 250,000 persons were interviewed, selection being on a strictly random-sample basis. The second, which was carried out in accordance with an ordinance of the E.E.C. Council of Ministers (Ordinance No. 10 of August 31, 1960), related to labour costs and to wage and salary scales in 14 branches of industry.

¹⁾ See *Seventh General Report*, No. 9, and *Eighth General Report*, No. 7.a.

50. For the purpose of preparing the working programme for 1961, over and above various meetings held on the subject with the heads of the statistics offices of the six countries and with the Directors-General of the Executives, special committees were set up. An Industrial Statistics Committee met for the first time on May 16 and 17, 1960; an Agricultural Statistics Committee since established is to hold its first meeting in January 1961.

The Information Service

51. The new joint Information Service received its final form between May and September 1960. It consists of a Directorate, a General Affairs Section and a number of specialized sections, the personnel of which is divided between Brussels and Luxembourg, with the Director himself in Brussels, and additional offices in Bonn, The Hague, Paris, Rome, London and Washington.

As from January 1, 1961, the Spokesman's Office for each Executive has been removed from the joint Information Service and placed directly under the Executive it serves.

52. In the High Authority's case the arrangement is that there is a combined *Spokesman's and General Reports Office* forming part of the Secretariat-General. Accordingly, this Office is responsible not only for keeping the Press regularly informed on the political and technical aspects of the High Authority's work, but also for preparing the Annual General Report and the various periodical E.C.S.C. publications. In this respect the High Authority set-up differs from that of the Brussels Executives, where the latter duties are not performed by the Spokesman's department.

For purposes of medium and long-term public relations, day-to-day co-operation between the High Authority Spokesman's Office and the joint Information Service is obviously essential. For the Service to carry out its activities as planned, more particularly with regard to publications, study tours and visits, radio and television broadcasts and film work, it must have a steady flow of information material and

regular contacts in connection with the activities of E.C.S.C. It is therefore extremely important for the High Authority that part of the Information Service should remain in Luxembourg. Happily this is fully understood by the other Executives.

The Spokesman of the High Authority generally holds a Press conference each week, at which he announces and comments on decisions and positions adopted by the High Authority and answers questions concerning them.

To ensure a fuller flow of information to the outside offices in the various capitals and to journalists not living in Luxembourg who are specially interested in E.C.S.C. affairs, the practice was begun in September 1960 of issuing three types of short Press notices, namely Press release proper, "news briefs" and "background information."

53. The following are a few particulars of the joint Information Service's activities during 1960, including more especially those directly concerning the High Authority.

54. *Fairs and Exhibitions.* — Experience has shown the importance of this medium of impressing information upon the general public and upon specialist circles. For it to be effective, however, a certain minimum expenditure is necessary: it is better not to be represented on such occasions at all than represented in an inadequate manner.

The policy approved by the Information Board is to seek as far as possible at all fairs and exhibitions, whether of a general or a specialized nature, to group the stands of the six member countries round that of the European Communities.

During 1960, the Communities organized large-scale displays at exhibitions held in Berlin and Rome, and were also represented, though less spectacularly, at Lyons, Cannes, New York, Paris, Luxembourg and Naples.

A travelling exhibition showing workers' houses built with E.C.S.C. assistance, and specially featuring the results of the housing design competition sponsored by the High Authority in the six countries, visited several of the main cities of the Community.

55. *Publications.* — To a large section of public opinion, particularly in more educated circles, the printed word is still the most lasting medium of information.

Bulletins published at regular intervals are distributed in six separate editions among a carefully-selected readership of persons and bodies with an influence on opinion in the member countries, the United States and the United Kingdom. They are mostly monthly, except for the German edition, which is on somewhat different lines and comes out weekly.

Some of the bulletins are also distributed in Switzerland, in French-speaking Africa and in the British Commonwealth.

In addition to the regular bulletins, the Information Service from time to time brings out other publications dealing in greater detail with the work of the Communities and the main problems of European integration.

This system, which is sufficiently flexible to be varied to suit the particular fields of interest of different circles of readers and to cover the extremely wide range of the Communities' activities, will be further extended in 1961.

56. *Radio, television, cinema.* — Close co-operation is maintained with the major networks regarding all events in connection with the Communities. Negotiations are in progress with the television and film-newsreel companies for better co-operation, both at national and at international level, in the promotion of European information.

57. *Study visits and conferences.* — There is a steady increase in the number of applications for study visits and study conferences in Luxembourg and Brussels.

During 1960, some 150 parties of visitors, comprising 5,000 persons in all, travelled to Luxembourg, Brussels and Strasbourg, over and above those who attended the information sessions for trade unionists described below and various similar sessions for other specialized groups, representing the agricultural sector, the overseas territories, and so on.

58. *Information activities with special reference to workers and trade unionists.* — In 1960, thirty-four information sessions were held in Luxembourg and Brussels specially for trade union leaders. These were attended by over 1,000 persons in all.

In addition, twelve specialized information meetings were organized on such topics as degrees of mechanization and methods of payment, industrial safety, redevelopment and readaptation, and similar matters.

As well as arranging these study visits and conferences, the Information Service helped to organize courses on European problems at trade-union colleges, and was responsible for numerous papers read at union congresses and other national and international meetings.

In December 1960, a major programme was launched for the training of trade-union lecturers (representing both the independent and the Catholic unions) and for the organization of lectures at regional level.

59. *Information activities with special reference to the education angle.* — These activities begun in 1958 and 1959 were to some extent held up owing to delay in securing approval for the 1960 budget.

However, contact was maintained with the universities, schools, and teachers' and students' associations.

The European Community Prize instituted in 1959 for doctorate theses on subjects dealing with Europe was awarded in 1960 for a thesis submitted at the University of Lausanne on "The Attitude of Switzerland in Face of the Political and Economic Integration of Europe."

A number of study courses for university lecturers and students were organized in Brussels, Luxembourg and elsewhere.

60. *Civic instruction and adult education.* — Once the budget had been finally approved, a special credit was earmarked, in accordance with a Resolution passed by the European Parliament, for the purpose of promoting the instruction of the general public on the European

idea and, in particular, the encouragement of European-mindedness in the younger generation. Agreements were concluded with various centres and institutions specializing in the provision of information and instruction on European matters.

Organizational Link-Ups between the Institutions of the Three Communities

61. To round off the particulars given in the Seventh and Eighth General Reports¹⁾ concerning the fields specified as to be handled by *inter-Executive co-operation*, we append the following additional details.

The Inter-Executive Working Party on Energy under a High Authority chairman which was set up as an indirect result of the implementation of the Protocol adopted by the Council of Ministers on October 8, 1957, devoted itself during the year under review to an intensive study of the problems involved by the co-ordination of national energy policies. An account of its work will be found in Chapter Two following. The Committee on Energy Policy of the European Parliament was kept informed of the Working Party's progress.

In the field of transport co-operation between the responsible Departments of E.C.S.C. and E.E.C. continued satisfactorily. Points of common interest were discussed at joint meetings whenever necessary. The liaison offices prepared the files of working documents on these matters beforehand.

The Inter-Executive Working Party on Social Affairs was responsible, among other things, for preparing the Conference on Technical Progress and the Common Market held in Brussels from December 3 to 10 under the auspices of the three Communities.²⁾

¹⁾ See *Seventh General Report*, No. 10, and *Eighth General Report*, No. 8.

²⁾ See No. 460 below.

62. The relations between *the High Authority and the E.E.C. and Euratom Councils of Ministers* proved most valuable in all matters of common interest. High Authority representatives were present at a number of meetings of both Councils, at which the points discussed included

- (i) the projected European University;
- (ii) the Staff Rules and Regulations;
- (iii) budgetary and financial questions;
- (iv) social-security arrangements for migrant workers;
- (v) assistance to emergent countries;
- (vi) the association of third countries with E.E.C.;
- (vii) diplomatic representation in third countries.

In accordance with the practice noted in last year's Report¹⁾, the Members of the Brussels Executives sitting on the Inter-Executive Working Party on Energy were invited during the period under review to attend meetings of the E.C.S.C. Council of Ministers at which these matters were up for discussion.

63. Work on the *Staff Rules and Regulations for the personnel* of the new Communities went ahead. High Authority representatives continued to take part in the meetings of the Working Party set up in this connection, and of the committee of permanent representatives of the member States.

On the basis of these studies the E.E.C. and Euratom Councils were able to finalize a draft set of Staff Rules and Regulations for their personnel. Under the Treaties of Rome, the two common institutions also concerned, the European Parliament and the Court of Justice, must now give their views on the draft.

Giving their own final approval, the Councils at the same time urged that a single set of Staff Rules and Regulations be introduced for all three Communities, and representations were made to this effect to the Committee of Presidents, which has jurisdiction for E.C.S.C. in this matter under Article 78 of the E.C.S.C. Treaty.

¹⁾ See *Eighth General Report*, No. 8,d.

The Committee unanimously associated itself with the Councils' view. At the same time, it pointed out that the Councils' draft was to a great extent based on the Staff Rules and Regulations of E.C.S.C. It volunteered to co-operate, along with the E.E.C. and Euratom Councils, on the framing of a common text, and thus set in motion the procedure for the revision of the E.C.S.C. Staff Rules and Regulations, without detriment to the acknowledged rights and guarantees enjoyed by the personnel concerned. After hearing and taking into account the opinions of the Personnel Committees of the different institutions and the Committee on the Rules of Procedure of the Community, it will be able to sit down with the Councils to decide on the new common Staff Rules and Regulations.

The High Authority fully recognizes the need for common Rules, but it is at the same time very much alive to the many problems involved. The Parliament was given an outline of its views at the November 1960 session: meantime it is continuing to play its part in the study work in progress, and to assist this by drawing upon its own experience.

Section 2 : External Relations and Commercial Policy

64. The High Authority is always anxious to base its action on a full knowledge of the economic and political background, and accordingly sought to make further improvements in its working arrangements in the field of external relations. It considers this to be particularly desirable at a time when the world political scene and the structure of many institutions are undergoing rapid changes.

The existence side by side of the E.E.C. Treaty, the transitional processes prescribed by which are still going on, and the E.C.S.C. Treaty, whose transition period is over, sometimes causes developments at the Brussels end to have certain repercussions on the position in Luxembourg. Cases in point are the tariff negotiations in G.A.T.T., the current and possible future discussions on the association of such countries as Greece and Turkey with the Common Market, and the Community's relations with the newly-independent States overseas.

The High Authority is following developments in all these matters very closely, and is striving to model its own work in the coal and steel sectors accordingly. It has also a duty to be properly informed on all matters liable to have a bearing, and even an effect, on its activities, such as, for instance, the reorganization of O.E.E.C.

COMMERCIAL POLICY

Coal

Co-ordination of imports

65. Two years ago, the European Parliament asked the High Authority to make every effort to bring about by degrees a certain co-ordination of coal policies at Community level.

Last year, describing the action it had taken and the results which had been achieved in this connection, the High Authority drew attention to the somewhat curious fact that the E.C.S.C. Treaty makes no provision for a joint commercial policy on the part of the Governments in regard to coal and steel, though it does permit concrete action in specific cases.

Since then the implications of the problem have grown: it is emerging more and more clearly from the studies of the Inter-Executive Working Party on Energy¹⁾ that co-ordination of coal import policies is an essential part of a co-ordinated energy policy.

The framing of such a policy raises a great many difficulties as yet unresolved. The High Authority will, of course, continue, as it has always done, to abide by the undertakings and objectives laid down in the Treaty regarding proper consideration of the interests of non-member countries.

66. Most of the main points noted last year with regard to the action taken by certain member States and by the High Authority,

¹⁾ See Chapter Two, Section 2.

in accordance with the Treaty, to limit imports of coal from third countries, and thereby help to alleviate the situation in the Community coal market, still apply for the present. Similarly, the various "mutual-aid" measures instituted to ensure the effectiveness of that action remain in force. The following details may, however, be noted concerning developments in Germany and Belgium since last year.

GERMANY

67. The tariff measures introduced by the Federal Government in 1959-60, following a recommendation by the High Authority, were a valuable element in the German drive to restore the balance of the coal market.

The market position was, however, still complicated towards the end of 1960 by the fact that some of the contracts concluded under the import licences issued before the introduction of the restrictions were still in force, not having either expired or been commuted meantime.

68. In view of this circumstance, the High Authority decided to maintain during 1961 the measures it had recommended to the Federal Government for 1959 and 1960. However, the recently observed improvement in the employment and sales position in the German coalmining industry made it possible to relax these measures somewhat. The High Authority therefore recommended that the duty-free import quota of five million metric tons fixed for 1960 should be increased to six million for 1961.

Having regard to its obligation to avoid discrimination between supplier countries, the Federal Government extended the reference period for determining the allocation of the increased 1961 quota: the tonnages concerned were to be calculated on the basis of actual imports during the years 1954-58 inclusive.

BELGIUM

69. Developments in the Belgian coal situation are described in another part of the Report.¹⁾

¹⁾ See Chapter Three, Section 1.

It will be recalled that, as part of the course of action adopted under its Decision No. 46/59, of December 23, 1959, the High Authority imposed a ceiling of 600,000 metric tons on Belgian imports of third-country coal during 1960, and required that there should be no discrimination between supplier countries in the allocation of this quota. As the Belgian industry's difficulties continued throughout 1960, the High Authority by its Decision No. 25/60 reimposed the maximum-quota restrictions for the year 1961, subject to the same conditions.

To emphasize that these protective measures were temporary only and to be applied in accordance with a descending scale, the High Authority fixed the ceiling for 1961 at 620,000 metric tons instead of the previous 600,000 which is proportionate to the parallel increase in the quotas allocated to other Community countries for their deliveries to Belgium.

70. The measures concerning imports of non-Community coal into both Germany and Belgium were discussed, both before they were finalized and while they were being applied, with the two supplier countries concerned, the United States and the United Kingdom. As regards the arrangement for Germany the matter was disposed of without difficulty; the discussions with the United Kingdom regarding Belgium are described on a later page, in the account of the activities of the Council of Association.¹⁾

Steel

Harmonization of external tariffs

71. Some changes were made on February 10, 1960, as part of the process of harmonizing the Community's external tariffs for steel.

France and Italy abolished the higher duty rates authorized for two years on alloy steels and certain categories of pig-iron. This resulted in reductions, some of them quite considerable, in the duties concerned, although they had already been substantially lowered, in

the case of Italy, for example, only two years previously. In addition, France waived in respect of alloy steels the special "geographical protection" which it had been granted when the harmonized tariff was introduced.

Six-monthly tariff and quota changes

72. Every six months, the Council of Ministers, in co-operation with the High Authority, takes action suspending, in part or in full, the duties chargeable on a number of iron and steel products which the Community is unable to supply in sufficient quantities or in the qualities desired, and which therefore have to be imported from third countries, under tariff quotas fixed by common agreement but varying from one member country to another. Details of such changes in the two halves of 1960 and the first six months of 1961 will be found in the Annex to this Report.¹⁾

Imported pig-iron

73. There is a certain tendency for tonnages of pig-iron sufficiently large to upset the internal market to enter the Community intermittently at abnormally low prices. The High Authority drew the attention of the Council of Ministers to this problem.²⁾

Common Customs nomenclature³⁾

74. Following the tariff harmonization and the conclusion of the work of the Council of Ministers Tariff Committee, it was found necessary to revise the common Customs nomenclature of the E.C.S.C. countries. When the High Authority's proposals in this connection had been gone over and lined up with the national Customs authorities, the Council of Ministers on June 14, 1960, approved the revised nomenclature.

¹⁾ See *Statistical Annex*, Table No. 45.

²⁾ See Chapter Three, Section 2, No. 258.

³⁾ See *Eighth General Report*, Nos. 115 and 116.

Temporary admission of products for processing and re-export

75. The High Authority raised with the Council the question of removing certain difficulties arising out of member countries' regulations concerning temporary admission of products. The Council decided that the provisions approved by the E.E.C. Commission in respect of this traffic should be extended to cover E.C.S.C. products imported under temporary-admission arrangements for processing into E.E.C. products.

Dillon tariff negotiations

76. In accordance with the Community tariff policy outlined, the member States agreed to include steel among the products to be discussed in the so-called Dillon tariff negotiations which are to begin in G.A.T.T. in 1961, they having already, being free to fix their own external tariffs so long as they abide by the principle of harmonization, selected a lower tariff level than G.A.T.T. provides for.

The negotiations can be conducted only in close agreement between the member Governments and the E.E.C. Commission, and care will have to be taken to safeguard the existing balance among the member countries' harmonized tariffs.

THIRD COUNTRIES

77. No special problems arose during the year under review concerning the bilateral relations maintained with non-Community countries, except in the matter of coal imports referred to above.

Relations with third countries were satisfactory with regard to trade in steel. Thanks to the comparative stability of prices, exports continued high, while imports rose notwithstanding the harmonized external tariff.

Through their diplomatic representatives accredited to it, the High Authority maintains permanent contact with eleven countries.¹⁾

¹⁾ U.S.A., Canada, U.K., Denmark, Austria, Sweden, Switzerland, Norway, Greece, Portugal and Japan.

As regard general policy, it may be noted that action at political level by third countries to take account of the implications of the gradual introduction of the General Common Market often indirectly affects the sectors coming under E.C.S.C. This is particularly true in the case of the wish expressed by certain countries to enter into association with the European Economic Community.

Association of Greece with E.E.C.

78. The negotiations for the association of Greece with the Common Market are aimed at a Customs union. So far as the Community is concerned, they involve both political and technical-cum-economic considerations. The High Authority examined the various possible implications for the coal and steel sectors, and submitted its findings to the E.C.S.C. Council of Ministers on November 20, 1960. It is prepared to do its part should the member Governments decide to embark on negotiations relating to these sectors.

79. It seems likely that further negotiations may become necessary in the future concerning the association of non-member countries and/or the practical arrangements in connection with the association (already provided for by the E.E.C. Treaty) of certain newly-independent overseas countries. Here again it will be for the Governments to decide whether or not such negotiations should extend to the coal and steel sectors.

The Council of Association with the U.K.

80. The Council of Association between the United Kingdom and E.C.S.C. met for its tenth plenary session in Luxembourg on July 19, 1960; its three Committees also met, the Steel Committee on May 31, the Coal Committee on June 17 and November 25, and the Trade Relations Committee on July 18.

A detailed account of the Council's work is contained in the special report which is published by the Council each year and is issued to the Members of the European Parliament.

81. The discussion on the *coal-market position* at the Council's last meeting indicated that demand had been rising both in the Community and in the United Kingdom. The Council examined the long-term prospects for coal; it came to the conclusion that primary-energy requirements would increase in both areas over the next fifteen years, and that the increase would be met principally by oil, natural gas and nuclear energy. Both sides emphasized that drastic action would have to be taken to improve productivity in the coalmining industry and to make coal more attractive to consumers. Arrangements were agreed on to promote the exchange of information in this connection.

82. The Council also examined problems of *trade policy*, including in particular the division of the Belgian quota for imports of third-country coal, which had been discussed earlier, in consultations under Article 7 of the Agreement of Association, before the restrictions in question had been actually introduced. The ceiling for Belgian imports from third countries had been fixed by the High Authority at 600,000 metric tons.

The British representatives complained that the Belgian Government's proposed choice of 1958 as the reference period for the division of the import quota for 1960 was not equitable *vis-à-vis* the different supplier countries. The High Authority also felt that the period 1954-58 more accurately reflected the pattern of trade between the third countries and Belgium, and it was agreed that, in order not to anticipate the final outcome of discussions on this point, the Belgian Government should initially work out only a provisional division of the quota. The reference period ultimately adopted by the Belgian Government was 1955-58, which meant a United Kingdom quota of 25% for the year: since, by reason of the state of the market, Belgium was not in fact able during 1960 to take the whole of the maximum quota recommended by the High Authority, this arrangement brought the import quotas to 400,000 tons for American coal and 133,000 for British. As has been noted, the import ceiling for 1961 is 620,000 tons.

83. With regard to *steel*, the Council reviewed the overall situation, and it was decided to establish a comparison between Community and British methods of forecasting the long-term demand for steel.

84. Finally, the High Authority reported on progress to date in the work by the three Communities on the *co-ordination of energy policies* among the six member countries. It should be recalled that the Council's Steel Committee had already instructed its Sub-Committee on Energy to make a study of the long-term energy position.

The Council of Association thus remains a useful means of helping to reconcile the different points of view on the matters of common interest raised, and a valuable element in the present process of vigorous advance in the building of Europe.

85. In this connection, the High Authority has pleasure in paying tribute to the excellent work being done for the Community by its delegation in London.

When the suggestion of a *common delegation* for the three Communities was mooted, the High Authority expressed its approval in principle; the project, however, involved a number of problems at Community level which must necessarily take some time to dispose of.

86. *United States.* — Relations between the United States and E.C.S.C. have always been excellent. A further satisfactory development during 1960 was the successful raising of a loan of 35 million dollars by the High Authority in the American capital market.¹⁾ The American Administration also took a continuing interest in the matter of the Community's coal imports, particularly with regard to the allocation of the Belgian and German import quotas.

87. The agreements concluded by the High Authority with the Swiss and Austrian Governments concerning railway freight rates for transit traffic operated satisfactorily. A supplemental agreement was signed with Austria on November 29, 1960.

¹⁾ See Chapter Four, Section 2, No. 338.

88. *Canada.* — The Canadian Government decided to accredit a diplomatic mission to the three European Communities. Mr. Sydney D. Pierce, O.B.E., the Canadian Ambassador in Brussels and Minister to Luxembourg, presented his letters of credence to the President of the High Authority on April 28, 1960.

89. *Emergent countries.* — The High Authority is empowered by Article 55 of the Treaty to grant financial assistance for "technical and economic research concerning the production and the development of consumption of coal and steel." It has already had occasion to make available substantial amounts for the implementation of a five-year programme of prospecting for iron and manganese ore in Africa South of the Sahara.¹⁾

Although the High Authority is not associated with the operations of the Development Assistance Group (D.A.G.), it followed the preparation of these through the *ad hoc* committees of the European Economic Community, and is in future to be represented on the Working Party or Technical Assistance which the E.E.C. Council of Ministers on October 19 decided to set up. It also kept in touch with the main international organizations dealing with these matters.

INTERNATIONAL ORGANIZATIONS

90. In view of the intensive political activity which went on during 1960, and of the repercussions resulting within the international organizations — in which the Governments have seen to their satisfaction that concentrated attention is being given to various schemes for arriving at greater unity — the High Authority worked for the mutual reinforcement of its relations with these organizations.

91. *The Council of Europe.* — As in previous years, the High Authority, with the other European Executives, took part in the joint session of the Consultative Assembly of the Council of Europe and the European Parliament, in the course of which its President gave a general account of the position and prospects of E.C.S.C. The

¹⁾ See No. 358 below and *Eighth General Report*, No. 125.

Consultative Assembly's regular sessions were also followed with much interest, especially with regard to economic and energy matters. The relations with the administrative departments and the exchange of information were intensified, and the High Authority is now following and benefiting from the work which has been begun, at the suggestion of the Council of Europe, by the Consultative Committee of Secretaries-General, more particularly in connection with assistance to emergent countries.

92. *O.E.E.C./O.E.C.D.* — By reason of its special responsibilities in the energy field, the High Authority has always worked in smoothly with the Organization for European Economic Co-operation: it has derived much benefit in the performance of its own tasks, and hopes that it in its turn has contrived to be of service.

It has now been agreed that the High Authority should be regularly represented on the Organization's Oil and Electricity Committees. This means that it has access to all the bodies within the Organization which deal with energy problems, a field in which it has a special task to perform.

In view of this useful co-operation and of the importance of the matters concerned, it is natural that the High Authority should have taken a keen interest in the course of the Paris negotiations as a result of which *O.E.E.C.* is to give place to *O.E.C.D.*

The High Authority took part in the negotiations at Ministerial level, and was also represented on the Preparatory Committee; in addition, it was able — in particular by submitting a memorandum in response to the questionnaire issued by the "Four Wise Men" — to make known its own views on the future form of the Organization. It drew special attention to the importance which it attached to effective co-operation in the energy sector, and went so far as to suggest that a General Committee on Energy be set up to enable an overall picture to be obtained of the energy policies of the different partners. A Protocol annexed to the Convention establishing the Organization for European Co-operation and Development, which was signed on December 14, 1960, expressly provides for participation by

the High Authority and the other two European Executives in the work of the new Organization.

93. *W.E.U.* — The High Authority likewise followed with great interest the debates of the Assembly of Western European Union on economic and energy problems.

94. *N.A.T.O.* — The High Authority also accepted an invitation to be represented at the ninth session of the conference of Members of the North Atlantic Treaty Organization. It was able to draw many instructive conclusions from the debates, which dealt in large part with economic problems of highly topical interest.

95. *E.C.E.* — The High Authority continued to play an active part in those meetings of the U.N. Economic Commission for Europe at which matters coming within its purview were discussed, including in particular steel, coal and transport.

96. *Customs Co-operation Council.* — The High Authority also continued to send observers to the meetings of the Nomenclature Committee of the Customs Co-operation Council. It actively assisted the Committee's work on the tariff classification of certain iron and steel products and the harmonization of the U.N. model classification for international trade with the Brussels nomenclature.

97. *I.L.O.* — Closer relations between the High Authority and the International Labour Office were established in 1960. Thus I.L.O. observers were invited to attend the Intergovernmental Conference on Industrial Redevelopment and the meetings of the Intergovernmental Commission convened to draw up a second schedule of skilled trades within the meaning of Article 69 of the Treaty, while the High Authority was regularly represented by observers at meetings of the Governing Body of I.L.O. A large High Authority delegation took part in the discussions of the Tripartite Technical Committee set up by I.L.O. to study the social implications of the coal crisis. Finally, co-operation was further intensified in the field of industrial health,

medicine and safety, and in that of documentation. With regard to this last item, the co-operation agreement concluded between I.L.O. and the High Authority was extended for a further two years.

Thus with regard both to problems of commercial policy, in which it has only limited powers of action under the Treaty, and to relations with non-member countries and with the international organizations, the High Authority has applied itself to reinforcing and supplementing existing arrangements with regard to liaison, co-operation and exchanges of information. In all that it has succeeded in achieving up to now, it is greatly indebted to the European Parliament, the Council of Ministers and the Governments for the help they have so consistently given.

CHAPTER TWO

CO-ORDINATED ENERGY POLICY

98. As was recalled in the Eighth General Report, the Protocol of October 8, 1957, requires the High Authority, in co-operation with the E.E.C. and Euratom Commissions, to submit proposals regarding the co-ordination of energy policies to the E.C.S.C. Council of Ministers.

The procedure to be followed in drawing up these proposals was laid down in an *aide-mémoire* adopted by the Executives and subsequently approved by the E.C.S.C. Council of Ministers on January 26, 1960.¹⁾

In the chapter following, the High Authority gives an account of the progress of its work with the Brussels Executives during 1960 and early 1961 on the co-ordination of energy policies, and briefly describes the results of its own study of the energy market position.

Section 1 : The State of the Energy Market

TRENDS IN DEMAND

General pattern

99. Provisional estimates for 1960 indicate a considerable increase over 1959 in the Community's overall apparent consumption of primary energy. It must be borne in mind, however, that the figures for previous years were affected in various ways by specific develop-

¹⁾ See *Eighth General Report*, Nos. 35 and 36.

ments, so that a really valid picture of the trend can be obtained only by studying a period of several years. Table No. 101 therefore relates to the years 1955-60.

1956 was marked by unusually hard frost during February, which resulted in an additional consumption of energy difficult to calculate accurately but probably representing approximately 12 million metric tons for the Community as a whole.

The position in 1957 was disturbed by the after-effects of the Suez crisis: early in the year there was a minor decline in deliveries, but later most consumers showed a distinct tendency to accumulate stocks. The crisis further proved a strong incentive to consumers to concentrate more than they had previously done on working out ways and means of saving energy: this was particularly in evidence in the countries which had experienced the greatest difficulty in securing oil supplies.

This tendency, though its precise extent is not easy to establish, seems to have produced definite results even as early as 1958, when the level of consumers' stocks showed scarcely any change.

By 1959, the flow of energy deliveries showed a distinct recovery, though far from proportionate to the growth of industrial production. This was probably due not only to the persistence of the effects just mentioned, but also to a certain rundown of stocks and to the exceptional mildness of the winter.

100. In 1960, as a result of the outstanding increase in industrial activity (approximately 12%) and a record level of Community iron and steel production (an increase of 16% for pig-iron and of 15% for steel), energy consumption rose by close on 7%. This is thus a very much higher rate than that suggested in the Eighth General Report, even though there too it was noted that all the conditions for energy had been present in 1959.

101. Trend in Overall Community Consumption of Primary Energy

	1955	1956	1957	1958	1959	1960	1961
Primary energy in '000,000 metric tons hard-coal equivalent	404	431	430	426	435	464	478
Primary energy index (1955 = 100)	100	107	106.5	105.5	108	115	118.5
Industrial production index	100	109	115	119	125	142	152
Annual percentage increase in energy consumption		7	-0.5	-1	2.5	6.5	3
Annual percentage increase in industrial production		9	5.5	3.5	7	12	6.5

Figures for 1955-59 taken from *Memento Statistique* for 1960, table No. 15.
Figures for 1960 and 1961 estimated.

102. Percentage Increases in Energy Consumption and Industrial Production in 1960 in the Community Countries in Relation to 1959

	Germany (Fed. Rep.)	Belgium Luxembourg	France	Italy	Netherlands	Community
Energy consumption	+6.2	+4.9	+5.0	+12.4	+9.4	+7.0
Industrial production	+12.0	+7.0	+10.0	+16.5	+14.0	+12.0

Forecasts for 1961 indicate an increase of 4.7% in gross national product and 6.5% in industrial production, which would give an increase of approximately 3% in energy consumption.

The separate national figures, and in particular the comparative rates of growth in energy consumption and industrial production, reflect the differences in pattern and in rate of expansion between one country and another.

To fill out this general outline, we go on to give some particulars on the respective shares of the different sources of primary energy in the total supply.

The share of coal

103. The share of coal in the total has been shrinking fairly steadily over the last ten years at a rate of approximately 2% a year,¹⁾ while petroleum products in liquid or gaseous form are moving into its place.

Though the proportions represented by the different primary sources have thus moved more or less evenly, there have been much sharper fluctuations in the actual tonnages concerned. Oil consumption has risen absolutely as well as relatively, whereas coal consumption has risen and fallen by turns: it is affected by two conflicting sets of factors, on the one hand a certain tendency to use fuel oil in place of coal, and on the other the growth of overall fuel requirements due to all-round economic expansion, and also to technological progress, the effects of which have been especially apparent in the iron and steel industry and in the generation of electric current. Only when economic activity reaches a certain level will it begin to counter-balance the contrary factors. Thus in 1959 the increase in overall energy consumption was only 2%, so that the tonnage of coal consumed fell, whereas in 1960, when consumption increased by 29 million metric tons hard-coal equivalent, or 7%, the share of coal was 7,100,000 metric tons, or about one-quarter. The sectors in which coal was particularly in demand were the thermal power-stations and the iron and steel industry, whose consumption was respectively 3% and 12% higher than the year before; the overall increase in coal deliveries was only 2.9% however, since consumption in the railway

¹⁾ This is, of course, a mere observation, not a general rule, as may incidentally be seen from the differences in the rates of decline between one member country and another.

The share of brown coal is also slowly diminishing, though the actual tonnage remains the same.

sector continues to fall, in the household sector remains more or less stationary, and in the industrial sector is increasing only very slowly.

As regards 1961, assuming that it will be a year of moderate industrial expansion and that the volume of pig-iron production will be much the same as in 1960, we may expect a falling-off in the general demand for coal, so that it will again be slightly below the level for the preceding year. Any deviation from the average water supply assumed for forecasting purposes may cause the estimates of requirements of the power-station sector to be several million tons out either way.

104. Trend in Community Consumption of Primary Energy by Sources of Energy

	(in %)							
	1950	1955	1956	1957	1958	1959	1960 ¹⁾	1961 ²⁾
Hard coal	71.7	62.8	61.9	62.0	56.7	54.1	52.4	50.0
Brown coal	8.4	7.9	7.6	7.8	7.8	7.6	7.1	6.9
Oil	12.8	20.7	22.0	21.5	25.4	27.8	29.5	32.0
Natural gas and methane	0.3	1.4	1.6	1.8	1.9	2.4	2.8	2.9
Water power and terrestrial heat	.68	.72	.69	.69	8.2	8.1	8.2	8.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(in '000,000 m.t. H.C.E.)

Hard coal	210.3	253.7	267.2	267.3	241.5	235.5	..	..
Brown coal	24.5	31.7	32.7	33.6	33.2	33.1	..	..
Oil	37.6	83.5	94.8	92.7	108.4	124.0	..	..
Natural gas and methane	1.0	5.5	6.8	7.7	8.1	10.6	..	..
Water power and terrestrial heat	19.9	29.2	29.9	29.5	34.7	34.9	..	..
Total	293.3	403.7	431.6	430.8	426.0	438.1	465.0	478.0

1) Provisional.

2) Estimated.

The share of oil

105. In contrast, the share of oil in covering the increased demand for energy has been definitely predominant: in 1960, for example, it represented almost 60%.

For some years past, incidentally, the share of products specifically used for heating purposes in the Community's total internal consumption of petroleum products has been gradually increasing.

	(in %)		
	1959	1960	1961
Motor spirit	35.7	34.4	34
Fuel oil ¹⁾	49.6	51.6	52.8
Other petroleum products	14.7	14	13.2
	100.0	100.0	100.0

1) Middle distillates (gas-oil, diesel oil) and residual products (heavy fuel oil).

106. The growing demand for liquid *fuels* is due in part to the change in price relations as between the competing forms of energy to the advantage of oil, but it is also attributable to some extent to the operation of other technical and economic factors predetermining the consumer's choice and encouraging him to invest accordingly. Moreover, dual-fired equipment, allowing a choice of fuels according to the state of the market in those sectors where it is technically possible to employ different sources of energy interchangeably, is not as yet in general use in the Community.

The advance of fuel oil was particularly in evidence in Germany, with an increase of nearly 33%, in Italy with 28%, and in the Netherlands with close on 18%.

The fiscal measures introduced in the oil sector in some countries during 1960 did not, of course, have an immediate effect in retarding this development: the modifications made by this means in the price relations between coal and oil can only become operative after some time has elapsed, during which the necessary investment can be effected for the adaptation of existing installations or the construction of new ones. The growth of the demand for fuel oil in 1960 notwithstanding the new tax measures introduced during the year is therefore the result of increased consumption by existing plant and the coming into operation of new plant approved earlier. The fuel suppliers, for their part, agreed to take certain additional action concerning prices.

The changes in the pattern of supplies of energy products for thermal purposes thus continued in 1960: the rate was not below that recorded in previous years, and the trend was observable in all the consumer areas of the Community. This was true in the industrial regions traditionally well and advantageously supplied with coal as well as in those further away from the collieries and hence until recently handicapped in their industrial development.

107. With regard to the demand for *motor spirit*, a distinction must be made between that for petrol and that for gas-oil.

Requirements for the former are of course closely bound up with the expansion of the vehicle park (private cars, lorries, vans, etc.): in the Common Market countries there is still room for this to grow. At the same time, the potential numerical growth and technical characteristics of the park are in their turn largely governed by the consumer price of petrol. Fairly heavy excise duties are imposed on motor spirit in Europe, representing between 50 and 70% of the end price, so that changes in the price exclusive of tax make comparatively little difference to the amount actually paid by the consumer. It is too early to tell whether the price cuts in some countries during 1960, made possible by tax reductions and other means, have affected consumption or altered the utilization rate (average mileage) of private cars.

108. Motor gas-oil is also subject to a heavy excise duty, and here too fiscal policy pretty well determines the proportion of petrol- to diesel-driven vehicles, and also the rate of expansion of the agricultural-tractor park. Overall Community consumption of motor gas-oil showed an average increase of 12%, though the rate varied substantially from country to country: the figure for Italy was 15%, as against only 9% for Germany, where the road-haulage industry has largely gone over to diesel oil. Oil consumption in the agricultural sector appears to be advancing apace, at any rate in some countries; the requirements of the railways are increasing more slowly.

The share of gas and electricity

109. The breakdown of total consumption by primary-energy sources does not give a full picture of the true share of electricity and gas. Water power and terrestrial heat¹⁾, together with natural gas, account for only a part of the supply of these products; we therefore give some further details regarding the latter to round off the observations already noted for coal and oil.

Mention should first be made of the particularly high rate of growth — over 10% — in the demand for electric current in 1960. The increase expected for 1961 is slightly lower, but still considerable — probably over 7%.

Overall, the rates of growth in the last few years have been consistently above the level which would produce a doubling of consumption every ten years. This is a highly important fact, as it confirms the enduring vitality of the electricity-consuming sectors. The trend is further reinforced by the chronic manpower shortage in a number of countries. Another point to be noted is that coal still represents the largest share of fuel used for the generation of thermal electricity, approximately two-thirds: the total quantity consumed was about 48 million metric tons in 1959 and 49 million in 1960, and is expected to reach 54 million in 1961. This is mainly due to the high efficiency rate of coal in thermal power-stations, thanks to which, given the comparative prices and calorific values of coal and its competitors, it withstands competition better in this sector than elsewhere.

110. As regards *gas* in general, demand increased by about 12% in 1960, and is expected to rise by a further 6.5% in 1961. In consequence of the pattern of demand and the marked expansion in certain consumer sectors, particularly the iron and steel industry, the requirements of industrial consumption still account for 64% of total demand.

¹⁾ The share of thermal electricity (produced from hard coal, brown coal, oil and gas) rose from 65.2% in 1959 to 65.5% in 1960, and is expected to come close to 68% in 1961.

As regards consumption of natural gas, the outstanding feature of 1960 was the continuing exploitation of the large deposits at Lacq, in France, thanks to the installation of an extension network of pipelines, whose operating efficiency is due both to the stocks built up underground and to their ability to meet the requirements of the power-stations: the latter in 1960 produced 3,600 million kilowatt-hours from natural gas as against only 1,400 million in 1959.

TRENDS IN SUPPLY

111. For several years now there have been abundant availabilities of different types of energy in the market. This affected the supply position in 1960, making for even keener competition not only between one producer sector and another but also within individual sectors. Naturally, the trend varied from country to country in consequence of various factors, such as the profitability or otherwise of energy production on the spot, Government action with regard, in particular, to imported energy, the pattern of supply, and general conditions of competition.

This situation caused Community energy producers and processors to continue during 1960 with the drive begun in the previous years to lower costs.

The supply position regarding coal

112. The Community coal producers accordingly pursued their endeavours to meet competition by making full use of all the means open to them given the operating conditions of the European coal-mining industry. These include mechanization of operations in order to offset the rise in costs caused by wage increases; concentration of coal-winning on the most economic collieries and pits so as to lower production costs; and closure of pits which have no prospect of ever becoming genuinely competitive.

The table below gives some details of the productivity, cost and revenue position on the basis of which the Community collieries have been able to make the necessary changes.

As is shown in Table No. 114 underground output per man/shift, which is easily the most important productivity factor — 60% of total production costs are accounted for by labour costs — increased quite appreciably in 1959 and 1960.

Between 1954 and 1958, the hourly-wage index rose more steeply than the underground-output index: in 1959 and the first six months of 1960, on the other hand, the positions were reversed. The effect of these two contrary factors may be seen in the movement of the production-cost index, which in 1959 was approximately 6% lower than the year before.

113. Indices of Output per Man/Shift, Wage Costs, Production Costs and Revenues in the Coalmining Industry (Community averages)

(1954 = 100)

	O.M.S.	Hourly wage costs		Production costs	Revenues
		(1)	(2)		
1954	100.0	100.0	100.0	100.0	100.0
1955	104.1	109.0	109.0	101.4	101.9
1956	106.1	117.6	117.6	105.3	107.3
1957	107.2	134.1	132.4	115.7	115.5
1958	109.7	146.6	138.5	116.1	115.2
1959	119.7	154.5	137.5	108.6	109.7
1st qtr. 1960	129.1			104.3	109.1
2nd qtr. 1960	130.5			106.2	106.9
3rd qtr. 1960	132.3 ³⁾				

1) Based on a constant rate of exchange for France and the Saar (\$ 1.00 = ffr. 350).

2) Allows for three changes in the dollar-French franc exchange rate.

3) Provisional figure.

114. Movement of Underground Output per Man/Shift in the Different Community Coalfields

Coalfield	1954		1955		1956		1957		1958		1959		1960 ¹⁾	
	kg.	% of 1954	kg.	% of 1954	kg.	% of 1954	kg.	% of 1954	kg.	% of 1954	kg.	% of 1954	kg.	% of 1954
Ruhr	1,523	100.0	1,572	103.2	1,591	104.5	1,614	106.0	1,675	110.0	1,886	123.8	2,102	138.0
Aachen	1,200	100.0	1,279	106.6	1,281	106.7	1,314	109.5	1,375	114.6	1,516	126.3	1,702	141.8
Lower Saxony	1,169	100.0	1,228	105.0	1,274	109.0	1,264	108.1	1,198	102.5	1,368	117.0	1,739	148.8
Saar	1,744	100.0	1,810	103.8	1,819	104.3	1,800	103.2	1,797	103.0	1,851	106.1	2,013	115.4
Germany (F. R.)	1,518	100.0	1,571	103.5	1,589	104.7	1,606	105.8	1,658	109.2	1,846	121.6	2,057	135.5
Campine	1,352	100.0	1,484	109.8	1,492	110.4	1,450	107.2	1,387	102.6	1,499	110.9	1,618	119.7
Southern Belgium	1,011	100.0	1,028	101.7	1,034	102.3	1,032	102.1	1,049	103.8	1,148	113.6	1,318	130.4
Belgium	1,099	100.0	1,148	104.5	1,160	105.6	1,150	104.6	1,152	104.8	1,262	114.8	1,429	130.0
Nord-Pas-de-Cal.	1,349	100.0	1,426	105.7	1,484	110.0	1,506	111.6	1,499	111.1	1,507	111.7	1,562	115.8
Lorraine	2,214	100.0	2,257	101.9	2,275	102.8	2,310	104.3	2,285	103.2	2,424	109.5	2,580	116.5
Centre-Midi	1,424	100.0	1,513	106.2	1,590	111.7	1,602	112.5	1,634	114.7	1,680	118.0	1,790	125.7
Other pits ²⁾	1,001	100.0	1,110	110.9	1,213	121.2	1,219	121.8	1,256	125.5	1,327	132.6	1,608	160.6
France	1,504	100.0	1,583	105.3	1,645	109.4	1,673	111.2	1,680	111.7	1,717	114.2	1,798	119.5
Italy (Sulcis)	636	100.0	867	136.3	949	149.2	957	150.5	1,039	163.4	1,164	183.0	1,346	211.6
Netherlands	1,497	100.0	1,486	99.3	1,496	99.9	1,499	100.1	1,521	101.6	1,617	108.0	1,789	119.5
Community	1,438	100.0	1,497	104.1	1,525	106.1	1,539	107.0	1,577	109.7	1,722	119.7	1,894	131.7

N.B.

The figures are not wholly comparable as between one country and another, nor indeed, in the case of Germany, as between one coalfield and another, owing to differences in the breakdown of coal grades. The proportion of middlings and slurry produced in the Ruhr, Aachen, Lower Saxony and Dutch Limburg has been converted into terms of saleable coal, that produced in the Saar and the Belgian, French and Italian coalfields is reckoned ton for ton for all grades.

1) Provisional figures.

2) Non-nationalized.

115. Notwithstanding the general increase of some 3% in the demand for coal, the restrictions on imports from third countries and the cutback in production potential resulting from the reconstruction campaign, it was not possible in 1960 altogether to avoid a further production surplus and a certain amount of short-time working. The incidence of the latter was, however, only half what it had been in 1959, while pithead stocks of hard coal fell by nearly 3,500,000 metric tons and stocks of coke at the coking-plants by something like 1,900,000.

In 1961, assuming that the level of external trade will remain unchanged, it should, even given the expected falling-off in the general demand for coal, be possible thanks to the contraction of production capacity in most coalfields to limit the amount of short-time working in the collieries in operation, and to continue the rundown of pithead stocks, which on January 1, 1961, stood at 27,700,000 metric tons of coal and 6,600,000 of coke-oven coke.

The supply position regarding oil

116. By reason of the geographical distribution of the main producer centres, the supply position regarding oil must be viewed from a world angle. The surplus of installed and potential capacity in the world today is estimated at 200 million metric tons. Current pressure on the various markets, however, is the result not so much of this surplus itself as of the changes liable to occur in the pattern of supply, which largely explain a number of the characteristic features of the present situation. Thus,

- (a) the big international companies, notwithstanding the vast reserves they already control, are for long-term commercial reasons continuing to prospect for oil in many areas, thereby further increasing potential availabilities;
- (b) at the prompting, direct or indirect, of various States consuming oil but producing little or none, further prospecting and expansions of capacity are going on, chiefly in Europe, North Africa and Latin America;

- (c) the Governments of the producer countries are anxious both to keep prices up and to expand production;
- (d) one major consumer country is imposing import restrictions to protect its own production, thus forcing into the market, particularly in Europe, the crude produced by companies structurally bound up with that country;
- (e) in consequence of the low level of maritime freight-rates, a number of tankers have been laid up, but at the same time the oil companies and independent shipowners are modernizing their fleets by bringing into service large fast tankers whose aggregate capacity will more than offset that of the vessels laid up;
- (f) the discovery of big petroleum reserves, as a result of a major prospecting and equipment drive, is enabling the Eastern European countries to offer increasing quantities of oil for export. Usually this oil is offered in exchange for industrial plant and equipment acquired to accelerate the economic development of the countries, but as the latter have at present no refinery facilities and no distribution networks in the markets they are canvassing, their offers are accompanied by considerable price concessions.

These factors, which are the outward and visible signs of the trend in the pattern of supply, are not merely conducive to bringing about a long-impending further increase in surplus production capacity: an additional effect, felt for various reasons with special force in Western Europe, and particularly in the Community, is to make for even keener competition, and to expose the Community market, in the absence of a co-ordinated policy on the part of the Governments, backed by adequate means of action, to the dangers of speculative imports.

Against this background, the refining industry, which in consequence of the rising demand in recent years has already secured a strong foothold in the Community, has continued to expand fast, faster than has the rate of oil consumption. All sorts of efforts are

now being made to rationalize its operations, with the aim of lowering costs at all stages, *viz.* refining, transport and distribution.

The supply position regarding electricity

117. The ratio of hydro-electric to thermal current of course varies with meteorological conditions. The ample water supply in 1960 enabled the installed hydro-electric capacity to be operated with 15% to spare: in 1961 the reserve will be 12% if the overall water level is average, and about 8.5% if it is unusually low, although even in the latter event the utilizable capacity is sufficient to keep the Community regularly supplied.

Production of thermal electricity rose by 6% in 1960 and may be expected to increase by a further 12.3% in 1961. Its volume varies, owing to the division of capacity between hydro-electric and thermal power-stations: it may be as much as 10,000 million kWh higher than average if the water supply is exceptionally poor, and 6,000 kWh lower than average if it is exceptionally good. These extreme fluctuations work out in terms of fuel consumption at an increase of 4.5 million metric tons hard-coal equivalent and a decrease of 2.5-3 million respectively.

Moreover, as a result of distribution link-ups with third countries, namely Switzerland and Austria, there may be a further variation of 1,000 million kWh either way, representing some 500,000 metric tons hard-coal equivalent.

The supply position regarding gas

118. As regards gas, much the largest part of the supply is produced in connection with the consumption and processing of coal (in 1960 38.4% of the total supply came from the blast-furnaces, 30.6% from the coking-plants, and only 6.4% from the gasworks), but special note should be taken of the increasing share of refinery gas, and still more of natural gas, since this represents a definite shift in the pattern of supply.

The use of natural gas — already very extensively employed in Italy — began in the course of last year to assume considerable proportions in France, as a result of the extension of the distribution network in Central France and in the Lyons area. Reserves recently discovered in the Netherlands, the exact volume of which is not yet known, will be an additional source of expansion in the consumption of natural gas in the Community; they may, incidentally, raise fresh problems, as several countries are likely to be affected, according to the amounts of gas they prove to contain.

Similarly, plans for the large-scale use of Saharan natural gas, to be either liquefied and shipped or pipelined, are a major element in the expected future trend in the energy economy of the Community. Finally, the traditional pattern of gas supplies is being further altered by developments in the techniques employed in the production of manufactured gas: petroleum products are being used more and more as the raw material, in order to obviate the need for producing gas coke, since gas coke is sometimes an impediment to the adjustments necessitated by the growth, and still more by the fluctuations, of gas requirements.

PRICE TREND IN RESPECT OF IMPORTED COAL AND OIL

Despite differing elements affecting the pattern of supply, such as local production conditions, national Government policies and other factors, the internal Community price of oil, and to a lesser extent of coal, is influenced by import prices.

Coal

119. American coal is one of the main causes of competitive market pressure on the prices of Community-produced energy. It is today being offered f.o.b. Hampton Roads at \$8.50 per long ton for bituminous slacks (steam-raising coal) and \$9.80-10.00 for coking coals.

These prices show practically no change from the previous year. At the same time, the freight-rate position remains highly uncertain. The rise at the end of 1960 does not appear to be directly connected with coal shipments, but it may nevertheless be expected to affect the rates on the North Atlantic route to some extent; there may therefore perhaps be a certain relaxation in the pressure of imported coal on prices, but this is not likely to be sufficiently marked to make any real difference to the long-term outlook just indicated. Accordingly, European coal is in just as exposed a position as ever, and consequently under just as much a necessity to readjust its costs.

Oil

120. An examination of the position regarding oil prices only serves to underline the foregoing remarks. The factors making for lower prices due to changes in the pattern of supply — that is, the surplus production and transport capacity — have been operating more and more powerfully since the Suez crisis. To obtain a true picture of the situation, taking into account the incidence of seaborne transport, it is necessary to observe separately the trend in the prices at source and that in maritime freight-rates.

Prices at source

121. Following the inclusion of fuel oil in the schedule of American import restrictions, the Caribbean posted price of fuel oil dropped by approximately \$1.70 per metric ton. Over and above this we have the practice of allowing individual rebates, which seems to have been on the increase: such rebates on certain transactions may represent a further reduction of anything up to 15-20%, or \$2.00-2.20 per metric ton.

The prices of other products moved similarly.

In accordance with the situation in the refined-product market, the posted prices of Middle East crude have been adjusted twice, in February 1959 and in August/September 1960: they are now \$1.00 lower than in July 1956. In addition, the companies are allowing certain buyers individual rebates averaging \$1.50-2.00 per metric ton.

Freight-rates

122. Freight-rates are an all-important element in the European prices of petroleum products: in July 1956 they accounted for 45% of the c.i.f. price of crude in Northern and 38% in Southern Europe, and for over one-third of the price of heavy fuel oil.

The present depression in the shipping industry is reflected in extremely low freight-rates:

- (a) for Persian Gulf crude the average figure has gone down since the Suez crisis by \$3.00 per metric ton to Rotterdam and \$2.50 to Naples, while spot rates are down by \$5.00-6.00;
- (b) for Caribbean heavy fuel oil average rates have fallen by \$2.00 per metric ton and spot rates by \$4.00.

123. Thus, whereas in July 1956 fuel oil was fetching \$21.00 a ton, at both Rotterdam and Naples, cargoes on which rebates are allowed and which are shipped on short-term charters are reaching the same ports at between \$12.00 and \$13.00 per ton, thus meeting the competition from the products of the Eastern European countries. The amounts actually imported at these prices represent only a comparatively small proportion of total sales, but they do exert pressure on the refiners in the Community, who in some cases have to align somewhat their prices accordingly.

124. This drop in the c.i.f. prices of crude and petroleum products, and particularly of fuel oil, served during 1960 to accentuate the change in the price relation between the competing fuels. Whereas, calorie for calorie, the ratio had stood for years at about 1:1; since the second half of 1959 it has been shifting quite definitely to the advantage of fuel oil in certain areas, especially the western part of the Netherlands.

125. *Prices c.i.f. Rotterdam of Steam-Raising Coal and Heavy Fuel Oil*

(\$ per '000,000 Kcal)

End of period	Bituminous nuts No. 4 Netherlands	Semi-bituminous fines	Fuel oil, viscosity ±3500" Redwood I
April 1953	2.35	2.26	2.20
April 1956	2.35	2.24	2.34
April 1957	2.63	2.61	3.58
April 1958	2.78	2.79	2.63
April 1959	2.52	2.63	2.31
October 1959	2.52	2.63	1.81
April 1960	2.43	2.47	1.63
October 1960	2.43	2.47	1.52

126. The price of liquid fuel also decreased sharply in the Italian market, owing to the fact, firstly, that the refining pattern is largely concentrated on the production of fuel oil, secondly, that the country possesses much larger capacities for the handling of crude than are required to meet home demand, as it desires to step up its exports, and thirdly, that large tonnages of fuel oil were imported from Russia. The resulting supply surplus was naturally bound to affect prices: on the west coast of Italy fuel oil for very large consumers was quoted at about \$16.50 per metric ton (= \$11.50 per metric ton hard-coal equivalent, including \$4.80 taxes — a price met only by Polish coal.

These figures relate only to very large tonnages supplied on a regular basis, and fall within the lower portion of the price spread. It is one of the features of the fuel-oil market that prices vary enormously according to the type of consignment and the specific requirements of particular categories of plant.

Section 2 : Energy Policy : Action at National Level and Studies and Proposals for a Co-ordinated Policy

ACTION TAKEN BY THE INDIVIDUAL COUNTRIES IN THE ENERGY FIELD DURING 1960

127. In view of the developments described in the foregoing Section, the Governments felt compelled to take further action to channel the trend in accordance with the needs arising out of the energy-supply patterns of their own countries.

These fresh measures link up with the corpus of existing arrangements described in the last General Report.¹⁾ We here give a brief account of these recent changes in order to provide a more or less full picture of the comparative position, since it is on the basis of this latter that the necessary co-ordinated policy must be built up.

Comparison shows that, in accordance with the respective countries' individual interests — which superficially and in the short term do sometimes differ — some Governments are aiming at stabilizing the position in the coal sector at the cost of pushing up the prices of the competing fuels, while others are concerned rather to do as little as they can to interfere with the continuing decrease in the latter. Most of the Governments are, however, seeking to stem excessive competition, which would be liable to result in costly changes not in line with the long-term trend.

128. *Federal Republic of Germany.* — An account will be found in Chapter Three following of the further extension, at the High Authority's recommendation, of the arrangement imposing an import duty on all coal entering the country over and above a specified duty-free quota. The quota itself was increased to six million metric tons.

With effect from May 1960, excise duties were imposed of DM.25.00 per metric ton on heavy fuel oil, and of DM.10 per metric ton on light fuel oil.

¹⁾ See *Eighth General Report*, Nos. 31 and 32.

The Federal Ministry of Finance ordered an investigation to be made of the prices charged by the big oil companies.

129. *Belgium.* — The measures taken under Article 37 of the E.C.S.C. Treaty and the High Authority's Decision No. 46/59 were described in detail in the section on the coal market.

In June 1960, an additional tax of Bfr. 60 per metric ton was imposed on fuel oil; the taxes on petrol were increased, and the excise duty finally raised to Bfr. 445 per hectolitre.

It was made compulsory for importers to provide appropriate storage facilities: a Royal Decree of December 30, 1960, enacted that as from September 1, 1961, these must represent not less than 18% of net deliveries per annum, and not less than 7,000 metric tons for each category of product.

Furthermore, the Belgian Government is endeavouring to get the major oil companies to introduce some limitations on rebates.

130. *France.* — The Government in June 1960 issued a Decree forbidding discounts of over 5% on sales of petroleum products.

131. *Italy.* — The tax payable (with some exceptions) on fuel-oil production was reduced from Lit. 3,200 to 2,600 per metric ton, and that on petrol from Lit. 81 to 66 per litre.

132. *Luxembourg.* — The Grand Duchy did not introduce the tax increases imposed by the Belgian Government.

133. *Netherlands.* — The Netherlands Government approached the big oil companies with a view to securing the limitation of their rebates.

STUDIES AND PROPOSALS FOR A CO-ORDINATED ENERGY POLICY

134. An account was given in last year's Report¹⁾ of the procedure decided on in 1959 for the preparation of a co-ordinated policy at Community level. The Report described the various steps which had culminated in the setting-up of a standing Inter-Executive Working Party on Energy, with special responsibility for drafting proposals as to the basic principles to be followed in co-ordinating energy policy and the concrete measures which would need to be planned.

Details concerning the necessary co-operation between the European Executives and the Council of Ministers were laid down in an *aide-mémoire* of October 10, 1959.

135. The Inter-Executive Working Party set up three *ad hoc* committees, consisting of staff members of the three European Communities, to work respectively on short-term energy balance-sheets, competitive conditions in the energy field, and the general problems of a co-ordinated policy within the long-term trend. For the purpose of their studies the committees were able to draw on the work of the Council of Ministers/High Authority Joint Committee.

136. On the basis of the procedure approved in 1959, the Inter-Executive Working Party was able in 1960 to arrive at a number of conclusions. These were accordingly submitted first to the Council of Ministers and then to the Members of the European Parliament as follows:

- (1) forecasts as to the short-term trend in the energy sector (in the form of an "energy balance-sheet for 1960");
- (2) general directives for a co-ordinated energy policy (in the form of an interim memorandum, followed by a series of annexes dealing with specific points in detail);
- (3) proposals for initial steps for the co-ordination of energy policies.

¹⁾ See *Eighth General Report*, Nos. 35-37.

Energy balance-sheet estimates for 1960

137. On the basis of the work of one of its committees, the Inter-Executive Working Party was able during the first quarter of 1960 to submit to the Council of Ministers, to the E.C.S.C. Consultative Committee and to the Energy Policy Committee of the European Parliament its energy balance-sheet estimates for 1960.

This was the fruit of co-operation among the three Executives, with the High Authority in charge of the practical implementation of the Working Party's instructions. In addition, the balance-sheets for the different forms of energy and the consolidated balance-sheets were examined with the appropriate Government departments in each country.

Similar studies are in future to be undertaken each year. It will doubtless be possible to improve the methods and basic hypotheses employed in the light of experience. The appropriate Community and national authorities will thereby be provided with valuable material for the framing of measures in connection with energy policy.

General directives for a co-ordinated energy policy

138. Indications on this subject were embodied in an interim memorandum of March 19, 1960, submitted by the Inter-Executive Working Party to the Council of Ministers and to the Members of the European Parliament.

The object of the memorandum was, on the basis of certain fundamental observations, to pose the principle of co-ordination, to set forth the basic alternatives open, and to suggest certain principal devices and procedures to enable the national energy policies to be co-ordinated as speedily as possible.

The basic observations stressed the rapid structural changes going on in the energy sector, the adjustment necessary in the

coalmining industry, and the diversity of the individual action taken by the member Governments.¹⁾

As a result of this diversity, it was pointed out, the expansion potential of a Common Market for energy was being restricted by the emergence of inconsistencies and distortions.

In such a situation it is essential to the fulfilment of the Treaties establishing the three Communities that consistent objectives should be worked out for harmonizing the measures of the member States.

These may be summarized as follows :

- (a) the most economic possible flow of energy supplies ;
- (b) *a single Community market* for sources of energy (necessitating, in particular, some degree of co-ordination of investment in the energy sector) ;
- (c) *security* of supplies no matter what the state of the market at any given moment ;
- (d) *a dependable* minimum volume of supplies for the Community.

In practice, these objectives are liable to involve certain requirements impossible to meet simultaneously, so that it may be necessary to establish a scale of priorities among them.

139. The work of co-ordination cannot therefore be confined to the attaining of agreement on the proposed objectives : to make it possible to compare them and if necessary decide which of them is to be given preference, they must be expressed as a definite concept.

In a free-market economy, the proper concept is pricing. The idea would thus be for the connecting thread for a co-ordination of energy policies to be provided as far as possible by the determination of a price serving as a guide to all.

The level of this guide price would be computed mainly in accordance with two factors :

¹⁾ See *Eighth General Report*, Nos. 18-32.

- (a) the medium and long-term forecasts for the trend in the energy sector: in view of the margin of uncertainty attaching to all forecasts, the aim would be to calculate a price range rather than a definite figure;
- (b) the *decision* whether the main aim should be to go by competitive capacity in the energy market (which would mean placing the guide price at the level of the expected more or less standing price for imported energy) or to allow a margin of preference to Community fuels (for economic, political or social reasons).

140. Before the process of co-ordination can be begun along these lines, it will be necessary, in view of the present situation in the energy sector, to allow a *period of structural adjustment* to elapse, until the market is operating normally.

During this period, certain special measures may need to be taken and exemptions authorized in order to allow for the exceptional conditions prevailing in some member countries. The aim will nevertheless be to work towards the guide price range as quickly as possible, and to secure the free movement of energy products.

141. *Following the adjustment period, i.e.* when the reconstruction now in progress has brought the prices actually charged in the market level with the guide price or into the guide price range, the only co-ordination needed will be in respect of measures designed to ensure the satisfactory operation of the traditional mechanisms of a free-market economy, such as commercial policy, devices to combat cyclical fluctuations, and rules of competition.

Should the guide price adopted allow a margin of preference for Community fuels, these measures will, however, need to be supplemented by additional arrangements to maintain the margin.

142. Such was the gist of the "general directives" proposed by the Inter-Executive Working Party on Energy in its interim memorandum. The memorandum was examined,

firstly, by the Council of Ministers at its 69th meeting in Luxembourg on June 14, 1960 (the groundwork for which was done at a meeting of the Council of Ministers/High Authority Joint Committee on May 25); and

secondly, by the European Parliament at its session in June-July 1960 (following discussion by the Parliament's Energy Policy Committee at its meeting of May 6).

The appropriate sub-committee of the E.C.S.C. Consultative Committee was also kept informed of developments.

These various discussions gave rise to a number of important conclusions.

In the first place, although further details were requested as to the concept, function and method of determination of the guide price, most of those concerned displayed increasing interest in the idea itself as an approach to the problem of co-ordinating energy policy. Thus the Report on behalf of the Parliamentary Committee described the Working Party's proposals as "reasonable and attractive."

In the second place, it was emphasized that the use of a guide price as an instrument of long-term energy policy would not obviate the need to resort to other forms of action, in order, in particular, to cope with *more immediate problems*. To this end the Working Party was asked to prepare proposals for the introduction of initial co-ordinatory measures.

143. The proposals put forward in the interim memorandum were intended in the first instance to serve as a basis for discussion with the member Governments. Accordingly, they were later supplemented by five annexes submitted in the course of the year. These dealt respectively with

- (a) statistical material, methods and hypotheses relating to the tables on energy (Annex I);
- (b) the positions of the main Community coalfields *vis-à-vis* certain hypothetical price levels allotted to energy products imported from third countries (Annex II);

- (c) problems in connection with commercial policy (Annex III);
- (d) the stage now reached in the reconstruction of the coalmining industries in E.C.S.C. (Annex IV);
- (e) competitive conditions in the energy market (Annex V).

The points covered by Annexes II, III and IV are of particular relevance for the purpose of this Chapter.

144. To provide a concrete basis for the discussions with the Governments, Annex II was designed to present a series of "photographic" impressions comparing the current positions of the various Community coalfields with what their positions would be if, *ceteris paribus*, the present prices of imported energy were replaced overnight by different hypothetical prices from a price spread not in itself in any way unrealistic. The spread adopted comprised separate prices for

- (i) coking coal;
- (ii) steam-raising coal;
- (iii) fuel oil.

This theoretical analysis brought out sharply the differences in competitive capacity between one Community coalfield and another. It also showed that for coking coal the question of competing with the price of imported energy presented no particular problem for most Community coalfields, but that this was not so in the case of steam-raising coal in competition with imported coal, and still less in competition with petroleum products.

However, the methods employed were such as to furnish only a very general picture of the problems involved, the calculations in question relating purely to the current position and, by hypothesis, taking no account of factors making for changes. Before they can become a really usable instrument for an energy policy based on a guide price, it will be necessary to replace this static approach by methods duly allowing for the dynamics of the developing situation. Work on such lines is now in progress.

145. Annex III gives details of commercial-policy arrangements in respect of energy products in the Community countries, and then goes on to examine the problems raised by the proposal to harmonize these, and the implications for external commercial policy of a policy based on a guide price.

Its conclusion is that certain harmonization problems exist irrespective of the form taken by any co-ordinated energy policy which may be adopted. International commitments, the differences in the individual countries' armouries in this field, and indeed the angle from which external commercial policy is viewed in the different European Treaties, are fundamentals needing to be taken into account in the formulation of an energy policy. In particular, such a policy postulates the introduction of a common commercial policy for energy products.

A policy based on the concept of a guide price moreover involves a number of special considerations: more particularly, it necessitates certain devices to deal with cyclical fluctuations in imported energy, to regularize trade carried on under specific conditions of competition (*e.g.* with countries whose foreign trade is mainly effected through the State; with countries whose production costs are abnormally low; and in face of dumping practices or export subsidization), and if the guide price adopted allows a margin of preference, to safeguard that margin.

146. Finally, Annex V reflects the Working Party's anxiety to form a reliable estimate of any distortions in competition between coal and fuel oil. To this end, it shows tables comparing, within each country and among the different countries, the technical and economic patterns of production for both and the official action taken affecting competition between them. The tables make it clear that coal is genuinely handicapped in the matter of rules concerning price publicity and non-discrimination.

The elimination of distortions is moreover not the only task for an energy policy in connection with conditions of competition: such a policy could also usefully include transitional measures to allow for the effects of the different structural trends in the coal and oil sectors.

Initial co-ordinatory measures

147. The introduction of a long-term policy based on the "general directives" indicated above must necessarily take some time, owing both to the difficulties involved by the studies required prior to the selection of the guide price range, and to the political differences which will have to be ironed out. It is, however, important that during this preparatory period everything possible should be done to prevent at least any deterioration in the state of the energy market. For this purpose the Inter-Executive Working Party, in accordance with the wishes of the Council of Ministers and the European Parliament, in May 1960 set to work to draft a programme to deal with the more immediate problems.

148. The text of the proposals drawn up by the Working Party concerning initial measures with a view to the co-ordination of energy policies of the six Community countries was approved by the three Executives and submitted to the E.C.S.C. Council of Ministers at its meeting on January 10, 1961.

The introduction to the proposals emphasizes that the present easing of the coal crisis is the outcome only of the combined operation of several exceptional factors. It cannot conceal the structural trend in the energy market, the main features of which are increasing savings in specific consumption, lower oil prices and the progressive ousting of coal by oil in the meeting of overall energy requirements. Thus, while the collieries sold no more coal in 1960 than in previous years, sales of fuel oil rose by over 25%.¹⁾

The *general object* of the measures advocated must be to bring energy prices in the Community to the most favourable level from an economic standpoint, while at the same time ensuring a reasonable security of supplies. A further aim must be to give the collieries and the coal-producing countries the time needed to rationalize

¹⁾ For further details see Nos. 203 ff. Deliveries of coal to consumers in 1960 were slightly higher than in 1959; they were, however, very considerably below the tonnages recorded in earlier years.

mining operations and institute such arrangements as may be necessary for the readaptation and re-employment of workers who have to be laid off and for the redevelopment of the areas affected by pit closures.

The establishment of the Common Market for all energy products to which the member States committed themselves by their ratification of the Treaties of Paris and Rome involves the introduction of a common commercial policy *vis-à-vis* third countries, a certain harmonization of rules of competition, and a reduction of artificial price disparities between one country and another. The three Executives draw particular attention to the vital importance of the first item, a common commercial policy.

149. Accordingly, as a first step in this direction, the Working Party proposes the following *initial measures of harmonization* :

- (a) the adjustment of *commercial policies vis-à-vis* third countries, more particularly by harmonizing customs duties and quotas for imported coal, by co-ordinating the attitude to be adopted *vis-à-vis* countries with a State trade monopoly, by arranging for the systematic notification of agreements concluded with third countries, and by taking measures against dumping prices. With regard to petroleum products, every effort should be made to bring to an early conclusion the negotiations for the fixing of common import duties on the refinery products enumerated in List G, and to improve the procedure for prior consultation in respect of all important agreements with third countries ;
- (b) the lining-up of the *rules of competition* governing the different sources of energy. Existing distortions could be lessened, for instance, by regular publication of the prices quoted in the oil market, and by relaxation of the regulations concerning implementation of the E.C.S.C. Treaty provisions relating to coal price schedules.

To *reduce artificial disparities in prices* between member countries, it is suggested that the Governments should compare and

contrast the fiscal and administrative regulations in force in the different countries: prices might then be cut, particularly in those countries where energy is most costly.

A further proposal is that changes should be made as soon as possible in the statutory requirements concerning fuel storage, air and water pollution, and other technical and industrial regulations energy products.

Another point noted is that the reorganization of the coalmining industry will necessitate cuts in personnel, partly by advancing the retirement date for a number of elderly mineworkers. To spare the collieries the heavy extra expense resulting from the drop in the number of contributors and corresponding rise in the number of pensioners, it is proposed that they should be relieved of responsibility for these payments resulting from the contraction of the coalmining industry.

150. In a section headed "Consultation Agreement," the draft then lists a number of proposals which together form one of the key elements in the harmonization of energy policies. Thus it is suggested that the Governments should undertake not to adopt any further independent measures of energy policy in future without first consulting in the Council the other member countries and the three Executives.

It is not possible to follow developments in the energy market without regular information on the various sources of energy. The Executives are to follow the state of the market each in the sectors coming under its own jurisdiction, and the High Authority is to publish each year overall forecasts for all sources of energy. On the basis of this general picture, it is proposed that periodic discussions should be held with the Executives in the Council of Ministers.

151. *Agreements on safeguards.* — As any further reduction in fuel-oil prices or a slackening in general business activity might seriously disturb the energy market, it is felt that precautions should be taken now to prevent delay in working out appropriate remedial measures.

It is therefore suggested that the Governments should agree immediately on the criteria which would warrant action at Community level. These criteria might include unemployment or short-time working in the pits, falling energy prices and accumulating of pithead stocks. It would be for the Council to recognize the existence of such a situation, calling for official intervention, at the request of a member country or of one of the Executives; on the other hand it might also decide — giving reasons for doing so — that notwithstanding the situation there were no grounds for immediate Community action.

It is of fundamental importance that the Governments should agree in advance on the *form* such action should take, although this might vary according to the actual situation. In view of the comparatively rapid changes in the energy market, it is suggested that the measures to be taken should be laid down for a limited period only, subject to revision later should this be necessary.

A first method might be to limit the tonnage coming on the market by a system of import quotas for coal, oil and petroleum products. A second would be to take action in respect not of tonnages but of prices, for example by introducing an import levy or by imposing excise or Customs duties. A third possibility — though this would raise legal problems in view of the provisions of the E.C.S.C. Treaty — would be to subsidize Community coal, though taking care not to increase the protection of internal sources still further.

152. In conclusion, the Council of Ministers is asked, firstly, to give its agreement in principle to the initial measures for the harmonization of energy policies (the Executives to be thereafter responsible for working out the details), and secondly, to state its view on the principle of Community action in an emergency, and on the criteria for and character of the projected safeguards.

The Council is to examine the proposals at its meeting on March 7, 1961.

CHAPTER THREE

MARKET POLICY

Section 1 : Market Policy for Coal

154. The seriousness of the crisis which has been affecting the Community coalmining industry for the past three years is due to an exceptional conjunction of unfavourable factors¹⁾ all coming into play on one another's heels : that it really is a serious one is apparent from its geographical extent and ramifications.

All the coal-producing countries of the Community have been hit in varying ways by the crisis, the structural aspects of which have been subsequently aggravated and attenuated in turns by cyclical developments. The combined operation of these latter, acting either with or against the main trend, makes it extremely difficult to settle on appropriate means of action for arresting and remedying the crisis.

The position in 1960 does show some improvement, thanks to the measures adopted by the High Authority and to the efforts of the Governments and the producers, which were favoured by the increasing pace of industrial growth in general and by the expansion of the iron and steel industry in particular.

In view of the structural trend in progress in the energy sector, and of the fact that this improvement is nevertheless anything but securely established, it is therefore essential that the Community coalmining industry should continue adjusting itself to the changed conditions in the energy market.

¹⁾ See *Seventh* and *Eighth General Reports*.

Scale of the crisis

155. Initially the crisis was rendered even more serious in the Community by the fact that many producers had embarked on programmes for stepping up production in order to keep pace with the steep rise in energy requirements, the share of which to be covered by coal was expected to increase in actual tonnage if not in proportion. The impact of the turnaround was still more sharply felt in some coalfields inasmuch as owing to the excellent state of the market their reorganization programmes had been to some extent held up.

156. The scale of the crisis may be seen from the movements of pithead stocks. In 1957, these amounted to 1,500,000 metric tons of hard coal and 1,100,000 of coke for the Community as a whole, including 1,200,000 metric tons of hard coal in Belgium and 400,000 of coke-oven coke in Germany. In 1958, they shot up to a total for the Community of 17,300,000 metric tons of hard coal and 5,400,000 of coke-oven coke: to these figures, to gain a true picture of the position, should be added 6 million tons deliberately forfeited by short-time working, the total imbalance being thus over 30 million metric tons hard-coal equivalent. In 1959, the disproportion between production and sales lessened, but a further 8,700,000 metric tons of hard coal had to be put to stock and 12 million not produced at all as a result of short-time working, making a total of over 21 million. As will be seen, the position underwent some improvement in 1960.

During this period, imports of coal from third countries, after reaching a peak of 44 million metric tons in 1957, continued to come in at a rate of 31,800,000 metric tons in 1958 and 19,200,000 in 1959. Though determined efforts were made to readjust the volume of imports, they failed to restore the balance, since the situation in 1957 had in any case been abnormal, with a substantial part of the tonnage purchased going not to cover real consumption but to build up unduly large consumer stocks.

Not an E.C.S.C. crisis only

157. The crisis in the coalmining industry is not confined to E.C.S.C.: it is also in full swing — though sometimes taking rather different forms — in other producer countries such as the United Kingdom and the United States.

158. In the United Kingdom, the drop in sales was somewhat less steep than in E.C.S.C., with 13 million tons less sold in 1958 than in 1957 and 15 million tons less in 1959, *i.e.* a total decrease of 28 million tons, or 12.5% in two years, as against 15% for the Community. In addition, British production has a certain elasticity thanks to the number of open-cast mines employing a comparatively small labour force. Some pits had to be closed: overall, production was cut by eight million tons in 1958 and a further 10 million in 1959 without recourse to short-time working, while early in 1959 all imports were stopped.

The imbalance of the coal market, however, caused pithead stocks to increase by 11 million tons in 1958 and 16 million in 1959, which brought the total, including those already held, up to 37 million, or nine weeks' production as against seven in the Community. British coal, as well as having now no competition to face from imported coal, is less menaced by oil, the use of which is relatively not so far advanced as in the E.C.S.C. countries, since in 1959 coal still accounted for 77% of the energy consumed, as against only 56% in the Community.

159. In the United States, the adjustment of the coalmining industry to the changed conditions in the energy market, caused by the increased consumption of fuel oil and natural gas, took place at an earlier date than in Europe. In technical respects the process was facilitated by the more favourable operating conditions in the mines.

Notwithstanding, the American coalmining industry is also exposed to the effects of economic fluctuations, with the various social and operational problems this involves. In the ten years 1950-60 coal production moved between a maximum of 520 and a

minimum of 379 million tons. From 1957 to 1958 it dropped by 78 million, or 17%: this was, however, only partly due to the falling-off in deliveries to the E.C.S.C. and other export markets, the main reason being fluctuations in home demand, particularly from the iron and steel industry.

THE HIGH AUTHORITY'S ANTI-CRISIS POLICY

160. To give a clearer picture of the High Authority's work in face of this situation during 1960, it may be worth while to give a very brief summary of what it has done in this connection since the crisis first set in.

161. As it is required by the Treaty to avail itself first of indirect means of action before resorting to direct ones, the High Authority adopted or proposed as early as the beginning of 1958 all such measures as it considered would alleviate the effects of the deterioration in the coal market. However, the indirect measures agreed on in October 1958¹⁾ between the High Authority and the Council of Ministers soon proved inadequate.

162. The High Authority then considered making use of the means available to it under the Treaty for dealing with periods of "manifest crisis" (Articles 58 and 74). The plan which it submitted to the Governments on April 19, 1959, provided in particular for the curtailment of imports, a production ceiling, measures in respect of stocks, and assistance to miners placed on short time.

The High Authority's suggested approach to the difficulties which it felt to be increasing sharply for the whole of the Community coal market failed to secure the Council's approval²⁾ and the proposals were turned down in May 1959. This meant that the High Authority was unable to put forward an overall plan of action, and had to confine itself to partial measures. The Council agreed to a proposal

¹⁾ See *Seventh General Report*, No. 42 ff.

²⁾ See *Eighth General Report*, No. 57, and *Special Report by the High Authority to the European Parliament on the Coal Question* (January 31 - May 15, 1959).

by it to remedy the most direct effects of the crisis on the Belgian industry, which was the hardest hit by the course of events.

163. The difficulties in Belgium were so acute that at the end of 1959 the High Authority decided to implement the provisions of Article 37 of the Treaty.¹⁾

164. In 1960, the position in the Community coalmining industry showed a distinct though gradual improvement, but all the indications are that the structural factors underlying the crisis still persist. The main objective of the High Authority, the Governments and the heads of the coalmining industry is therefore, as before, to increase the competitive capacity of coal *vis-à-vis* other sources of energy.

The adjustment of the Community coalmining industry

165. To achieve this aim a thorough and accelerated overhaul of coal production is essential. Within the context of the Community's energy policy, such a reorganization is now absolutely indispensable.

The adjustment of production, however, takes time and requires safeguards. Parallel with its work in this connection, the High Authority was therefore compelled to extend the term of the measures adopted to combat the effects of the continuing crisis, to introduce fresh ones, and in this way to create the requisite conditions for the process of adjustment to be carried out.

166. *Operations* to this end include :

- (a) the concentration of coal-winning with the object either of reducing the number of pits at a given colliery so as to employ the available men and equipment in the most productive pits, or of working the most economic seams in a particular pit ;
- (b) the modernization of coal-winning methods and rationalization of surface installations ;

¹⁾ See *Eighth General Report*, No. 71 ff.

- (c) the closure of certain pits, *viz.* the permanent discontinuance of activity at pits which owing to technical operating difficulties and failure to sell their production are, or are likely to become, uneconomic.

167. Although the enterprises have all along been applying some measures of this kind, they have had since the crisis to do so at an accelerated pace, which has given rise to considerable difficulties, especially in the social field.

The elimination of the marginal workings and the process of concentration and rationalization will strengthen the competitive position of the remaining collieries and pits. This should in itself enable them to offer their personnel greater stability of employment. At the same time, the closure of the weakest production units and the increase in productivity in the remainder is naturally bound to involve manpower cuts to begin with.

168. The successful completion of the reorganization programme is therefore dependent on measures for the "readaptation" of redundant workers, and indeed in certain cases for the industrial redevelopment of the areas concerned.¹⁾

Moreover, if the reorganization is to be judiciously planned, it is necessary to make an assessment of the demand which the Community coalmining industry will be called upon to meet in the short, medium and long term.²⁾ This is one of the reasons for the precautions which have to be observed prior to any operation involving actual pit closures.

Germany

169. Although the necessary adjustments were not conducted under a single overall plan, responsibility resting with the individual enterprises concerned, the High Authority has been able to note a major adjustment drive since 1958.

¹⁾ See Chapter Five, Part 1, Sections 4 and 5.

²⁾ See No. 306 below.

170. The figures at present in the High Authority's possession indicate that the progress of reconstruction in Germany since 1957 and, in particular, 1958 has been as follows.

Total closures

From 1957 to 1960, 12 colliery pits were closed (1 in 1957, 2 in 1958, 4 in 1959 and 5 in 1960), and some 67 small mines also ceased production. The aggregate production capacity involved may be estimated, on the basis of the 1957 figures, at approximately 4,300,000 metric tons.

Concentration operations reduced the number of pits by a further 18, *i.e.* 30 in all.

It is planned to close six more pits, with an aggregate production of 4,700,000 metric tons in 1959. At several of these substantial partial closures have already taken place during the past two years.

Partial closures

Applications received by the High Authority for the implementation of Section 23 indicate that partial closures were carried out between 1958 and 1960 in 18 pits, and will be effected in eight more during 1961. The daily average production of all the workings concerned was 25-26,000 metric tons, so that the loss in annual production following their closure should theoretically work out at about 6,500,000 metric tons. In view of the improved operating conditions usually resulting from partial closures, however, the actual loss is more likely to be 3-4,000,000.

171. The production of the Federal Republic (including the Saar) may be expected as a result of these various closures to go down by 11 million metric tons, representing 7% of the total production for 1957-58.

The closures relate principally to pits producing the semi-bituminous, bituminous and high-volatile bituminous grades.

172. The incidence of closures effected and planned in the different coalfields is as follows (exclusive of small mines) :

	Total closures	Partial closures
Ruhr	11	27
Saar	4	4
Lower Saxony	3	1
Aachen	—	1
	18	33

The percentage decrease in production would appear to be greatest in Lower Saxony and the Saar. In Lower Saxony, the cutback in production as against 1957-58 may be estimated at 20-25%, with only one group of pits remaining in operation. In the Saar, production will be about 10% less than in 1957. Rationalization operations, more particularly with a view to the concentration of surface installations, were continued parallel with the closures.

Belgium

173. The effects of the concentration drive begun before the coal crisis developed may be seen from the drop in the number of pits in operation, from 143 at December 31, 1952, to 120 at December 21, 1957.

This rationalization, however, proved quite inadequate to ensure the final integration of the Belgian coalmining industry as a whole into the Common Market by the end of the transition period.¹⁾

174. The expiry of the transition period brought, firstly, the ending of the compensation payments under Sections 25 and 26 of the Convention, and secondly, the prospect of the scaling-down and ultimate abolition of Government subsidies.

¹⁾ See *Eighth General Report*, Nos. 65 and 66.

As the coal crisis began to develop just as the transition period came to an end, it became absolutely imperative to accelerate the reorganization of the Belgian industry.

175. 12 pits closed in the course of 1958. The first official schedule of closures, submitted by the Belgian Government to the High Authority in June 1959, was phased over the years 1959-62, and provided for a production cutback of 5,500,000 metric tons. The closures so scheduled were expedited during 1960, and should be all completed in 1961, instead of 1962.

Despite these reorganization measures, and despite continuing Government subsidization, the position further deteriorated as time went on. It will be recalled that the High Authority, to accelerate the process of reorganization, drew up a fresh plan whereby production capacity was to be cut not by 5,500,000 but by 9,500,000 metric tons by the end of 1963.¹⁾

To reach this figure, which was laid down in Decision No. 46/59, of December 23, 1959, it will be necessary to close capacity representing a total of 4,500,000 metric tons from 1961 onwards. Of 120 pits in operation at the beginning of 1958 — 7 in the Campine and 113 in the Southern coalfield — 46, representing 38% of the national total and 48% of the total for the South, were closed by October 1, 1960, leaving in operation 7 in the Campine and 67 in the South.

All the closures scheduled are to take place in the Southern coalfields, which are regarded as the most vulnerable. The grades for non-specific uses, which are those most exposed to competition from other forms of energy, represent a large part of this area's production. Moreover, although a substantial improvement was achieved in 1959 and 1960 as a result of the reorganization, the underground output per man/shift there remains low, averaging only 1,370 kg. at the end of 1960.

¹⁾ See *Eighth General Report*, No. 73.

176. The progress of the reorganization campaign in the Belgian coalmining industry over the period 1958-61 may be tabulated as follows :

	Number of pits	Production thereof in 1957 ('000,000 m.t.)
<i>Closures effected</i>		
1958	12	1.3
1959	19	2.5
1960	15	2.5
<i>Closures planned</i>		
1961 ¹⁾	11	1.7
		8.0

1) To this figure should be added, as from June 1961, the pits also to be closed in order to arrive at the target figure of 2 million metric tons.

177. The incidence of closures effected and planned from 1958 to 1961 is particularly high in the Borinage and Centre coalfields. They will account for 59% of the 1957 production of the Borinage, 58% of that of the Centre, and 32% of that of both the Charleroi and the Liège coalfield.

France

178. As a result of concentration and rationalization operations which had been going on for a good many years, the number of nationalized (Charbonnages de France) pits was reduced between the end of 1954 and the end of 1960 from 120 to 96, the reductions taking place in the Nord/Pas-de-Calais and Centre/Midi coalfields.

179. The process was continued in 1960 by the launching of a reorganization drive, providing in the case of the Centre/Midi for a number of partial closures in the Aquitaine, Cévennes and Loire coalfields. Eight small non-nationalized mines were also closed during the year.

The reorganization of the Centre/Midi is part of an overall programme announced by the French Government in 1960. Production targets for 1965 are to be 28 million metric tons for the Houillères du Bassin du Nord/Pas-de-Calais, 13,500,000 for the Houillères du Bassin de Lorraine and 10,100,000 for the Houillères du Bassin du Centre/Midi. The total production of the Charbonnages de France is expected to be 53 million metric tons.

The Government stated that these targets had been fixed with the object of setting the affairs of the Charbonnages de France in order by closing marginal pits whose operational losses were upsetting the economic and financial balance of the industry as a whole.

The closures in question are phased from 1960 to 1965, to allow for the technical requirements and social problems of the different coalfields. The Government's statement also listed a number of further measures to facilitate adjustment, principally in the social field and in connection with area redevelopment.

Special action on behalf of Belgium

180. In the absence of an overall plan, the High Authority was obliged, as we have seen, to adopt special measures at Community level to cope with the peculiarly serious situation of the Belgian coal-mining industry. These included the implementation of Article 37 of the Treaty in respect of Belgium and the granting of the special "E.C.S.C. allowance" to Belgian miners placed on short time.¹⁾ In addition, it authorized the Belgian Government to subsidize part of the industry's production.

Invocation of Article 37

181. In its Eighth General Report²⁾ the High Authority set forth its reasons for invoking Article 37 of the Treaty in favour of Belgium and the contents of its Decision No. 46/59, of December 23, 1959, taken in implementation of that article.

¹⁾ See No. 415 below.

²⁾ See *Eighth General Report*, No. 71 ff.

182. *Implementation of Decision No. 46/59.* — Decision No. 46/59 provided for

- (a) the intensification and acceleration of the operations in progress for reorganizing the coalmining industry;
- (b) restrictions on trade in coal between Belgium and the other Community countries;
- (c) limitation of coal imports from third countries;
- (d) action in respect of accumulated pithead stocks.

Under this decision the Belgian Government was requested to submit to the High Authority by May 1, 1960, a fresh reorganization programme specifying the pits to be closed in order to bring the scheduled production cutback from 5,500,000 to 9,500,000 metric tons by the end of 1963, at the following annual rates:

1959	2,300,000 metric tons;
1960	2,500,000 " " ;
1961	2,000,000 " " ;
1962/63	2,700,000 " "

For both economic and social reasons, the Belgian Government did not feel able to designate by name all the pits to be thus irrevocably closed over a period of up to four years. However, the fact that the pits to be closed were not singled out in this way did not prevent the closures from taking place as promised, some indeed being carried out ahead of schedule.

('000,000 m.t.)

	Planned	Effected by December 31, 1960
1959	2.3	2.5
1960	2.5	2.5
Total	4.8	5.0

183. *Trade in coal between Belgium and the other Community countries* was conducted in accordance with Decision No. 46/59, which had fixed a ceiling for the tonnages involved.

Subsequently, in consultation with the Governments concerned, the High Authority made minor amendments to the figures, which ultimately worked out as follows¹⁾:

<i>Deliveries to Belgium</i>		
from :	Germany	2,000
	France	250
	Netherlands	800
		<hr/>
		3,050
<i>Deliveries from Belgium</i>		
to :	Germany	200
	France	950
	Luxembourg	45
	Netherlands	800
		<hr/>
		1,995

Imports from third countries did not in actual fact reach the 600,000-ton maximum. The Belgian Government issued import licences for a total of 525,000 metric tons.²⁾

184. Belgian pithead stocks went down by an average of only 10%. Individual rundowns remained within the prescribed limit of 20% of non-seasonal stocks.³⁾

185. Even though the closures scheduled were duly carried out, and though definite results were achieved by the action taken under Decision No. 46/59, the Belgian coal market continued to show an imbalance between production and sales. A certain improvement did, however, develop towards the end of 1960, in view of which the High Authority in its Decision No. 25/60 did not impose a production quota for the Belgian coalmining industry as a whole, which it had envisaged in its Decision No. 46/59. It nevertheless reserved the right to impose production ceilings on the subsidized collieries.

186. *Decision No. 25/60.* — In the meantime, the Belgian Government submitted to the High Authority and the Council a memo-

1) See Decision No. 24/60, *Journal Officiel des Communautés Européennes*, December 16, 1960.

2) Exclusive of 380,000 metric tons imported into Belgium for processing and re-export.

3) See *Eighth General Report*, No. 75.

randum dated September 26, 1960, concerning the implementation of the High Authority's Decision No. 46/59 and the state of the Belgian coalmining industry: the memorandum requested that the action taken under Article 7 should be continued by the reimposition for 1961 of the restrictions on trade in coal between Belgium and the other Community countries.

187. The High Authority, in its request to consult the Council of Ministers on the imposition of a production ceiling on the Belgian collieries, had itself already suggested extending the term of the measures taken under Article 37 in favour of Belgium.

At the same time, in view of the fact that the protection of the Belgian coal market had been made conditional upon the punctual implementation of the schedule of closures, the High Authority recalled that the main point of its Decision No. 46/59, taken under Article 37, had been to ensure that the schedule of closures was in fact carried out over a period of four years in respect of capacity totalling 9,500,000 metric tons.

188. On October 19, 1960, the Conseil National des Charbonnages, the body responsible for such decisions, approved the following closures for 1961:

Coalfield	Colliery	Pit	Type of coal	Production in 1957	Closure date
Borinage	Hensies	Louis Lambert	low-volatile	176,100	June 30
Borinage	Pommeroeul Société du Borinage	Alliance	bituminous, grade A	108,940	March 31
		Sentinelle	"	223,660	June 30
		Ste Catherine	"	82,520	Dec. 31
		St Antoine	"	108,430	Sept. 30
Centre	Bois du Luc	Beaulieu	h. vol. bituminous-grade B	225,300	Oct. 31
Centre Charleroi	Société du Centre Fontaine l'Evêque	No. 5	low-volatile	219,405	Dec. 31
		No. 3	bituminous, grade A	69,625	Jan. 1
Charleroi Charleroi	Mambourg	Blanchisserie	anthracite	113,251	July 15
	Bois du Cazier	St Charles	semi-bituminous	200,000	Jan. 15
Liège	Gosson-Kessales	Gosson II	anthracite	200,000	Jan. 15
				222,030	June 30

189. The pits to be closed during 1961 have thus been selected and named, but their aggregate production capacity works out at only 1,700,000 metric tons, whereas the figure fixed by Decision No. 46/59 for 1961 was 2 million. The Belgian Government therefore undertook to specify to the High Authority not later than June 1 the remaining closures to be effected during 1961 under the schedule laid down in Article 2,2 of the Decision, in order to bring the total up to the required 2 million metric tons.

190. Having secured this undertaking, and remaining convinced that the process of reorganization must be actively continued until the Belgian industry should be ready for full and final integration into the Common Market, the High Authority proposed to the Council of Ministers on November 29, 1960, that the implementation of Article 37 of the Treaty in favour of Belgium should be extended for a further period, since, as it pointed out, the reasons which had impelled it to introduce protective measures for the benefit of the Belgian economy were still in being. The coal situation in Belgium is, in fact, still characterized by a considerable structural imbalance between production and sales, and the forecasts for 1961 suggest that this will persist notwithstanding the reorganization measures. The Belgian Government emphasized its uneasiness in this respect in a supplemental memorandum of December 2, 1960, to the High Authority, in which it drew attention to the danger of "fundamental and persistent disturbances" arising out of the situation.

In view of results to date, therefore, the High Authority came to the conclusion that, alongside the closures, some degree of protection for the Belgian market was still needed, and that the measures introduced under Article 37 on the Treaty should be continued, though with due regard for any further developments in the situation.

Allowing for the closures planned and assuming the same level of trade and imports as for 1960, the estimates of the Belgian coal position for 1961 suggest a surplus of 745,000 metric tons, the elimination of which would involve short-time working amounting to 10.5 shifts. Shifts not worked in 1960 totalled approximately 33, corresponding to a forfeiture of some 3 million metric tons. The

position therefore shows some improvement, and indicates that production is in process of becoming adjusted to demand. This being so, the High Authority felt able to propose a relaxation of the measures taken earlier. In its view, the spirit of the Treaty requires that all protective measures, and also all safeguards introduced, should be degressive in their effects: moreover, the very fact that they are known to be degressive is an incentive to enterprises to speed up their efforts to adjust themselves.

With this end in view, and with the ultimate aim of gradually restoring normal conditions in the Community market, the High Authority set out to relax somewhat the measures it had earlier instituted for 1960.

191. After consulting the Council of Ministers, therefore, the High Authority, by Decision No. 25/60, of December 20, 1960,¹⁾ extended the term of application of Article 37 of the Treaty in respect of Belgium.

As regards the reorganization drive, this decision restates the provision of Decision No. 46/59 making it incumbent on the Belgian Government to see that the schedule of closures is duly carried out.

As regards the restrictions imposed on trade in coal between Belgium and the other Community countries, which made it possible for the closures planned to be carried out to schedule during the past twelve months, Decision No. 25/60, in order to emphasize that these restrictions were purely temporary in character and were to be removed gradually, yet at the same time taking into account the forecasts for the coming year and the importance of not jeopardizing the success of the reorganization programme, made an all-round increase of 3.3% in the maximum tonnage laid down in Decision No. 46/59 for deliveries to Belgium from the other Community countries. The change between the quotas earlier fixed by Decision No. 46/59, as amended by Decision No. 24/60, and the new quotas fixed by Decision No. 25/60 is as follows.

¹⁾ See *Journal Officiel des Communautés Européennes*, December 23, 1960.

Deliveries of hard coal and hard-coal briquettes from other Community countries to Belgium

	1960	1961
Germany (Fed. Rep.)	2,000,000 m.t.	2,066,000 m.t.
France	250,000 m.t.	258,000 m.t.
Netherlands	800,000 m.t.	826,000 m.t.

In addition, the High Authority judged it desirable to adapt the restrictions more flexibly to the real movement of production and demand in the Belgian coal market: it therefore provided in Article 3 of Decision No. 25/60 that the tonnages fixed for each country might be raised on a ton-for-ton basis after due consultation with the countries concerned in deliveries to Belgium.

In view of the relations between the Community and third countries, the High Authority considered that the relaxation of the restrictions on intra-Community trade should be accompanied by a relaxation of those on imports from outside, and that the import quota should therefore be increased by the same percentage as the intra-Community trade quota. Imports of coal into Belgium, which in 1960 were limited to 600,000 metric tons, must in 1961 not exceed 620,000.

As in 1960, the Belgian Government will be expected to see to it that the process of reorganization is not hampered by large-scale unloading of pithead stocks. It will therefore retain in force its Decree of December 31, 1959, forbidding collieries to sell, without special authorization from the Ministry of Economic Affairs, more than 20% of the non-seasonal stocks held by them at the end of the year.

Subsidies

192. The High Authority in 1959 found it necessary, when authorizing the subsidies provided for in Section 26,4 of the Convention,¹⁾

¹⁾ See Decision No. 40/59, *Journal Officiel des Communautés Européennes*, August 18, 1959.

to stipulate that these were to be granted by the Belgian Government only on condition that the enterprises concerned definitely undertook to comply with the schedule of closures, and in so doing not to exceed a specified volume of production. The latter was fixed so as to ensure that the total production of coal other than anthracite in the Southern coalfields would not exceed 7,500,000 metric tons. The enterprises duly observed this requirement; the aggregate production of coal other than anthracite in the Southern coalfields came to precisely 7,580,814 metric tons.

193. It may be recalled that the maximum subsidizable production for 1959 was fixed at 8 million metric tons.¹⁾ In fact, the aggregate production of the subsidized collieries worked out at only 5,335,115 metric tons, thus well below the ceiling indicated.

The total amount paid out in subsidies was Bfr. 950,895,313. The maximum originally laid down had been Bfr. 926 million: it should be noted, however, that Bfr. 87 million of the total were made available in the form of repayable advances, and not of non-repayable subsidies proper.

194. *Subsidies in 1960.* — At its meeting in Strasbourg on January 13, 1959, when it was asked to approve the subsidizable tonnages for the coming year, the Council of Ministers requested that the proposals concerning subsidies for 1960 and 1961 should be submitted to it during the first half of 1960. The Belgian Government was not able to produce the relevant figures in time, so that it was only in September 1960 that the High Authority was in a position to lay the latest proposals before the Council.

By the terms of Decision No. 23/60,²⁾ taken by the High Authority following consultation with the Council, the Belgian Government was authorized to grant subsidies to collieries to a maximum total of Bfr. 683 million, in respect of a production of 4,200,000

¹⁾ See Decision No. 40/59, *Journal Officiel des Communautés Européennes*, August 18, 1959.

²⁾ See *Journal Officiel des Communautés Européennes*, December 16, 1960.

metric tons, calculated on the basis of the 1959 production of the collieries concerned. The subsidies were to be payable only to collieries called upon to bear additional operating costs as a result of natural conditions in the deposits and of obvious imbalances further burdening their costs.

The total sum granted, rather over Bfr. 683 million, is higher than that earlier mentioned by the Belgian Government, Bfr. 600 million. Again, however (see table following), part of this amount represents repayable advances; also, the whole amount is Bfr. 267 million lower than that authorized for 1959.

The production covered for 1960 is slightly more than 4 million metric tons, or just over half the tonnage authorized for 1959. This is somewhat less than the production actually subsidized during the year, which worked out at 5,300,000 metric tons.

195. Breakdown of subsidies for 1960

Collieries		Type	Production in 1959	Non-repayable subsidies	Repayable advances
No.	Coalfield		(M.t.)	(Bfr. '000)	(Bfr. '000)
1	Mons	bituminous " grade A " grade B	2 329 764	480 000	—
1	Centre	smokeless steam coal			
1	Liège	semi-bituminous anthracite			
1	Charleroi	semi-bituminous	73 655	30 000	22 750
2	Centre	bituminous grade A	1 740 013	—	151 000
1	Charleroi	smokeless steam coal			
1	Charleroi	anthracite			
1	Mons	low-volatile semi-bituminous			
1	Liège	anthracite			
10			4 143 432	510 000	173 750

196. *Subsidies in 1961.* — At the same meeting on September 29, 1960, the High Authority also laid before the Council the proposals submitted by the Belgian Government concerning subsidies to be paid in 1961. It reserved the right to make its authorization of these conditional upon compliance with production restrictions either along the same lines as those stipulated in its Decision No. 40/59 or in the form of individual production quotas.

At its meeting of November 11, 1960, the Council gave its agreement in principle to the High Authority's proposals concerning subsidies during 1961, provided such subsidies were linked to a system of production quotas for the enterprises subsidized, and provided fuller details were supplied as to practical arrangements for granting them in a manner calculated to ensure that they would in fact promote the process of reorganisation.

With the agreement of the Belgian Government, the High Authority accordingly worked out specific arrangements whereby the subsidies might be granted to the Belgian collieries in 1961 under Section 26,4 of the Conventional containing the Transitional Provisions. These proposals were submitted to the Council on January 10, 1961, and duly approved.

The High Authority thereupon authorized the Belgian Government to subsidize a volume of production not exceeding 3,300,000 metric tons in the Southern coalfields, up to a maximum of Bfr. 400 million.¹⁾ Subject to these limitations, subsidies may be granted provided the enterprises subsidized carry out the schedule of closures for 1961 and keep their production within the limits imposed. These are to be fixed quarterly, at such a level as to ensure that the aggregate production of coal other than non-subsidized anthracite in the Southern coalfields will not exceed 7,800,000 metric tons for the year 1961, as against 7,500,000 for 1959. (It should be borne in mind that the 1959 figure was calculated exclusive of all anthracite production, whereas the 1961 figure includes 1,200,000 metric tons of anthracite produced by subsidized collieries: the current ceiling therefore in

¹⁾ See *Journal Officiel des Communautés Européennes*, January 25, 1961.

fact represents a reduction of 900,000 metric tons in respect of the other grades from the Southern coalfields.)

Within this overall limit, individual production quotas for the subsidized collieries are to be imposed by the Belgian Government at quarterly intervals under High Authority supervision. The High Authority will check, with the help of the Belgian authorities, whether the production figures of the individual subsidized enterprises are within the prescribed limits: should it discover that an enterprise is exceeding its quota, that enterprise will forfeit any further subsidy to which it would otherwise be entitled.

Special measures to combat the effects of the crisis

197. Although the various reorganization measures are essential if the Community coalmining industry is to be properly adjusted to the new situation, some time must necessarily elapse before they begin to produce definite results. To cushion the effects of the continuing imbalance, the High Authority has taken a number of measures which have been already described in previous Reports.¹⁾ We here briefly outline further developments in this connection during 1960. The High Authority's work in 1960 in the labour field is described in Chapter Five following, which includes an account of the "E.C.S.C. allowance" granted to Belgian miners, and the High Authority's activities with regard to readaptation and industrial redevelopment.

German imports of third-country coal

198. The difficulties experienced by all the Community collieries in marketing their production were originally felt with exceptional severity in the Federal Republic of Germany, where, for reasons already noted, larger and larger tonnages of third-country and more particularly of American coal were being imported all the time. To prevent the market from becoming altogether swamped, the High Authority in January 1959 recommended the Federal Government to impose a temporary duty of DM.20 on every ton of third-country

¹⁾ See in particular *Seventh General Report*, Nos. 40-46, and *Eighth General Report*, Nos. 56/64, 54, 134 and 140-148.

coal entering the country in excess of a duty-free quota of not less than 5 million metric tons for 1959. Both the duty and the quota were reimposed unchanged for 1960.¹⁾

The movement of German imports of third-country coal has been as follows :

('000,000 m.t.)

	Total imports	Imports from U.S.A.
1957	17,234	15,991
1958	12,916	11,215
1959	5,956	4,617
1960 (provisional)	5,572	4,448

199. The German regulations introduced to implement the High Authority's recommendation expired on December 31, 1960. The High Authority re-examined the position and decided that the factors warranting some degree of tariff protection for the Federal Republic were still present, but that in view of the steadier market conditions and the improved employment situation in the German coalmining industry the import restrictions might now be relaxed somewhat by raising the duty-free quota. It therefore, on November 3, 1960, conveyed a fresh recommendation to the Federal Government,²⁾ in accordance with Articles 57 and 74 of the Treaty, to the effect that the Government should arrange for the quota to be increased for 1961 to 6 million metric tons, the duty on imports in excess of this figure to remain fixed at DM.20 per metric ton.

By the term of their previous undertaking, the other member States must continued to afford "mutual aid" to the Federal Government by checking the origin of coal entering the Federal Republic from their territories.

Assistance in financing stocks

200. Payments under the scheme first introduced in November 1958 by the High Authority to ease the burden placed on producers by the

¹⁾ See *Eighth General Report*, Nos. 10 and 41.

²⁾ See *Journal Officiel des Communautés Européennes*, November 19, 1960.

abnormal accumulation of stocks liable to endanger continuity of employment were continued in 1960 until the funds earmarked for the purpose were exhausted. As it happened, the pile-up of pithead stocks was in any case coming to an end about then.

The last payments in this connection were approved by the High Authority in October 1959.

Total assistance under this head since the arrangement was first instituted works out very close to the 7 million E.M.A. units of account initially set aside by the High Authority. The breakdown by countries is as follows:

Repayable advances

Germany (Fed. Rep.)	5,074,000	E.M.A. units of account
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Non-repayable grants

Belgium	990,500	" " "
France	589,100	" " "
Netherlands	37,900	" " "

	6,691,900	E.M.A. units of account
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THE STATE OF THE COAL MARKET IN 1960

General situation

201. The precautionary measures decided on by the High Authority and the various adjustments made by the Governments and the producers helped to reduce the imbalance in the coal market during 1960. The improvement is clearly apparent from the comparative hard-coal and hard-coal-briquette figures for 1959 and 1960.¹⁾

¹⁾ The balance shown in each case is made up of a number of elements (producers' stocks, importers' stocks, etc.), but is here given lumped together for the sake of simplicity.

('000,000 m.t.)		
	1959	1960 ¹⁾
Production	234.9	233.9
Pitch for briquetting purposes + correction for low-grade fuels	1.4	1.4
(Production forfeited by short-time working owing to poor sales)	(12.3)	(5.8)
Imports from third countries	19.2	17.8
<i>Total availabilities</i>	255.5	253.1 —2.4
Collieries' own consumption	30.9	30.9
Internal demand	212.3	220.—
Exports	4.2	3.6
<i>Total requirements</i>	247.4	255.4 +8.0

¹⁾ Estimated figures.

Thus the Community's position improved from one year to the other by something like 10,500,000 metric tons, while the production forfeited by short-time working diminished by 6,500,000.

202. Alongside the precautionary measures and adjustments, a major factor in the improvement was the high level of internal demand, sustained by the exceptional rate of all-round industrial expansion.

Demand for coal

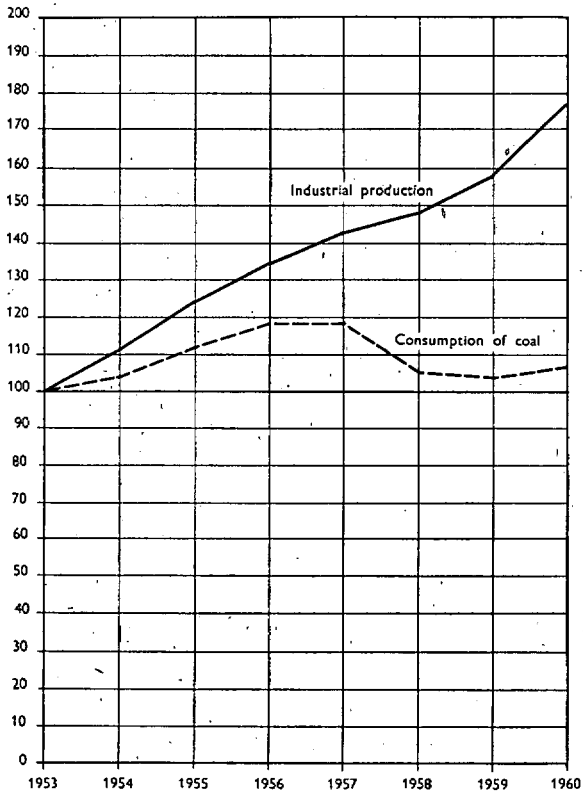
203. Overall demand for hard coal in the Community, after falling steadily from early 1958 onwards, rose again in 1960 to slightly above the level for 1959: the figures were 258 million metric tons in 1958, 243 million in 1959 and 252 million in 1960.

('000,000 m.t.)				
Year	1st quarter	2nd quarter	3rd quarter	4th quarter
1958	67.6	62.0	63.2	65.5
1959	61.9	57.9	58.2	65.4
1960	63.7	60.8	61.3	66.3 ¹⁾

¹⁾ Provisional figures.

GRAPH No. 1

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



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

The fall in demand thus ceased in the fourth quarter of 1959, and in consequence of the extremely high rate of economic expansion gave place to a rise during the first nine months of 1960, though this showed signs of slackening in the fourth quarter.

204. The improvement at the beginning of the year is still more noticeable if we compare the figures for *real consumption*, i.e. allowing for changes in consumers' stocks of hard coal and producers' and consumers' stocks of coke. Consumption in the fourth quarter was, however, lower than in the fourth quarter of 1959, as may be seen from the following table.

('000,000 metric tons)

Year	1st quarter	2nd quarter	3rd quarter	4th quarter
1958	65.1	59.0	60.3	65.6
1959	61.5	58.0	57.9	68.3
1960	65.6	61.4	60.3 ¹⁾	67.2 ¹⁾

¹⁾ Provisional figure.

205. Total demand for hard coal in 1960 was 3.4% higher than in 1959 and 2.8% lower than in 1958. Real consumption, on the other hand, was higher in 1960 than in either of the two preceding years, 3.4% above the figure for 1959 and 1.6% above that for 1958.

206. The increase in demand came mainly from the carbonization sector. The coking-plants produced more to meet the iron and steel industry's requirements of coke-oven coke, as pig-iron production increased by no less than 16% over 1959: this latter fact, however, did not result in an exactly corresponding rise in the volume of coke sales to that industry, as the steady reduction in the coke rate of the blast-furnaces continues.

The activity of the thermal and pithead power-stations showed a falling-off, despite a 12% increase in the demand for electric current and the commissioning of further new capacity; this was due to exceptional climatic conditions, the average water level remaining

unusually high throughout 1960. In the industrial sector as a whole (exclusive of the iron and steel industry) and in the household sector the demand for coal remained unchanged. In the case of the railways and the gasworks the pattern of consumption is changing too rapidly for general economic expansion to make much difference.

207. Total demand for coal was below average in France and Belgium, owing more particularly to the high water level in France and to the slower rate of economic expansion in Belgium. In Germany, on the other hand, it increased by over 3%, notwithstanding the very marked advance of fuel oil, while in the other Community countries sales were up by more than 4% over 1959.

208. *Changes in the Demand for Hard Coal and Hard-Coal Briquettes*

(%)

Country	1959/1958	1960/1958 ¹⁾	1960/1959 ¹⁾
Germany (Fed. Rep.)	-6.9	-3.5	+3.6
Belgium	+3.6	+4.5	+0.9
France	-6.8	-5.8	+1.0
Italy	-8.7	+5.2	+15.2
Luxembourg	-4.2	—	+4.4
Netherlands	-4.7	-9.3	+4.6
Community	-5.8	-2.8	+3.2

¹⁾ Provisional figures.

Trade between Community countries

209. The volume of trade in *hard coal and hard-coal briquettes* increased in 1960 (+7.4%), but less markedly than in 1959.

By reason of the restrictions imposed on trade in hard coal and hard-coal briquettes between Belgium and the other Community countries under the High Authority's Decision No. 46/59, Belgian net procurements in 1960 amounted to only 1 million metric tons as

against 1,500,000 in 1959. Italian procurements were considerably larger than in the previous year: purchases from Germany alone increased by 1,400,000 metric tons.

210. Trade in *coke-oven coke* between Community countries rose by 16.4% as a result of the stepping-up of activity in the iron and steel industry. Deliveries by Germany, the Community's main supplier, totalled 7,800,000 metric tons as against 6,800,000 in 1959, chiefly in consequence of increased sales to Luxembourg and to France.

The Netherlands also became a larger net supplier by selling increased tonnages to France and Germany.

Trade between the Community and third countries

Exports to third countries

211. Exports of hard coal and coke to third countries remained small: they now, incidentally, represent only 3.5% of total demand. Exports of hard coal and hard-coal briquettes fell from 4,200,000 metric tons in 1959 to 3,600,000 in 1960. The shrinkage was particularly marked in the case of Germany, mainly as a result of a drop in deliveries to the Eastern Zone. Exports of coke-oven coke, on the other hand, totalled 4 million metric tons in 1960 as against only 3,400,000 in 1959, largely in consequence of an upturn in the flow of deliveries by Germany to Scandinavia.

Imports from third countries

212. Imports of hard coal, which had already been reduced to 19,200,000 metric tons in 1959, dropped again in 1960 to 17,800,000. This further decline was to a great extent the result of the import restrictions in force in some Community countries.

The biggest decreases were in Belgium (—37%), France (—13%) and Germany (—18%): in the case of the other three countries the reduction was less than 4%.

The shrinkage in imports principally affected deliveries from the United States, the main supplier country, which dropped from 14 million metric tons in 1959 to 12,500,000 in 1960. Imports from other sources, however, also fell with the exception of those from the United Kingdom.¹⁾

Community production

Production of coke-oven coke

213. The satisfactory trend in international demand and exports caused the production of coke-oven coke to be stepped up, though not at the rate suggested by the expansion in demand. This lag between the rise in demand and the rise in production to meet it was due to the reverse trend in stocks of coke at the coking-plants: whereas in 1958 and 1959 production had been kept going by allowing stocks to accumulate, in 1960 the producers tended rather to run down their stocks.

Broken down by countries, the production of coke-oven coke shows an increase on 1959 in all parts of the Community.

214. Production of Coke-oven Coke

('000,000 m.t.)

Country	1958	1959	1960 ¹⁾
Germany (Fed. Rep.)	47.6	42.7	44.5
Belgium	6.9	7.2	7.5
France	12.5	13.1	13.6
Italy	3.4	3.1	3.7
Netherlands	4.1	4.1	4.5
Community	74.4	70.2	73.9

¹⁾ Provisional figures.

¹⁾ See *Statistical Annex*, Table No. 6.

Stocks of coke-oven coke at the coking-plants stood at the end of 1960 at 6,600,000 metric tons as against 8,600,000 at the end of 1959. The decrease was particularly marked in Germany, where the level fell by 1,600,000 metric tons during 1960.

Production of hard coal

215. Actual production of hard coal in the Community as a whole was rather lower than in 1959, though the figures varied from one coalfield to another. It amounted to 233,900,000 metric tons in 1960 as against 234,900,000 in 1959 and 246,400,000 in 1958. The biggest decrease from the 1958 level was in Belgium, by reason of the special measures described earlier. Production also fell in Germany and in France, though in the Netherlands a small increase was recorded.

216. Production of Hard Coal by Countries

('000,000 m.t.)

Country	1958	1959	1960 ¹⁾	Change in %	
				1960/59 ¹⁾	1960/58 ¹⁾
Germany (Fed. Rep.)	149·0	141·8	142·3	+0·3	-4·5
Belgium	27·1	22·8	22·5	-1·3	-17·0
France	57·7	57·6	56·0	-2·9	-3·0
Italy	0·7	0·7	0·7	0	0
Netherlands	11·9	12·0	12·5	+4·3	+5·2
Community	246·4	234·9	233·9	-0·4	-5·1

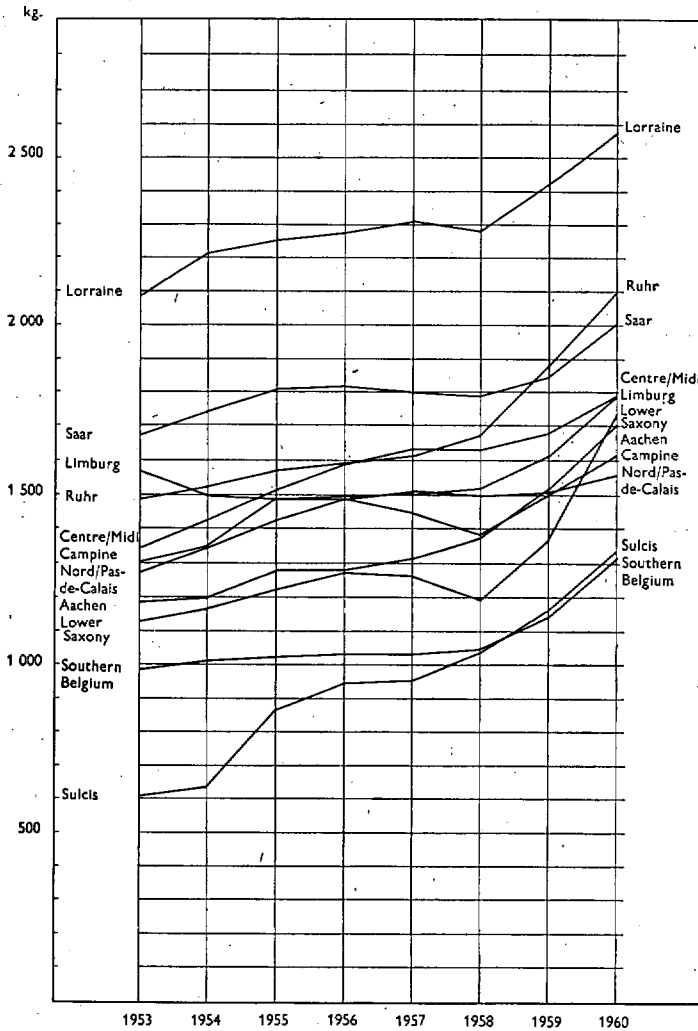
¹⁾ Provisional figures.

217. *Underground output per man/shift* in the Community continued to rise, showing an increase of 10% over 1959. At the end of 1960 the Community average stood at 1,961 kg. as against 1,819 kg. in 1959. All the Community coalfields have recorded an upward trend since 1953,¹⁾ which in most of them has been especially marked in

¹⁾ See Graph No. 2.

GRAPH No. 2

Hard Coal
Movement of Underground output per man/shift



the last two years. In the case of Germany the improvement has been particularly fostered by the introduction of new working schedules in May 1959.

The number of *underground workers* on the books decreased by 54,700 during 1960, mainly in the Ruhr and Southern Belgium.

218. *Numbers of Underground Workers on the Books*

(*'000 men*)

Country	End 1958	End 1959	End 1960 ¹⁾
Germany (Fed. Rep.)	364.9	326.0	297.7
Belgium	98.3	84.4	71.5
France	141.1	136.4	125.2
Italy	3.0	2.8	2.5
Netherlands	31.1	29.5	28.2
Community	638.5	579.1	525.1

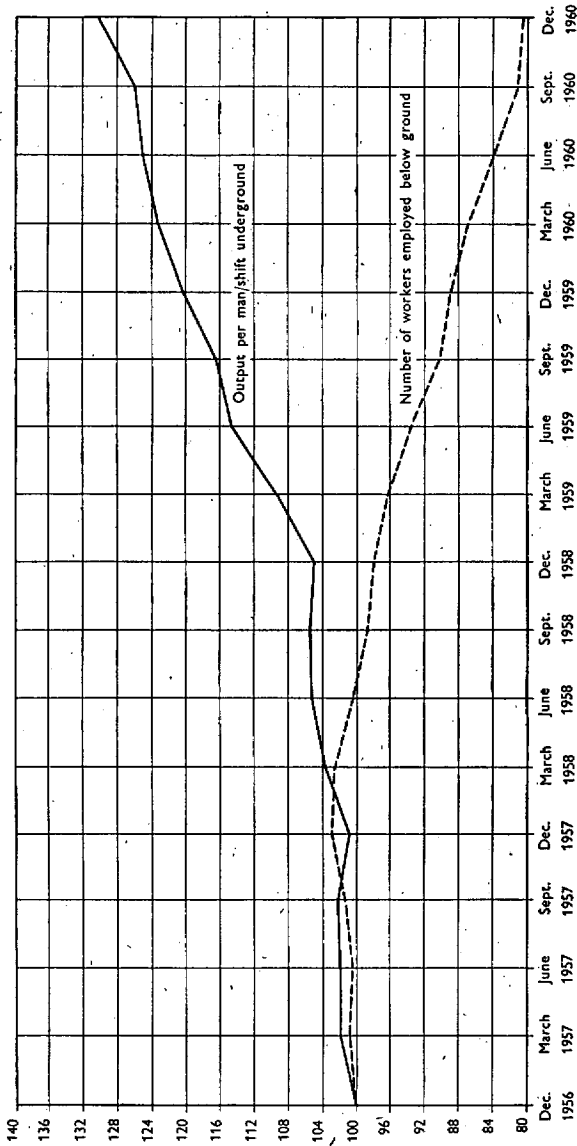
¹⁾ Provisional figures.

Graph No. 3 shows the contrasting trends in underground output and underground personnel strengths over the past few years.

219. Notwithstanding higher demand and lower imports, availabilities in some Community countries still exceed requirements, which made it necessary in a number of collieries to resort to *short-time working owing to poor sales*. Overall, the production so forfeited amounted to 5,800,00 metric tons, as against 12,300,000 in 1959. The incidence of short-time working was for some months still fairly high in the Belgian coalfields, the French Centre/Midi and Lorraine and the Saar.

It decreased, however, during the second half of the year. Production losses, which in the first two quarters were running at some 700,000 metric tons a month, dropped later to only 200,000 and are now concentrated entirely in Belgium and the Centre/Midi.

GRAPH No. 3
 Comparative Indices of Output per Man/Shift Underground and
 Number of Workers Employed Below ground in the Community



220. As a result of the improved state of the coal market, *pithead stocks* began to go down in June 1960: after gradually climbing from 31,200,000 metric tons at the end of 1959 to 31,900,000 in May 1960, they dropped steeply to 27,700,000 at the end of December 1960. In contrast to this movement for the Community as a whole, French stocks rose from 11 million metric tons at the end of 1959 to 13,300,000 (including some 6 million metric tons of saleable products) at the end of 1960. This was largely due to lower production than usual on the part of the thermal power-stations, in consequence of the exceptionally high water level.

Price trends

Prices of Community coal

221. The movements of prices for Community coal were dictated by two opposing sets of factors: they tended to be pushed up by the comparative rigidity of production costs, always inherent in the operating conditions of the coalmining industry and at present accentuated by the effects of the market situation on prices and wages, while on the other hand every effort had to be made to keep them down owing to the changes now in progress in the pattern of energy, and particularly of coal, consumption.

These factors operated in different degrees in the different coalfields. Producers in most parts of the Community were more influenced by those obliging them to differentiate their schedule prices; in Belgium, on the other hand, the state of the market necessitated a further price adjustment, leading to reduction in the schedule prices for all grades.

The changes in the price schedules of the Community coal producers are part and parcel of the industry's general drive to adapt itself to its new situation: this was facilitated by the fact that Community producers are allowed to align their quotations with the delivered prices of third-country suppliers and of the more favourably placed Community producers.¹⁾

¹⁾ See No. 270 below.

222. On January 1, 1960, following the abolition of the enterprises' contribution to the miners' housing fund, the Ruhr,¹⁾ Aachen and Lower Saxon coalfields made compensatory changes in their prices and the make-up of their schedules. These widened the price spread so as to show the prices of type and grades particularly exposed to competition only very slightly increased. For the household grades the opening of the price spread was more considerable, with the effect of lowering the prices of most grades. The prices of coking fines, coke-oven coke and high-volatile coal were not reduced.

On April 1, 1960, the beginning of the coal year, no changes were made in the basis prices of the Ruhr: both there and in the Aachen and Lower Saxon coalfields, however, the price differentials were further increased by means of summer discounts and winter supplements. Aachen in addition reduced its prices for semi-bituminous and low-volatile coal and anthracite, and Lower Saxony for semi-bituminous coal and anthracite.

The schedule prices of the Saar collieries remained unchanged.

223. The 17.5% devaluation of the French franc in December 1958, was followed in January 1959 by an increase of only 11% in French coal prices, leaving the French industry with a price advantage of some 6%.

Changes were, however, introduced on March 21 and April 1, 1960, reductions being made in the price for low-volatile small coal and small anthracite, and increases in those for certain grades of other types, including coking coals.

The practical effects of the increases were not felt for some months, owing to the introduction of higher summer discounts.

224. In Belgium, as part of the reorganization drive, the High Authority has consistently impressed it upon the Government and the producers that the latter must go ahead with the adjustment of their prices.²⁾

¹⁾ See *Eighth General Report*, No. 54.

²⁾ See *Eighth General Report*, No. 70.

In 1960, the Comptoir Belge des Charbons (Cobechar) published schedules containing reductions on January 16, February 10 and March 3. The new prices were fixed with due regard for the reductions already effected by the collieries not belonging to Cobechar, and for the need to bring Belgian prices, particularly for the industrial grades, more into line with those of the other Community coalfields.

A comparison of pithead prices¹⁾ for the main types of hard coal shows that substantial progress was made in this respect between April 1957 and January 1961. Thus the difference for coking fines in April 1957 was 3.85 units of account, but by January 1961 it had shrunk to 0.13; similarly, the difference for high-volatile bituminous No. 5 nuts went down from 3.66 to 0.71 units. Considerable reductions were also recorded for semi-bituminous No. 4 and high-volatile No. 3 nuts. In the case of low-volatile No. 3 and, in particular, of anthracite No. 3 nuts, though there too the gap was somewhat narrowed, the pithead prices of the Belgian collieries are still well above those of the Ruhr. All in all, however, for a number of types the delivered prices are now almost level.

The downward trend which set in in 1959 thus continued in 1960 in the schedules both of the Cobechar and of the non-Cobechar collieries. A comparison of the schedule of March 3, 1960, with that of June 15, 1959 (drawn up under the first reorganization programme), shows reductions of between Bfr.15 and Bfr.35 per metric ton for all washed duff, slacks and slurries, between Bfr.100 and Bfr.150 for low-volatile and anthracite nuts of 6-10mm., and up to Bfr.180 for dry steam coal, as well as reductions of up to Bfr.50 for other types.

At the end of 1960, the Belgian collieries not affiliated to Cobechar were charging lower prices for all sizes below 20mm. of bituminous coal grade A (Bfr.10-20 less per metric ton), low-volatile coal (up to Bfr.125 less per metric ton for nuts of 50-80 mm.) and anthracite (up to Bfr.75 less per metric ton for washed duff).

¹⁾ See *Statistical Annex*, Table No. 13: Ruhr and Belgian (Cobechar) pithead prices.

Cobechar published a fresh schedule on January 1, 1961. (The prices shown in its schedules are binding on all its member enterprises, *i.e.* all the Belgian collieries but three). The new prices included reductions of between Bfr.10 and Bfr.80 on all types below 10 mm. (slurries, slacks and fines), and also on semi-bituminous and low-volatile coal and anthracite in the 5-10 and 6-12mm. ranges. The reductions for coking fines varied from Bfr.10 to Bfr.20 in the different coalfields.

225. The Netherlands collieries reintroduced in January 1960 the same arrangements as they had made at the beginning of 1959. As from January 1, 1960, rebates were allowed in respect of industrial coal on contracts concluded for not less than one year starting from April 1: these rebates anticipated the prices due to come into force from April 1 for all sales. They amounted to Hfl.1.00 per metric ton for nuts above 30 mm. in the case of anthracite and of low-volatile and semi-bituminous coal, and up to Hfl.6.00 for 10-18mm. nuts of dry steam coal (*rookzwak*). The most substantial reductions were for the industrial grades, coking coal and blast-furnace coke.

Prices of third-country coal

226. The prices of American coal f.o.b. Hampton Roads have scarcely changed since January 1960: they still stand at approximately \$8.50 per long ton for bituminous slacks (steam-raising coal) and \$9.50-10.00 for coking coal. On the basis of the latest single-voyage freight-rates known and the f.o.b. prices just quoted, the prices c.i.f. Rotterdam work out at \$12.00-12.50 and \$13.00-14.00 per long ton respectively. These c.i.f. prices are highly competitive *vis-à-vis* the schedule prices for Community-mined coal. A number of producers are, therefore, freely availing themselves of their entitlement under Article 60 of the Treaty to align their delivered prices with those for third-country coal.¹⁾

¹⁾ See No. 270 below.

British coal exported to the Community is mostly quoted at prices round about the American level. The price level of Polish coal is less stable, commonly working out below that of other third-country coal.

SHORT-TERM OUTLOOK

227. Notwithstanding recent developments in the oil sector, coal remains the principal source of primary energy available to the Community.

Present facts and forecasts as to the immediate and medium-term future indicate that the improvement recorded during 1960 is a precarious one. There can therefore be as yet no question of abandoning the precautionary measures adopted, for this would be to risk stultifying all that has been done in the last two years and jeopardizing the ultimate adjustment of the Community coalmining industry to the changed conditions in the energy market.

It is accordingly essential to make the most of the temporary safeguards now in force, by adapting operational methods, stepping up productivity, lowering production costs and ensuring more efficient utilization of solid fuels, with a view to strengthening the position of coal in the energy market of the Community.

228. Although the coal situation in the Community did definitely look up during 1960, the short-term prospects — *i.e.* as to developments in two or three years' time — are far from clear-cut. The improvement in 1960 was, it is realized, achieved only thanks to exceptional economic conditions.

229. It is true that in 1961 the industrial-production index is expected to show an increase of 6.5%, with pig-iron production 3% above its 1960 level. In consequence, however, of the reduction in the coke rate at the blast-furnaces, due chiefly to the rapid expansion of iron-ore sintering, the actual tonnages of coke consumed by the iron and steel industry will probably remain unchanged, so that, owing to the

decline in the demand for coke in other industries, in the household sector and for export, the coking-plants will in fact produce less than in the previous year.

230. On the other hand, assuming average rainfall and climatic conditions and unchanged price conditions in the energy market, the thermal power-stations should, as a result of the expected continuing increase in electricity requirements, increase their share in total coal consumption, though not to such an extent as to offset the losses in the other sectors. Thus in spite of the auspicious economic outlook in general, overall demand is bound to decrease further. In the medium term, any levelling-off in expansion, and of course still more a recession, would mean a decided worsening in the position of coal.

231. As always, the trend in demand varied from one country to another, according to the share represented by coal in the total energy consumption of the country concerned and the rate of expansion of the big coal-consuming industries there. In Italy, an extreme case in which coal in 1959 accounted for only 16% of total energy consumption, the general demand for coal is expected to remain at its present level by reason of the rapid expansion of the iron and steel industry. In Germany, on the other hand, where solid fuels in 1959 accounted for 79% of total energy consumption and the iron and steel industry will probably expand less swiftly, competition for markets is likely to continue keen.

232. The immediate prospects for coal are such as to require the High Authority to be constantly on the alert. It will continue to attach particular importance to the speedy adjustment of coal production to the rapidly-changing conditions in the energy market. It intends to push ahead, in co-operation with the Governments and the enterprises, with the work of improving the competitive position of Community coal, and of stabilizing production at a level compatible at once with security of supply, optimum energy prices for the Community as a whole, and the practical possibilities open to the industry for carrying out the necessary adjustment.

233. The High Authority fully realizes that one of the first essentials for achieving these objectives is the co-ordination of the six countries' import policies with regard both to coal and to petroleum products. It considers this to be one of the most indispensable prerequisites for the harmonious development of the Common Market.

Section 2: The State of The Steel Market

GENERAL SITUATION

234. Business was extremely brisk in the Community steel market during 1960. In particular, it may be noted that prices remained steady even though international consumption was 20% higher than in 1959, and exports rose almost as much. The only major price increase was in France, where the effects of the earlier devaluation had not hitherto been reflected in the price level. In the other countries, indeed, the schedule prices for some products even showed signs of decreasing, as for instance in the case of sheet, the production costs for which had been lowered as a result of technical improvements. (In the United States and the United Kingdom a similar development with regard to the prices of high-grade products had taken place some time previously.) When a slight temporary imbalance occurred during the autumn between demand and supply, producers immediately showed a tendency to align their prices with the lowest schedule prices in the Community.

This trend is certainly in part the result of the establishment and consolidation of a broader market. Since the Common Market was introduced, average steel prices in the Community haven risen less than in the United States and the United Kingdom, though it is true that they were in 1953 higher than in either of these countries.

235. The iron and steel enterprises stepped up their production sufficiently to cover both international and export demand. Internal requirements in the Community have increased by 75% in eight years, as against 50% in the United Kingdom and 7% in the United States.

Raw-material prices underwent various changes between 1952 and 1960, but the total increase over the period as whole was inconsiderable.

The high rate of self-financing in the investment effected, together with the increase in wage costs, suggests, in view of the comparative stability of steel prices, that productivity has risen substantially. This vigorous investment activity and the resulting increase in productivity were, of course, very much favoured by the almost continuous expansion in demand.

236. Stable prices and adequate production capacity also made for greater confidence on the part of consumers, who in spite of the high level of business activity refrained both from placing unduly large orders and from building up unnecessary stocks, with the result that the balance of the market was not disturbed and the very marked cyclical fluctuations which previously always occurred were in this instance on a comparatively minor scale. Maximum normality in the state of the iron and steel market has an excellent effect both on the consumers and on the industry itself, and also on the coalmining industry which supplies some of the necessary raw materials; at the same time it operates to the advantages of economic development in general.

237. It is the task of the E.C.S.C. institutions to assist this favourable trend by ensuring compliance with the rules of competition; facilitating short-term market action by the publication of quarterly programmes with forecasts; furnishing guidance for long-term policy by drawing up General Objectives and by making available financial grants to aid technical research and loans for the development of iron-ore resources, sintering facilities and improved methods of pig-iron production in the blast-furnaces; and issuing opinions on projected capital schemes in line with its General Objectives.

238. 1960 is the first year for which it is possible to compare actual development in the market with the forecasts drawn up by the High Authority in 1956 for its General Objectives. Such comparison shows that the expansion which has taken place in the steel market

does correspond pretty well with that suggested in the forecasts. In the coal market the change which set in in 1957-58 in the pattern of consumption — involving *inter alia* the gradual displacing of coal by other sources of energy — resulted in considerable deviations from the trend forecast.¹⁾

Steel production in 1960 totalled 72,800,000 metric tons, which was just about the figure indicated in the 1956 forecasts (published in 1957), namely assuming a buoyant internal and export market throughout the year, an "upper limit" of 73,500,000 metric tons. Internal consumption was somewhat below the level forecast, but net exports amounted to 11 million ingot tons as against a forecast figure of 10 million.

The scrap gap did not exceed the forecast figure of 2 million metric tons; the forecasts for availabilities from own arisings and scrap recovery proved accurate.

The coke rate at the blast-furnaces fell to about 880 kg. per metric ton of pig-iron produced, as against a forecast figure of 910 kg. For this reason, and also because pig-iron production was in the event lower than had been expected, the tonnage of coke actually consumed by the iron and steel industry was below that indicated in the 1959 forecasts.

Iron-ore production, except in France, worked out slightly lower than had been forecast.

239. Despite the vigorous expansion in the iron and steel industry, the High Authority continued to follow with close attention the trend in the world steel market and the constant fluctuations in the steel requirements of the Community. In particular, it endeavoured to work out whether the demand for rolled products might be expected to increase up to 1965 in step with the production potential indicated by the investment declarations it had received.

¹⁾ See No. 306 below.

IRON ORE

Extraction and stocks

240. After remaining more or less unchanged at approximately 87,500,000 metric tons for three years, the extraction of crude iron-ore in the Community in 1960 resumed its upward trend by showing an 85% increase, the total figure for the year being 95,800,000 metric tons (see Graph No. 4).

As usual, the French orefields were responsible for the better part of this increase. The German mines also, despite their unfavourable operating conditions and the poorer quality of their ores, succeeded in expanding their output to some extent. Luxembourg, Italian and Belgian output either equalled the 1957 record level or ran it very close.

241. Stocks at the Community mines at the end of 1960 totalled 8 million metric tons. This represents the output of approximately four weeks, about the same proportion as in previous years. In all countries except France efforts were made during 1960 to run down the abnormally high stocks accumulated in 1959, but for the Community as a whole the decrease was more than offset by the increase in French stocks.¹⁾

Stocks at the iron and steel works again rose during 1960 by some 400,000 metric tons, to a total of 7,300,000.

Trade in iron ore

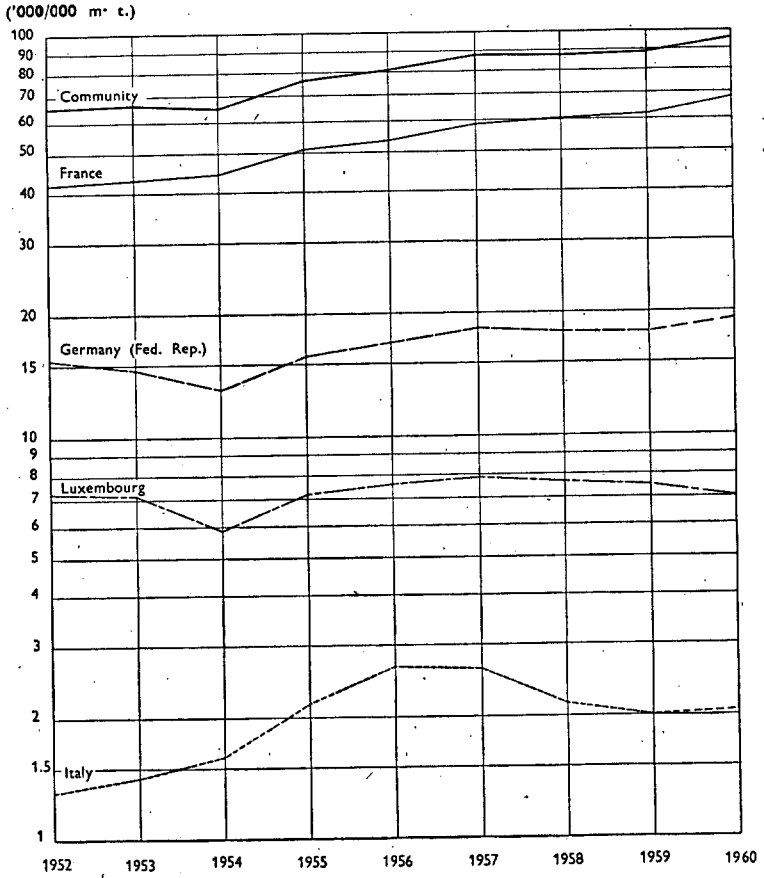
242. The fall in Community iron ore exports to third countries touched bottom in 1959 with 720,000 metric tons: in 1960 they increased for the first time in three years, to 860,000 metric tons.

Imports from third countries soared to a peak, 30 million metric tons, far above the unusually low level of 23 million at which

¹⁾ See *Statistical Annex*, Table No. 20.

GRAPH No. 4

Extraction of Crude Iron Ore in the Community



they had stood for some years. Swedish ore is always in pretty regular demand, with only slight ups and downs, but the other suppliers, more affected by fluctuations in requirements, were almost all of them able in 1960 to benefit by the Community's need to import large quantities of ore and so to deliver to it considerably greater tonnages than in 1959.¹⁾ The rising demand for overseas ores also led to percentage increases in imports from America, Africa, and Asia. The proportion of ores imported from European sources declined, with the exception of those from Spain: in absolute figures, however, imports from third countries within Europe remain higher than any others.

243. Trade in iron ore between Community countries increased in the first six months of 1960 by 8% over the second six months of 1959. This was a continuation of a trend which has been uninterrupted since 1952, chiefly in respect of French sales to Belgium and Luxembourg, but also to some extent of those to Germany.²⁾

Ore sintering and blast-furnace coke rate

244. Alongside the increase in the proportion of high-grade third-country ores used in blast-furnace burdens, there was a startling rise from 1959 to 1960 in the proportion of sintered fine ores — natural or obtained by crushing — in total Community consumption: this went up from 26 to 34 million metric tons, *i.e.* by 30%.

Burden enrichment and the increased use of sintered ore were the two main reasons for the 3.3% drop (from 910 to 880 kg.) in the blast-furnace coke rate from 1959 to 1960. With absolute coke consumption unchanged, the output of the blast-furnaces rose accordingly. Thus the Community input rate of blast-furnace coke has been brought down from 970 kg. per metric ton of pig-iron produced in 1955 to 880 kg. in 1960.

¹⁾ See *Statistical Annex*, Table No. 22.

²⁾ See *Statistical Annex*, Table No. 21.

The increase in sinter production sent fuel consumption in the sintering-plants up from 23 to 41 kg. per ton of pig-iron. The overall coke rate remained more or less the same from 1955 to the beginning of 1958, so that the saving, amounting in all to almost 10%, has been achieved exclusively during the past three years.

Prices

245. Schedule prices for iron ore remained unchanged in 1960.

Prices for imported ore also remained at the same level as in 1959, which had been markedly lower than the year before.

SCRAP

General situation

246. Notwithstanding the high level of activity in the iron and steel industry, there was at no time in 1960 any noticeable tightness in the Common Market for scrap. Owing to the sharp increase in demand and to the percentage decrease in enterprises' own arisings as a result of the revival in business activity, the scrap position had to be balanced by slightly larger imports, amounting to about 1,900,000 metric tons as against the very low 1959 figure of 1,190,000. The overseas markets were, however, so abundantly supplied that even these larger tonnages were secured at lower prices than before.

Nevertheless, the buyers' market overseas is only one reason for the balanced position now prevailing: the main reason, as in 1959, is the increasing supply of collected scrap in the internal market, which rose further in 1960 by 1,700,000 metric tons to a total of 13,800,000. Most of the increase is represented by process scrap, the proportion of capital or salvage scrap from the war and post-war periods being at present a good deal smaller.

Stocks at the works dropped again to their late-1958 level of 3,200,000 metric tons, but this does constitute a reserve equivalent to three to four months' purchases.¹⁾

¹⁾ See *Statistical Annex*, Table No. 23.

During the first half of 1960 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, a trend that had originally become observable in 1958. However, once the easing of the scrap market was felt to have come to stay, and it was seen that the steeper rise in demand was being met without price changes, the scrap input rate at the steelworks went up once more.

New pig-iron production capacity was completed, so that theoretically the integrated steelworks could have had larger tonnages of pig-iron available for their use, but as it turned out cost considerations during the latter part of the year decided them in favour of stepping up the input of scrap instead. By the fourth quarter specific scrap consumption was back to approximately the same level as in 1957. As a result, the average specific scrap-consumption for the whole year was only very slightly below that for the year before.

Trade and prices

247. Trade in scrap within the Community, which had already increased considerably in 1959, to a total annual volume of 2,700,000 metric tons, rose again in 1960 by a further 800,000 metric tons. In particular, there was a substantial increase in Italian procurements from Germany and France, representing 60% of the Italian iron and steel industry's total requirements of bought scrap; larger tonnages of scrap were also delivered from Belgium and the Netherlands to Germany.¹⁾

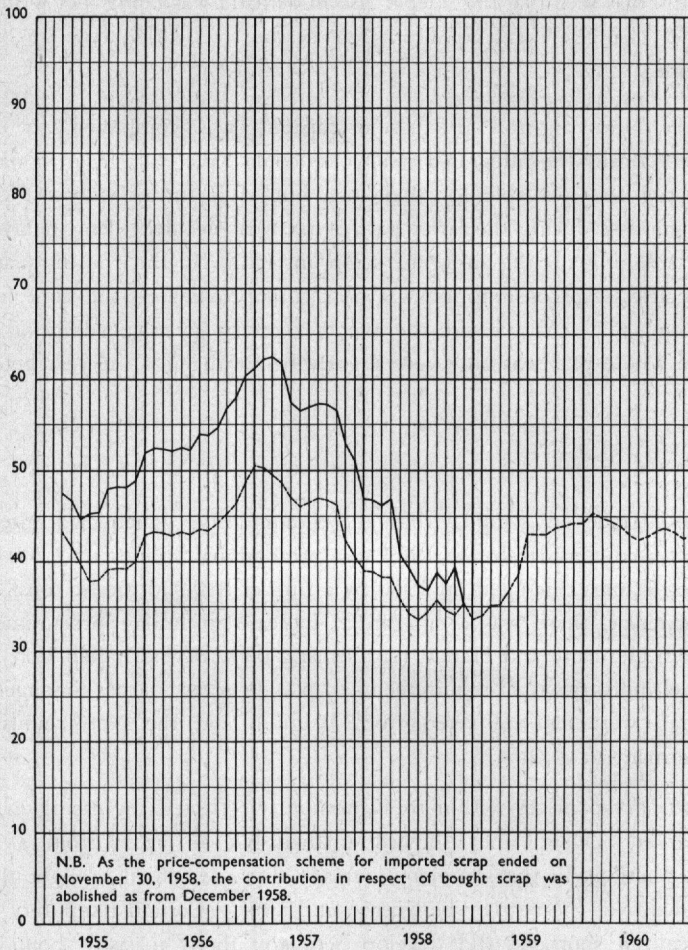
248. Scrap prices within the Community reflected the easing in the market. Overall they showed a small but — apart from a few fluctuations in the summer — steady decrease which brought them down over the year by between 5 and 10%. Certain temporary and localized shortages did develop here and there — as is bound to happen from time to time in individual sectors when the industry is

¹⁾ See *Statistical Annex*, Table No. 24.

GRAPH No. 5

Scrap Prices in the Community

(E.M.A. units of account)



----- Scrap price within the Community (delivered works, adjusted to Category 11)
 - - - - - Community price + contribution in respect of bought scrap

doing exceptionally good business — and gave rise to price increases, but these invariably either quickly evened out of their own accord or were corrected by the influence of import prices.

In the United States, as a result of a sharp drop in home demand, the composite price fell from \$42.00 in January 1960 (which had also been the average figure for 1959) to \$28.50 in December. This was the lowest level since 1954, bringing the landed price down to a figure either equal with or only very slightly above the internal Community scrap price in the country of destination.

Winding-up of the compensation scheme

249. The winding-up of the price-compensation scheme was continued in 1960.

Under the judgment issued by the Court of Justice on June 13, 1958, in respect of Case No. 9/56, the High Authority was required to examine point by point the legality or otherwise of every transaction of the Compensation Office for Imported Scrap between April 1954 and June 1958. Such an operation, covering the payment of compensation on over 13 million metric tons of scrap and the assessment for contribution purposes of something like 60 million, necessarily takes a very long time. Progress was, however, such that the High Authority was able to take a number of extremely important decisions during the year.

By its Decision No. 18/60, the High Authority either upheld or amended, as the case might be, the Compensation Office's various rulings from 1954 onwards concerning the mode of calculation of the compensation payments, and fixed the compensation prices for imported scrap and scrap ranking as such for each month from April 1954 to March 1959, *i.e.* for the whole period during which compensation had been payable in respect of such scrap.

By its Decisions Nos. 19/60 and 20/60, it fixed the provisional contribution rates on the basis of accounting periods covering the whole of the time that the scheme had been in operation. These

decisions further restored to the Compensation Office the legal basis which had been withdrawn from it by the Court's judgment of June 13, 1958, in respect of the period April 1954-June 1958. These two decisions thus legally entitle the High Authority to continue, if necessary, to enforce the collection of the contributions owed.

Finally, by its Decision No. 21/60, the High Authority fixed the rates of exchange for the price-compensation transactions. This had become necessary as a result of the two changes in the rate for the French franc during the period of operation of the compensation scheme.

250. The other problems requiring to be disposed of before the compensation scheme can be finally wound up are still being studied by the High Authority's departments, and further decisions will be forthcoming at a later date.

The work of checking the tonnages of scrap declared by enterprises for assessment purposes, and of verifying, under High Authority supervision, the origin of the tonnages on which compensation was paid, is coming to an end and will shortly be completed.¹⁾ The investigations in respect of all the enterprises which received compensation at any time during the whole period of the Compensation Office's operations, and the examination of all the vouchers submitted by them, will then have been carried out.

The Court in 1960, in its judgment issued on Cases Nos. 15/59 and 25/59, ruled that the High Authority is entitled to employ whatever means it deems most appropriate to encourage the saving of scrap by enterprises. On the other hand, in Cases Nos. 4-13/59, it reversed eleven High Authority decisions,²⁾ finding that payments made by the Compensation Office in respect of scrap improperly declared for the purpose need not be refunded by the enterprises concerned.

¹⁾ The High Authority will be dealing with this aspect in detail in a special Annex to the General Report to be published at a later date.

²⁾ See No. 34 above.

PIG-IRON

General situation

251. Community production of pig-iron in 1960 totalled 54,300,000 metric tons, produced in 409 blast-furnaces and a small number of electric furnaces. This represents a 95% utilization of capacity.

The ratio of total pig-iron production including foundry pig, to steel production had earlier been declining steadily, falling from 780 kg. per ingot ton produced in 1955 to 739 kg. in 1959: the first results of the investment policy adopted in 1955 were, however, seen in 1960, when the ratio began to rise again, working out for the year at 744 kg.

252. The difficulties which had developed in the pig-iron market in 1958 and 1959 were to some extent masked in 1960 by the all-round economic revival. The integrated iron and steel enterprises were obliged to forgo some of their normal sales of pig-iron in order to cover their own requirements. The independent blast-furnaces did register some increase in sales over 1959, but imports also continued to rise and to exert considerable pressure on the market. The position of the independent producers therefore remains precarious, particularly as the market itself shows no signs of expansion. Even peak requirements of steelmaking pig are being met more and more by the installation of extra capacity at the integrated works, with the result that the independent blast-furnaces are having to fall back purely on the production of foundry pig, in which sector demand is, however, stationary and imports on the increase. In consequence of their frequently-demonstrated vulnerability and one-sided pattern of production, they are finding it exceptionally difficult to adjust themselves to present market conditions.

Basic Bessemer and steelmaking pig

253. Production of basic Bessemer (Thomas) and steelmaking pig underwent a substantial increase: at one point, in the spring of 1960,

it was even rising faster than crude-steel production. This upturn in the demand for pig-iron seems, however, to have been due to fears, lest a sudden increase in the requirements of raw materials for the steelworks might cause prices to go up in the always sensitive scrap market. Only when it was seen that the scrap-supply position was remaining stable did the producers again begin to use less pig-iron and more scrap. As a result, specific consumption of pig-iron was only slightly higher than in 1959.

Foundry pig and ferro-manganese

254. Production of foundry pig was not noticeably affected by the revival in the rest of the industry. The foundries did, some little time after the steelmakers, find business beginning to look up, but their pig-iron requirements did not rise to the same extent. This was due in the main to the policy adopted in respect of their supplies by the Community's 2,900 foundries, which obtain their pig-iron from some 70 pig-iron producers. Only a few foundries (39 in all), which are integrated with blast-furnaces, increased their input rate of new pig-iron during 1960. The purchaser foundries, having regard to the difference in price, fell back on cast-iron and steel scrap, which they can use in large proportions after remelting in hot-blast cupola furnaces. However, as the percentage of new pig-iron apparently must not go below a certain point (depending on the quality of the castings), this trend has in recent years come to a standstill. An additional complication in this limited market of 2,500,000 metric tons — it has been contracting for years — is the question of imports: most of the pig-iron imported is foundry pig, which has conquered large sections of the market, particularly in Germany and Italy, owing to the price advantage it enjoys.

255. The ferro-manganese producers are facing serious difficulties. As the countries which supply the Community with manganese ore are also able to offer ferro-manganese at rock-bottom prices, competition from imports is keen. There are only a handful of firms in the Community producing ferro-manganese.

Trade with third countries

256. Imports showed an increase over the year, though they dropped both relatively and absolutely for a time during the summer boom. In all 3 million metric tons of pig-iron were imported in 1960, as against 770,000 in 1959.

The Community was thus the biggest buyer in the world market, total turnover in which is in the region of 3 million metric tons. At the same time Community pig-iron producers stepped up their sales to third countries in order to run down their swollen stocks: they made the most of their outlets overseas, and succeeded in raising exports by one-third, to 400,000 metric tons.¹⁾ The increase in imports was not, however, to cover unmet requirements, since even in 1960 not all the Community's plants were working to capacity: it was principally the result of the lower prices quoted for imported pig-iron, due to the fact that a number of third countries fix their export prices with an eye to political considerations or to the balance of trade.

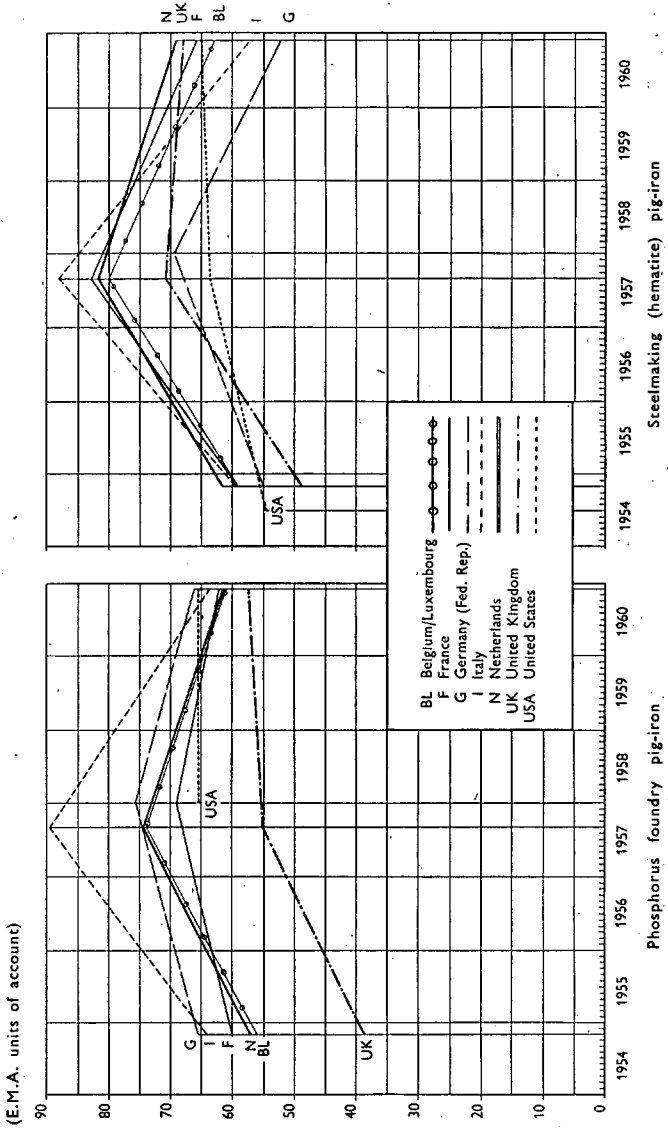
Prices

257. Competition from third countries continues to influence internal Community quotations, although the volume of sales by alignment with third-country prices dropped from 80,000 metric tons a month in 1959 to 50,000 in 1960. There was also a certain lessening of third-country pressure in that the average import prices rose somewhat in the course of the year, with the result that internal prices so aligned represented rather less of a deviation from the published schedules. Towards the end of 1960, however, Community producers were again obliged to resort to alignment on a bigger scale.

Schedule prices remained almost everywhere unchanged, with the rebates introduced in 1959 retained. The only exceptions were in Germany, where the rebate on steelmaking pig was withdrawn in

¹⁾ See *Statistical Annex*, Table No. 26.

GRAPH No. 6
Trend in Pig-Iron Prices



the spring and prices were reduced to the same level as import prices, and in the Netherlands, where an adjustment was made bringing all pig-iron prices to the general Community level.¹⁾

258. At the request of the pig-iron producers, the High Authority has been keeping a regular watch on developments in the pig-iron market; on April 21, 1960, it asked at a meeting of the Council of Ministers for the Governments' co-operation to enable it to include for the purpose of its investigations sectors not covered by the Treaty, such as the castings market. An *ad hoc* Committee on Pig-Iron was set up to study the situation and work out ways and means of dealing with it, and held its first meeting on June 22, 1960.

STEEL

Market situation

259. 1960 was, all in all, a good year for the Community iron and steel industry, with crude-steel production reaching 72,800,000 metric tons. Towards the end of the year business fell off slightly, mainly in consequence of the drop in exports during the summer, which after an interval began to show its effects on the production of individual countries. In addition, the strike in Belgium caused production losses amounting to 200,000 metric tons.

Up to the summer the position remained remarkably balanced, with the steelworks operating to capacity and covering total requirements. This incidentally also meant that there was no appreciable backlog of orders. Moreover, demand more or less accurately reflected actual consumption, stocks remaining at a normal level. The imbalance which developed during the summer following a certain shrinkage in the flow of orders from third countries and spread to the internal market was already over by November, when orders returned to their former level, which in December was even exceeded.

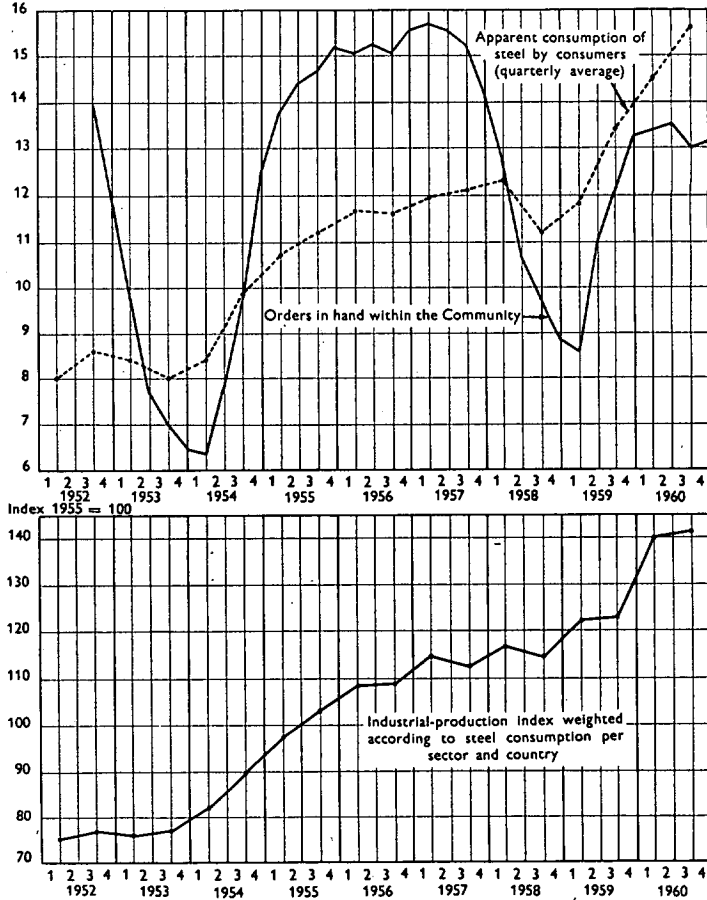
As in previous years, cyclical fluctuations in the industry were due not so much to ups and downs in actual steel requirements as to

¹⁾ See *Statistical Annex*, Table No. 25.

GRAPH No. 7

Steel Order-Books and Consumers' Stocks

('000,000 ingot tons)



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.

psychological reactions, such as apprehension as to supply difficulties or price increases, or on the other hand hopes of a fall in prices, leading consumers both inside and outside the Community to advance or postpone placing their orders, and to build up or run down their stocks, as the case might be.

The High Authority endeavours by means of fuller information and forecasts of market conditions to help ensure the avoidance of unduly marked fluctuations in demand and production. Naturally, decisions as to purchasing and production are entirely the consumers' and producers' own affair, but the practice of bringing out "programmes with forecasts" in accordance with Article 46 of the Treaty, drawn up in co-operation with the producers', workers' and consumers' representatives in the Consultative Committee, published in the *Journal Officiel* and widely quoted in the Press, has proved most useful.

260. Internal Community orders for rolled products in 1960 were 11% higher than in the previous year; orders from third countries, on the other hand, were 19% lower. However, as third-country requirements account for only one-fifth of total demand, the year showed an overall increase of 5%, orders for finished products (exclusive of special steels) totalling 52,300,000 metric tons. *Deliveries* totalled 52,800,000 metric tons, so that *orders in hand* at the end of 1960 were, in spite of the temporary setback in September and November, almost back to the same level as at the end of 1959, representing deliveries for some three months ahead. This is a thoroughly healthy state of affairs, since there is no inducement to consumers to maintain large stocks which if suddenly lifted in the event of a turnaround in the market might make the situation for the industry worse than need be.

Production

261. Production reached record levels in *all the Community countries* in 1960. The largest increase was in Italy, with 21.5% as against a Community average of 15.3%. The steelworks were producing to

capacity throughout the Community, except in Belgium, where the strike intervened, and in Germany, where the rate of utilization dropped somewhat towards the end of the year. It should be noted, incidentally, that German production was exceptionally high in the first quarter, probably too high to be kept up for long with the capacity available.

Owing to the downward trend in the American iron and steel industry and to the very marked expansion of its own internal production, the Community maintained its share in *world steel production* with 20.7% as against 21% in 1959 and 19.6% in 1955. The next highest rates of increase in production after the Community continued to be recorded by Japan and the countries of the Eastern bloc, led by China.¹⁾

Crude-steel consumption per head of population in the Community is, however, still well below that in the United States. If we exclude indirect imports, it is no higher than in the U.S.S.R. (though it should be borne in mind that less densely-populated countries do tend to consume more steel per head of population).

262. The share of the *new oxygen-blown steels* increased rapidly: in October 1960 they were being turned out at an annual rate of 2 million metric tons, representing 2.5% of total Community production, as against 1.6% in 1959. This increase was at the expense of basic Bessemer steel; production of open-hearth and electric-furnace steel also showed a slight rise.²⁾

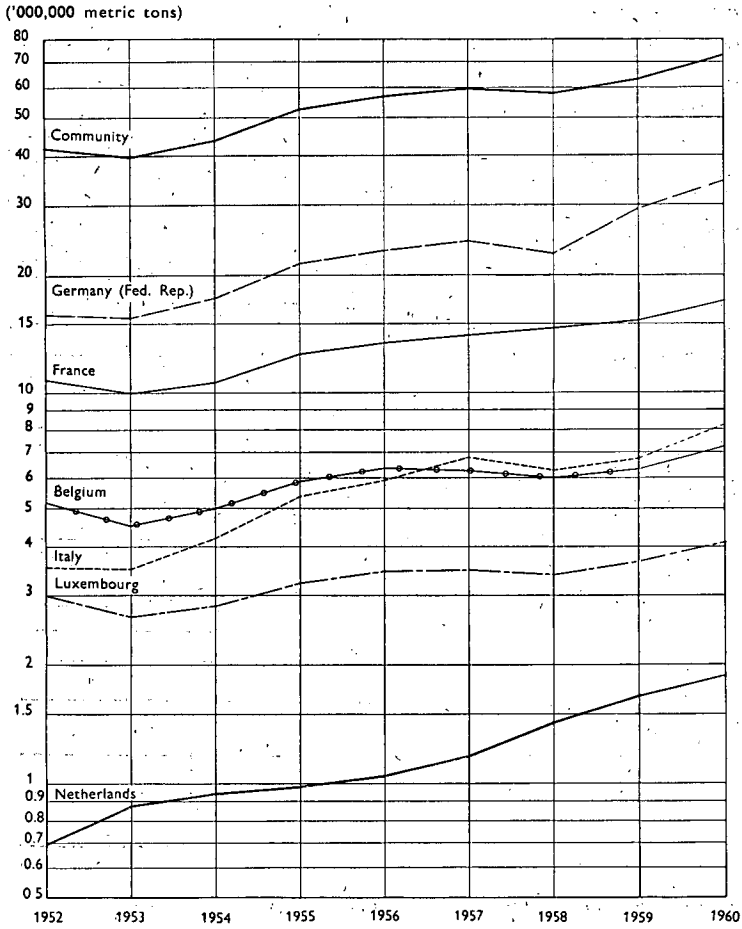
Production of *special steels* increased by 22% over 1959, representing 8.1% of the total as against 7.6% in 1959 and 8% in 1956. The share of alloy, and particularly of stainless, steels is also on the increase, while that of fine high-carbon steels is diminishing.

As in previous years, the largest increase was in the *flat-products* sector: in the first half of 1960 they accounted for 46.6% of the total

¹⁾ See *Statistical Annex*, Table No. 32, and Graphs Nos. 8 and 9.

²⁾ See No. 322 below.

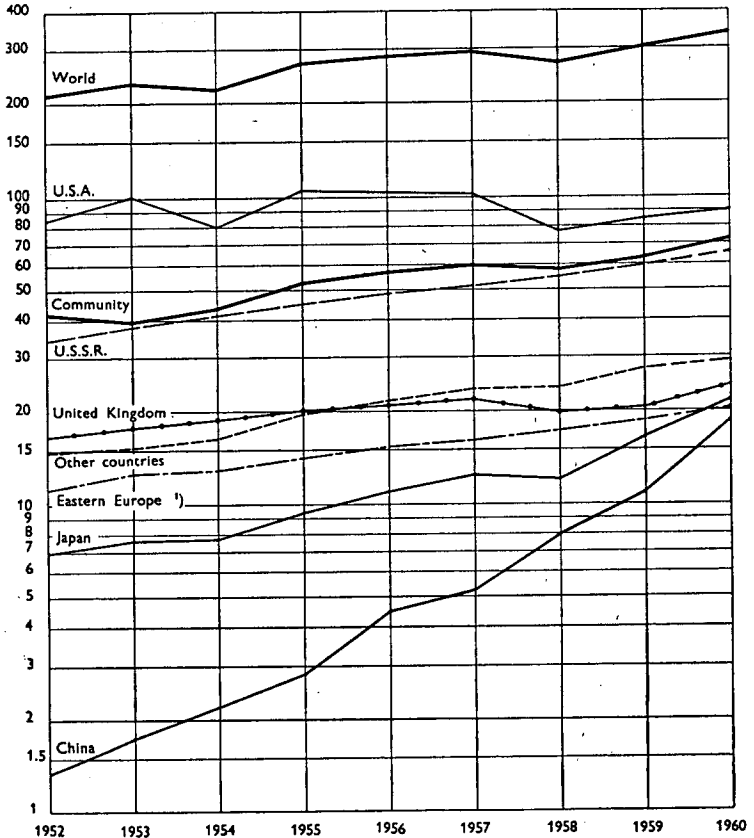
GRAPH No. 8
Community Crude-Steel Production



GRAPH No. 9

World Crude-Steel Production

('000,000 metric tons)



1) Eastern Germany, Bulgaria, Poland, Roumania, Czechoslovakia, Hungary.

production of finished (Treaty) products in the Community, as against 50.5% in the United Kingdom and 67.2% in the United States. Most of the increase was in the production of sheet, which in 1960 passed the ten-million-ton mark for the first time in the Community.

Trade in steel

263. The proportion of total Common Market orders represented by tonnages ordered from one Community country by another rose from 17.5% in the second half of 1959 to 20.15% in the second half of 1960. This trend is specially attributable to the establishment and consolidation of the Common Market of the Six, the more so as in previous periods when business was exceptionally good the percentage of such transactions usually tended to fall off.

264. The Community's external trade in steel products showed a drop in exports, from the record 1959 level of 10,700,000 metric tons to 10,300,000 metric tons of finished products exclusive of special steel, and a rise in imports from 1,100,000 metric tons to 1,700,000. The increase in imports was mainly in respect of semi-finished products, whereas the decline in exports was in respect of heavy sections and merchant bars.

The strike in the American iron and steel industry, which had sent Community exports soaring in 1959, affected only the first quarter of 1960, so that, exports to the United States apart, 1960 was quite as good a year as 1959. With the exception of Latin America, where sales were small, exports to all other parts of the world increased, especially to Western European third countries and to Eastern Europe.

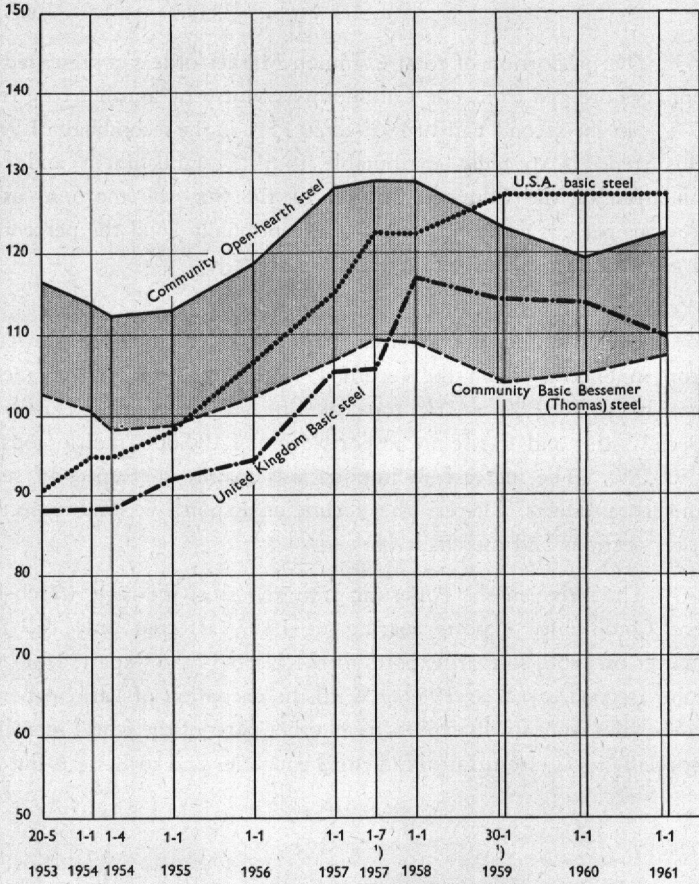
Prices

265. *Schedule prices* remained fairly steady in the Community during 1960. The biggest change was the average increase of about 5% in French prices in April. In Italy, where producers adjust their schedules very promptly to movements in the market, a number of

GRAPH No. 10

Trend in Average Schedule Prices
Community - United Kingdom - United States

(in E.M.A. units of account)



(1) French monetary measures.

alterations were made. In Germany, most of the changes were decreases in line with the lowering of production costs for certain flat products as a result of technical progress. In several Community countries the price of plate, and particularly of ship plate, was reduced to meet competition from third countries.

Notwithstanding the April increases, French prices remain the lowest in the Community. They are therefore still the main basis for *intra-Community alignments* should market developments give cause for these. Alignment was practised on a modest scale in 1960, however, as the steelworks were operating to capacity and demand was extremely brisk.

266. *Alignments with third-country quotations* had already become much less frequent in 1959, and they diminished still further in 1960. Only in the case of tinplate were fairly substantial tonnages still sold at aligned prices; for coils there was only the odd alignment here and there in Germany and in the Netherlands.

Except for flat products, Community schedule prices were in the main, outside of Italy and the Netherlands, lower than British home prices, and even in the flats sector the price of sheet in the lowest Community schedules, the French, was in many cases below the British level. Except for tinplate and certain categories of high-grade plate and sheet, Community prices were below American, which remained unchanged in 1959.

The Community *price spread*, which had previously been considerably broader than those of the United Kingdom and United States, closed up slightly, principally as a result of the price reductions for flat products in Germany.

267. In consequence of the very keen demand in 1959, *export prices* in that year had been comparatively high: those for sheet and wire-rod had been above the 1957 level, though those for other products had remained somewhat below it. Following the resumption of work in the American industry, the prices for high-grade quality products dropped again, while those for heavy sections rose in some cases.

From the summer to the end of October export prices declined steadily. At the end of November, the market hardened again, and prices rose by 3-4% in the space of one month. As a result, though they stood at the end of the year markedly below the exceptionally high level recorded at the beginning, they were nevertheless well above the low level of early 1959.¹⁾

Competition in the world markets increased. There was no change during 1960 in the agreed British and American export prices, which except in the case of cold-reduced sheet were considerably above the corresponding Community prices. The prices actually charged by the British and American industries at any particular moment may, of course, deviate from their agreed prices, but the Community everywhere stood up well to the pressure of competing quotations, even from the Eastern bloc countries and from Japan, thus giving further proof of its competitive capacity.

Section 3 : Implementation of the Rules of the Common Market

268. 1960 saw a number of developments in the fields of cartels and concentrations and of transport.

About half-way through the year, the High Authority rejected the application submitted to it by the Ruhr mining companies for authorization of the establishment of a single coal-selling agency. It was also called upon to examine the application submitted by the two concerns Thyssen Hütte AG. and Phoenix-Rheinrohr AG. for authorization of a horizontal concentration in the iron and steel industry, but withdrawn by them before the High Authority could reach a decision.

In the transport sector, the Court in 1960 delivered judgment on the appeals lodged against the High Authority's decisions concerning certain domestic tariff measures on the railways and the publication of rates and conditions of carriage for road haulage.

¹⁾ See *Statistical Annex*, Table No. 44.

The section following contains an account of these matters, prefaced by a few points concerning the implementation of the pricing rules in the Common Market and the High Authority's supervisory activities.

Pricing rules

269. By way of supplementing the information contained in previous General Reports, we append the following further particulars.

Price alignments in the coal market

270. Community collieries are entitled to align their prices with the delivered prices of Community-produced solid fuels under Decision No. 3/58 as supplemented by Decision No. 29/59,¹⁾ and with those of 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 the conditions laid down in the decision referred to with a view to avoiding certain effects liable to unbalance the market and to preserving market transparency. In a number of specific cases the High Authority has availed itself of its right to raise the maximum tonnage allowed for alignments with Community coal prices.²⁾ It has also authorized certain producers to align the delivered prices of tonnages hauled by road where this was found to be necessary in order to maintain the traditional markets of certain enterprises.

Producers were already finding it necessary to align their prices in 1959, in consequence of the state of the coal market, and they continued to do so to a still greater extent in 1960, especially those whose schedule prices remained higher than those of other Community producers. Although the collieries concerned are now making

¹⁾ See *Journal Officiel de la C.E.C.A.*, March 29, 1958, and *Journal Officiel des Communautés Européennes*, May 12, 1959.

²⁾ See *Eighth General Report*, No. 87.

full use of the opportunities offered them by the existing rules, the aggregate tonnage sold by alignment in the Community as a whole is nevertheless still below the overall ceiling in force. It was, however, in 1960 two or three times larger than the corresponding tonnage for the year 1959.

Steel market

271. With regard to the steel market, the High Authority had to deal with a number of special problems.

Thus it several times observed disturbances in the market due to the fact that Treaty products processed under sub-contracts for dealers were being sold at unpublished prices. To obviate the consequent possibility of discrimination, an official notice was published in the *Journal Officiel*¹⁾ to the effect that firms placing sub-contracts must abide by the rules contained in Article 60 of the Treaty prohibiting price discrimination when selling the products concerned in the Common Market.

Checking for compliance with the rules of the Common Market

272. The High Authority's work to ensure the smooth operation of the Common Market is not confined to enacting rules: it is required to see to it that these are really obeyed, for which purpose the Treaty gives it supervisory powers and entitles it to impose fines.

1) *Supervision.* — During the past year the High Authority caused the following supervisory measures to be carried out:

- (a) checking for origin of scrap on which price compensation had been paid between 1954 and 1958 by the Compensation Office for Imported Scrap;
- (b) checking, under Article 60 of the Treaty, as to whether the Belgian collieries were in fact charging the schedule prices published by them;

¹⁾ See *Journal Officiel des Communautés Européennes*, March 21, 1960.

- (c) checking of the payments made to the collieries to help finance the holding of accumulated stocks ;
- (d) checking as to whether enterprises operating in the steel market were acting in accordance with their obligations under Article 60 of the Treaty, more especially in the matter of price schedules and price publicity.

To carry out the checks under (a) and (b) the High Authority relied mainly on independent experts called in for the purpose.

The investigation initiated by it into the origin of the scrap declared for price compensation went ahead actively and is coming to an end. The whole subject will be dealt with in a *Report on the Checks Carried Out by the High Authority concerning the Origin of Tonmages Passed by the Compensation Office for Imported Scrap*, which will be issued as a special Annex to the Ninth General Report.

The Belgian price checks were carried out as a standing practice in respect of all the Belgian collieries, with the assistance, in addition to the outside experts already mentioned, of a number of inspectors also unattached to the High Authority.

The High Authority carried out checks in 16 of the 27 collieries to which payments had been made to help finance pithead stocks. This work will continue in 1961.

2) *Fines and other disciplinary action.* — The inspectors' reports submitted following the checks for compliance with Article 60 were examined by the High Authority in accordance with the procedure laid down concerning disciplinary action under Article 64.

From the inception of the High Authority up to December 31, 1960, 27 fines imposed on Community enterprises under Article 64, amounting in all to 110,627 E.M.A. units of account. In addition, 21 letters of admonition were sent to Community iron and steel enterprises: these will count as aggravating circumstances should the same enterprises be later found guilty of similar irregularities.

The remaining reports were filed either without more ado or after the dispatch of an explanatory letter.

Cartels and concentrations

CARTELS

Joint buying and selling

The Ruhr joint-selling agencies

273. (1) *Preliminary note.* — An action is pending before the Court between the Ruhr collieries and the High Authority concerning the arrangements for the marketing of Ruhr coal. The following account therefore merely outlines the main developments to date in this connection.

(2) *Present position.* — As was noted in the Eighth General Report, the Ruhr collieries in December 1959 applied under Article 65 of the Treaty for authorization to set up a single selling agency for Ruhr coal, which would assume the same rights and obligations as the three agencies, Geitling, Mausegatt and Präsident, operating under the authorization granted by Decision No. 17/59.¹⁾ No grounds were cited in support of the application. Examination showed that the High Authority was not entitled by the Treaty to give its authorization. A meeting was held at which the High Authority informed the collieries' representatives of its conclusions: the latter then, on February 29, 1960, withdrew their application, but stated that they would shortly be in a position to submit another.

They were not, however, able to complete their work in this connection by March 31, when the authorization contained in Decision No. 17/59 expired, so that the High Authority, in view of the state of the coal market, twice extended its Decision No. 17/59, bringing the final expiry date to June 30, 1960.²⁾

¹⁾ See *Eighth General Report*, No. 92.

²⁾ See Decisions Nos. 9/60 and 11/60, *Journal Officiel des Communautés Européennes*, April 1 and May 3, 1960.

The revised application, this time accompanied by a detailed set of reasons, was submitted on May 20. Like its predecessor, it sought authorization for the institution of a single agency to replace the three earlier approved by the High Authority.

The new application contained certain concessions as to the set-up of the proposed single agency. In listing their reasons, the applicants maintained that these, together with the all-round change in the competitive situation, more particularly in consequence of the increasing consumption of fuel oil, should be sufficient grounds for granting authorization under Article 65,2. The High Authority, however, after studying the application, found itself unable to concur: it could not feel that the agreements proposed fulfilled the conditions for authorization laid down in Article 65,2,b, nor did they meet those in Article 65,2,c. It accordingly rejected the application.¹⁾

Alongside their application of May 1960, the Ruhr collieries submitted a secondary application for the extension of the authorization in respect of the existing Ruhr coal-selling arrangements should the High Authority not approve the project for a single agency. They stated at the same time that in the latter event they would lodge an appeal before the Court of Justice.

(3) Having turned down the application regarding the setting-up of a single agency, the High Authority, in view of the continuing slump in coal sales and to ensure that the operation of the industry would not be further adversely affected by the sudden removal of all marketing facilities whatsoever, agreed to extend its authorization in respect of the existing arrangements. It did not, however, accede to the applicants' representations that these should now run up to March 31, 1963, but reserved the right to issue a decision later fixing the expiry date for the transitional arrangements²⁾ in line with the duration of the Court action.

¹⁾ See Decision No. 16/60, *Journal Officiel des Communautés Européennes*, July 23, 1960.

²⁾ See Decision No. 17/60, *Journal Officiel des Communautés Européennes*, July 23, 1960.

The Ruhr collieries duly lodged an appeal by the prescribed date before the Court of Justice of the European Communities against the High Authority's negative decision (Case No. 13/60). The preliminary written proceedings are still in progress.

(4) It should be mentioned that the question of a possible revision of certain economic provisions in the Treaty was debated by the European Parliament at its July 1960 session, on the basis of a report submitted by M. Poher. At the conclusion of the debate, the Parliament passed a Resolution¹⁾ referring to "a number of difficulties of application, more particularly with regard to pricing and to agreements and concentrations among enterprises," and requesting the High Authority to examine and propose amendments to the Treaty, without detriment to its essential objectives.²⁾

The High Authority for its part on July 25, 1960, proposed to the Council of Ministers that a joint study committee, consisting of High Authority and Government representatives, be set up to study certain points relating to a possible amendment of some of the economic provisions of the Treaty. The committee was duly set up at the Council's meeting on October 11, 1960, and embarked upon its studies, which covered, *inter alia*, various matters in connection with the coal-selling arrangements.

(5) *Relations with the trade.* — As was noted in Chapter One, Section 1, No. 40, the Court of Justice reversed as insufficiently grounded the authorization contained in Decision No. 17/59, of March 7, 1959, in respect of the reference tonnages for the admission of dealers as direct-buying wholesalers.

In accordance with Article 65,2, the High Authority requested the selling agencies to submit fresh applications concerning conditions of admission to the status of direct-buying wholesaler. The Ruhr agencies, arguing the difficulties needing to be overcome before this could be done, several times asked for an extension of the time-limit.

¹⁾ See *Journal Officiel des Communautés Européennes*, July 27, 1960.

²⁾ For further details see No. 23 above.

On January 14, 1961, they submitted new applications largely identical with those approved by the High Authority in its Decision No. 17/59, but subsequently quashed by the Court. At the time of going to press (January 31, 1961), the High Authority was examining these applications and hoped to issue a decision in the very near future, or at latest before the beginning of the next coal year.

Rheinischer Braunkohlenbrikettverkauf

274. Rheinische Braunkohlenbrikettverkauf G.m.b.H. (R.B.V.), which is marketing the B.K.B. production of all the Rhineland brown-coal enterprises, had earlier applied to the High Authority for authorization in accordance with Article 65 of the Treaty.

High Authority investigations established that, although R.B.V.'s articles of association did in form represent a joint-selling agreement, the principal signatories to that agreement were in fact controlled by Rheinisch-Westfälische Elektrizitätswerke AG. (R.W.E.), a group accounting for over 90% of the raw brown-coal production of the Rhine area and over 87% of its B.K.B. production. In view of the various technical and economic link-ups existing, no competition was possible between the three enterprises not controlled by the R.W.E. group and the rest.

In these particular circumstances, the inclusion of the three non-R.W.E. enterprises in R.B.V. did not constitute an agreement calculated to restrict competition within the meaning of Article 65,1 of the Treaty. Notwithstanding, the High Authority came to the conclusion that Rheinische Braunkohlenbrikettverkauf G.m.b.H., and indirectly R.W.E., did occupy in the B.K.B. market a dominant position within the meaning of Article 66,7, protecting them from effective competition in a substantial part of the Common Market. Under the relevant passage, any attempt by such enterprises to use their position for purposes contrary to the Treaty lays them open to disciplinary action. The enterprises concerned were notified to this effect, and the decision embodying these conclusions was published in the *Journal Officiel* of August 8, 1960.

Cobechar

275. In February 1960, further changes were made in the agreements relating to joint selling through the Comptoir Belge des Charbons (Cobechar). The collieries concerned applied to the High Authority for authorization under Article 65 of the Treaty.

In contrast to the position when authorization was originally granted by Decision No. 30/56,¹⁾ Cobechar no longer represented all the Belgian collieries²⁾: in consequence of the exceptional situation of the Belgian coalmining industry and its extreme sensitivity to the effects of the structural crisis in the coal market, several enterprises had decided to withdraw from membership of Cobechar.

Just about then the High Authority was having to take additional steps under Article 37 of the Treaty to expedite the reorganization of the Belgian coalmining industry. In dealing with the problem of Cobechar's operation, it was necessary to bear in mind the needs of the reorganization drive. In consequence, it was also necessary to wait until the reorganization measures, which involved much discussion between the Belgian Government and the High Authority, had been finalized.

In the interval, action was taken with a view to the reorganization of Cobechar, culminating on December 24, 1960, in an application for the authorization under Article 65 of a regrouping of the Belgian collieries within Cobechar, with the exception of

- (a) the Société Anonyme des Charbonnages du Hasard, Micheroux ;
- (b) the Société Anonyme des Charbonnages Réunies de Roton-Farciennes & Oignies-Aiseau, Tamines ;
- (c) the Winterslag division of the Société Anonyme Métallurgique d'Espérance-Longdoz, Brussels.

1) See *Official Gazette of E.C.S.C.*, October 18, 1956.

2) See also *Eighth General Report*, No. 93.

The applicants also asked for authorization to amend the rules of operation of their selling agency.

The High Authority is now examining in detail the proposed amendments.

Oberheinische Kohlenunion (O.K.U.)

276. The High Authority had on May 27, 1959, extended its authorization in respect of joint buying of Community fuels by the South German wholesalers forming the Oberrheinische Kohlenunion (O.K.U.), and also authorized the Société Rhénane d'Exploitation et de Manutention (Sorema) to continue affiliated to O.K.U. up to March 31, 1960.

On March 22, 1960, Sorema, in agreement with O.K.U., applied for the further authorization of its affiliation to the latter up to the expiry date of the authorization in respect of O.K.U. itself, namely March 31, 1962.

The High Authority had taken the view in 1959 that the link between O.K.U. and the French dealers belonging to Sorema who received part of their procurements *via* the upper Rhine should be maintained for the time being. Subsequently, therefore, since it considered that the practical reasons that had led to the arrangement were still in existence, it authorized Sorema to continue affiliated to O.K.U. up to March 31, 1962.

Opinion on agreements, decisions and concerted practices in the Common Market for scrap

277. Following its investigations in the scrap market, the High Authority came to the conclusion that it was necessary to remind all those concerned exactly what agreements between enterprises, decisions by associations of enterprises and practices in the scrap market were to be regarded as contrary to Article 65 of the Treaty and consequently prohibited.

In an opinion issued by the High Authority on February 24, 1960, under Article 14,1 of the Treaty, a number of points were laid down for the guidance of the enterprises concerned (scrap consumers and dealers) to enable them to avoid infringing the provisions of the Treaty.¹⁾

In particular, Article 3 of the opinion listed agreements prohibited under Article 65,1 of the Treaty, as making for

- (a) joint fixing or determination of prices, zone-delivered prices, price factors — such as rebates, bonuses, profit margins — delivery terms, etc. (“prices” to be taken as also meaning purchase prices);
- (b) allocation of markets, customers or sources of supply;
- (c) joint determination or allocation of scrap tonnages purchased, delivered or arising.

Decision concerning information to be gathered and checks instituted in the scrap market

278. The High Authority, having observed the existence in the scrap market in the past of decisions by associations of enterprises and of concerted practices serving to restrict or distort the normal play of competition, decided on March 9, 1960²⁾ that the former regional branches of the Joint Office of Scrap Consumers, together with the Ufficio Statistico Acquirerenti Rottami (U.S.A.R.), should in future forward to it the full text of

- (a) all decisions taken by their sections and committees;
- (b) the minutes of all deliberations by their sections and committees;
- (c) all letters and circulars sent to their affiliated enterprises, where such decisions and documents related to scrap.

¹⁾ See *Journal Officiel des Communautés Européennes*, March 12, 1960.

²⁾ Decision No. 8/60, *Journal Officiel des Communautés Européennes*, March 25, 1960.

As the High Authority had further come to the conclusion that it must be able to obtain all relevant particulars from Community scrap-consuming enterprises and their associations, and to carry out all necessary checks, it also made clear to those concerned that they were under obligation to supply High Authority inspectors with such particulars and to submit to them all documentary material relating to their activities in connection with scrap.

Other organizations

279. *A.T.I.C.* — It was noted in the Sixth General Report that the French Government had on February 26, 1958, lodged an appeal (Case No. 2/58) before the Court of Justice against the High Authority's decision of December 18, 1957, under Article 88 of the Treaty, concerning the entire corpus of French official regulations governing purchases of coal from other Community countries.

The preliminary written proceedings in respect of this action were completed by the beginning of 1959. As was mentioned in the Eighth General Report,¹⁾ the parties by mutual consent asked the Court to adjourn the hearing just as it was about to be opened, a possibility having developed that the matter might be settled out of court by further discussion.

The new High Authority continued in 1960 the talks which had been begun in July 1959 between representatives of the French Government and the old High Authority. The basis for a solution was hammered out, and the final terms of settlement are about to be agreed.

The whole matter should therefore be disposed of in the very near future. The Court action will then fall to the ground.²⁾

¹⁾ See *Eighth General Report*, No. 96.

²⁾ The period under review in this Report ends on January 31, 1961.

CONCENTRATIONS

280. During 1960 the High Authority gave rulings in a number of cases concerning concentration projects.

Mention was made in the Eighth General Report¹⁾ of the planned concentration between August Thyssen-Hütte AG. and Phoenix-Rheinrohr AG. In view of the importance of this case, we include an account of the details, although the application for authorization was withdrawn, so that the High Authority was not ultimately called upon to make a decision.

Withdrawal of application in respect of August Thyssen-Hütte AG. and Phoenix-Rheinrohr AG.

281. On October 28, 1958, August Thyssen-Hütte AG. applied to the High Authority for authorization of its plan to secure control of Phoenix-Rheinrohr AG. by the acquisition of a majority holding.

The preliminary formalities in connection with this application lasted until November 1959, when the last of the relevant particulars were supplied to the High Authority by the two enterprises. In December 1959, the High Authority began its examination of the case. Right from the start it was clear that authorization could not be granted offhand.

The High Authority then examined whether it could dispose of the difficulties by granting its authorization subject to certain conditions. Article 66,2 of the Treaty empowers it to "make such an authorization subject to any conditions which it considers appropriate." It therefore contacted the enterprises, which agreed to go into the matter.

While the High Authority was still studying the various problems, and before it had reached a decision, the two enterprises on April 27, 1960, withdrew their application.

¹⁾ See *Eighth General Report*, No. 91.

Horizontal concentrations

STEEL/STEEL

Dortmund-Hörder Hüttenunion AG., Dortmund/Hüttenwerke Siegerland AG.

282. The High Authority authorized the acquisition by Dortmund-Hörder Hüttenunion AG. (D.H.H.) of a majority of the shares in Hüttenwerke Siegerland AG. (H.W.S.).

This case was initially examined alongside the application in respect of the August Thyssen-Hütte/Phoenix-Rheinrohr project, inasmuch as August Thyssen-Hütte already held some of the shares in H.W.S. Following the withdrawal of Thyssens' application, the High Authority continued with the examination of the D.H.H./H.W.S. application alone.

D.H.H. is an integrated iron and steel enterprise specializing in the production of heavy plate. Its average production over the years 1956/58 amounted to 2,542,000 metric tons per annum. H.W.S. is a partially-integrated enterprise specializing in the production of sheet: its average for the same years was 250,000 metric tons. Concentration between these two firms specializing in different sectors would have the effect of broadening the production programme of the new concern so formed in respect of flat products. The effects of the concentration on the pig-iron and crude-steel production of the concern would be negligible.

Over and above the direct concentration between D.H.H. and H.W.S., the operation would entail indirect concentration with the Dutch enterprise Koninklijke Nederlandsche Hoogovens en Staal-fabrieken, of IJmuiden, although the latter is located in a different part of the Common Market and sells its rolled products mainly in different areas than D.H.H. and H.W.S.

Notwithstanding the strong position which would accrue to the two firms in the rolled-products market as a result of the concentration (2,860,000 metric tons, or 7.1% of total Community pro-

duction), they would still be in competition in the Common Market with enterprises and groups of enterprises of comparable size. Sheet production in particular is expanding rapidly, and may be expected to continue doing so even should concentrations be effected between quite a number of Community sheet producers.

Compagnie des Forges et Aciéries de la Marine et de St. Etienne, Paris/Société des Aciéries et Forges de Firminy, Paris

283. The High Authority authorized a merger between these two iron and steel enterprises.

Several other firms controlled by one or the other of the two principals are indirectly affected by this operation.

The combined production of crude steel involved is considerable (2.3% of French and 0.58% of Community production), as is that of finished rolled products (1.6% of the French and 0.41% of the Community total). The special-steels production of the group, however, represents a much larger proportion, 16.3% of the French industry's production and 5.26% of the Community's.

Nevertheless, the High Authority's conclusion was that a merger between Forges et Aciéries de la Marine et de St. Etienne and Aciéries et Forges de Firminy would not make it possible for them to impede effective competition in the market or to evade the rules of competition imposed by the Treaty by establishing an artificially-privileged position involving a substantial advantage in access to supplies or markets.

COAL/COAL

Società Generale per l'Industria Mineraria e Chimica Montecatini/Vetrocoke S.A., Venice

284. The High Authority authorized the acquisition by Montecatini of the whole of the shares in Vetrocoke. Both enterprises are mainly concerned with coal chemistry, but also possess coking-plants:

it was in respect of the latter that the High Authority's approval was required. In support of its decision the High Authority cited the following considerations.

The combined coke production of the two enterprises was only slightly in excess of the reference figure fixed by Decision No. 25/54 regulating the implementation of Article 66,3 of the Treaty concerning exemption from prior authorization.¹⁾ In 1959, it had been only 76,000 metric tons over the ceiling of 1,200,000.

The projected concentration was principally in respect of the chemical sector, which fell outside the purview of the Treaty.

Furthermore, the two enterprises sold in geographically separate markets, so that the take-over would not put them in a position to determine prices, to control or restrict production or distribution or to prevent the maintenance of effective competition in a substantial part of the market for solid fuels; nor would it protect them from competition. In particular, it would not give them an artificially-privileged position for access to supplies of markets.

The proposed concentration was therefore in accordance with the conditions laid down in Article 66,2, and could consequently be authorized.

Vertical concentrations

STEELMAKING/STEEL PROCESSING

Société des Hauts Fourneaux de la Chiens/Etablissements Schenmetzler--Duchêne & Fils

285. The Société des Hauts Fourneaux de la Chiens was authorized by the High Authority to take over the Etablissements Schenmetzler-Duchêne & Fils by a merger.

¹⁾ See *Journal Officiel de la C.E.C.A.*, May 11, 1954.

Although the latter enterprise's steel consumption was only 3,500 metric tons per annum, well below the ceiling fixed by Decision No. 25/54 regulating the implementation of Article 66,3 of the Treaty concerning exemption from prior authorization,¹⁾ the High Authority considered that the concentration in question did come under Article 66 of the Treaty and therefore required prior authorization, in view of the link-ups between Hauts Fourneaux de la Chiers and other Community iron and steel enterprises whose steel consumption was in excess of the ceiling referred to.

The High Authority granted its authorization, finding that the projected concentration could not in any way alter the position occupied by Hauts Fourneaux de la Chiers and its associated companies in the market for the products concerned.

STEEL/SCRAP TRADE

Dortmund-Hörder Hüttenunion AG. Dortmund/Firma Hans Kaupmann G.m.b.H., Wanne-Eickel

286. The High Authority authorized Dortmund-Hörder Hüttenunion AG. to acquire the whole of the shares in the small scrap dealers' firm of Hans Kaupmann G.m.b.H., Wanne-Eickel. This concentration was fully in accordance with the preconditions for authorization, since it could have no appreciable effects on the scrap market: Hans Kaupmann's sales accounted for less than 1% of the total turnover of the trade in Germany and for only a small proportion of Dortmund-Hörder's scrap supplies. A concentration between them could not, therefore, make very much difference to Dortmund-Hörder's position as a scrap buyer or to Hans Kaupmann's as a scrap seller in the Common Market.

¹⁾ See *Journal Officiel de la C.E.C.A.*, May 11, 1954.

Pre-existing concentrations

287. In a number of other cases the High Authority was asked for authorizations under Article 66 in respect of concentrations in which the enterprises concerned were found to be already under the same control. These therefore did not call for authorization under Article 66,1:

CASES TAKEN UP ; CASES DISPOSED OF

288. The position as regards cases taken up under Articles 65 and 66 of the Treaty at January 31, 1961, is shown in the accompanying tables.

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 enterprises concerned withdrew their applications in face of the negative attitude displayed by the High Authority.

As regards cases examined by the High Authority on its own initiative, many of the enterprises concerned subsequently, in view of the High Authority's proceedings, duly submitted applications for authorization: the cases were thereby automatically disposed of, without the High Authority's needing to take an *ex officio* decision.

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.

289. Cases under Article 65

Country	Taken up	Disposed of					Total
		Authorized	Prohibited	Article 65 not applicable	Cartels voluntarily dissolved	Otherwise handled ¹⁾	
1. Cases examined following application for authorization							
Germany (Fed. Rep.)	32	14	1	10	2	—	27
Belgium	14	4	—	5	2	—	11
France	39	6	—	21	—	—	27
Italy	11	2	—	6	—	—	8
Netherlands	4	—	1	1	1	—	3
Total	100	26	2	43	5	—	76

¹⁾ Held in abeyance pending receipt of further particulars.

Country	Taken up	Disposed of					Total
		Authorized	Prohibited	Article 65 not applicable	Cartels voluntarily dissolved	Otherwise handled ¹⁾	
2. Cases examined by the High Authority on its own initiative							
Germany (Fed. Rep.)	61	1	3	49	1	—	54
Belgium	9	—	—	4	—	—	4
France	30	—	—	15	1	6	22
Italy	3	—	1	2	—	—	3
Luxembourg	1	—	—	—	1	—	1
Netherlands	7	—	—	5	—	—	5
Community	3	—	—	—	—	—	—
Total	114	1	4	75	3	6	89
Grand total	214	27	6	118	8	6	165

¹⁾ Held in abeyance pending receipt of further particulars.

290. Cases under Article 66

Country	Taken up	Disposed of						Total
		Authorized	Examined under Article 66,5	Concentrations effected before signing of Treaty	Exempt under regulations implementing Article 66,3	Article 66 not applicable	Otherwise handled	
1. Cases examined following application for authorization								
Germany (Fed. Rep.)	43	23	—	3	—	9	1	36
Belgium	12	4	—	2	2	4	—	12
France	25	7	1	—	—	11	—	19
Italy	2	1	—	—	—	1	—	2
Luxembourg	4	2	—	2	—	—	—	4
Total	86	37	1	7	2	25	1	73

¹⁾ Application withdrawn or project dropped.

Country	Taken up	Disposed of						Total
		Authorized	Examined under Article 66,5	Concentrations effected before signing of Treaty	Exempt under regulations implementing Article 66,3	Article 66 not applicable	Otherwise handled	
2. Cases examined by the High Authority on its own initiative								
Germany (Fed. Rep.)	26	3	—	2	1	16	2	24
Belgium	14	—	—	—	1	10	—	11
France	19	2	—	2	1	10	—	15
Luxembourg	2	—	—	1	—	1	—	2
Netherlands	1	—	—	—	—	—	—	—
Community	2	—	—	—	—	2	—	2
Total	64	5	—	5	3	39	2	54
Grand total	150	42	1	12	5	64	3	127

¹⁾ Application withdrawn or project dropped.

Transport

General remarks

291. The High Authority's work to date in the field of transport has produced a number of important results, including in particular

- (a) the elimination of practically all discriminations in existing transport rates;
- (b) the elimination of "breaks in rates" in cross-frontier carriage by the introduction in May 1955, and subsequent extension, of international railway through-rates "tapering" continuously from originating point to destination;
- (c) the abolition or amendment of special domestic tariff measures favouring one or more Community enterprises (Article 70,4 of the Treaty).

For the consolidation of the Common Market, it is necessary that the rates charged throughout the transport sector should be such as to offer comparable price conditions to consumers in comparable positions.

The institution of such rates, however, has involved and is involving a great deal of hard and intricate work for the High Authority, particularly in the road-haulage and inland water-transport sectors with regard to the problem of publication of rates and conditions of carriage.

In addition, the High Authority is required to work for the harmonization of rates and conditions of carriage for all modes of transport, in order to ensure the smooth operation of the Common Market.

RAIL TRANSPORT

Special domestic tariff measures

292. On May 10 and July 15, 1960, the Court of Justice delivered judgment on the appeals lodged against the High Authority's decisions

of February 9, 1958, concerning certain special domestic tariff measures in force in Germany and France in favour of coal and/or steel-producing enterprises (Article 70,4 of the Treaty). =

In these judgments the Court upheld the interpretation of Article 70 of the Treaty and of Section 10,7 of the Convention on which the High Authority had based the decision in question.¹⁾

It should be noted in this connection that the Court's judgments resulted in the introduction of an important measure by the German State Railways. This was in line with a previous suggestion of the High Authority's, while the question of special domestic tariff measures within the meaning of Article 70,4 was being examined, to the effect that certain difficulties under this head might be overcome by instituting appropriate standard tariffs of general applicability in respect of bulk consignments. As from September 1, 1960, the German railway authorities introduced a special tariff for complete trainloads of fuels and ores, both for the domestic traffic in, and for the exchange traffic with, the Federal Republic. Within the country, certain types of consignment formerly covered by supporting tariffs may now be carried at the reduced bulk-consignment rates provided they fulfil the tonnage requirements laid down for complete trainloads. As regards the exchange traffic in E.C.S.C. products, the new tariff also allows substantial reductions, affecting in particular German fuels shipped to other Community countries, and more especially the large tonnages of Ruhr fuels destined for the Lorraine and Luxembourg iron and steel industries. Following the changes in the German system, the French iron and steel industry on October 31, 1960, withdrew its Appeals Nos. 43/58 and 26/59 to the Court concerning failure to open the Kaldenkirchen-Venlo frontier point to the passage of complete trainloads.

The German railways' action is at the same time an important advance towards harmonization.

It should also be mentioned that the measures adopted in implementation of the High Authority's decisions concerning special

¹⁾ See Nos. 36 and 38 above.

domestic tariff measures did not cover the special tariffs in force in favour of certain enterprises in the neighbourhood of the German zonal border, namely Tariffs AT 7 B 3 and AT 7 B 35 favouring the mines in the Harz foothills, and Tariff AT 6 B 14 favouring the brown-coal mines in the Helmstedt area.

With a view to working out a formula as soon as possible in regard to these German supporting tariffs, in accordance with the judgment of the Court, the High Authority requested the Federal Government to furnish further particulars.

Simplification of Customs formalities at frontiers

293. Article 3 of the agreement of March 21, 1955, on the introduction of international railway through-rates runs as follows:

“The Governments of the member States hereby undertake to co-operate in seeking, with the collaboration and assistance of the High Authority, methods of reducing (with a view to their ultimate complete elimination) those charges peculiar to the international coal and steel traffic which bear so heavily on the prime cost of transport.”

The railway authorities of the Community have repeatedly urged that action should be taken to implement this provision. The Expert Committee on Transport had also emphasized the need for the High Authority to approach the Government with a view to steps being taken to simplify the existing arrangements which involve carriers in such unnecessary complications at frontiers.

To obtain an objective picture of the financial charges still incurred as a result of Customs formalities, the High Authority had investigations conducted at a number of major frontier stations in the Community. The data so assembled revealed that little or no progress had been made in this matter over the Community as a whole. The High Authority thereupon requested the member Governments to join with it in seeking to work out joint measures as soon as possible.

Through-rates: agreements with Austria and Switzerland

294. To provide for the procedural arrangements in connection with the introduction of the tariff changes envisaged by the Austrian State Railways, it was necessary to draw up a Supplemental Agreement to the Agreement of July 26, 1957, introducing international railway through-rates in respect of consignments of coal and steel passing in transit through Austrian territory. The Supplemental Agreement was signed on November 29, 1960, and is now being put into force.

The agreements between the Community and Austria and between the Community and Switzerland operated most satisfactorily during 1960, as regards both the implementation of the tariff regulations laid down and the further development of the Community's relations with the two countries generally.

INLAND WATER TRANSPORT

The Rhine Agreement

295. On July 9, 1957, an Agreement, known as the Rhine Agreement, was concluded concerning the elimination of disparities between the regulated internal freight-rates of the countries traversed by the Rhine and the free international rates.¹⁾

Article 2 of the Agreement requires each of the Governments concerned to agree with the High Authority on a procedure enabling the latter to gain a complete and accurate picture of the situation regarding freight-rates and conditions of transport on the Rhine referred to in Article 1.

The talks which the High Authority has since held with the various Governments with a view to the implementation of this article have not as yet produced any definite result.

The German Minister of Economic Affairs on July 25, 1960, wrote to the President of the Council of Ministers asking that the

¹⁾ See *Journal Officiel de la C.E.C.A.*, February 1, 1958.

consultation procedure provided for in Article 4 of the Agreement be instituted.

In preparation for the examination of this request, an *ad hoc* committee was set up to assemble a comprehensive corpus of information on the subject, on which it is now hard at work. The results are to be discussed with the Governments at a forthcoming meeting of the Council of Ministers.

Freight-rates on waterways west of the Rhine

296. With regard to the disparities in freight-rates on waterways other than the Rhine, the *ad hoc* Committee on Shipping Questions was instructed at the Council's meeting on November 17, 1959, to continue its studies and submit a draft agreement. The main proposal in the draft produced was for the registration of rates charged on waterways west of the Rhine: the question of their publication, which the Committee's terms of reference also required it to study, was left altogether in abeyance.

The draft was examined at the Council's meeting on November 29, 1960, and was rejected; the High Authority was requested to submit to the Council a statement of its position as resulting from this rejection and from the Court's judgments of July 15, 1960, concerning road haulage.

Compensation scheme for French inland water-transport rates

297. The compensation scheme for French inland water-transport rates, which was introduced to eliminate the disparities between the internal and international rates, is still in force, as no agreement has been reached concerning the elimination of disparities in the rates on waterways west of the Rhine. Complaints of malfunctioning were, however, received, in consequence of the application of a single reduction coefficient to the reference regulated freight-rates on different routes. Some Governments held that this was causing distortions involving discriminatory treatment.

The High Authority made a careful examination of the situation, and contacted the French Government with a view to working out a satisfactory solution.

ROAD HAULAGE

Publication of rates and conditions of carriage

298. Appeals had earlier been lodged by the Italian and Netherlands Governments for the reversal of the High Authority's Decision No. 18/59¹⁾ of February 18, 1959, concerning publication or notification to it of all rate schedules, charges and regulations in respect of consignments of coal and steel hauled by road within the Community on behalf of third parties.

The Court of Justice delivered judgment on July 15, 1960, reversing the High Authority's decision. It issued a ruling concerning the powers at the High Authority's disposal and the procedure to be followed by it *vis-à-vis* the Governments to induce them to implement the relevant provisions of the Treaty;²⁾ it did not, however, state its views regarding the Treaty's requirements as to publication or notification of rates and conditions of carriage having a bearing on the proper operation of the Common Market. As this point was not settled, the High Authority has now to work out a fresh approach to the problem, covering all modes of transport, with a view to prevailing upon the member States to comply with the terms of the Treaty.

299. In addition to the problem of the road-haulage sector, a number of major points are still outstanding. These include

- (a) the difficulties encountered in the implementation of the Treaty owing to the existence of certain tariff contracts entered into by some railway authorities in the Community but not made public;

¹⁾ See *Journal Officiel des Communautés Européennes*, March 7, 1959.

²⁾ See No. 39 above.

- (b) the difficulties encountered by the High Authority in judging as to the legitimacy of tariff reductions allowed by Community railways to meet competition from the other modes of transport for which rates and conditions of carriage are not published ;
- (c) the problem of freight-rates on waterways west of the Rhine ;
- (d) the problem of the implementation of the Agreement of July 9, 1957, concerning freight-rates on the Rhine, and in particular of Article 2 of that Agreement ;
- (e) the problem of works' own transport arrangements.

It is clear from this enumeration that the nub of the whole situation is the question of principle which gave rise to the appeals in the matter of road haulage. The new approach which the High Authority is now working out following the Court's judgment is therefore of an importance extending well beyond the road-haulage sector as such.

HARMONIZATION OF RATES

300. A number of differences of opinion came to light between the High Authority and the Governments concerning the scope of the Treaty's provisions on the harmonization of transport rates.

The Court's judgments of May 10, 1960, concerning supporting tariffs threw some light on the position. The Court found, *inter alia*, that

“ whereas it is clear from Article 4 of the Treaty that in framing Article 70 the makers of the Treaty sought to eliminate distortions of the Common Market by providing that transport rates should be such as to ensure that the market would operate in accordance with the principles laid down in the Treaty ; and whereas in so doing they could not have been unaware that the transport industry is a branch of the economy quite independent of the coal and steel-producing branches, with its own problems, requirements and methods, nor that, for so long as that industry is not integrated into the Common Market, it

is necessary to respect its separate status by taking only such action as is needed to ensure that it will not so operate as to defeat the objectives of the Treaty ;

“ accordingly, with respect to consignments carried between one country and another, Article 70, while aiming at the ultimate harmonization of national rates, leaves ratemaking policy to the discretion of those concerned, merely requiring that within each national system there shall be no discrimination by point of dispatch or by point of destination.”

Basing itself on this interpretation, the High Authority requested the member Governments to designate experts whom it would then direct to embark on studies with regard to harmonization. The Government nominated experts, in the first instance, to deal with the rail sector.

As has been noted, definite progress has meantime been made in the direction of harmonization, inasmuch as a ratemaking system in respect of complete trainloads is now in force in three of the member countries, Germany, Belgium and France.

CHAPTER FOUR

INDUSTRIAL DEVELOPMENT POLICY

Section 1: Progress on The General Objectives

301. Article 46 of the E.C.S.C. Treaty requires that the High Authority "shall periodically set out the General Objectives with respect to modernization, the long-term planning of production and the expansion of production capacity."

Precisely how often is meant by "periodically" the Treaty does not state: however, when the High Authority's last set of General Objectives, published in 1957, were debated in the European Parliament and discussed in Committee, it was felt that the next set might suitably be issued in four years' time. The High Authority therefore proposes to publish its new General Objectives during 1961.

The fact that the General Objectives have to be published periodically does not, of course, obviate the need for continuous preparatory work meantime. Accordingly, since 1957, careful study has been devoted to the structural links between the coalmining and iron and steel industries, the related sectors, and the economy in general.

Firstly, attention was focused on the energy sector as a whole; the High Authority's last two General Reports contain some details concerning this aspect, and an account is given in Chapter Two of this present volume of the work in progress on the co-ordination of energy policies.

Secondly, with regard to steel, activities included the forecasting of internal demand and the study of export markets with special reference to economic developments in the steel-importing countries.

These studies were conducted in co-operation with employers' and workers' organizations, with the Governments and with the European institutions in Brussels; those specifically relating to steel also had the benefit of frequent contacts with the main consumer sectors in the six countries.

The specialized committees at O.E.E.C. and E.C.E. were kept regularly informed, and exchanges of information also took place in the Steel Committee of the Council of Association with the United Kingdom.

The following sections give an account of the stage now reached: after briefly glancing at the prospects with regard to general economic expansion, we go on to examine firstly the problems concerning the coalmining industry, and secondly those concerning the iron and steel industry.

HYPOTHESIS OF GENERAL EXPANSION

302. The last rates of general expansion worked out by the High Authority and the Governments in co-operation were those issued by the Joint Committee for the period 1955-65.¹⁾ These were not adopted for the present purpose, since they are now seen to be out of date. The rates actually observed between 1955 and 1960 were well above the averages adopted by the Joint Committee, so much so indeed that to accept now the Joint Committee's rates for the ten years 1955-65 would imply taking a decidedly gloomy view of probable developments in the five years still to come. Thus for example, the annual rate of growth of industrial production adopted by the Joint Committee for the ten years 1955-65 was approximately 4.9%, whereas the actual mean annual increase in 1955-60 was 6.5%, which would leave for 1960-65 a rate of only 3.2%.

It was therefore necessary to work out new hypotheses of general expansion.

¹⁾ High Authority Document No. 3683/4/58.

303. In order to co-ordinate the work of the Executives, the High Authority made use of the studies being carried out under the auspices of E.E.C. in Brussels: a working party of experts is now conducting on E.E.C.'s behalf an examination of the structure and long-term development of the economies of the Common Market countries, and has drawn up an interim report which was provisionally finalized in the course of the last few months.

This report could not be used as a direct basis for defining the General Objectives: the period studied, 1955-70, does not coincide with that laid down for the General Objectives, which runs only up to 1965, and moreover the forecasts are in the form of "ranges," whereas the High Authority needs definite figures, at any rate for part of its work.

The High Authority's departments therefore had to adapt the E.E.C. forecasts to their own requirements: this they were able to do thanks to the fact that they regularly sat in with the experts of the working party, and could also base themselves on the official programmes of the individual countries, which in some cases had been drawn up as far ahead as 1965.

Thus,

- (a) an interpolation was effected in respect of 1965;
- (b) over and above the "ranges," calculations were made of "probability" figures;
- (c) alongside the rates of growth of "industrial product" (as defined for budgeting purposes in each country), forward estimates were worked out for the current index of industrial production.

304. The following are the rates adopted in forecasting internal demand for steel.

305. *Hypothesis of General Expansion*

Country	Forecast figures 1955-65		Actual figures 1955-60 ¹⁾		Estimated future figures 1960/65	
	Index 1965-1955	Annual rate of growth	Index 1960-1955	Annual rate of growth	Index 1965-1960	Annual rate of growth
	Gross national product					
Germany (Fed. Rep.)	162	5	133	5.9	132	4
Belgium	135	3	111	2.1	122	4
France	152	4.3	122	4.0	124	4.4
Italy	171	5.5	132	5.7	130	5.4
Netherlands	150	4.1	124	4.4	121	3.9
Community	157	4.6	127	4.9	124	4.4
	Industrial production (current index)					
Germany (Fed. Rep.)	179	6.0	141	7.1	127	4.9
Belgium	139	3.3	110	2.0	126	4.7
France	187	6.4	140	7.4	131	5.5
Italy	226	8.5	155	9.2	146	7.9
Netherlands	169	5.5	133	6.2	125	4.6

¹⁾ Estimated in respect of 1960.

In comparing the 1955-60 and the 1960-65 figures shown, it should be borne in mind that the starting years, 1955 and 1960, were years of marked economic activity.

WORK ON THE GENERAL OBJECTIVES FOR COAL

Forecasts of coal requirements

306. The section describing the state of the coal market gives particulars of the short-term trends in the demand for energy; we here give an account of the work done on the General Objectives for 1965 in respect of coal.

Forecasts of coal requirements are governed with regard to coking coal by the expected trend in the iron and steel industry, and

with regard to other grades by the expected trend in the demand for energy, both overall and sector by sector. For the purpose of drawing up the General Objectives for 1965 in respect of coal, forecasts of energy requirements are at present worked out by the methods described in the Eighth General Report,¹⁾ special attention being given to an analysis of changes in the pattern of the energy market. On the basis of a study of the changes which have taken place in the last few years, and of the differences between the forecasts and the actual figures, it will be possible to pinpoint the factors determining the trends in both specific and competitive demand.

In particular, an examination of energy consumption by the various big consumer groups will help to ascertain the trend in returns during recent years, and to provide a sounder basis for forecasting, particularly with regard to coal's two most important customers, the coking-plants and the thermal power-stations. In addition, a comparison of the cost to the consumer of the different forms of energy will make it possible to obtain a more accurate picture of the foreseeable scope for coal sales. It is evident, incidentally, that this last must to a great extent depend on the action taken in connection with a co-ordinated energy policy.

Points in connection with coal production

307. For the purpose of preparing the General Objectives for coal, the High Authority in July 1960 convened an expert committee of producers, consumers and trade-union representatives to examine a number of points in connection with coal production. The intention was that they should assist it by assembling data which would enable it to work out more or less what the Community's coal production was likely to be by 1965 on the basis of the investment and rationalization programmes now in progress or approved.

Broadly, the High Authority wished to know the Committee's views on production potential, the probable increase in productivity,

¹⁾ See *Eighth General Report* No. 38.

the size of the labour force required both above and below ground, and the likely effects of the programmes on production costs.

The social and economic implications of a quantitative forecast for coal are such as to call for a careful study, from every angle, of the elements for achieving a long-term balance without unduly drastic corrections in respect of coal.

WORK ON THE GENERAL OBJECTIVES FOR STEEL

Trend in steel requirements

308. In 1960, the total demand for steel, *i.e.* including both internal requirements and exports, was very nearly level with the upper limit forecast in the 1957 General Objectives, 73,500,000 metric tons.

To meet these requirements the iron and steel industry has during the last few years had to produce almost to capacity. Yet general economic expansion, already proceeding even more briskly than was forecast in 1957, is now expected to continue at a steady rate during the five years ahead. Accordingly, more and more concentrated attention is having to be devoted to calculating, with due regard to the investment activity in progress, exactly how much steel is likely to be required.

309. Of the different approaches tried out, that finally adopted was an improved version of the traditional method of linking overall steel consumption to the movement of an overall economic variable such as industrial production. In addition, however, studies broken down by individual sectors and individual products are necessary as a cross-check on the results obtained by the overall method.

The High Authority mentioned in its Fifth General Report, in the chapter on the General Objectives, that the sector-by-sector and product-by-product studies were in their preliminary stages only. These have since been pursued in greater detail, by the assembly and analysis of all statistics available on the consumption of the different products in the different big steel-consuming sectors. After collecting

provisional data for some of the main sectors, on the basis of particulars supplied by the Consultative Committee in 1959, the High Authority's departments contacted experts in the major steel-consuming sectors in order to obtain further details on the pattern of steel consumption there, and at the same time to work out a provisional estimate of foreseeable trends.

This was an entirely new departure for the Community countries. In a number of the big consumer sectors, such as the motor-car industry, forecasting is known to present particular difficulties, but even so, judging by the preliminary studies, it can safely be said that this sector-by-sector analysis has made it possible to effect some very valuable cross-checks, enabling a better picture to be obtained of any changes likely to occur in the relationship between general expansion and steel requirements.

310. The High Authority also forwarded to the experts its provisional estimates concerning direct exports of steel to third countries. As we have seen, these too have risen faster in the last few years than was forecast in the last General Objectives, which suggested net exports totalling 9-10 million metric tons in 1960 as against an actual figure of about 11 million. A detailed survey was made of the import potential of the different parts of the world, broken down by their requirements of particular types of product, and an estimate was made as to the share of the individual exporter countries in the world market. The first results of these studies were also submitted to the expert committees.

Future outline of iron and steel production

311. The very rapid economic expansion in the Community countries has not involved them in any difficulties in securing their supplies from the iron and steel industry. Community crude-steel production in 1960 totalled 72,800,000, which, as pointed out, is just about equal with the upper limit forecast in 1957.

In the 1957 General Objectives the High Authority drew attention to the importance of recently-developed techniques for producing

better-quality steel in the converter. These various processes, and particularly the use of oxygen in the converter, have made rapid strides, and the High Authority is now engaged on a study of the effects of this technological revolution.

Early in January 1961, it set up committees consisting of representatives of all those directly concerned by the General Objectives — managements, workers, consumers and dealers — and of the Governments, and discussed with them the first results of the two years' study work just outlined. The points now being talked over with the committees include the estimated breakdown of steel production processes. In view of the speed of the technological changes in progress, this is a matter of great difficulty, but also of outstanding interest. Certain indications do, however, emerge from recent declarations of capital schemes: as will be seen in the section following, the volume of investment has been very large indeed.

Section 2 : Investment Policy

312. Article 54 of the E.C.S.C. Treaty requires the High Authority to "encourage the co-ordinated development of investment." The High Authority's first concern in this connection is to keep the enterprises properly in the picture. Each year it draws up a *survey of the capital schemes* shown as assets in the enterprises' balance-sheets. The results of this survey are widely publicized. In addition, it receives *advance declarations* of all major schemes projected, the pros and cons of which it evaluates at regular intervals.

Alongside its information work, it helps directly, as Article 54 also empowers it to do, by issuing *reasoned opinions* on particular schemes, and by making available *financial assistance* for operations of special value to the Community.

RESULTS OF THE 1960 SURVEY

313. The facts and figures assembled were written up in a report and duly published. The report traces the movement of capital

expenditure and production potential over the preceding years, and gives particulars of enterprises' forecasts for the next few years.¹⁾

During the eight years 1952-60 the coalmining, iron-ore and iron and steel industries of the Community invested capital sums totalling 8,490 million dollar units of account. Expenditure in 1959 shows a certain falling-off from the exceptionally high level of the two preceding years, but is still above the annual average for 1952-56. The forecasts for 1960 exceed the total actually recorded for 1959 by more than one-quarter, indicating a very marked revival, at any rate in the iron-ore mines and the iron and steel industry.

314. The results of the 1960 survey may be summarized, so far as capital expenditure is concerned, as follows.

(\$'000,000)

Industry	Actual expenditure as per accounts at January 1, 1960						Estimated expenditure as at January 1, 1960
	1954	1955	1956	1957	1958 ¹⁾	1959	1960
Coalmining industry	450	416	409	473	474	409	446
Iron-ore mines	30	31	44	50	41	40	46
Iron and steel industry	453	524	570	708	644	590	838
Total	933	971	1,023	1,231	1,159	1,039	1,330

¹⁾ Corrections made to figures in the Eighth General Report.

¹⁾ See *Investment in the Community Coalmining and Iron and Steel Industries*. Report on the 1960 Survey, September 1960.

315. Actual and estimated expenditure in the coalmining industry as at January 1, 1960, may be broken down by sectors as follows.

('000,000)

Sector	Actual expenditure as per accounts at January 1, 1960						Estimated expenditure as at January 1, 1960
	1954	1955	1956	1957	1958 ¹⁾	1959	1960
Pits	242	257	249	281	268	227	279
Coking-plants mine-owned and independent	87	64	57	68	72 ²⁾	58 ²⁾	45 ²⁾
Hard-coal briquetting-plants	4	7	4	5	4	6	9
Pithead power-stations and other power-generating plant	112	80	94	117	125	113	104
Plants producing B.K.B. and low-temperature brown-coal coke	5	8	5	2	5	5	9
Total	450	416	409	473	474	409	446

¹⁾ Corrections made to figures in the Eighth General Report.

²⁾ Exclusive of Gaz de France.

316. Capital expenditure on the *pits* in 1959 was below the levels recorded since 1952, particularly in the Belgian coalfields. The forecasts for 1960 are about the same as those for 1959, except in the case of Belgium, where they indicate a further decline.

The production potential in the years is now estimated to be less than that indicated by previous surveys: it is expected to drop from 262 million metric tons in 1959 to 258 million in 1963. In a number of coalfields further pits are to be closed.

317. Expenditure on the *coking-plants* (mine-owned and independent) in 1959 was lower than in 1957 and 1958. Expenditure on the steelworks-owned coking-plants, which we include here to give an overall picture of the carbonization sector, remained high. The forecasts for 1960, however, suggest a lower level than any recorded since 1952.

(\$'000,000)

Type of coking-plant	Actual expenditure as per accounts at January 1, 1960						Estimated expenditure as at January 1, 1960
	1954	1955	1956	1957	1958 ¹⁾	1959	1960
Mine-owned and independent	87.3	64.5	57.3	68.0	72.2 ²⁾	58.2 ²⁾	45.4 ²⁾
Steelworks-owned	18.0	19.9	22.3	28.0	24.6	24.7	16.4 ²⁾
All plants	105.3	84.4	79.6	96.0	96.8	82.9	61.8

¹⁾ Corrections made to figures in the Eighth General Report.

²⁾ Exclusive of Gaz de France.

The coke production capacity forecast for 1963 is 88,100,000 metric tons, which with the plants operating at 96% of capacity would give a maximum production of 84,600,000. In view of the continuing reduction in the coke rate at the blast-furnaces, this should amply suffice to cover the foreseeable requirements both of the iron and steel industry and of the other consumer sectors.

318. The vigorous investment activity in the *pithead power-stations* showed no signs of flagging in 1959, and will be found to have continued in 1960. As a result, production potential increased, and should be up, at the present utilization rate of 4,185 load-hours per annum, from 30,300 million kWh in 1959 to 41,900 million in 1963. This rise is being accompanied by a substantial improvement in operating conditions: the older power-stations with a consumption of over 4,000 calories per kWh, which in 1955 accounted for 25% of the total output of current by the pithead power-stations, now contribute only 13%. This trend is likely to become still more marked in the next few years as the big new single-boiler generating-sets come into operation.

319. For the *iron-ore mines* the survey shows a volume of investment in 1959 approximately level with that in 1958 and far above the figures for the years 1952-55. The forecasts suggest a considerable increase in 1960.

(\$'000,000)

Installations	Actual expenditure as per accounts at January 1, 1960						Estimated expenditure as at January 1, 1960
	1954	1955	1956	1957	1958 ¹⁾	1959	1960
Mining of ore	14.8	16.3	22.3	29.4	22.7	22.4	26.8
Preparation of ore at surface	7.3	5.9	10.6	10.9	9.6	8.9	10.2
Various surface instal- lations	7.4	8.5	11.0	9.5	8.9	8.4	9.3
Total	29.5	30.7	43.9	49.8	41.2	39.7	46.3

¹⁾ Corrections made to figures in the Eighth General Report.

Crude-ore extraction potential should rise from 97,200,000 metric tons in 1959 to 104,900,000 in 1963. This represents a cumulative yearly increase of about 2%, as against 4.4% from 1952 to 1959. In any event production will increase a good deal more slowly than requirements, which will have to be met by larger imports of overseas ores.

320. Total capital expenditure in the *iron and steel industry* in 1959 was 8% above the level for 1958, which had been 9% below the peak touched in 1957. The 1959 figure was, however, above that for any year before 1957. The forecasts for 1960 indicate a vigorous recovery: this is borne out by the declarations received from enterprises in the course of the year.¹⁾

¹⁾ See No. 330 ff. below.

(\$'000,000)

Type of plant	Actual expenditure as per accounts at January 1, 1960						Estimated expenditure (projects in progress or approved) as at January 1, 1960
	1954	1955	1956	1957	1958 ¹⁾	1959	1960
Plant for production of: pig-iron ²⁾	70	83	130	184	206	189	195
steel	44	63	102	128	95	71	93
rolled products	265	301	245	282	207	200	389
General services	74	77	93	114	136	130	161
Total	453	524	570	708	644	590	838

¹⁾ Corrections made to figures in the Eighth General Report.

²⁾ Inclusive of steelworks-owned coking-plants and burden-preparation installations (crushing, screening, sintering).

321. *Pig-iron production plant* was only mildly affected by the 1959 drop in investment activity. Expenditure in this sector, as in 1958, accounted for 32% of all investment in the iron and steel industry, as against an average of 17% between 1952 and 1956. While the rate of investment dropped at the blast-furnaces, and remained level at the coking-plants, it continued to rise at the burden-preparation installations, where it worked out at close on 40% of the total value of expenditure on pig-iron production. Except in the case of the coking-plants, investment should prove to have risen throughout the pig-iron sector during 1960, though not to the same extent as in the other sectors, particularly the rolling-mills.

The specific allocation of investment expenditure suggest disparate increases in the production potentials forecast for 1963, 8.5% for coke, 79% for sinter, and 23% for pig-iron.

322. It was in the *steelworks sector* that the downturn in capital expenditure in 1958 and 1959 was most apparent. Only in the category "L/D and others" was investment higher in 1959 than in 1958. From 1960 onwards a marked expansion in expenditure on this type of plant may be expected.

(\$'000,000)

Type of coking-plant	Actual expenditure as per accounts at January 1, 1960						Estimated expenditure (projects in progress or approved) as at January 1, 1960
	1954	1955	1956	1957	1958 ¹⁾	1959	1960
Basic Bessemer	14	17	23	45	50	36	25
Open-hearth	20	31	54	52	27	17	
Electric-furnace	} 10	} 15					12
L/D, Rotor and others			8	15	7	11	30
Total	44	63	102	128	95	72	93

¹⁾ Corrections made to figures in the Eighth General Report.

As a result of the increasing use of the new processes for eliminating carbon from pig-iron, the L/D and similar steelworks should soon be accounting for a considerable share of total crude-steel production potential, with the shares of basic Bessemer and open-hearth contracting accordingly.

Going purely by the investment position as shown at January 1, 1960, total crude-steel production potential should work out by 1963 at approximately 81,900,000 metric tons, which with the steelworks operating at the maximum rate of 96% would mean in practice a production of 78,600,000. This would give a mean annual rate of growth in actual production of 3.8% from 1959 onwards, whereas the annual rate actually recorded since the introduction of the Common Market for steel was 6.1%.

Comparison of the crude-steel and pig-iron production potentials forecast for 1963 indicates a ratio of 1:0.793, as against 1:0.731 in 1958 and 1:0.751 in 1959. If this upward trend does so continue, it will be eminently satisfactory. Declarations received from enterprises since January 1, 1960, however, do not altogether suggest that this will be the case.¹⁾

¹⁾ See No. 327 ff. below.

323. Capital expenditure on the *rolling-mills*, which from 1952 to 1956 represented about one-half of total investment in the industry, in 1958 and 1959 accounted for only one-third. According to enterprises' forecasts, however, a turnaround in this trend is now in progress: expenditure on the rolling-mills, particularly in the flat-products sector, is expected to have reached a record level in 1960 and to have again accounted for half the total investment of the industry.

(\$'000,000)

Type of mill	Actual expenditure as per accounts at January 1, 1960						Estimated expenditure (projects in progress or ap- proved) as at January 1, 1960
	1954	1955	1956	1957	1958 ¹⁾	1959	1960
Section mills	74	87	81	79	61	64	95
Plate, sheet and strip mills	140	144	107	111	78	68	196
Blooming and slabbing mills	23	41	31	45	32	39	47
Other mills	28	29	26	47	36	29	51
Total	265	301	245	282	207	200	389

This trend suggests a further increase in the share of flat products by 1963, to 47% as against 37% in 1952.

SPECIFIC CAPITAL EXPENDITURE

324. To permit a country-by-country comparison of investment in modernization and extension of plant, it may be of interest to list side by side the figures for capital expenditure and actual production in the following main industrial sectors, *viz.*

- (a) the coalmining industry (pits);
- (b) the carbonization sector (mine-owned, steelworks-owned and independent coking-plants);
- (c) the iron-ore industry (ore extraction, preparation at the mines, various surface installations);

- (d) pig-iron production (blast-furnaces and burden preparation);¹⁾
 (e) crude-steel production (steelworks proper);
 (f) production of rolled products (rolling-mills and ancillary plant).

Specific expenditure in these sectors over the years 1954-58 and in 1959 is shown in the following table. For purposes of evaluation, these figures have to be treated with some reserve: the sectors concerned vary in structure and operating conditions from one country to another, in each one the incidence of replacement and extension operations is different, and the prices of capital goods in units of account are not fully intercomparable. Sources of error of this kind do have to be taken into account: nevertheless, they are not in themselves sufficient to explain the disparities within the individual sectors between one Community country and another.

325. Specific Capital Expenditure

(\$ per metric ton produced)

Sector	Germany (Fed. Rep.)	Bel- gium	France	Italy	Luxem- bourg	Nether- lands	Com- munity
<i>Coal</i>							
average 1954-58	0.91	1.38	1.25	1.32	—	1.13	1.06
1959	0.94	1.02	0.90	0.75	—	1.55	0.97
<i>Coke (all types of coking-plant)</i>							
average 1954-58	1.01	1.11	2.69	1.48	—	— ¹⁾	1.31
1959	1.29	0.94	1.16	1.25	—	— ¹⁾	1.21
<i>Iron ore</i>							
average 1954-58	0.53	0.20	0.49	1.36	0.14	—	0.49
1959	0.57	—	0.44	0.54	0.21	—	0.45
<i>Pig-iron²⁾</i>							
average 1954-58	2.42	2.40	3.34	2.45	2.50	5.06	2.71
1959	3.12	4.19	4.44	3.96	1.58	2.08	3.51
<i>Crude steel</i>							
average 1954-58	1.87	1.33	1.18	1.24	1.51	3.65	1.59
1959	1.12	1.26	1.19	0.78	1.00	2.18	1.13
<i>Rolled products</i>							
average 1954-58	8.10	4.21	6.64	8.68	3.08	7.59	7.01
1959	3.11	7.52	4.71	7.24	3.80	6.09	4.57

¹⁾ Coke figures for Belgium and the Netherlands have been amalgamated.

²⁾ Expenditure on burden-preparation installations and blast-furnaces only.

1) Exclusive of expenditure on steelworks-owned coking-plants.

326. In the *coalmining industry* (pits) the trend in specific capital expenditure indicates that the effects of current sales difficulties and the consequent shrinkage in enterprises' financial resources are being reflected in the level of investment: notwithstanding a decrease in production, capital expenditure per metric ton produced was almost 10% below the rate for 1954-58. This drop is principally due to a reversal of the trend in the Belgian and French coalfields, the figures for which were formerly above the Community average. In the German industry, and particularly in the Ruhr, specific expenditure was lower than in 1958, and above the average for 1954-58 only owing to production cutbacks.

Specific expenditure on the *coking-plants* also declined, particularly in France and Belgium. In Germany, the upward trend noted in 1958 continued: the German figures, formerly the lowest in the Community, were in 1959 above the average for all six countries. It should be noted, however, that the drop in coke production in 1959 was especially marked in the Ruhr, so that capital expenditure per metric ton produced appears unduly inflated.

Specific expenditure on the *iron-ore mines* in 1959 was slightly below the average for 1954-58, except in the German and Luxembourg orefields.

In the *iron and steel industry* specific expenditure in 1959 was mostly rather lower than in 1958, and also, except in the case of pig-iron, lower than the 1954-58 average. In the *pig-iron sector* it showed an average increase of 30% over the 1954-58 figures: in Belgium the increase was as high as 75%, though in Luxembourg and Netherlands the rate plunged steeply.

The ratio of capital expenditure on the steelworks to actual steel production remained everywhere very close to the Community average, notwithstanding the major differences in the types of production plant employed. There was, however, a general decrease in most areas during 1959, except in France, where a drop in the north of the country was offset by an increase in Lorraine.

In the *rolling-mill sector* the downward trend which had been in evidence since 1957 continued. It was apparent, however, in the

Belgian industry, where specific expenditure reached a peak in consequence of a special drive in respect of section mills; mention should also be made of the high figures recorded in Central France and (in consequence of large-scale investment in works in coastal areas) in Italy. Specific expenditure in the two main producer areas, the Ruhr and Lorraine, was however well below the Community average.

DECLARATION OF CAPITAL SCHEMES

327. By the terms of two High Authority decisions¹⁾ 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

- (a) entirely new plant where the total estimated expenditure exceeds 500,000 dollar units of account;
- (b) replacement or conversion of existing plant where total estimated expenditure exceeds 1,000,000 units of account; and
- (c) construction of or alterations to steelmaking furnaces and hot-blast cupolas irrespective of the estimated expenditure.

The particulars emerging from the declaration 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; the operations concerned for the most part, especially in the coalmining industry, extend over a period going beyond the scope of the annual survey, and moreover schemes involving an estimated expenditure below the figure mentioned are not declarable.

¹⁾ See *Official Gazette of E.C.S.C.*, July 26, 1955, and July 19, 1956.

328. Between January 1, 1956, and December 31, 1960, 528 declarations in all, relating to 864 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
1st six months, 1960	80	166
2nd six months, 1960	55	91
Total, 1956-60	528	864

329. The aggregate value of the projects declared to the High Authority during 1960 was three times as high as in the previous year; as may be seen from Table No. 330.

Projects declared by enterprises in the *coalmining industry* related mainly to the coal-valorization side, *i.e.* the coking-plants and, in particular, the pithead power-stations. The net production increase resulting for the mine-owned coking-plants will work out at 2,200,000 metric tons a year, and the increase in the pithead power-stations' installed capacity at 520 MW.

In the *iron-ore industry* only one project was declared, for the opening-up of a new deposit in the North German plain. It should, however, be noted that as only schemes involving an estimated expenditure of 500,000 or, as the case may be, 1,000,000 units of account are declarable, the High Authority's figures do not include the numerous modernization schemes in progress in this industry.

In the *iron and steel industry* investment fairly boomed during 1960. Further details are given in Table No. 331.

About half the aggregate value of the exceptionally large number of schemes declared in 1960 was accounted for by new

projects in the rolling-mill sector, and more particularly in respect of hot and cold wide-strip mills. The resulting net increase in production potential for finished rolled products will amount to 8,300,000 metric tons, of which 5,300,000 will be represented by flat-products mills.¹⁾

About one-quarter of the total value was accounted for by proposed expansions in the production of crude steel from pig-iron, in particular by the new oxygen-blowing processes. The projects for this purpose will result in an increase of 17 million metric tons per annum in production potential for oxygen-blown converter steels. Basic Bessemer capacity representing a production potential of approximately 4,300,000 metric tons is to be scrapped. The net increase in crude-steel production potential overall may be reckoned from the declarations received during 1960 at 13,200,000 metric tons per annum.¹⁾

The marked expansion in crude-steel production potential necessitates a parallel increase in pig-iron production. A major drive is also in progress in this sector: the net increase indicated by the 1960 declarations works out at 7,300,000 metric tons. Much of this is accounted for by the greater use being made of sintered ores: schemes declared in 1960 indicate an increase of 15,300,000 metric tons per annum in the production potential for sinter.¹⁾

The increase in pig-iron production potential does not, however, measure up to the planned major expansion in steel production potential. Further large-scale investment will be necessary if the pig-iron/crude-steel ratio is not to be seriously affected.

¹⁾ See *Statistical Annex*, Table No. 48.

330. *Aggregate Value of Capital Schemes Declared*

('000,000 E.M.A. units of account)

Industry.	1956		1957		1958		1959		1960	
	1st six months	2nd six months	1st six months	2nd six months	1st six months	2nd six months	1st six months	2nd six months	1st six months	2nd six months
Coalmining industry ¹⁾	133	72	98	79	229 ²⁾	22	23	144	118	28
Iron-ore mines	7	2	2	23	15	1	8	—	6	—
Iron and steel industry	243	395	165	87	256	154	116	379	1,092	710
Total	383	469	265	189	500	177	147	523	1,216	737
Aggregate value per year	852		454		677		670		1,954	

1) Including plants producing B.K.B. and low-temperature brown-coal coke.

2) This exceptionally high figure includes expenditure in connection with special schemes carried out under the Franco-German Warndt Agreement of October 27, 1956.

331. Aggregate Value of Capital Schemes Declared by the Iron and Steel Industry

('000,000 E.M.A. units of account)

Industry	1956		1957		1958		1959		1960	
	1st six months	2nd six months	1st six months	2nd six months	1st six months	2nd six months	1st six months	2nd six months	1st six months	2nd six months
Steelworks-owned coking-plants	20	22	10	10	5	3	2	10	35	6
Burden-preparation installations	9	49	21	16	39	49	1	59	72	60
Blast-furnaces	56	84	38	15	59	18	6	37	112	37
Steelworks (of which : L/D and similar)	63	72	26	(+)	41	8	4	13	184	173
Rolling-mills (of which : flat-products mills)	(2)	(-)	(9)	(3)	(16)	(2)	(1)	(5)	(148)	(139)
Power-generating plant and miscellaneous	83	106	43	42	81	44	92	210	550	380
	(36)	(41)	(5)	(41)	(59)	(7)	(58)	(146)	(358)	(162)
Total	12	62	27	4	31	32	11	50	159	54
	243	395	165	87	256	154	116	379	1,092	710

1) Schemes dropped and new schemes declared cancel out (7 million units of account in each case).

332. Some of the results of the 1960 survey require to be fairly substantially corrected in line with new declarations coming in, as quite a number of new schemes were not envisaged or approved until after January 1, 1960, the qualifying date for the survey.

The production potentials indicated for 1963 by the results of the 1960 survey plus subsequent declarations are as follows.

333. *Production Potentials in 1963*

(*'000,000 metric tons*)

Product	Potential suggested by 1960 survey ¹⁾	Additional potential suggested by 1960 declarations	Total
Sinter	54.03	6.15	60.18
Pig-iron	64.93	1.97	66.90
Basic Bessemer Steel	38.88	—3.08	35.80
Oxygen-blown steel	6.11	8.03	14.14
Open-hearth steel	28.40	—0.12	28.28
Electric-furnace steel	8.46	0.76	9.22
Total, crude steel	81.85	5.59	87.44
Light and heavy sections	25.56	0.57	26.13
Wire-rod	6.36	1.14	7.50
Hot-rolled strip and tube strip	5.58	0.03	5.61
Plate	10.28	0.85	11.13
Hot-rolled sheet	2.84	0.22	3.06
Cold-rolled sheet	10.11	1.48	11.59
Total, rolled products	60.73	4.29	65.02
Hot-rolled wide strip (coils, etc.)	13.33 ²⁾	1.84	15.17

¹⁾ See *Investment in the Community Coalmining and Iron and Steel Industry*, September 1960, Section IV.

²⁾ Not shown in the investment report.

HIGH AUTHORITY OPINIONS ON CAPITAL SCHEMES

334. Under Article 54.4 of the Treaty the High Authority may issue reasoned opinions on capital schemes of particular importance for the purposes of the General Objectives (which were published in the *Journal Officiel de la C.E.C.A.* of May 20, 1957). These opinions show the enterprises exactly how the merits of their individual projects

must be appraised in the light of the general situation prevailing in the Common Market. They are purely advisory in character, and in no way binding on the enterprises concerned (*cf.* judgment delivered by the Court of Justice on December 10, 1957). Copies are, however, forwarded to the Governments concerned, and lists of opinions issued are published in the *Journal Officiel*.¹⁾

It sometimes happens that a High Authority opinion causes an enterprise to withdraw or amend its project: thus in 1960, a big scheme for a new electric-furnace steelworks was brought into line with the General Objectives by an arrangement whereby larger amounts of bought liquid pig-iron were to be used in the enterprise's open-hearth steelworks, and the corresponding amounts of scrap made available for use in the new electric-furnace plant.

The Governments, and also the banks and other credit institutions if they specially request a prospective borrower enterprise to let them see the High Authority's opinion, can draw whatever conclusions are relevant to their particular interest in the project concerned.

335. The *Journal Officiel des Communautés* in 1960 listed 61 High Authority opinions on capital schemes.

With regard to 17 projects for the construction of new electric-furnace and open hearth plant, it expressed reservations (notwithstanding the easing of the scrap market meantime and the in many cases only minor increase in scrap requirements) concerning the desirability of any further expansion in this type of capacity. In respect of three similar projects, on the other hand, it had no such objections to offer, inasmuch as they provided for an increased input of pig-iron, which would help to avoid a rise in scrap requirements.

The High Authority issued 37 favourable opinions on other schemes. Thus it approved the planned opening-up of a new ore deposit in the Community, extension operations at a pit, and four

¹⁾ See *Journal Officiel des Communautés Européennes*, February 22, April 1, May 19, June 16, July 12, October 6, November 19 and December 23, 1960.

projects relating to pithead power-stations and designed to ensure better valorization of low-grade coal, as well as 31 schemes calculated to step up the production of crude steel from pig-iron in line with the General Objectives. Some of these last were aimed at increasing pig-iron production by the construction of new blast-furnaces and, indirectly, by the improvement and extension of ore-preparation facilities, including in particular the construction of new sintering-plants (thereby helping to expand the production of crude steel, and especially of the new oxygen-blown steels); others were for the construction or large-scale extension of integrated iron and steel works.

The High Authority also issued opinions on four rolling-mill projects of special technological interest. In general, however, it refrained from expressing any views on schemes in this sector, although in view of the marked increase in the number of schemes declared relating to flat-products mills it carried out a study on the probable state of the sheet market in 1965, in preparation for the forthcoming new set of General Objectives for the Community.

It brought this study to the attention of the enterprises which had declared projects for the expansion of flat-products capacity. In it internal Community sheet requirements in 1965 are put at 10 million metric tons if the general level of economic activity is average, and at 11 million if it is high; net exports of sheet are estimated at 3,200,000-3,700,000 metric tons, so that total demand works out at between 13,200,000 and 14,700,000 metric tons. The breakdown of the former figure (*i.e.* given average market conditions) might be approximately 1,200,000 metric tons for cut sheets, 800,000 for unprocessed hot-rolled sheet and 11,200,000 for cold-reduced sheet.

Production capacity¹⁾ in 1965 is expected to total 2,500,000 metric tons for the reversing sheet mills (producing cut sheets), and 12,700,000 for the cold wide-strip mills.

¹⁾ The term "production capacity" is to be taken as meaning the theoretical production potential of a given rolling-mill train with a normal rolling schedule, assuming that no bottlenecks occur in one section of the mill and thereby hold up all the others. This capacity is therefore larger than the probable production potential for 1965.

Comparison of the demand assumed with the capacity forecast suggests that if 1965 is a year of average business activity the rate of utilization at the reversing sheet mills will be 48% and at the cold wide-strip mills 88%.

The capacity of the hot wide-strip mills in 1965 is estimated at 21,300,000 metric tons: given a demand, in an average year, of 16 million metric tons for cold-reduction and for immediate use, the rate of utilization would be 75%.

FINANCING OF INVESTMENT

336. 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."

337. The High Authority has raised to date for this purpose 10 long and medium-term loans representing a total of \$250,770,000.¹⁾ To secure its borrowing the High Authority entered into an Act of Pledge with the Bank for International Settlements, Basle, under which the Bank holds all evidences of indebtedness (and related securities) received by the High Authority from its borrowers in common pledge for the equal and ratable benefit of all lenders to the High Authority.

With the consent of a two-thirds majority of the lenders, the Act of Pledge was amended on July 27, 1960, in order to simplify and supplement the provisions of the indenture securing the High Authority's obligations. In addition, the High Authority was empowered also to raise unsecured loans outside the Act of Pledge, which by the terms of the Act as originally worded it had not been able to do.

The proceeds of the High Authority's borrowings were then re-lent in accordance with Article 51. The five loans raised outside the Community, totalling \$231,650,000, went to help finance industrial

¹⁾ For further details see Financial Annex.

Investment, while those contracted inside the Community, which totalled \$19,120,000, were allocated to the E.C.S.C.-sponsored programmes for the building of workers' houses.

338. The last of the loans contracted during the period under review was floated in the American money market on October 18, 1960, through a banking syndicate under the leadership of the New York issuing houses Kuhn Loeb & Co., The First Boston Corporation and Lazard Frères & Co. This was the third public loan raised by the High Authority in the United States. It amounted to \$35 million in all, divided into two parts, a long-term *tranche* of \$25 million repayable over 20 years, issued at 97% at an interest rate of 5 3/8 p.a. and a medium-term *tranche* of \$10 million repayable over 3,4 and 5 years at 4 3/4, 4 7/8 and 5% respectively, issued at par. In December and January the High Authority also had available for relending purposes \$2,250,000, the proceeds of anticipatory redemptions of earlier loans granted by it.

The High Authority decided to relend the funds at its disposal, totalling \$37,260,000, at average cost, *i.e.* without margin of profit at 5 7/8% p.a.

The High Authority had at that time before it applications for loans to a total value of \$110 million. Of this \$50 million was represented by applications from firms in Germany: however, as the German authorities were very much against any further dollar loans, in view of the economic and monetary position then prevailing in the country, it decided to disregard all applications received from German firms.

Of the application from other Community countries, totalling \$60 million, the High Authority was able to approve over one-half. Loans were granted to the following firms in Belgium, France and Italy:

- (a) the Union Sidérurgique du Nord de la France ("Usinor"), Paris;
- (b) the Società Finanziaria Siderurgica ("Finsider"), Rome;

- (c) the Société Espérance-Longdoz, Liège;
- (d) the Société pour le Traitement de Minerai de Saizerais, Nancy;
- (e) the Società Fornicoke, Turin.

The capital schemes so assisted are in all respects fully in line with the General Objectives. The two largest relate to the construction of big integrated iron and steel works in coastal areas. The third is in connection with the introduction of a new steelmaking process at an integrated works specializing in the production of sheet, while the last two are designed to improve production conditions in respect of the raw materials used in making pig-iron, namely sintered ore and hard-coal coke.

The High Authority originally withheld \$7 million from the funds borrowed with a view to financing projects for the reconversion of enterprises and the creation of new employment opportunities. However, as no suitable schemes were submitted by the Governments within the time-limit fixed, the High Authority decided to make this amount also available for the financing of capital schemes in industry, while reserving the right to make appropriate provisions for reconversion purposes from future loans.

339. Following the allocation of the \$35 million-dollar loan raised in the United States, the position as regards credits granted by the High Authority out of the various loans raised by it in the United States and Switzerland is as shown below.¹⁾

¹⁾ Exclusive of the credits granted out of funds becoming available as a result of prepayments of instalments and anticipatory redemptions of earlier loans granted by the High Authority.

340. 1) *By sectors and loans*\$'000,000 (E.M.A. units of account) and %¹⁾

	1st American loan (1954)	Swiss loan (1956)	2nd American loan (1957)	3rd American loan (1958)	4th American loan (1960)	Total	
Coalmining industry (pits, power-stations, coking-plants)	81.45	—	24.00	28.00	0.37	133.82	57.8%
Iron-ore mines	18.55	—	0.30	3.00	—	21.85	9.4%
Iron and steel industry (burden preparation, blast-furnaces, miscellaneous)	—	11.65	10.70	19.00	34.63	75.98	32.8%
Total	100.00	11.65	35.00	50.00	35.00	231.65	100.0%

¹⁾ One E.M.A. unit of account equals 0.88867088 gr. fine gold or one U.S. dollar.2) *By countries and sectors*\$'000,000 (E.M.A. units of account) and %¹⁾

	Coalmining industry	Iron-ore mines	Iron and steel industry	Total	
Germany (Fed. Rep.)	92.45	7.55	20.36	120.36	52.0%
Belgium/Luxembourg	14.00	1.00	7.00	22.00	9.5%
France	27.00	7.60	19.87	54.47	23.5%
Italy	0.37	5.70	28.75	34.82	15.0%
Community	133.82	21.85	75.98	231.65	100.0%

¹⁾ One E.M.A. unit of account equals 0.88867088 gr. fine gold or one U.S. dollar.

341. The proceeds of the loans floated in the United States and Switzerland were not the only funds out of which the High Authority was able to extend credits for investment purposes: it also had available 10,020,000 units of account derived from prepaid instalments and anticipatory redemption payments on earlier advances, which it was then able to relend.

In addition, amounts totalling 19,120,000 units of account were raised in the capital markets of the Community and allocated to help finance the building of houses for miners and steelworkers (see Nos. 482 ff. below).

A recapitulation of all loans contracted and granted by the High Authority will be found in the Financial Annex (Tables Nos. VI, VII, VIII and IX).

342. As well as granting direct credits, the High Authority, by placing its own funds with banks in accordance with its liquidity requirements, enabled the latter on their own responsibility to make available considerable sums to coalmining and iron and steel enterprises in the form of medium-term credits at reduced interest rates. In France and Germany agreements were successfully concluded with various banks, making it possible to finance more new medium-term projects with additional funds supplied by the banks.¹⁾

343. As long ago as 1958, the High Authority acted as guarantor in respect of a loan contracted by a small Italian enterprise. In 1959, it did the same for a large French firm which proposed to construct a new integrated iron and steel works.²⁾

In 1960, the High Authority agreed to guarantee unconditionally up to DM.100 million a loan for the financing of large-scale extensions to an integrated iron and steel works in Lower Saxony. The enterprise is making increasing use of locally-mined iron ore to produce pig-iron and steel: the utilization of this Community ore is very much in accordance with the High Authority's General Objectives as published.

¹⁾ See the High Authority's various financial reports, and its general statements on the financial position of the Community.

²⁾ See *Eighth General Report*, No. 124, and *Seventh General Report*, No. 156.

Section 3 : Technical and Economic Research

344. The European Parliament in the course of the past year demonstrated its special interest in technical and economic research. In a Resolution adopted at its session in July 1960, it requested the High Authority to draw up and publish an account of the main lines along which it proposed to proceed in this field. The Consultative Committee also asked the High Authority to tabulate the research projects promoted by it, bringing out special points to be considered, more especially in the appraisal of new projects in respect of which financial aid is applied for. The list was submitted to the Committee at its meeting on October 4, 1960, at which the Committee decided to set up a Sub-Committee on Research Projects.

The main lines followed to date in promoting technical and economic research may be discerned from an examination, in the light of the 1957 General Objectives, of the various projects for which the High Authority has granted financial assistance. The following Section describes progress made during 1960 in the research work in progress or planned concerning coal and steel.

In addition, as required by the General Objectives and by Article 55,2 of the Treaty, the High Authority helped to ensure the provision of better housing for workers. A first experimental building scheme launched by it was designed to encourage the increased use of steel and to enable a comparative study to be made of building costs. A second is intended to promote the prefabrication of building elements with the object of making the housing units themselves as economic as possible to construct.¹⁾

One major field of research in which the High Authority is assisting activities concerns the protection of the health and the safety of the individual employed on production processes, *i.e.* the industrial-health and medicine sector.²⁾

¹⁾ See Chapter Five, Section II,2 below.

²⁾ See Nos. 490 ff.

Basing itself on past experience and on the new General Objectives in preparation, the High Authority hopes in the near future to establish a definite research policy fully measuring up to the requirements of Article 55.

RESEARCH ON COAL

345. The aims and objects of technical and scientific research are governed by the technical and economic problems arising in the sector of industry concerned — in this instance, the Community collieries.

It is natural, therefore, that the difficulties which these have been experiencing since late 1957 and early 1958, and the battle in progress to maintain coal's share in the energy market, should at the same time have given a very considerable impetus to technical research on coalmining problems.

346. The principal tasks facing the Community coalmining industry fall under three heads:

- (1) to lower production costs very substantially;
- (2) to make good the shortage of underground workers, which is becoming more and more acute in a number of coalfields;
- (3) to make every possible effort to render coal more attractive to consumers, whether in solid-fuel form (coal proper, coke, and briquettes) or after thermal or chemical valorization: in other words, to induce a major revival in coal sales.

These problems are not new in themselves, but they are particularly urgent at the present time owing to the appreciable deterioration in the competitive position of coal.

347. Technical research in the coalmining industry has an extremely important part to play in the achievement of these three vital tasks, by furthering the work being done

- (a) to mechanize operations both below ground and at the surface (with a view to (1) above);

- (b) to introduce further improvements in safety conditions in the pits, and particularly in ventilation, a matter of ever greater importance the deeper the coal is mined (with a view to (2); considerably facilitated also by activities under (1), *viz.* mechanization);
- (c) to promote still more the mechanical, thermal and chemical valorization of coal, and the efficient utilization of coal in solid-fuel form (with a view to (3)).

348. The coal-research projects being conducted with the financial assistance of the High Authority may be briefly described under the same three heads as follows.

1. *Mechanization*

Project on *strata pressure*: an aspect of scientific research on conditions below ground which is of the first importance to the further mechanization of coal-winning operations and to technical improvements in the matter of support, and which in addition affects activities under head 2, "Safety."

Head 1 further includes a project for the development of a *fully-mechanical roadway-tunneller*.

2. *Safety and ventilation*

Project for the study of factors causing *sudden outbursts of firedamp*, such as occur particularly in certain coalfields in Southern Belgium and France, and of more effective ways and means of dealing with these.

Mention should also be made of the competition organized some time ago by the High Authority for the devising of *portable methanometers and methane-detectors* to enable action to be taken in time to prevent fires or explosions below ground, and also of a "self-rescuer" affording miners full protection against noxious gases and oxygen deficiency.¹⁾

¹⁾ See No. 514. below.

3. *Coal valorization*

Two projects relating to carbonization, namely

- (a) the development of the new "two-stage" coking process, designed to increase the throughput performance of the ovens and to make it possible to carbonize larger tonnages of the more weakly-coking coals ;
- (b) a study of *optimum operating conditions for producing coke by the standard process*, as regards the preparation of the coking blend, the throughput rate of the ovens, the consumption of heat, the quality of the coke and the recovery of by-products.

Detailed reports have already been published on these various projects, covering their technical execution, their aims and objects, and the financial assistance granted in respect of them by the High Authority.¹⁾

349. Before going on to deal with progress to date on these studies, we would here note that no definitive results are as yet available. The projects are not at present anywhere near the stage of producing concrete results. On the other hand, the basic preparatory work — *i.e.* the development of appropriate measuring instruments, the preliminary laboratory tests, the trials on a semi-industrial scale, and so on — has meantime been practically completed. We append a few notes in this connection.

Project on strata pressure

350. Research is proceeding as planned in the four coal-bearing countries of the Community. The measuring instruments and methods employed, and the experimental equipment are either of entirely new design or specially-improved versions of those used in the past. In addition, prior to the on-the-spot studies below ground, some first

¹⁾ See *Sixth General Report*, Nos. 327 and 337, *Seventh General Report*, Nos. 161-166, and *Eighth General Report*, No. 130.

rough tests were carried out using true-to-scale models. The studies have been carefully spread over several Community coalfields with differing natural conditions, in order to obtain as wide a range of results as possible, with due regard to the different geological and tectonic conditions prevailing.

Development of a fully-mechanized roadway-tunneller

351. The technical details of this machine have now been completed: the machine was assembled on the premises of the firm which is to supply it, and put through its first trials above ground, and the technical personnel of the collieries where it is to be used were instructed in its use. It is to be practically employed below ground early in 1961 in the Ruhr; a second machine of the same type is to be brought into service some months later in Lorraine.

Project on measures to deal with sudden outbursts of firedamp

352. This study is being carried out in Belgium by the Institut National de l'Industrie Charbonnière at Liège, and in France by the Centre d'Etudes et de Recherches of the Charbonnages de France. Here too the first thing to be done was to make improvements to the existing measuring instruments and methods and to develop new ones. This preliminary stage is now pretty well over: practical tests below ground with the instruments have been in progress for some time. The existing state of knowledge regarding the bearing of the natural conditions of the coal deposit concerned, and of strata disturbances caused by shotfiring, on the likelihood of sudden outbursts has been taken a step further by means of fresh experiments. These included the recording of gas pressure in the rock, of the temperature in the workings and in the solid coal, of the extent of strata disturbances due to shotfiring, of the velocity and volume of gas released in outbursts, of the air and gas concentrations in workings where outbursts had occurred, of the methane content of the atmosphere in working before and after shotfiring, and other relevant data.

Competition to develop safety devices

353. The various entries received by the High Authority's panel of judges were carefully tested in the laboratories, and the following were short-listed as meeting the conditions laid down:

- 3 methanometers;
- 1 firedamp-detector;
- 3 carbon-monoxide recorders;
- 2 fully-protective self-rescuers.

These appliances are now undergoing several months' testing below ground to enable them to be finally classified in order of merit and usefulness. In the case of the self-rescuers, the tests are of course confined to checking their robustness and the behaviour of their chemical and material components in the atmosphere below ground.

The designs submitted for an oxygen-deficiency indicator have had to be shelved for the present; another competition is, however, to be organized for the development of such a device.

Project on the two-stage coking process

354. The work on this project is being done at the experimental plant at Marienau, Lorraine, run by the Centre d'Etudes et de Recherches of the Charbonnages de France. The first leg was recently completed, comprising laboratory and semi-industrial tests. Several series of tests were carried out with differently-blended coking mixtures. By the new process, the blends were first preheated to approximately 300°C., and carbonized forthwith while still hot. A profitability assessment worked out from these initial studies was favourable. As a further step before the semi-industrial tests, work was begun with a specialized firm on the development of a charging-car for introducing the preheated blend into the experimental ovens at Marienau (which are of the same height and width as those used in industry) in an inert atmosphere with gas-tight sealing.

Project on optimum operating conditions in standard coking-plants

355. The Steinkohlenbergbauverein, of Essen, which is in charge of this project, has now completed the laboratory and semi-industrial tests which form a necessary preliminary to industrial-scale trials. The aim was to work out more exactly the effects of the coking temperature on the properties of the coke (proportion of large coke, Micum index) and on the recovery of by-products, and also to determine the heat consumption per throughput kilogramme for the different coking times, the corresponding throughput performance obtainable, and so on. At the same time the Steinkohlenbergbauverein further expanded its own experimental plant (at which the chamber dimensions and operating conditions are also the same as those in industry), and equipped it with the necessary measuring instruments for the forthcoming industrial-scale tests.

356. Over and above the High Authority-aided projects listed, research continued actively in all the other technical fields coming under the three main heads just referred to.

In this more general context, the research on up-to-date *space-heating installations* burning solid fuel (hard coal, hard-coal coke and hard-coal briquettes) is of special importance from the point of view of coal sales. The aim is to develop heating appliances which will be so easy and clean to handle (stoking, heat regulation, heat conduction and consumption, removal of ash and clinker, etc.) and so efficient as to be just as attractive as other modern space-heating installations fired with fuels now in competition with coal and having the advantage of practically automatic operation and maximum fuel efficiency. This field of solid-fuel utilization offers considerable scope for a successful drive to retain a substantial portion of the market for coal, and indeed possibly even to recover the ground lost. As well as the installation of ultra-modern central-heating plant for individual buildings, it covers the construction of highly-advanced units serving to heat whole blocks and indeed to supply piped heating to entire districts.

RESEARCH ON STEEL

Projects in hand

357. High Authority-aided research at present in progress¹⁾ relates principally to

- (a) prospecting for iron and manganese ore in certain African countries ;
- (b) the use of liquid and gaseous hydrocarbons in the blast-furnace ;
- (c) direct reduction of iron ore ;
- (d) flame radiation ;
- (e) better utilization of blast-furnace gas ;
- (f) de-dusting of the brown smoke given off by oxygen-blowing pig-iron converters.

Iron ore

358. The prospecting syndicates mentioned in the Eighth General Report went ahead with their operations according to plan. Their airborne geological surveys are expected to be completed during the coming summer.

Iron-ore deposits were located in the Ivory Coast and in Gaboon by magnetic exploration from aircraft. Teams of geologists and prospectors are now making ground investigations in the more inaccessible areas.

Operations in the seaboard regions of the Ivory Coast will shortly be terminated. The iron ore discovered there has a comparatively low Fe content, and it does not at present seem possible so to enrich it as to obtain a product which would be competitive in the world market.

¹⁾ See *Eighth General Report*, No. 126 ff.

Pig-iron: use of hydrocarbons in the blast-furnace

359. The main aim of the research carried out in the Liège low-shaft furnace at the end of 1959 and during the first six months of 1960 was to arrive at more efficient ways of injecting liquid *fuel oil* through the normal tuyères.¹⁾

The quantity of fuel oil injected was adjusted to the rise in the temperature of the hot-blast so as not to upset the thermal balance in the tuyère zone: for 80-90 kg. of fuel oil per metric ton of pig-iron the hot-blast temperature must be raised by 100°C. Running rates with fuel oil were compared with reference rates for running without it, by keeping constant the hourly production of gas in the hearth produced by coke alone and by coke and fuel oil. Under these operating conditions the coke rate dropped by 15-20%, while the output of the furnace rose by 10-15%.

360. Further experiments were made to try out the effects of injecting larger quantities of fuel oil by enriching the hot-blast, within the limits imposed by the plant, instead of increasing the hot-blast temperature itself.

With a hot-blast enriched with 24% oxygen, the quantity of fuel oil per metric ton of pig-iron worked out at 130 kg. The coke rate went down by 20-30%, while the output of the furnace increased by 35-55%; at the latter rate the furnace produced three metric tons of pig-iron per day per cubic metre of the working volume. The pig-iron produced was, however, of mediocre quality, so that this performance rate would seem to be the limit of what is at present technically achievable with fuel-oil injection.

In these experiments 1 kg. of fuel oil replaced 1.6-2.2 kg. of coke: 30-40% of the hydrogen content of the fuel oil acted as a reducing agent.

¹⁾ The Ougrée low-shaft furnace is charged with a burden of 100% Dwight-Lloyd 3-25 mm. sinter and 10-20 mm. coke.

361. Other research projects were concerned with the injection of gaseous hydrocarbons, in particular residual gases with a 60% methane content. For a similar increase of 100°C. in the hot-blast temperature, the quantity of gas injected was 75-90 cubic metres, which reduced the coke rate by 100 kg.

Trials with coke-oven gas produced roughly the same results.

It was planned that as soon as the plant was back in operation (it was stopped in July 1960 to enable building work to be carried out in connection with a new ore-sintering line), the findings of these first trials should be checked and further tests made with gas injection in conjunction with oxygen-enriched blast.

The research work was to have been resumed early in December with a series of experiments in which larger quantities of fuel oil and oxygen were injected to ascertain the maximum amounts usable with this process. Owing to the strike in Belgium, however, this had to be postponed for a few weeks.

Tests with injections of *pulverized coal* are also under consideration.

362. The three months' series of experiments planned by the Société des Acières de Pompey for the purpose of checking the first results, obtained in 1959, of fuel-oil injections into blast-furnaces was carried out in January-April 1960. It was found that

- (a) in a blast-furnace operating with an unprepared burden at a temperature raised from 800° to 900°C. it was possible to inject 45-50 kg. of fuel oil per metric ton of pig-iron;
- (b) with a constant driving-rate the daily output increased by 9%, while the coke rate dropped by 10%. With a constant coke rate, and consequently a higher driving-rate, the daily output increased by 13 and even 18%.

The High Authority subsequently published a report on these experiments. Two patents taken out by Acières de Pompey have been assigned to the High Authority with a view to their exploitation in all six Community countries.

A start was made in November 1960 on Pompey's experiments with *gasified fuel oil*.

363. Funds from the special grant of 650,000 units of account made available earlier by the High Authority for research on possible savings in the use of metallurgical coke in the blast-furnaces were employed to finance liquid fuel-oil injection tests in a furnace belonging to the Société Cockerill-Ougrée, using a prepared burden (40% sinter initially; later 100%).

Operations began in April 1960 with a burden containing 40% sinter: the amount of fuel oil injected was 60 kg. per metric ton of pig-iron, for an increase of 100-120°C. in the temperature of the blast. The results obtained with the low-shaft furnace were borne out: under these conditions the coke rate fell by 110 kg., the penetration of the burden was increased, and the hydrogen content of the blast-furnace gas never rose above 4%.

Trials with a burden consisting entirely of sinter were begun in November 1960.

Combustion of unscrubbed blast-furnace gas

364. Research on combustion of unscrubbed blast-furnace gas was begun as soon as the relevant contract was signed.

Direct reduction of iron ore

365. Following the major alterations carried out in 1959 at Krupps' pilot plant in Rheinhausen, research was conducted during 1960 on the reduction in the rotary furnace of three high-grade ores of different composition.

Much difficulty was encountered in preventing crusting inside the furnace and in ensuring that the sponge iron was sufficiently desulphurized. Krupps have applied for a patent in respect of the process so developed.

Other matters now being studied include recycling of unused reducer gas, processing of the sponge iron to obtain a product usable by the steelworks, and the optimum particle size for ore.

The Finsider research centre, which is responsible for work on *reduction in the shaft furnace*, placed the various orders for the equipment needed for the construction of the pilot plant at Genoa planned to be begun in 1961.

The Community expert working party expanded and brought up to date the *reference guide to direct-reduction processes* issued in 1958: the new edition is to come out early in 1961.

Steel: improvement of the thermal efficiency of the fuels used

366. The tests in progress under the five-year scheme at the International Flame Research Foundation's experimental plant at IJmuiden are going ahead satisfactorily. Special attention was devoted during 1960 to research on *pulverized coal*.

De-dusting of brown smoke

367. The first experiments on the de-dusting of brown smoke given off by basic Bessemer converters operating with oxygen-enriched bottom-blown blast were carried out by Mannesmanns in December 1959. By the end of January 1960 remarkable success had been achieved with regard to the actual de-dusting itself, but it proved impossible with the apparatus planned for to recover as steam the heat released, which would be necessary to cover the operating costs and overheads of the de-dusting installations. The High Authority then set aside a further 83,500 units of account to enable this project to be completed.

Metallographical atlas

368. The various working parties engaged in drawing up the different sections of the atlas continued their activities according to schedule.

Abstracting of technical literature from Eastern countries

369. The European Association for the Exchange of Technical Iron and Steel Literature (A.S.E.L.T.) with the assistance of the High Authority financed the translation of 926 articles between the end of 1959 and the end of October 1960.

Sixty Community iron and steel enterprises are now regular subscribers to the reference-slip service which issues brief indications of the contents of the articles translated.

Projects under study and in preparation

370. A number of research projects are either in the study stage or in active preparation. These relate to

- (a) enrichment of siliceous ores by flotation: a Franco-German scheme has been submitted to the High Authority;
- (b) physico-chemical reactions between metals and slags: the various research centres are now listing the studies already carried out in this field;
- (c) the introduction of automation in the iron and steel industries: working parties are to study this highly important subject as it affects the different departments of an iron and steel works;
- (d) the optimum ash content for metallurgical coke, having regard to the additional expense of using coal with a low ash content.

Euronorms

371. The High Authority's co-ordination committee on the nomenclature of iron and steel products continued its work on the establishment of the European standards known as "Euronorms."

Euronorm No. 20/60, defining and classifying the different qualities of steel, was issued in 1960, and Euronorm No. 21/60,

concerning packing, inspection and delivery, will appear in the near future.

The first Euronorms on chemical analyses are in process of finalization, and others dealing with chemical and physical tests not yet standardized and with tolerances of merchant bars and sections will be following shortly. Numerous draft Euronorms have been subjected to intensive discussion in the special committees of the different countries, and a series of further drafts has already been produced by various working parties. The publication of several important Euronorms may therefore be expected in the course of the year.

Notwithstanding the inevitable difficulties involved by the institution of Community standards, the work is progressing satisfactorily, with the active support of many producers and consumers who are firmly convinced of the need for a uniform nomenclature in the Common Market.

CHAPTER FIVE

SOCIAL POLICY

372. The High Authority was faced in 1960 with two contrasting trends in the employment situation in the industries under its jurisdiction: in the iron and steel industry employment had been rising since mid-1959 as a result of the general market recovery, while in the iron-ore mines and the coalmining industry it continued to decline.

373. In the iron and steel industry, as in previous years, technological advances enabled production to be expanded without a proportionate increase in the labour force employed: Community production of crude steel and rolled products was some 20% higher than in 1959, whereas the labour force increased by only about 4.5%. Even so, the labour market was not always able to meet the industry's requirements, so that in some countries enterprises had to recruit foreign workers or to consider doing so.

In the iron-ore mines, production continued to go up and total personnel down as a result of the rationalization and modernization schemes which have now been going on for some years.

In the coalmining industry, the situation improved following action by the High Authority, the Governments and the producers. Some further personnel cuts did have to be made; on the other hand, some thriving collieries, particularly in Germany, were unable to find the men they needed.

As in 1959, the Netherlands industry was spared either closures or short-time working: such shrinkage as there was in the labour force was due to the fact that normal wastage outran recruitment.

In Germany, short-time working was discontinued in all coal-fields except the Saar, and a number of collieries even restarted

recruiting, and in Belgium too the incidence of short time became much less during the second half of the year, thanks to the special action taken on behalf of the Belgian industry under Article 37 of the Treaty, and to the results gradually produced by the reorganization drive in progress. In France, where short time had not been introduced until very much later than in Germany and Belgium, it had to be further increased.

Belgium continues to be the country hardest hit by the social repercussions of the coal crisis. Miners at some pits are still earning a good deal less than usual owing to short-time working; many pits have been closed altogether, and others are to go the same way during the months and years immediately ahead.

374. The High Authority continued its various activities to help ensure that the enterprises have all the skilled men they require and that the workers can more readily obtain better-paid jobs available either in their own countries or elsewhere in the Community.

Its work in connection with vocational training, which it has been conducting since 1957, will shortly be entering a new phase.

With regard to freedom of movement for workers, the High Authority helped to frame a decision which, if adopted by the Governments, will further encourage the use of E.C.S.C. labour cards.

375. The High Authority made extensive use of the various means at its disposal to alleviate hardship among mineworkers as a result of the coal crisis. It paid a special "E.C.S.C. allowance" to workers in Belgium placed on short time, and also made available readaptation grants of different kinds in favour of men discharged or given notice before February 10, 1960.

376. The reorganization of the Community coalmining industry is proceeding by stages. A number of pits and workings were closed during the year in Germany, in France and, particularly, in Belgium: Belgian collieries are entitled to the benefit of Article 37 of the Treaty (corrective measures in respect of countries faced with "fundamental—

and persistent disturbances in the economy") only on condition that they duly carry out the programme of closures approved by the Conseil National des Charbonnages.

The High Authority is following with close attention the re-organization operations in hand or planned in the Community countries.

377. The social implications of the adjustment and reconstruction in progress in the coalmining industry are bringing the High Authority increased responsibilities with regard to the readaptation of workers and the industrial redevelopment of coalmining areas.

The amendment of Article 56 of the Treaty enables it to take action in face of the changes for the worse in social conditions caused by the state of the market. It availed itself of the new provisions in November and December 1960.

As regards the industrial redevelopment of areas affected by pit closures, the High Authority went ahead actively with its work on the practical details of the measures it is to introduce in co-operation with the other European institutions and with the Governments.

In accordance with a directive from the Council of Ministers, it convened an Intergovernmental Conference on the redevelopment of Community coalfields. The Conference met in Luxembourg from September 27 to October 1, 1960, and drew up a full inventory of redevelopment schemes already previously carried out and of means of action available; on the basis of its findings the High Authority is to submit proposals for developing a plan of action at Community level.

378. The International Labour Organization invited the High Authority to send representatives to its tripartite technical meeting in Geneva in January 1961 on the social problems raised by the present economic situation of the coalmining industry. The High Authority gladly agreed to do so.

The High Authority was gratified to observe the interest displayed by the delegates — Government, employers' and workers' representatives from the E.C.S.C. coal-bearing countries, the United Kingdom, the United States and Japan — in the measures taken or recommended in the Community to help the industry to overcome its difficulties. This was first described in detail in the introductory report prepared by I.L.O., and then further explained by the High Authority delegation.

379. The High Authority continued its by now traditional activities in the very wide and varied field generically termed "living and working conditions," which ranges from wages to industrial health, medicine and safety, taking in social security and housing on the way.

380. With regard to wages, social security and other matters connected with terms of employment, the High Authority further improved the efficiency of the documentation and information work by means of which it seeks to promote the harmonization of social conditions for miners and steelworkers in the different countries.

One new departure was its arrangement of bringing together experts in the social sciences and representatives of the employers' and workers' associations. This included, in particular, study sessions on methods of payment in the iron and steel industry, and a conference on "Technical Progress and the Common Market" organized by the three European Communities in December 1960. It is felt that frequent contact of this kind between university specialists and research workers on the one hand and employers and workers on the other should make it possible to establish which types of project are most likely to bring about speedy practical improvements, as providing both sides of industry with a sound scientific basis.

381. During 1960, mineworkers' wages underwent a general adjustment to the trend in the cost of living. Wages in the iron and steel industry were also effected by the rise in production and in productivity, aided by the high level of business activity in this sector.

Some reductions were made in the working week, and others scheduled for various future dates.

In quite a number of cases employers and workers reached agreement on long-term programmes of social improvements.

Perhaps the most typical development was in the German iron and steel industry, where a collective-bargaining agreement was concluded on July 19, 1960, providing for the introduction of the forty-hour week on July 1, 1965, after a transitional period to run from January 1, 1962.

In the social-security field, considerations of rationalization did not prevent increases being made in a number of benefits and the introduction of various improvements. The practice of concluding supplemental collective-bargaining agreements is becoming more and more usual: these, as well as bringing additional advantages to the men themselves, may serve to further the harmonization of social security in the Community as a whole.

382. As well as continuing to finance the various schemes sponsored by it for the building of workers' houses, the High Authority made the most of the results of the housing design competition which it organized in 1959. This had produced imaginative suggestions on the basis of which it should be possible to build better (with due regard to the size and needs of families), faster and at less expense. It was consequently an event of some importance.

In particular, it was an opportunity for the High Authority to reassert its view that there should be not only industrial but social investment, serving both to encourage economic expansion and to raise the standard of living. Comfortable accommodation pleasantly and conveniently located is a decisive factor in the life and general reactions of the individual, and hence in itself conducive to a steady rise in productivity.

383. The High Authority's work in the field of industrial health, medicine and safety — which was singled out for special encouragement

by the European Parliament in its Resolutions of July 1, 1960¹⁾ — was continued along two main lines:

- (a) with regard to scientific research, the High Authority went ahead with its activities under Article 55 of the Treaty;
- (b) with regard to practical applications, the Mines Safety Commission organized exchanges of experience among representatives of the enterprises and the workers in the coalmining industry, and of the authorities responsible in the different countries, leading to concrete proposals for measures suitable for immediate introduction in the Community collieries.

Part One — MANPOWER PROBLEMS

Section 1: Trends in Employment in the E.C.S.C. Industries²⁾

IRON AND STEEL INDUSTRY

Trend in numbers employed

384. The marked increase observed in the labour force during 1959 continued in 1960: the total number employed³⁾ rose from 550,100 at the end of December 1959 to 571,600 at the end of September 1960, an increase of 3.9% in nine months, and of 4.7% over the figure at September 30, 1959.

385. Changes in Numbers Employed, by Occupational Categories

	January-September 1959	January-September 1960
Workers	+10,000	+17,900
Apprentices	+ 200	+ 900
Clerical, technical and managerial staff	+ 1,000	+ 2,700
	+11,200	+21,500

¹⁾ See *Journal Officiel des Communautés Européennes*, July 27, 1960.

²⁾ See *Statistical Annex*, Table No. 49.

³⁾ Workers, apprentices and clerical, technical and managerial staff.

In the three Benelux countries, the rate of increase was slower than in 1959, and seems likely to level off in the coming months. In Germany, France and Italy, on the other hand, the increase was greater than in 1959.

386. Manpower Changes by Countries

(⁰000 persons employed)

	1959				1960			
	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.) ¹⁾	229.7	238.5	+8.8	+ 3.8	239.8	252.3	+12.5	+5.2
Belgium	58.8	60.6	+1.8	+ 3.1	60.0	62.4	+ 1.5	+2.5
France	154.5	154.3	-0.2	- 0.1	156.3	160.8	+ 4.5	+2.9
Italy	58.6	57.7	-0.9	- 1.5	58.1	60.7	+ 2.6	+4.5
Luxembourg	21.3	21.6	+0.3	+ 1.4	21.8	21.8	—	—
Netherlands	11.6	13.0	+1.4	+12.0	13.2	13.6	+0.4	+3.0
Community	534.5	545.7	+1.2	+ 2.1	550.1	571.6	+21.5	+3.9

¹⁾ Including the Saar.

The increase in numbers employed was nothing like as great as that in production. Technological progress in recent years has so pushed up productivity that it is possible to increase production without taking on a corresponding number of extra workers.

The following figures illustrate this fact.

387. *Indices for Production, Numbers Employed, Hours Worked and Productivity during the first Six months of 1960*

(1957 average = 100)

	Germany (Fed. R)	Belgium	France	Italy	Luxembourg	Netherlands	Community
387.							
Production of pig-iron	118	118	102	120	112	188	115
Production of crude steel	119	116	123	121	116	159	121
Production of rolled products	119	115	129	137	115	158	123
Workers on the books ¹⁾	113	101	101	93	104	122	106
Hours worked	100	106	104	94	103	120	101
Man-hours worked per day ²⁾	89	98	101	102	100	98	93
Productivity ³⁾	119	109	121	137	113	132	121

¹⁾ Exclusive of apprentices.²⁾ Hours per working day per worker on the books.³⁾ Mean index of production of crude steel and rolled products divided by index of hours worked.

In the Netherlands iron and steel industry, which is of comparatively recent development and in full expansion, the labour force has increased by 20% in three years, and production by 50-60%.

In Italy, where the level of employment shows a drop of 3-4% since 1957, productivity has been stepped up by some 37% thanks to rationalization.

The fact that in Germany a 13% increase since 1957 in the numbers employed has been accompanied by an average rise of only 19% in production is due to major reductions in working hours both in the continuously operating services and elsewhere.

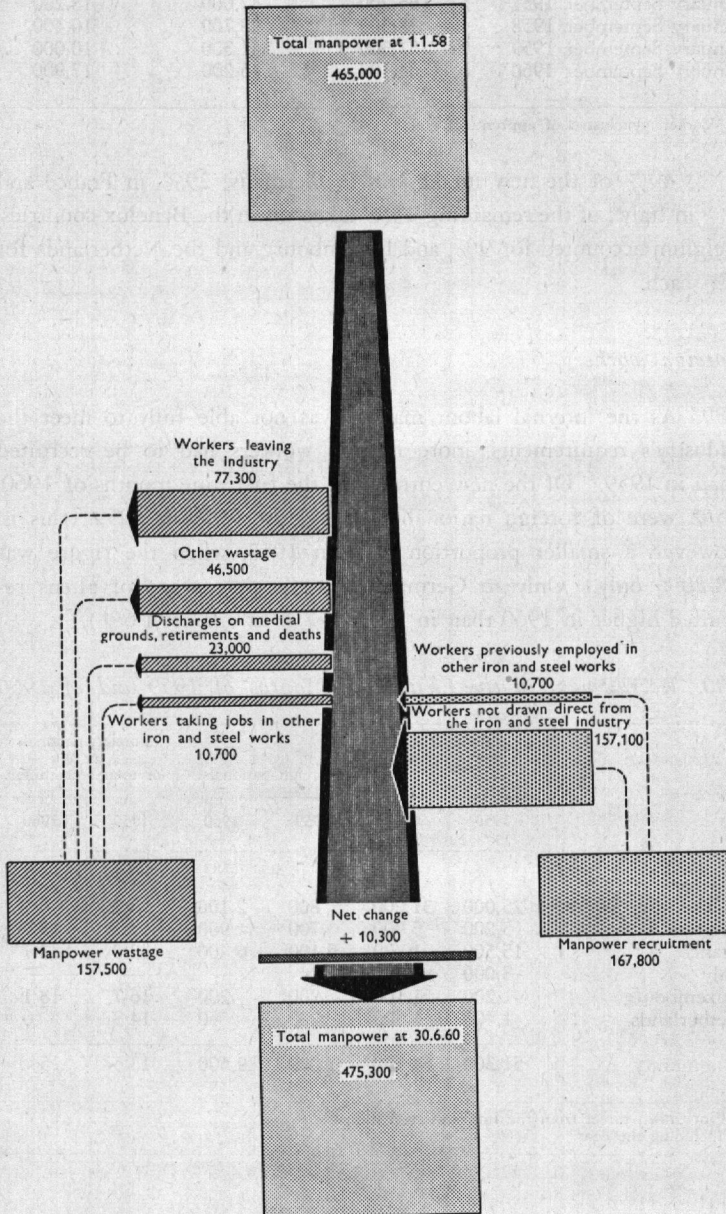
Manpower changes¹⁾

388. During the first nine months of 1960, the total number of new workers recruited in the whole of the Community iron and steel industry was 64,100, as against 51,300 in the first nine months of 1959. Manpower requirements were practically the same as in 1957.

¹⁾ See Graph. No. 11.

GRAPH No. 11

**Manpower Changes in the Community Iron and Steel Industry
between January 1, 1958, and June 30, 1960**



	Recruitment ¹⁾	Wastage	Net change
January-September 1957	65,200	47,000	+18,200
January-September 1958	38,300	48,700	-10,400
January-September 1959	51,300	41,300	+10,000
January-September 1960	64,100	46,200	+17,900

¹⁾ Workers, exclusive of apprentices.

49% of the new intake was in Germany, 29% in France and 9% in Italy; of the remaining 13% taken on in the Benelux countries, Belgium accounted for 9%, and Luxembourg and the Netherlands for 2% each.

Foreign workers

389. As the internal labour market was not able fully to meet the industry's requirements, more foreign workers had to be recruited than in 1959. Of the new entrants in the first nine months of 1960, 15% were of foreign nationality, as against 13% in 1959; this is, however, a smaller proportion than in 1957, when the figure was 18-20% only. Only in Germany was the percentage of aliens recruited higher in 1960 than in 1957 (6.7% as against 1.6%).

390. Recruitment in the First Nine Months of 1959 and of 1960

	New entrants ¹⁾		of whom : foreign nationals		Foreign nationals in % of total recruitment	
	1959	1960	1959	1960	1959	1960
Germany (Fed. Rep.) ²⁾	25,000	31,200	800	2,100	3.2	6.7
Belgium	5,200	5,900	700	900	13.5	15.2
France	15,500	19,000	5,100	6,400	32.9	33.7
Italy	3,000	5,600	—	—	—	—
Luxembourg	1,200	1,100	200	200	16.7	18.1
Netherlands	1,400	1,300	200	0	14.3	0
Community	51,300	64,100	7,000	9,600	13.5	15

¹⁾ Not drawn direct from the iron and steel industry.

²⁾ Including the Saar.

391. General labour recruitment agreements were concluded by the Federal Republic of Germany with Spain and Greece, and by the Netherlands with Italy.

At the end of September 1960, a total of 45,800 steelworkers were employed in Community countries of which they were not nationals, as against 42,900 at the end of September 1959 and 42,600 at the same date in 1957.

392. *Foreign Steelworkers¹⁾ Employed in the E.C.S.C. Countries*

	September 1957		September 1960	
	Foreign nationals	% of total labour force.	Foreign nationals	% of total labour force
Germany (Fed. Rep.) ²⁾	1,700	0.8	3,500	1.6
Belgium	9,600	18.1	9,300	17.1
France	28,300	22.3	29,900	22.8
Italy	0	0	0	0
Luxembourg	2,700	14.5	2,800	14.4
Netherlands	300	3.4	300	2.9
Community	42,600	9.2	45,800	9.5

¹⁾ Exclusive of apprentices.

²⁾ Including the Saar.

IRON-ORE MINES

Trend in numbers employed

393. In the first nine months of 1960, the total number employed¹⁾ fell by some 1,400: on September 30 it stood at about 52,700.

The vigorous expansion in the iron and steel industry caused an increase in iron-ore requirements, but the level of stocks and the flexibility ensured by advanced mechanization were such that the enterprises were able to meet demand without taking on additional personnel.

¹⁾ Workers, apprentices and clerical, technical and managerial staff.

394. *Changes in Numbers Employed, by Occupational Categories*

	January-September 1959	January-September 1960
Workers	-1,900	-1,300
Apprentices	- 200	- 100
Clerical, technical and managerial staff	+ 100	
	-2,000	-1,000

395. *Manpower Changes, by Countries*

('000 persons employed)

	1959				1960			
	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.)	22.7	21.2	-1.5	-6.6	20.9	19.7	-1.2	-5.8
France	28.2	27.8	-0.4	-1.4	27.8	27.5	-0.3	-1.1
Italy	3.2	3.2	—	—	3.1	3.2	+0.1	+3.2
Luxembourg	2.4	2.3	-0.1	-4.2	2.3	2.3	—	—
Community	56.5	54.5	-2.9	-3.5	54.1	52.7	-1.4	-2.6

Manpower changes

396. The biggest drop was in Germany, where a number of workers, mainly from jobs below ground, left to take employment in other industries and sometimes proved difficult to replace. Thus during the first nine months of 1960 only 64% of the 3,300 men lost (voluntary departures, medical discharges, retirements and deaths) were made good by fresh recruitment. Partial closures in the Siegerland resulted in some 200 discharges, but the men concerned were found alternative employment in other iron-ore mines or in the iron and steel industry.

In France, especially in the main orefield in the east of the country, recruitment has for some years been outrun by wastage. This continued to be the case in 1960: 1,050 men left the industry

(450 of their own accord, and 600 by medical discharge, retirement or death), and only 670 were signed on, so that here again the new intake represented only 64% of the losses.

Miners' sons leaving the apprenticeship centre are given priority in filling vacancies.

There were no discharges due to sales difficulties.

Foreign workers

397. At the end of September 1960, the total number of workers¹⁾ in Community iron-ore mines in countries other than their own was 6,800, as against 7,200 in December 1959 and 8,600 in September 1957. The number of foreign nationals employed has thus fallen by 1,800 in three years.

Short-time working

398. Since the beginning of 1960 there has been no short time working due to poor sales in any of the German mines.

In France, only a few mines had difficulty in selling some grades and so had to keep their men on short time. This accounted for less than 1% of total shifts, worked and unworked.

COALMINING INDUSTRY

Trend in numbers employed

399. The shrinkage in the labour force which set in all over the Community early in 1958 continued in 1960: indeed, except in Germany and in the Netherlands, it became still more marked. The total number employed,²⁾ which on January 1 stood at 954,600, was down by June 30 to 908,300 and by September 30 to 883,700.

1) Exclusive of apprentices.

2) Workers, apprentices and clerical, technical and managerial staff.

400. *Changes in Numbers, Employed, by Occupational Categories*

	January-September 1959	January-September 1960
Underground workers	—48,000	—48,800
Other workers	—11,700	—12,800
Apprentices	—5,400	—6,600
Clerical, technical and managerial staff	—1,800	—2,700
	—66,900	—70,900

The number of workers employed below ground¹⁾ fell from 560,700 at the beginning of the year to 529,000 on June 30 and 511,900 on September 30.

401. *Changes in Number of Workers Employed, by Countries*

('000 persons employed)

	1959				1960			
	Jan. 1	Sept. 30	Net change	% of total at Jan. 1	Jan. 1	Sept. 30	Net change	% of total at Jan. 1
<i>Underground and surface¹⁾</i>								
Germany (Fed. Rep.)	585.5	543.1	—42.4	—7.2	531.8	493.2	—38.6	—7.2
Belgium	146.8	131.0	—15.8	—10.8	127.8	110.6	—17.2	—13.5
France	237.2	230.5	—6.7	—2.8	229.7	216.9	—12.8	—5.6
Italy	4.2	4.1	—0.1	—2.4	4.1	3.9	—0.2	—4.9
Netherlands	63.6	61.7	—1.9	—3.0	61.2	59.1	—2.1	—3.4
Community	1,037.3	970.4	—66.9	—6.4	954.6	883.7	—70.9	—7.4
<i>Underground workers²⁾</i>								
Germany (Fed. Rep.)	347.7	317.9	—29.8	—8.6	312.3	286.1	—26.2	—8.4
Belgium	97.6	85.7	—11.9	—12.2	84.0	72.3	—11.1	—13.9
France	137.3	132.5	—4.8	—3.5	132.3	122.9	—9.5	—7.1
Italy	2.7	2.6	—0.1	—3.7	2.6	2.2	—0.4	—15.3
Netherlands	31.1	29.7	—1.4	—4.5	29.5	28.4	—1.2	—4.1
Community	616.4	568.4	—48.0	—7.8	560.7	511.9	—48.4	—8.7

¹⁾ Workers, apprentices and clerical, technical and managerial staff.

²⁾ Exclusive of apprentices.

¹⁾ Exclusive of apprentices.

402. Despite a further large number of discharges during 1960, there was an upturn in manpower requirements in some coalfields, particularly in Germany. This would appear to be due to several different factors:

- (a) after a long period when recruitment was altogether suspended, some collieries are having — especially in view of improved sales — to sign on men in order to maintain a properly homogenous labour force to carry on production;
- (b) even when business is good, the drift away from the industry continues, particularly in industrially-diversified areas, owing to the attractive wages and terms of employment offered by certain other industries.

The contraction in the labour force is due not so much to an increase in voluntary departures as to the combined effects of lower recruitment over several years and a higher rate of retirements and discharges owing to closures. There has been no increase in the proportion of men leaving of their own accord since the coal crisis first developed.

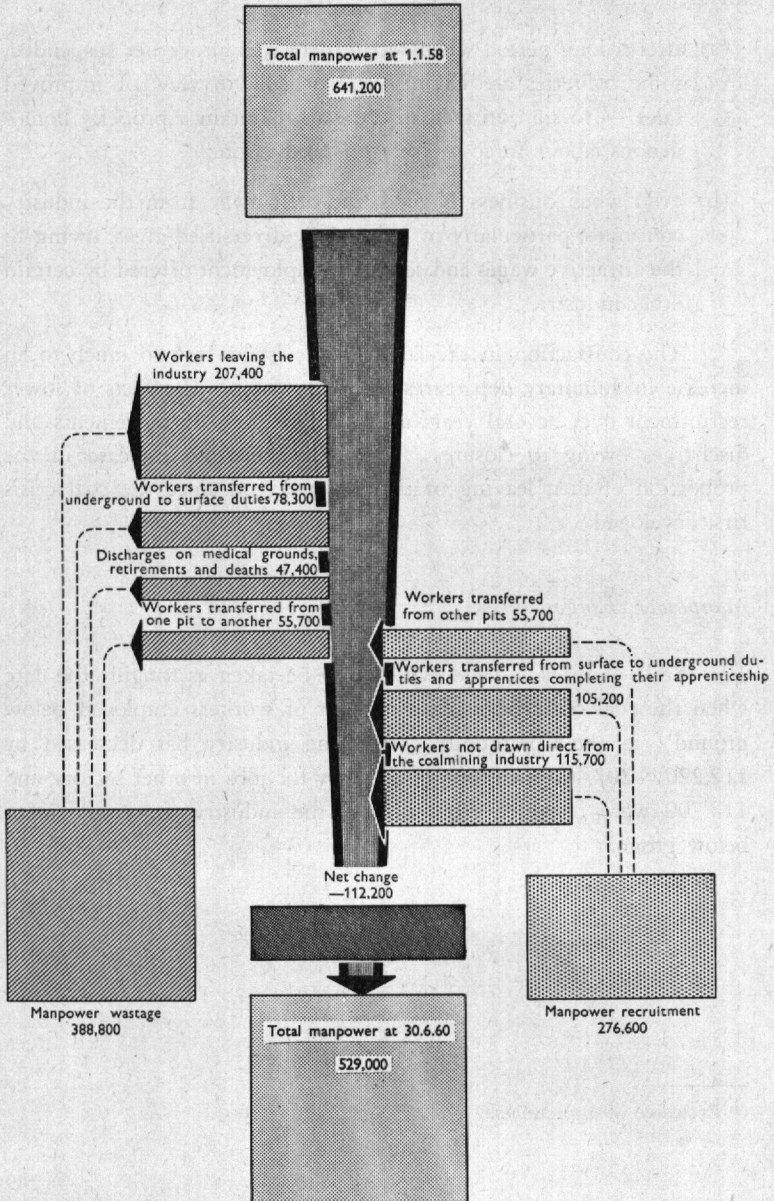
Manpower changes

403. Since January 1, 1958, which may be taken as roughly the date when the coal crisis began, the number of workers employed below ground¹⁾ in the Community coalmining industry has decreased by 112,220. 207,400 men left the industry for jobs in other sectors, and 115,700 were recruited from outside the industry for employment below ground.

¹⁾ Exclusive of apprentices.

GRAPH No. 12

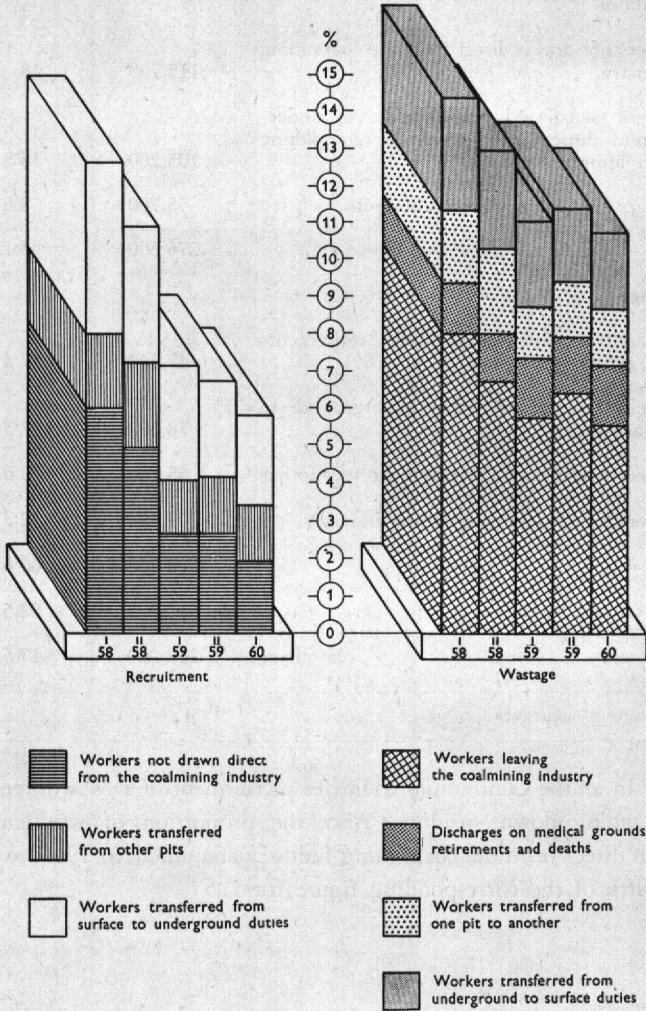
**Manpower Changes in the Community Coalmining Industry
between January 1, 1958, and June 30, 1960
(underground workers exclusive of apprentices)**



GRAPH No. 13

**Manpower Changes in the Community Coalmining Industry
between January 1, 1958, and June 30, 1960**

(underground workers exclusive of apprentices)
(Half-yearly figures in per cent. of total manpower at January 1, 1958)



404. *Manpower Changes (underground workers)¹⁾ between January 1, 1958 and June 30, 1960*

Total manpower as at 1.1.58	641,200	100
<i>Recruitment</i>		
Workers not drawn direct from the coalmining industry	115,700	18
Workers transferred from surface to underground duties and apprentices completing their apprenticeship	105,200	16.5
Workers transferred from other pits	55,700	8.6
	276,600	43.1
<i>Wastage</i>		
Discharges on medical grounds, retirements and deaths	47,400	7.4
Workers transferred from underground to surface duties	78,300	12.3
Workers transferred from one pit to another	55,700	8.6
Workers leaving the coalmining industry	207,400	32.3
	388,800	60.6
Total as at 30.6.60	529,000	82.5
Net change	112,200	17.5

¹⁾ Exclusive of apprentices.

405. In all the Community countries recruitment of new workers has been going down steadily. Also, the proportion of workers not drawn direct from the coalmining industry amounted, in 1960, to only one-fifth of the corresponding figure for 1957.

406. *Changes in Number of Underground Workers (exclusive of apprentices) Employed during First Six Months of 1960*

	Germany (Fed. Rep.), incl. Saar	Belgium	France	Italy	Netherlands	Community
Total at beginning of period	312.3	84.0	132.3	2.6	29.5	560.7
<i>Recruitment</i>						
Workers not drawn direct from the coalmining industry	6.5	3.1	2.4	0.0	0.1	12.1
Workers transferred from surface to underground duties and apprentices completing their apprenticeship	13.0	0.3	1.6	0.0	0.4	15.3
Workers transferred from other pits	3.9	5.8	0.1	0.0	0.0	9.8
	23.4	9.2	4.1	0.0	0.5	37.2
<i>Wastage</i>						
Discharges on medical grounds, retirements and deaths	4.7	3.4	2.0	0.0	0.3	10.4
Workers transferred from underground to surface duties	11.0	0.3	2.0	0.0	0.1	13.4
Workers transferred from one pit to another	3.9	5.8	0.1	0.0	0.0	9.8
Workers leaving the coalmining industry of whom : dismissed	22.4 (2.1)	7.0 (3.3)	4.7 (0.3)	0.4 (—)	0.8 (0.1)	35.3 (2.5)
	42.0	16.5	8.8	0.4	1.2	68.9
Total at end of period	293.7	76.7	127.6	2.2	28.8	529.0
Net change	-18.6	-7.3	-4.7	-0.4	-0.7	-31.7

407.

	Recruitment of underground workers ¹⁾	of whom : workers not drawn direct from the 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%)
1st six months, 1960	37,200	12,100 (32%)

¹⁾ New intake, plus workers transferred from one pit to another, workers transferred from surface to underground duties and apprentices completing their apprenticeship.

The indices for the intake from outside the industry reflect the reduction in recruitment in the different countries.

(1st six months of 1957 = 100)

	Community	Germany (Fed. Rep.)	Belgium	France	Netherlands
1st six months, 1958	63	73	47	59	89
1st six months, 1959	27	19	23	49	16
1st six months, 1960	20	22	18	17	5

The figures for underground workers leaving the industry suggest in general somewhat greater stability on the part of the labour force.

	Underground workers leaving the industry ¹⁾
1st six months, 1957	55,700
1st six months, 1958	51,100
1st six months, 1959	36,700
1st six months, 1960	35,300

¹⁾ Exclusive of workers transferred from one pit to another and of wastage by medical discharge, retirement or death.

408. The indices for the number of underground workers leaving the industry work out as follows in the four main coal-bearing countries of the Community.

(1st six months of 1957 = 100)

	Community	Germany	Belgium	France	Netherlands
1st six months, 1958	92	93	90	91	94
1st six months, 1959	66	65	63	74	67
1st six months, 1960	63	74	52	49	45

Foreign workers

409. In view of the trend in employment just described, obviously the number of workers employed below ground in E.C.S.C. countries not their own was bound to go down. The figure, which had already fallen from 127,000 at the end of 1957 to 112,900 at the end of 1959, continued to decline, standing by September 30, 1960 at only 98,500.¹⁾

¹⁾ Workers, apprentices and clerical, technical and managerial staff.

However, some German collieries, finding their manpower requirements increasing and having difficulty in covering these from the home labour market, did take on new foreign workers during 1960: at September 30 some 2,500 Italian miners were working in German pits, as against 2,000 at the end of June.

410. *Personnel¹⁾ Employed Above and Below Ground at September 30, 1960, by Nationalities*

(¹000 persons employed)

	Com- munity (%)	Ger- many (Fed. Rep.)	Bel- gium	France	Italy	Nether- lands	Com- munity
Germans	55.6	483.9	1.2	5.5	—	0.8	491.1
Belgians	7.4	0.1	63.8	0.5	—	0.7	65.1
Frenchmen proper	20.2	0.2	0.8	178.0	—	0.0	179.0
Italians	5.3	2.5	30.7	9.0	3.9	0.4	46.5
Luxemburgers	0.0	0.0	0.0	0.0	—	—	0.0
Dutchmen	6.6	1.2	1.9	0.0	—	55.6	58.7
Community nationals	95.1	487.9	98.4	193.0	3.9	57.5	840.7
Nationals of non-Euro- pean territories of member countries	0.6	—	0.7	5.0	—	—	5.7
Poles	2.1	0.5	3.9	12.8	—	0.6	17.8
Others	2.2	4.8	7.6	6.1	—	1.0	19.5
Total	100.0	493.2	110.6	216.9	3.9	59.1	883.7

¹⁾ Workers, apprentices and clerical, technical and managerial staff.

Short-time working

411. Except in the French coalfields, the incidence of short-time working due to poor sales decreased very considerably during 1960.

In France, short-time working had made its appearance much later than in the other Community countries, in the second half of 1959.

412. *Man/Shifts not Worked for Lack of Sales, January-September*

	Total (underground and surface)		% of total of man/ shifts not worked in the Community		% of total of man/ shifts worked and not worked	
	1959	1960	1959	1960	1959	1960
Germany (Fed. Rep.)	3,839,300	541,500	46.4	12.8	4.7	0.8
Belgium	4,242,700	2,327,600	51.3	55.0	18.6	12.3
France	184,900	1,361,100	2.2	32.1	0.5	3.9
Italy	3,400	2,300	0.1	0.1	0.5	0.4
Netherlands	—	—	—	—	—	—
	8,270,300	4,232,500	100	100	5.5	3.2

413. Although some of the Ruhr collieries did lose one shift a month during the first half of the year, these represented no more than 0.1-0.5% of total shifts worked and not worked. Since July 1960 the only short-time working still continuing in Germany has been in the Saar; elsewhere it has been entirely discontinued.

For France as a whole, the proportion of shifts not worked was 3.4% of the total during the first nine months of 1960.

In Belgium, short-time working was noticeably less apparent than in 1959. The numerous pit closures in the Southern coalfield caused a considerable drop in the number of shifts not worked in the industry; from the middle of the year onwards there was also a drop in the incidence per colliery. The distribution is, however, very irregular as between one coalfield or one pit and another, and short-time working remains very prevalent in a number of cases. The Belgian figures are the highest in the Community, 15-20% of total shifts worked and not worked in 1959, and 10-15% in 1960.

“E.C.S.C. allowance”

414. In view of the expected trend in the level of employment, the High Authority had planned to continue paying the special temporary allowance which it had decided to grant in 1959, under Article 95

of the Treaty, to workers at Belgian collieries placed on short time owing to poor sales.¹⁾

However, the unanimous agreement of the Council of Ministers, which the High Authority is required to obtain before it can take any decision under Article 95, was given only on condition, firstly, that the allowance should be paid on a descending scale, and secondly, that it should not be payable after September 30, 1960.

By its Decision No. 2/60 of January 27, 1960, the High Authority set aside three million E.M.A. units of account out of the proceeds of the levy for the payment of the "E.C.S.C. allowance" from January 1 to September 30, and at the same time fixed the details of the descending scale. Thus from January 1 to September 30 the men were to be paid 20% of their daily wage in respect of each day in the month not worked after the second (consecutive or otherwise) up to the following descending maxima in any one month:

January and February	8
March and April	7
May and June	6
July and August	5
September	4

The total amount so paid out to Belgian mineworkers from January to September 1960 was 1,700,000 units of account.

415. At the request of the Belgian Government, the "E.C.S.C. allowance" was several times discussed by the Council of Ministers towards the end of 1960, and again on January 10, 1961.

After hearing the views of the Consultative Committee and securing the agreement of the Council, the High Authority decided to reintroduce a special temporary allowance for the workers at the Belgian collieries, to be payable from January 1 to December 31, 1961. It considered that, although the overall incidence of collective short-

¹⁾ See *Eighth General Report*, No. 140.

time working in Belgium had diminished during 1960, some pits remained worse affected than others, so that quite a number of mineworkers were still working considerably fewer shifts than usual and hence suffering appreciable reductions in their earnings.

The allowance is, as before, calculated at 20% of the recipient's daily wage; this year, however, it is paid in respect of each day in the month not worked (consecutive or otherwise) after the third, up to a maximum of four in any one month.

The High Authority set aside 1,300,000 units of account for this purpose.

Section 2 : Vocational Training

TREND IN NUMBER OF JUVENILES UNDERGOING APPRENTICESHIP

416. In June 1960 there were only 50,000 apprentices in all in the three Community industries. As a number of apprentices in the iron and steel industry increased only slightly (+400), as against a further major decrease in the case of both the coalmining industry (-11,100) and the iron-ore mines (-200), there was an overall contraction of 10,900 between June 1959 and June 1960, with the proportion of apprentices to total personnel employed going down from 3.8% to 3.3%.

In the coalmining industry, the biggest decrease was in Germany (-8,700): Germany nevertheless still has twice as many apprentices as all the other countries put together. The shrinkage was, in proportion to the total labour force, likewise considerable both in the Netherlands (-900) and in Belgium (-400), though less so in France (-300).

In the iron-ore industry (where systematic apprenticeship training is given only in Germany and in France) the decrease (-200) occurred exclusively in Germany.

The increase (+400) in the number of apprentices in the iron and steel industry was proportionately divided among Germany, France and the Netherlands.

The accompanying graphs and the table on the subject in the *Statistical Annex*¹⁾ show that the aggregate number of apprentices in the three industries and the proportion of apprentices to total personnel employed have declined steadily since 1955. The number of apprentices is now only 56% of the 1955 figure. This is mainly the result of the very substantial decrease in the coalmining industry, where there has been a drop of 50% in five years. Proportionately speaking, the shrinkage in the iron-ore mines has also been serious, working out at about 40%, and only in the iron and steel industry has the number of apprentices remained comparatively stable.

The proportion of apprentices to total personnel employed has also fallen off markedly in the coalmining and iron-ore industries: in the former it went down from 7% in June 1955 to only 4.1% in June 1960, and in the latter from 4% to 2.6%. In the iron and steel industry the decrease was less marked, from 2.3% in 1955 to 2% in 1960.

417. The reasons for this downward trend need not be analysed here, as they have been examined in previous General Reports. It should, however, be noted that recent demographic studies suggest a considerable population bulge in some countries in the near future. This is particularly true of France, where thousands of juveniles will soon be seeking employment, following on the diminished age-groups born during the war.

A great many of the authorities and bodies concerned now feel that proper training of juveniles is all-important for the latter's future work and career, and have been studying ways and means of dealing with developments in this respect. Steps have been taken to ensure that the technical schools and apprenticeship centres are expanded and equipped to meet the new requirements.

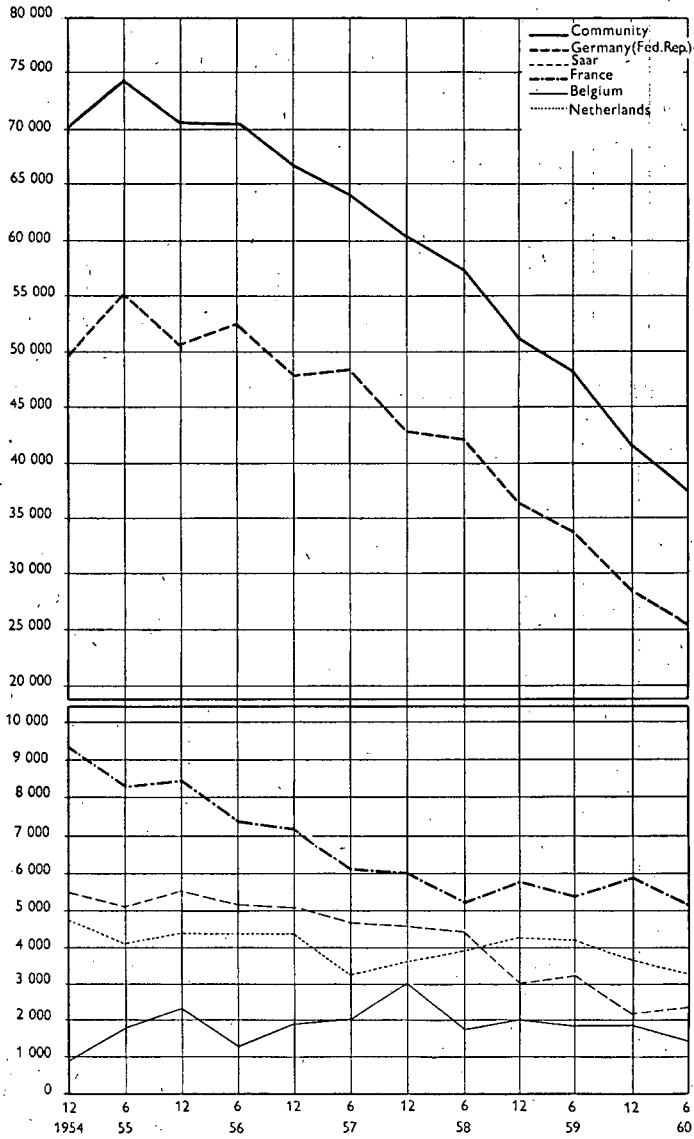
¹⁾ See Table No. 50.

It should be noted that statistics for the Saar have been included in those for Germany as a whole only since July 6, 1959. To give a picture of the trend in the number of apprentices, the Saar and German figures are shown separately in the relevant graphs and table.

GRAPH No. 14

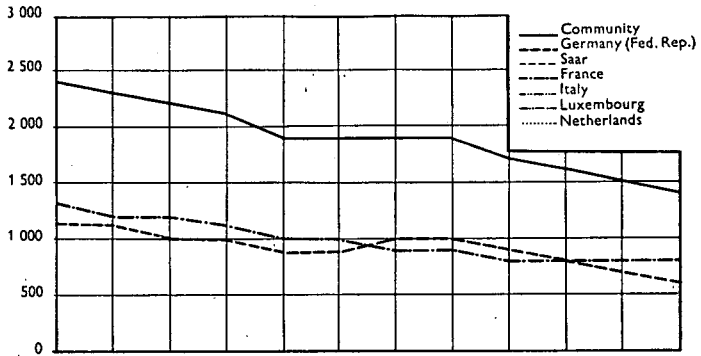
Trend in Number of Apprentices Employed in Community Industries

Coalmining industry

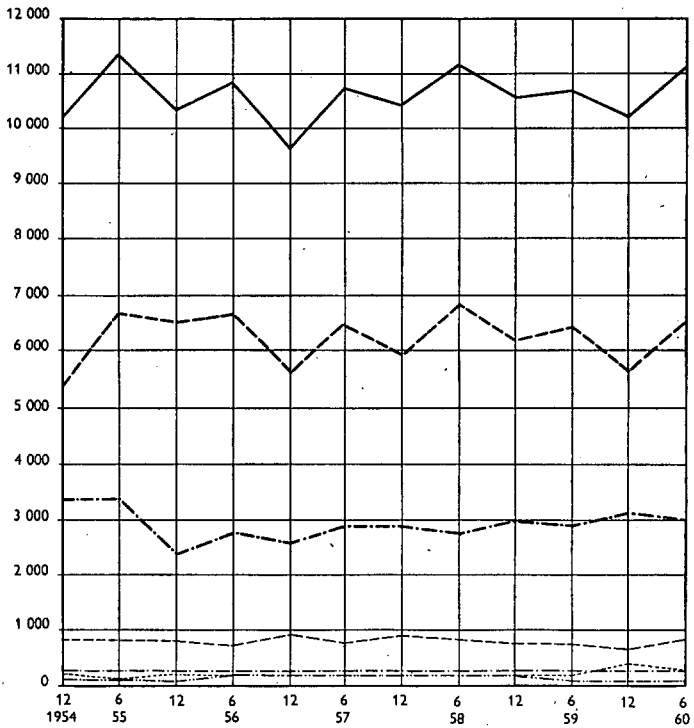


Trend in Number of Apprentices Employed in Community Industries

GRAPH No. 15 Iron-ore mines

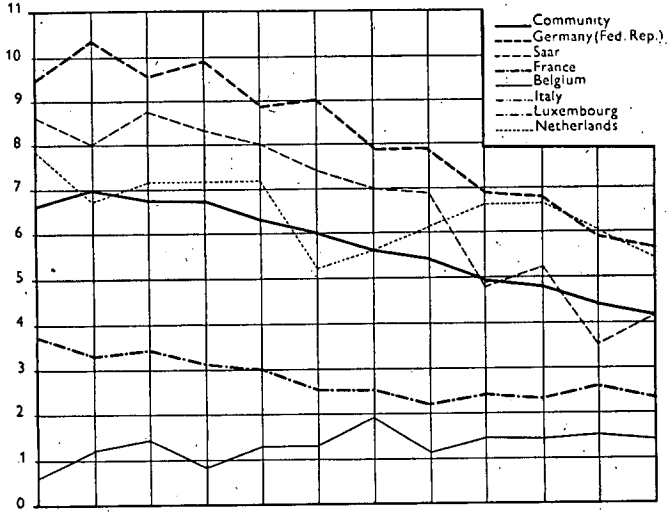


GRAPH No. 16 Iron and steel industry

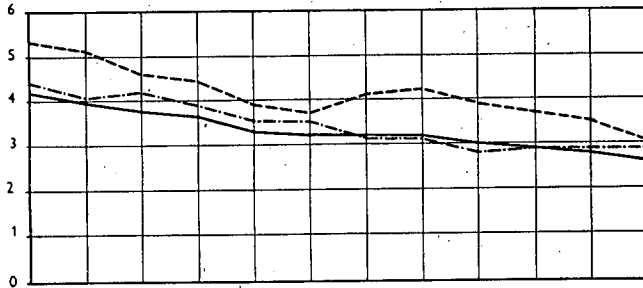


Trend in Proportion of Apprentices in Total Labour Force

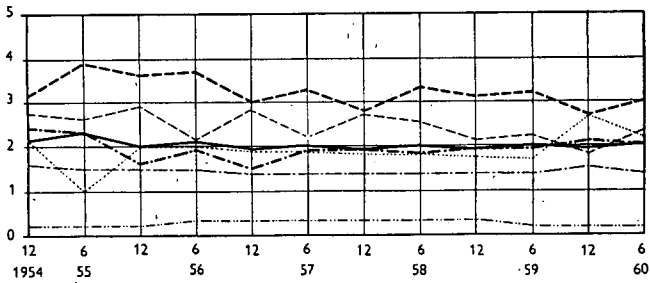
GRAPH No. 17 Coalmining industry



GRAPH No. 18 Iron-ore mines



GRAPH No. 19 Iron and steel industry



WORK ON THE HIGH AUTHORITY

418. The High Authority in 1960 continued its joint work with the Governments, in accordance with the broad outlines laid down in October 1957, in various matters connected with vocational training in which concerted action was felt to be necessary.

It also continued to stimulate vocational training in the E.C.S.C. industries by arranging for systematic exchanges of experience among experts from the employers' and workers' associations, from within the enterprises, and from the technical colleges.

These exchanges were further assisted by a number of High Authority publications. In addition to those referred to in the pages following, these included

- (a) a brochure entitled *Informations sur le Développement de la Formation Professionnelle dans les Industries de la Communauté en 1959*, which lists the main measures introduced in the different countries, thus, together with previous similar publications on the position in 1957 and 1958, bringing up to date the three monographs which appeared at intervals in 1954 and the following years on vocational-training systems and methods in the coalmining, iron-ore and iron and steel industries;
- (b) a publication containing the reports and papers read at the study conference in June 1959 on the training of underground supervisory personnel at the collieries.

Joint action with the Governments

Co-operation between educational institutions and the Community industries

419. In March 1960, the High Authority published a study, compiled with the assistance of Government experts, on the situation and on past experience in this field in the Community countries. In this it

emphasized that to keep abreast with the rapid advance in the technological and social fields, present educational and training programmes will need to be revised: at the same time, such revision will only be really effective if action is taken to make possible regular organized contact between the universities, technical colleges, and education authorities on the one hand and qualified representatives of both sides of industry on the other.

In recent years, greater efforts have been made to increase such contacts in order to keep pace with developments in the field of technology and work organization and methods. The High Authority's publication shows, however, that there are still considerable differences between one country and another in training methods, and hence in the standard of co-operation between the educational institutions, and industry. Although highly satisfactory results have already been achieved, it must still be an essential aim to systematize such co-operation at all levels of training and to work all the time to adapt what has been achieved hitherto to the continuing march of technological and social progress.

Several concrete suggestions are contained in the contributors' conclusions.

Elimination of Customs and administrative impediments to the exchange of teaching aids within the Community

420. The working party of Customs and vocational-training experts, who had been joined by representatives of the E.C.S.C. Council of Ministers and the E.C.S.C. and Euratom Commission, put forward a practical suggestion calculated definitely to facilitate exchanges of teaching aids used at technical colleges and training centres, such as films (including film-strips, micro-films and slides), wall charts, dioramas, scale models, posters, maps, plans, drawings and sound recordings.

The arrangement proposed is a particularly useful one in that it would assist not only the Community industries but the whole field of education, general as well as technical.

Harmonization of vocational training

421. The High Authority in April 1960 published a comparative study of the structure and organization of general and technical education in the Community countries. This document was mainly intended to form part of the working documents to be used when the High Authority comes to examine with the Government experts the problems arising in connection with the harmonization of vocational training. The High Authority felt that before the details of harmonization could be worked out it should be necessary to have a picture of the general education received by the juveniles concerned prior to their actual training, as well as of the technical-instruction facilities available for the latter.

The draft "minimum standards" prepared by the High Authority concerning theoretical knowledge and practical proficiency in the occupations of "hewer (coalmines)" and "keeper (blast-furnaces)," which have meantime been examined by experts in industry, are shortly to be submitted to experts of the national Governments.

Promotion of vocational training in the Community industries
Instructor training

422. In the High Authority's view, more striking advances would be made in vocational training if all instructors possessed not only the technical knowledge which they practically all do possess, but also real psychological and teaching qualifications. Although successful vocational training depends largely on the ability of the teaching personnel, not all the attention desirable is sometimes given to instructor training: some enterprises make little effort to see that their instructors acquire the aptitude for teaching which is expected of schoolmasters and lecturers in the general educational field.

The High Authority therefore embarked on a new stage in its work to encourage vocational training in the industries under its jurisdiction. After consulting the three sub-committees on vocational

training in the coalmining, iron and steel and iron-ore industries, it set up a group of experts to co-operate on a study of current problems and past experience with regard to instructor training in the E.C.S.C. industries.

Training of underground colliery craftsmen

423. For some years the progress of mechanization in the pits has been considerably affecting the qualifications required for certain trades, including in particular those of underground electrician and underground mechanic. This of course meant that the training methods employed had to be adjusted accordingly. A number of projects in this connection have already produced good results; research and experiments are, however, still continuing in most coalfields.

The High Authority invited a group of some twenty colliery officials responsible for the training of underground electricians and mechanics to report on developments since the study conference held in March 1956 on vocational training and mechanization in the collieries, and to examine particular difficulties encountered, methods employed and improvements contemplated.

It was decided that the High Authority's department should draw up a catalogue of manuals used in the training of underground electricians and mechanics, and that a working party should list matters to be tackled by joint action.

The employers' and workers' representatives on the Sub-Committee on Vocational Training (Coal) made an on-the-spot study of the same points in the Nord/Pas-de-Calais and Lorraine coalfields from November 15 to 23, 1960. Their tour was, however, mainly intended to enable them to see for themselves the methods used in French collieries in the training of apprentice miners, underground electricians and mechanics, instructors and supervisory personnel. They visited surface training galleries and fully-reserved training faces,

and were able to observe both the practical and the theoretical side of the teaching methods employed in class and in individual and group instruction.

The Sub-Committee then submitted to the High Authority a number of suggestions for action at Community level to encourage the provision of training for all colliery personnel.

Training of iron and steel process workers

424. Here too recent technological progress has raised a number of new problems, and efforts are having to be made to adapt the traditional training methods to the changed situation.

Special mention should be made of two developments in this connection :

- (a) the Belgian Conseil Professionnel du Métal issued an official statement to the effect that technological advance and the improvement of workers' conditions demand further action to systematize apprentice training in the industry ;
- (b) in Germany, a commission of representatives of the Wirtschaftsvereinigung Eisen- und Stahlindustrie, the Arbeitsstelle für Betriebliche Berufsausbildung and the Industriegewerkschaft Metall is actively engaged in drawing up a training scheme for the various jobs on the production side.

The High Authority will shortly be proposing to the Sub-Committee on Vocational Training (Steel) that it hold a discussion on the effects of technological progress on the training of steelworks and blast-furnace personnel.

Training of managerial staff in the iron and steel industry

425. The High Authority arranged for a party of leading representatives of the German, French and Italian iron and steel industries to pay a visit to the United Kingdom from November 7 to 12, 1960.

The visitors studied the British industry's preparatory and follow-up training methods for managerial personnel. In particular,

they were taken over a college founded by the British Iron and Steel Federation, at which periodic courses and conferences are held providing follow-up training for managerial personnel from enterprises, and also visited the staff college of a big iron and steel works, at which all grades, right up to the top, receive systematic instruction. Courses at both colleges cover the technical, economic and organizational problems of the enterprise; increasing attention is being given to the teaching of means of integrating the various departments of a large-scale concern.

A joint report is to be submitted to the employers' and workers' associations in the various countries and to the High Authority. It will contain suggestions for possible action at Community level.

Outlook

426. The High Authority has made notable headway in the task which was assigned it in October 1957 following a discussion with the Council of Ministers.

At the same time, the introduction of new types of plant and new production processes in the iron and steel industry and the steady advance of mechanization and electrification in the pits — mainly designed to step up output and productivity — are necessitating increased emphasis on both preparatory and follow-up training for workers and managerial personnel alike.

In the coalmining industry, the men will have to be familiarized with the new techniques employed in the mechanized pits, while in the iron and steel industry the older type of skilled process worker, whose skills were mainly based on experience, must be turned into a "technician" with a much greater fund of technical knowledge. On the managerial side, it will be necessary to provide better training in work organization and methods, since technological and social progress are making the management and operation of an enterprise a more and more complicated affair.

The High Authority will continue to follow with attention the aspects with which it has hitherto been principally concerned, and

will at the same time vigorously promote all action to adapt the training of workers, supervisors and the managerial grades to the latest technical processes and to the highly-mechanized and semi-automatic equipment employed.

Section 3: Free Movement of Workers

427. On December 8, 1954, the Council of Ministers adopted a decision concerning the implementation of Article 69 of the Treaty. This decision, which came into force on September 1, 1957, laid down the requirements which a worker from a member country must satisfy in order to obtain a Community labour card entitling him to take a job in the coalmining or iron and steel industry of another member country. Workers were considered to possess the necessary "recognized qualifications" in the extractive¹⁾ and iron and steel industries if their job or trade was among the 56 listed in Annex I to this decision.²⁾

428. Figures supplied by the employment authorities in the six countries indicate that 18 cards were issued between September 1 and December 31, 1957, 406 in 1958, 728 in 1959 and 190 during the first nine months of 1960.

At September 30, 1960, the number of cardholders who had obtained jobs abroad, either through an employment exchange or direct, was 285. The difference between the number of cards issued and that of jobs taken up is due to the fact that not all the applicants

1) Coalmines; iron-ore mines; manganese-ore mines.

2) Certain minimum requirements are laid down as to the length of time the worker has been employed in the job concerned. If he has received systematic training for it, he must have actually performed it for at least one year during the last three years. If he has received only practical training, he must have worked for at least two years in one of the Community industries and one year in the listed job concerned; the one year in his listed job may form part of the required two years in one of the Community industries, and must fall within the last three years. Whether his training has been systematic or merely practical, he must during his time in the listed job have been paid a wage above the unskilled rate.

for cards were intending subsequently to take up jobs outside their own countries: on the contrary, the majority were already employed abroad and wished to use their cards as labour permits.

Since the proportion of extensions applied for and granted has been fairly substantial, it is to be presumed that once a worker has his card he values it.

Most of the cards issued up to September 30, 1960, were supplied to workers in Belgium and the Netherlands (509 and 471 respectively). For the other countries the figures were: Germany 112, France 7, Italy 243, Luxembourg nil.

All the offers of employment made to cardholders came from the coalmining industry, and were made only during the last quarter of 1957 and at the beginning of 1958: when the coal crisis set in practically all the remaining vacancies ceased to be available.

429. The Seventh General Report¹⁾ gives the various reasons for the comparatively meagre results of the introduction of the Community labour card.

The High Authority nevertheless considers that the objectives laid down in Article 69 are indissociable from the other economic and social objectives of the Treaty, and in particular from those enumerated in Articles 2, 3 and 5. The provisions of Article 69 are complementary to those giving the High Authority special responsibilities in the social field: they are among the means open to it for increasing employment opportunities and ensuring that the workers are not called upon to bear the brunt of economic and technical charges. By giving workers of recognized qualifications complete freedom of choice throughout the Community as to the enterprise they wish to work in, the implementation of Article 69 can do much to improve and level up the living and working conditions of the labour force. Moreover, genuine freedom of movement among Community enterprises can help to ensure stability of employment in a market which is in process of technical and structural transformation.

¹⁾ No. 189.

430. As early as 1954, the Governments gave it to be clearly understood that the list just compiled was to be regarded only as a first step towards freedom as to choice of employment in the extractive and iron and steel industries, and that they were resolved to continue working to extend the advantages of this freedom of movement to a larger and larger number of workers. The decision of December 8, 1954, contains the provision that the Governments may meet, upon the proposal of the High Authority and of two of their number, to draw up fresh lists of jobs entitling workers to be considered as having recognized qualifications."

In accordance with this provision, the High Authority, in agreement with the Italian and Luxembourg Governments, wrote on September 14, 1959, to the Governments inviting them to join in examining whether the time had come to draw up a new list, and if so, what action might be taken to do so. The Governments accepted, and a preliminary meeting of their representatives was held on October 15, 1959, at which it was agreed to set up a steering committee to conduct preparatory studies on a second list and to settle the procedure to be followed. The steering committee met several times between October 1959 and June 1960: it proposed that an Intergovernmental Commission be convened, and prepared the working documents for the latter's use.

The Commission duly met from November 7 to 9, 1960, with M. Finet, Member of the High Authority, in the chair. The national delegations included representatives of the employers' and workers' associations.

431. The Commission decided that the Governments should be asked to approve a second list of 116 recognized jobs, 87 in the iron and steel industry and 29 in the coalmining industry. The High Authority will shortly be submitting the Commission's proposals to the Governments through the Council of Ministers.

If these are adopted, all workers from member countries employed, subject to certain conditions,¹⁾ in any of the 172 jobs figuring on the first and second lists will be entitled to Community labour cards, and hence to take up offers of employment in such jobs in other Community countries without risk of any difficulties under the receiving country's regulations concerning recruitment and employment of foreign labour.

Section 4: Readaptation of Workers

SECTION 23 OF THE CONVENTION

432. In its Eighth General Report²⁾ the High Authority confined itself to mentioning

- (a) the total amount of the funds made available between March 18, 1954, when it first decided to assist readaptation, and February 9, 1960, when Section 23 of the Convention expired;
- (b) the total number of workers covered by applications for readaptation assistance under Section 23.

It is now possible to give further details.

The accompanying table shows the breakdown by industries and countries of the number of workers concerned and the amounts granted. A few additional observations are, however, also called for.

Although the High Authority is no longer entitled, since February 10, 1960, to give financial assistance under Section 23, readaptation operations approved before that date will of course continue to be financed by the High Authority and the Governments concerned up to their scheduled date of completion.

Many heads of enterprises faced with closure or with production cutbacks have taken the precaution of applying to the High Authority for assistance in respect of workers whose discharge is only probable, and not definitely decided.

¹⁾ See p. 36, footnote 2.

²⁾ No. 143.

433. *Summary of Readaptation Schemes assisted by the High Authority under Section 23 of the Convention*

Country	Coalmining industry		Iron-ore mines		Iron and steel industry		Totals per country	
	No. of workers	Amount ¹⁾	No. of workers	Amount ¹⁾	No. of workers	Amount ¹⁾	No. of workers	Amount ¹⁾
Germany (Fed. Rep.)	54,200	17,061	250	59	650	226	55,100	17,346
Belgium	28,900	10,560					28,900	10,560
France	6,655	1,551	250	47	5,000	914	11,905	2,512
Italy	5,530	2,364			13,650	9,736	19,180	12,100
Community	95,285	31,536	500	106	19,300	10,876	15,085	42,518

¹⁾ E.M.A. units of account.

The table therefore covers four categories of workers :

- (a) those assisted in the past under Section 23, as affected by a readaptation operation now completed ;
- (b) those now receiving assistance, as affected by an operation still in progress ;
- (c) those who will receive assistance, because they actually will be discharged ;
- (d) those who will not, in the event, be assisted, because although their enterprises are at present planning to discharge them, future developments will enable them to be kept on after all.

The exact amount involved is similarly uncertain, as it is not yet known how many workers are to benefit. It is, however, clear that the High Authority will not be called upon to pay out the whole of its appropriations for this purpose. Disbursements up to September 30, 1960, totalled 15,760,000 units of account : the difference is due partly to the circumstances just mentioned, and partly to two procedural considerations, namely, that in some cases readaptation programmes are phased over several years and have not yet run their full course, and that the whole of each actual grant to the workers is made in the first instance by the Government concerned, which recovers the amounts due from the High Authority at a later date.

434. Operations under Section 23 continued in 1960 in accordance with the agreements concluded by the High Authority with the German, Belgian, French and Italian Governments, the gist of which was indicated in previous General Reports.

Except in Italy, the workers discharged were fairly readily reabsorbed either within their own sectors or in other industries. It would appear that in Germany, Belgium and France only workers over fifty or suffering from physical disabilities found difficulty in securing alternative employment.

Difficulties of this kind are, however, not experienced only by miners and steelworkers: unemployment statistics for other industries show that this is a problem everywhere, differing in degree only according as labour is scarce or plentiful.

Germany

435. Most of the total and partial closures in respect of which assistance was to be made available under Section 23 between 1959 and 1961 have now been carried out. By the end of October 1960, one iron and steel works and two iron-ore mines had effected partial closures, seven coking-plants had ceased production, and forty-three collieries had completed their total closure, leaving thirteen still in process of closing.

Between the end of 1958 and October 1960, some 19,600-men were transferred to other pits owned by the same enterprise, and about 10,000 were discharged. Thanks to the exceptionally favourable state of the home labour market, most of the latter quickly found new employment.

Where it was not possible fully to counter the social effects of the closures by recourse to Section 23, the Government introduced special arrangements affording the men very much the same benefits as they would have had under the readaptation agreements with the High Authority.¹⁾

¹⁾ See *Eighth General Report*, No. 142.

Belgium

436. Operations under the schedule of closures submitted to the High Authority in December 1959 went ahead rapidly. The dates of some closures were even put forward: thus for instance Rieu-du-Cœur was closed in April instead of in July, the St. Xavier pit of the Charbonnages de Noël-Sart-Culpart in May instead of at the end of 1961, and the two pits of the Charbonnages d'Amercœur in July instead of in December.

Of the 24 pits passed as-eligible for assistance under Section 23 at the beginning of 1960, 21 had been closed by the end of July, and the Conseil National des Charbonnages decided on October 19 that the remaining three must be closed during the first half of 1961.

Despite the accelerated closures, the men, particularly the underground workers, were found new jobs quite quickly. At the end of September 1960, of the 21,000 laid off since 1956 (including those discharged as a result of recent pit closures) only 1,000 underground workers and 1,300 surface workers were still registered as seeking employment.

One side-effect of the expedited closures was that the High Authority was required to pay its labour-cost subsidy¹⁾ in respect of only eleven pits, all of which were closed between November 1959 and July 1960.

France

437. The decisions taken under Section 23 at the beginning of 1960 related in the case of France only to two iron and steel works which were closing part of their plant, and to eight small non-nationalized pits situated at various points between the Loire and the Alps. The number of men affected was provisionally calculated at the time of application at about 800, half in the iron and steel sector and half in the mines. The closures were duly carried out in the course of the year, and the great majority of the men discharged found jobs elsewhere.

¹⁾ See *Eighth General Report*, No. 142.

The Charbonnages de France embarked on a new programme of partial closures in the Centre/Midi coalfield. This is phased over 1960 and 1961, and should in theory involve the discharge or transfer of some 1,250 workers in the Aquitaine, Cévennes and Loire areas. In all probability, however, the number actually affected will be considerably lower, in consequence of normal wastage and the suspension of recruitment. Moreover, it will be possible to re-employ some of the surplus workers at pits no great distance from their previous ones, while others will be offered the chance of avoiding discharge by agreeing to be transferred to the Nord/Pas-de-Calais or to Lorraine.

As operations under this programme are only just starting, there have so far been no more than a hundred or so transfers (of North African workers). The number of men actually discharged is as yet very small; the majority of them soon found other employment.

The Government announced a reorganization scheme to be carried out over the years 1960-65. The first of the personnel cuts provided for under this programme is to be effected in accordance with a decree and an order enacted on July 23, 1960.

The decree provides that mineworkers with thirty years' service may in some coalfields, up to June 30, 1961, be retired as if they had reached pensionable age. They have the choice between starting forthwith to draw a retirement pension calculated in accordance with their length of service and grade of job held in the colliery, and accepting the assistance offered under the E.C.S.C. Treaty. Those opting for the second alternative will not be entitled to their pension until they reach the qualifying age.

The order specifies that the arrangement concerning voluntary retirement is to have immediate effect in the Loire, Cévennes, Aquitaine, Auvergne and Provence coalfields.

Italy

438. High Authority assistance was applied for early in 1960 in respect of some 800 workers faced with discharge as a result of the

planned total or partial closure of seven iron and steel enterprises in Northern Italy.

In spite of the unpromising state of the Italian labour market generally, more than half these men have since found new employment.

ARTICLE 56,2 OF THE TREATY

439. The High Authority's reasons for seeking the amendment of Article 56 of the Treaty, and the first stages in the amendment procedure, were recorded in the Eighth General Report.¹⁾ The procedure has since been completed in accordance with the desiderata mentioned by the High Authority in proposing the amendment.

The Court of Justice and the European Parliament stated their views, on March 4 and March 29, 1960, respectively, on the draft submitted to them by the High Authority and the Council of Ministers following the Council's 66th meeting.²⁾ The Court found that the text fulfilled the requirements of Article 95,3 of the Treaty, and the Parliament, making its first legislative enactment, approved it by 114 to 2 votes — a very much larger majority than was necessary for the purpose.³⁾

Thus, in the same way as it was able up to February 9, 1960, to decide to furnish assistance for the readaptation of miners and steelworkers losing their jobs in enterprises which were having to close down or to undergo reconversion as a result of the introduction of the Common Market for coal and steel, the High Authority is now empowered, for so long as the Treaty runs, to give assistance, at the request of the Government concerned, to workers discharged in consequence of the structural development of the market.

1) Nos. 144-148.

2) See *Eighth General Report*, No. 148.

3) A two-thirds majority of the Parliament's 141 members would have been 94; a three-quarters majority of the votes cast would have been 87.

It should also be noted that, since the ordinance instituting the European Social Fund has now come into force, miners and steelworkers not covered by Article 56 will henceforth also be eligible for certain benefits from the Fund.

440: The new provisions of Article 56 apply to workers in the iron-ore mines and the iron and steel industry as well as to those in the collieries. For the time being, however, they will be principally invoked in connection with the reorganization of the coalmining industry.

Equally with the High Authority's financial assistance for the establishment and extension of enterprises providing new jobs for the miners discharged, the provisions of Article 56,2 will facilitate the reorganization of coalfields affected by pit closures. By rendering socially acceptable closures which can be neither avoided nor deferred, it is hoped that they will enable the process of reorganization to go through without causing serious social hardships: their object is to help establish a balance between the demands of practical economics and of social fairness.

For the High Authority's work in this connection to produce the proper results, it is desirable that enterprises in difficulties, which consider they have a case for requesting action on behalf of their personnel under Article 56, should notify their Governments as soon as they foresee that discharges will be necessary. The Governments will thus be able to apply in good time for High Authority assistance.

441. In November and December 1960, the High Authority approved applications for assistance under Article 56,2, in respect of three Belgian collieries which had closed in 1960. The number of men affected is estimated at 2,300: most of these have already been found other employment.

Section 5: Towards a Redevelopment Policy

442. Miners and steelworkers are as a rule most unwilling to leave their own areas. The object of redevelopment — the creation of new jobs in areas where employment is contracting — is to make it possible for discharged workers to continue earning a living in the localities to which they are accustomed.

The true function of redevelopment is, however, something very much wider than merely eking out readaptation where this is not in itself sufficient. Redevelopment transcends rather than supplements readaptation: it operates to the benefit not merely of E.C.S.C. workers but of the whole working population of the area concerned, since by ensuring that an enterprise closing its doors is replaced by one or more other concerns it prevents the whole district from going economically downhill.

Redevelopment may be expected as time goes on to extend well beyond the sphere of social policy as such, and to become a major factor in industrial development.

443. Each of the Community countries possesses a considerable armoury — further added to during 1960, especially in Belgium and in France — of laws and regulations designed to assist the introduction of new employment opportunities in depressed areas. The Governments have moreover set aside substantial funds to finance various redevelopment schemes.

Nor has the High Authority been idle.

First, it approved in principle applications submitted to it at the end of 1959 for its financial participation under Section 23.3 of the Convention, and is now examining the exact methods by which it will be making funds available for the redevelopment schemes concerned.

In addition, it availed itself of the possibilities open to it under Article 46 of the Treaty to obtain full details of regional employment problems. It further intensified the study work begun under its

auspices some years ago on trends in employment and openings for industrial redevelopment in a number of areas: two new studies are to be published shortly, one on the Brescia and Udine regions, carried out at its request by the Istituto delle Scienze Economiche of Milan University, and the other on the Salzgitter district, which it entrusted to the Rheinisch-Westfälisches Institut für Wirtschaftsforschung, Essen.

On receiving an application from the Belgian Government under Article 46,4, the High Authority also decided in principle to join in studying the possibilities for re-employment in the Centre, Charleroi and Borinage coalfields.

The High Authority considers that this and any similar later studies will be of special value inasmuch as redevelopment operations must necessarily differ according as they are carried out a highly-diversified industrial complex such as the Ruhr, in an area where coal is the staple if not the only industry, such as the Borinage, or in the open countryside, as in the case of the small mine at Champagnac in Central France. In some instances the indirect effects of the closures — i.e. their repercussions on other industries and activities bound up with the coalmining industry — will be the most important, posing an overall problem to be dealt with by means of area development.

The High Authority is further of the opinion that the studies under Article 46,4 should issue in practical proposals in connection with redevelopment schemes to be undertaken, relating in particular to such matters as the location of industrial zones and the types of industry to be attracted. Moreover, any financing corporations interested in an area so studied could then use the relevant study direct, instead of losing time by making investigations of their own.

REDEVELOPMENT CONFERENCE

444. Since March 1960, the High Authority has been empowered by Article 56,2,a of the Treaty¹⁾ to grant loans and to give its guarantee

¹⁾ See No. 439 above.

for loans contracted in respect of activities the extension, conversion or introduction of which will provide productive re-employment for miners or steelworkers rendered redundant as a result of radical changes in the marketing conditions of their industry.

So far as the miners themselves are concerned, therefore, the High Authority can take action to cope with the social complications resulting from the structural changes in the coal market. On the other hand, it has no direct means of dealing with the problems involved by pit closures where these are not exclusively concerned with the re-employment of the miners, but connected more generally with the effects of the economic decay of an area.

Accordingly, the High Authority and the Council of Ministers jointly decided on July 31, 1959, to call an Intergovernmental Conference to examine the problems of the areas affected by pit closures, and to ascertain what industrial redevelopment could do to remedy the situation. The Conference was to devote particular attention to the means of action open to the Governments and the European institutions (the High Authority, the Council of Ministers, the E.E.C. Commission and the European Investment Bank), and to the manner in which they would need to co-operate in order to arrest, and as soon as possible reverse, the economic decline of the areas affected, and to ensure a satisfactory level of employment there in the long term.

An organized exchange of views on these matters was felt to be necessary for three reasons :

- (a) since the coal crisis has not been overcome despite the recovery in the Community economy as a whole, there can be no doubt that it is essentially structural in character, and some of its effects cannot therefore now be reversed ;
- (b) under Article 56, the High Authority can give financial assistance for redevelopment purposes only if specifically so requested by the Government concerned, and where the redevelopment operations in question cover industries not coming within the jurisdiction of E.C.S.C. it is even required to obtain the agreement of the Council of Ministers ;

- (c) differing policies on the part of the individual Governments are out of the question in a market subject to common rules.

Preparations

445. The preparatory studies occupied the first nine months of 1960. They were conducted by the High Authority's departments and by representatives of the Community and United Kingdom Governments, the Council of Ministers, the E.E.C. Commission and the European Investment Bank.

These representatives and those of the High Authority formed a working party which laid down the practical details for the organization of the Conference and supervised the compilation of the documentary material to be supplied to the delegates.

At the working party's request, the High Authority also set up two technical committees. The first studied the various means of action open to the Governments. In particular, it examined a document drawn up by the Department for Labour Problems, Industrial Reorganization and Redevelopment showing, in accordance with an agreed layout and breakdown, the legal and financial arrangements in force in the Community countries and in the United Kingdom for promoting the creation of new employment opportunities. The committee sought to weigh up the comparative effectiveness of the different arrangements, and tabulated the Communities' own existing facilities in a paper for the Conference entitled "Means of Action Open to the Authorities for Assisting Redevelopment."

The second committee, which dealt with redevelopment schemes already tried, made a study of the difficulties encountered in various past operations and of the results achieved, concerning both of which it heard a number of statements by some of the men who had been responsible for carrying out such operations in different areas. The committee also made a point of studying on the spot a number of particularly instructive schemes, travelling in turn to the Borinage, to Northern France (Avesnes-Fourmies), to Germany (Sontra), to Great Britain (Tyneside), to Italy (the Naples area), and to the Netherlands (Emmen). Members of the committee were thus able

to tour the various factories and plants, and to discuss points of interest with the local authorities and with heads of enterprises and trade-union representatives who had become fully conversant with the practical problems of industrial redevelopment. The Committee finally drafted a report for the Conference on "Redevelopment Schemes in the Member Countries and the United Kingdom."

Proceedings

446. The Conference met in Luxembourg from September 27 to October 1, 1960, with M. Reynaud, Member of the High Authority, in the chair.

It was attended by some 160 delegates. The national delegations from the Community countries and the United Kingdom ranged in size from six to thirteen members; each was headed by a senior Civil Servant, and comprised other officials and representatives of the employers' and workers' associations. The E.E.C. Commission, the European Investment Bank, the Council of Ministers and the High Authority were each represented by a number of high officials. In addition, observers were present from the International Labour Office, the Austrian Government and the United States diplomatic mission to the High Authority, and thirty-five outside experts had been invited to attend to present papers on particular aspects of redevelopment policy, including financial grants and loans, industrial-estate companies and so on.

After the Chairman's opening address, the heads of the national delegations in turn described the conduct, methods and results of redevelopment in their countries and any specially relevant aspects of legislation there with regard to the establishment of new industries.

A representative of the European Investment Bank, a representative of the E.E.C. Commission and a representative of the High Authority also submitted reports giving details of the possibilities for action by their respective institutions.

The delegates then divided into three committees, each presided over by a Director of the High Authority. During the following two days the committees discussed in detail a number of subjects:

these included the role in redevelopment of the different types of financial aid and of the economic intelligence groups and financing corporations; the special problems arising in connection with the re-employment of mineworkers; different factors affecting redevelopment operations; and the practical conduct of these operations on the spot.

Finally, the Conference met again in plenary session to hear and debate the reports of the committees' spokesmen and the two "general reports" submitted, at the High Authority's request, by Prof. Di Nardi, of Rome, and Prof. Byé, of Paris, the first dealing with the most effective means of action available for the redevelopment of coalfields, and the second with the conclusions emerging from the various redevelopment schemes carried out in the Community countries and the United Kingdom.

The Conference was agreed by all concerned to have been highly successful, both as to the quality of the reports submitted and to the general atmosphere of co-operation and helpfulness which prevailed; in addition, it made possible a number of extremely valuable personal contacts.

Results

447. The working party which had been responsible for organizing the Conference was instructed to draw up, in co-operation with the departments of the High Authority, a summary report giving clearly and concisely the essential results of the proceedings. The report, same area after it had suffered impoverishment and the morale of its inhabitants had been lowered. Redevelopment therefore required long-term planning as well as short-term action.

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The methods employed must be tailored to the social and economic characteristics of the area concerned. Whatever the individual circumstances, however, only the concentration at a given juncture and given geographical foci of a corpus of appropriate concessions and advantages would produce the shock effect needed to prevent large-scale departures of skilled workers, encourage local initiative and attract new industries.

Such advantages would include improvements to basic services, the equipment of sites and the construction of factory premises.

The necessary impetus might in some depressed areas be provided by building industrial estates and setting up corporations to manage them.

Tax concessions, though valuable, were felt to be less important than the provision of capital-equipment grants and loans, the latter to be made available on specially advantageous terms, including low rates of interest, initial interest-free periods, long maturities and generous conditions as to collateral and other securities. In general, the object of financial assistance should be simply to give a start to investment, care being taken not to cause any distortion in conditions of competition.

In order to meet regional requirements as effectively as possible and avoid delays caused by administrative formalities, something should be done to decentralize credit facilities for the benefit of the incoming industries. Arrangements might also be made for such credits to be granted, in certain cases, by special bodies partly financed from public funds.

Manufacturers thinking of setting up in a redevelopment area should not have to apply to several different quarters in order to ascertain and to avail themselves of the concessions which the European institutions, the Governments and the local authorities are prepared to offer them. Action should therefore be taken to centralize the arrangements for supplying information and granting concessions, and to simplify the administrative formalities involved as far as possible.

Various facilities could and should be provided for helping to retrain mineworkers for other jobs, and for limiting any material hardship incurred as a result of the change of employment. The full value of such facilities — which must of course also be automatically and equally available to mineworkers of foreign nationality employed in the area — would be felt if they were brought into play right at the start of the redevelopment operation.

The progressive levelling of tariff walls was in some cases causing shifts in the traditional balance between one area and another, and since the introduction of the Common Market redevelopment problems had been assuming new proportions — Community proportions. Consequently, it was to the interest of the Governments to exchange information on their respective plans and to co-ordinate among themselves quite a number of measures so as to make them more effective. In particular, they should line up their plans of action for geographically-adjacent areas which happened to be separated by national frontiers: thus for instance there was room for Franco-Belgian co-operation on the redevelopment of the French Nord and the Belgian Borinage.

The European institutions for their part must facilitate the planning and financing of redevelopment projects, and co-operate with the Governments (with whom of course the main responsibility rested) in harmonizing the action to be taken. As for the High Authority in particular, it must always bear in mind that the co-ordination of redevelopment policies at Community level was an essential adjunct to a co-ordinated energy policy.

448. The work of the Conference was necessarily of an exploratory nature. The Conference had no power to take actual decisions. It did, on the other hand, carry out a first reconnaissance of appropriate methods and possible fields for future co-operation between the Governments and the European institutions.

The exchange of experiences and ideas which took place there undoubtedly brought to light a number of new possibilities in connec-

tion with redevelopment policy, and has already enabled the Governments and the European institutions to make progress in their endeavours to work out the most effective means of action and co-operation.

The High Authority intends to publish a record of the Conference's proceedings. It will also be submitting to the Council of Ministers proposals and suggestions for Community co-operation on coalfield redevelopment.

The High Authority, the E.E.C. Commission and the European Investment Bank have agreed to institute a system of functional liaison between their respective departments to enable them to make a joint examination of these matters. A joint working party has been set up to study the technical and economic aspects of the redevelopment projects submitted by the Governments, and the methods by which these might be financed.

Part Two — LIVING AND WORKING CONDITIONS

Section 1 : Wages, Social Security and Terms of Employment

WORK OF THE HIGH AUTHORITY

Wages

449. During 1960, the sociological survey of conditions in the iron and steel industry published earlier under the title *Niveau de Mécanisation et Mode de Rémunération*¹⁾ was distributed to various bodies and individuals interested, and further details on the subject were assembled and studied.

¹⁾ See *Eighth General Report*, No. 157.e.

450. A number of employers' and workers' associations suggested to the High Authority that study conferences should be arranged at which free discussions — providing useful material for further work in this connection — could take place between sociologists and representatives of industry on points raised in the survey. The High Authority felt that this would be an excellent way of ensuring that practical and effective use would be made of its publications on social questions, and gladly agreed to the suggestion.

Study conferences were therefore held in Paris, Brussels, Frankfurt, The Hague, Turin and Luxembourg, each attended by some thirty leading members of workers' organizations belonging to the International Confederation of Free Trade Unions and the International Confederation of Christian Trade Unions.

Several interesting points emerged from the discussions between the men actually working in the rolling-mills and the researchers who had conducted the survey and drafted the reports. These related in particular to the changes brought about by mechanization in the individual worker's influence on production, to the radical shifts in the wages structure, and to the focal point of the investigation, the operation of the different methods of payment.

The High Authority will shortly be issuing invitations to engineers to attend study conferences similar to those organized for the process workers.

451. The continuation studies mentioned in the Eighth General Report are already well advanced in Germany and France; they have also been launched in Belgium, and are to start shortly in the other Community countries.

They differ from the earlier work in that, although likewise concentrated on the subject of payment by output, they tackle that subject from several angles: thus each of the research centres concerned is examining the aspect which was felt to be most important in the first survey — future outlook regarding payment by output, forces operating for and against changes in methods of payment, the

connection between wage policy and workers' attitudes. In France the study also covers the iron-ore mines.

Meetings of researchers are held from time to time to enable the High Authority to co-ordinate the different studies.

452. The High Authority duly supplied the material for which the Consultative Committee had asked in order to give a detailed reply to a question which had been put to it concerning wages. The question ran: "What action does the Consultative Committee consider the High Authority might take, in accordance with the Treaty, to promote a rational system of linking the wage structure to the level of productivity, in line with Article 3 of the Treaty?" The material furnished included, in addition to the six monographs on the individual countries and the combined summary report *Niveau de Mécanisation et Mode de Rémunération*, three further series of national monographs and three summary reports on the systems of production-linked, output-linked and productivity-linked wages in force in the Community coalmining, iron-ore and iron and steel industries.

On the basis of this material, the Consultative Committee was able to clarify most of the points contained in the list which it had appended to its Resolution of January 14, 1957, and to suggest a procedure for dealing with two other points on which it considered itself insufficiently informed.

The Consultative Committee requested the High Authority to set up a working party of representatives of the employers' and workers' associations and experts from the International Labour Office, the European Productivity Agency and various research centres to define the concept of productivity and to propose ways and means of measuring productivity in the coalmining, iron-ore and iron and steel industries. The High Authority agreed to have this study carried out so that the Committee could resume its deliberations on wages.

Social security

453. The High Authority took part in the deliberations of the Administrative Committee on Social Security for Migrant Workers.¹⁾ Both its representatives and those of the E.E.C. Commission urged the introduction of a number of measures which they considered would further the harmonization of social security and satisfy the legitimate claims of the workers.

The Administrative Committee is in 1961 to examine the draft texts of special regulations concerning the social security of cross-frontier commuters and seasonal migrants.

454. In co-operation with the E.E.C. Commission, the High Authority completed the studies needed to expand and bring up to date its monograph *Les Régimes de Sécurité Sociale Applicables aux Travailleurs du Charbon et de l'Acier dans la Communauté et en Grande-Bretagne*. This publication — already the fullest existing work of reference on social security in the Community countries — is ultimately to be broadened in scope to cover all the Common Market industries, including such sectors as agriculture, in which special arrangements are in force.

Also in co-operation with the E.E.C. Commission, the High Authority set to work on drawing up new synoptic tables to provide an overall picture of the main social-security arrangements in force in the Community countries and the United Kingdom.

¹⁾ The Convention on Social Security for Migrant Workers was signed on December 9, 1957, by the Ministers of Labour of the six countries, in implementation of Article 69 of the E.C.S.C. Treaty. When the Treaty of Rome came into force, the Convention was converted into a series of Regulations of the E.E.C. Council of Ministers. The Administrative Committee is responsible for framing concrete measures on the basis of the principles laid down in the Regulations.

455. In four of the Community countries, Germany, Belgium, France and the Netherlands, mineworkers come under an entirely separate social-security system affording them a number of special advantages. Developments in Italy suggest that similar arrangements will ultimately be introduced there.¹⁾

As the coalmining industry is thus not included in the overall national schemes, the scaling-down of its labour force burdens it with an increasing volume of commitments from the past, in the form of pensions and other benefits payable to retired workers, who now look as if they may one day outnumber the active contributors. The collieries have in any case to bear higher social-security charges than the rest of industry, which is a handicap to them in their efforts to compete with other sources of energy. Several Governments, as well as the producers themselves, have expressed the opinion that the coal industry's drive to cut production costs by rationalization and reorganization should be accompanied by action in the social-security field.

On March 21, 1960, the Western European coal producers' study commission (C.E.P.C.E.O.) submitted to the High Authority the results of its examination of the comparative costs of the general social-security systems and the special miners' schemes in the E.C.S.C. countries in 1957. This showed that the coalmining industry's social-security charges would have been much lower if the employers' and workers' contributions had been payable at the same rate as in the iron and steel industry.

The High Authority also devoted attention to the problem of the disparity in social charges between the coalmining industry and the other industries, and decided to embark, in co-operation with the Governments, on a study of the special schemes for mineworkers and the demographical pattern of the mining population. This study, which will be completed during 1961, will clearly and objectively compare total contributions and benefits and the numbers of contributors and beneficiaries under the mineworkers' schemes and under the general national schemes in the six countries.

¹⁾ See No. 474 below.

It will be something a good deal more comprehensive than a routine statistical survey: it will not merely record the differences in receipts and payments, in methods of financing and in types of benefit between the two sets of schemes, but will endeavour to explain them. The material now being assembled will serve as a basis for projected discussions with the Governments as to the lines of action they may have to follow.

Other terms of employment

456. By means of talks and correspondence with employers' and workers' representatives during 1960, the High Authority was enabled to make the necessary preparations for the resumption of the work of the Joint Committees which it earlier set up to study the harmonization of terms of employment in the E.C.S.C. industries. It intends in future to convene these Committees every six months.

The Joint Committee (Steel) met on October 28, 1960. It endorsed the latest revisions of the documents and synoptic tables on working hours and on the legal employment position (statutory, contractual and *de facto*) in the iron and steel industries of the Community.¹⁾ It also heard a statement by the High Authority on progress in assembling material on workers' representation at enterprise and industry level, which it is shortly to examine. Finally, it discussed the action to be taken to provide it with the necessary particulars on the other subject it is to study, namely the repercussions of technological developments on productivity, wages, working hours and employment.

The Joint Committee (Mines) is to meet in March 1961, when it will review the situation with regard to working hours and the legal employment position.

457. The expert working party on labour law drew up a list of points which it considered would, together with those it had already disposed of, form a complete whole giving an overall conspectus of European labour law.

¹⁾ See *Eighth General Report*, No. 158.a.

458. The departments of the High Authority finalized the six national draft reports on the pay and terms of employment of non-manual workers (clerical, supervisory, technical and managerial staff) in the Community industries.¹⁾ The drafts are to be submitted during the first half of 1961 to experts of the employers' and workers' associations.

459. The High Authority will shortly be distributing a study, drawn up with the aid of employers' and workers' representatives, on trends in wages, social security and terms of employment in the E.C.S.C. industries in 1959.

In the course of the last three years the High Authority has published

- (a) a survey of trends in wages and wage policy in the E.C.S.C. industries from 1945 to 1956;
- (b) two supplements bringing this up to date for 1957 and 1958;
- (c) a survey of trends in terms of employment in the E.C.S.C. industries from 1945 to 1958.

Hitherto wages and terms of employment have been treated separately, but as the different aspects of developments in the social fields are so closely interlinked the High Authority recently decided that the surveys on the two subjects should in future appear as a single document, starting with the year 1959, and that this should also contain an account of developments during the year in the field of social security.²⁾ The fullest possible picture will thus be available of the overall position of miners and steelworkers in the Community countries.

¹⁾ See *Eighth General Report*, No. 158,b.

²⁾ With regard to social security, the High Authority published in 1957 a monograph on the legislation in force, and in 1958 a survey of supplementary social-security schemes for workers in the Community industries.

The Conference on Technical Progress and the Common Market.

460. Together with the E.E.C. and Euratom Commissions, the High Authority organized and took part in a conference on the economic and social outlook resulting from the introduction of new technical methods and the rationalization of operations. The Conference was held in Brussels from December 5 to 10, 1960, under the auspices of the three Communities, and was attended by some 300 delegates from the six countries, including representatives of various international bodies, university professors, researchers, Government experts, employers and workers.

461. The Conference examined the measures taken following technical changes to date in the industries, and the studies conducted by the Governments, the employers' and workers' organizations and the research centres concerning future developments and possible action to meet them.

After reviewing the present position as regards technical methods employed in the industries, the Conference discussed the probable economic and social implications of these in the future. The proceedings fell into two main parts. First, the delegates formed six working parties to study six key problems, on the basis of specialists' reports :

- (a) employment from the point of view of changes in the numbers employed, and methods of forecasting these ;
- (b) employment from the point of view of changes in the skills required, methods of forecasting these, and developments in methods of vocational training ;
- (c) the attitudes of the employers' and workers' associations concerning technological changes and their economic and social implications ;
- (d) wages and incomes, working hours ;

- (e) investment policy ;
- (f) conditions of competition.

The delegates then formed another three working parties according to economic sector (industry, transport and administration) and resumed the discussion of the six key problems, this time as specifically arising in practice in one or more industries. The first two of these working parties were split into study groups for the individual branches, including one for the coalmining industry and another for the iron and steel industry.

All present were in favour of following up the discussions begun at the Conference. This is to be done by holding specialized meetings at industry or sector level, which will also deal with such matters as industrial health and safety, wage structure and the harmonization of wages, and the position of elderly workers.

462. Pending the publication of the Conference's proceedings we give a brief outline of its main conclusions.

The Conference considered there to be very close interaction between the Common Market and technical progress. Furthermore, during the past few years the acceleration of technical progress had been such as to bring about a positive revolution — clearly felt in the different sectors of the Community — which was affecting every aspect of economic activity.

The Conference emphasized the need not only for fuller information and better co-ordination of research, but also for long-term forecasting to enable effective action to be planned and taken. The European Communities were urged to push ahead with their work in this field. It would undoubtedly be in the matter of employment that the most concentrated efforts would be required (forecasting of employment trends measures at regional level). Also, it would be necessary to fix overall objectives, to co-ordinate investment, to even up the movement of the trade cycle, and to improve and extend the European infrastructure of transport and energy services.

Furthermore, sweeping action would be required in the fields of education and vocational training, which would need to be co-ordinated at European level.

The High Authority for its part decided to re-examine its whole policy on vocational training, concentrating on the improvement and adaptation of the worker's skills in his particular occupation, and on the all-round raising of his status as such.

The Conference further urged closer co-operation between industry and the research specialists. In particular, regional research centres might set up for standing collaboration between the scientific investigators and the men on the job, thus assisting research and economic and social forecasting.

To make possible a more rational utilization of resources, it would be necessary to carry out a careful examination of the principles which should govern competition. Special attention should be given to working out ways and means of countering any tendencies to market dominance on the part of influential individual combines.

Several speakers had dwelt on the subject of wage structure. One rapporteur had made the point that to ensure the necessary market transparency it was necessary that all the elements making for such transparency — of which wages and salaries were one of the most important — should be known to all those concerned.

Finally, although it still tended to be imagined that technical progress affected the social field, most of the reports and papers read at the Conference had rather emphasized that dated, unadjusted social patterns were a major, and in some cases indeed decisive impediment to adequate technical and economic progress, and hence to the effective consolidation of the Common Market. Social conditions must be such as to foster technical progress and the full utilization of resources.

DEVELOPMENTS IN THE COMMUNITY COUNTRIES¹⁾

Germany

Wages

463. Thanks to the satisfactory state of the economy generally, further improvements were recorded in the social position.

In the iron and steel industry, which was doing exceptionally good business, the main development was the rise in wages produced by the further reduction in the working week with full wage compensation. A collective-bargaining agreement concluded on July 19, 1960, provided for two successive increases in the agreed basic wage, by 8.5% from July 1, 1960, and by a further 5% from July 1, 1961. In addition, men working Saturdays are to receive from July 1, 1961, extra pay amounting to 15% of the agreed basic wage.

Three wage agreements were signed in the coalmining industry during 1960. One of these, concluded on April 25, provided that the full wage compensation payable in respect of the introduction of the five-day week as from May 1, 1959, should be operative with effect from May 1, 1960, a year in advance of the date originally fixed.

Under a second agreement which came into force on October 1, 1960, wages were to be increased by 4.5% from October 1, 1960, and by a further 5% from July 1, 1961, the wages system was to be remodelled, and the practice of making "age deductions" from the wages of 18- and 19-year-old workers to be discontinued.

An agreement concluded on April 5, 1960, for the Saar collieries granted a series of three increases, by 4% from April 1, 1960, by 3% from January 1, 1961, and by 3% from December 1, 1961.

Social security

464. The discussions on the remodelling of the health-insurance arrangements continued in 1960, and were followed with much interest by the general public after the introduction of the Governments' Bill on the subject before

¹⁾ For figures on the cost of living and wages, see *Statistical Annex*, Tables Nos. 51-54.

the Bundesrat in January and before the Bundestag in February. The Bill provides for substantial increases in benefits (including those payable over an indefinite period), for graduated contributions by patients to the cost of medical treatment and prescriptions, and for a new schedule of medical practitioners' fees for each type of professional service rendered. The trade unions and the panel doctors have, however, protested against the proposed patients' contributions and schedule of fees, and the Government is therefore considering making certain changes in the disputed portions of the Bill.

As the basis of assessment for pensions was raised in the same proportion as the wages themselves, the pension rates for 1960 went up by 5.4%. In addition, a parallel increase was made with effect from January 1, 1961, in pensions fixed in 1959 and the preceding years.

A law was passed on February 25, 1960, introducing, with effect from January 1, 1959, a new system of pensions for expellees and refugees, stateless persons living in the Federal Republic, and all German nationals who returned home from other countries before December 31, 1952. This brought this whole category of individuals under the national social-security system. The persons concerned are to be treated as if they had worked all their lives in the Federal Republic and paid their contributions accordingly.

A number of laws were also passed further lining up the legislation of the Saar with that of the Federal Republic as a whole :

- (a) under Saar Act No. 687, the so-called " transition increment " payable over and above certain benefits, and under the war victims relief scheme, was increased from 20% to 25% with effect from May 1, 1959, and up to the end of the present transition period for the incorporation of the Saar into Germany ;
- (b) under the Social Insurance Administration (Saar) Act, the social-insurance arrangements of the Saar were lined up with those of the other German *Länder* with effect from April 1, 1960 ;
- (c) the Federal Contributions and Common Charges Act of March 28, 1960, settled the problem of State contributions to Saar workers' and salaried employees' pension schemes (exclusive of old-age pensions), thus bringing the system into line with that in the other *Länder*.

The arrangements in force elsewhere in respect of common charges, and of the payment of increased family allowance and special " nursing attendance money " under accident insurance, were introduced in the Saar with effect from July 6, 1960, and the supplementary allowance payable by the miners' friendly society (*Knappschaftssold*) was fixed for the Saar at DM.60.00 per month, with effect from August 1, 1959.

New international agreements concluded and ratified included the following :

- (a) the Federal Republic by a law of February 6, 1960, ratified the convention on cross-frontier commuters concluded within Western European Union, with France, Britain, Italy and Benelux ;
- (b) on April 20, 1960, the German and British Governments signed an agreement on social security and unemployment insurance, which now remains to be ratified ;
- (c) an agreement with Luxembourg on July 14, 1960, concerning social security for cross-frontier commuters is also awaiting ratification ;
- (d) by a law of August 8, 1960, the Federal Republic ratified the German-Luxembourg convention of July 11, 1959, regulating the settling of claims between the two countries in connection with social-insurance entitlements.

I.L.O. Convention No. 97, of July 1, 1949, concerning migrant workers, came into force in the Federal Republic on June 22, 1960.

Other terms of employment

465. Agreement was reached between the employers and workers of the iron and steel industry that the forty-hour week should be introduced, with full wage compensation, from July 1, 1965 : there is to be only one transitional stage, a 42-hour week from January 1, 1962, except in the Saar, where there are to be two, the men working $42\frac{1}{2}$ hours a week from January 1, 1962, and $41\frac{1}{4}$ from January 1, 1964.

Mention should also be made of the law safeguarding the interests of young workers, which came into force on October 1, 1960.

It contains a number of important improvements.

Existing regulations protecting young workers are in future to be fully applicable to skilled workers of 17. Young workers are not to be employed on piece-rate, contract, assembly - or production - line or other output-linked jobs. The regulations concerning instruction at vocational-training colleges are in future also to apply to workers over 18. Pre-entry medical examination is to be compulsory, and no young worker may be employed on a job which the medical officer considers might injure his health. Annual holidays are increased to 24 working days for young workers in general, and 28 for young miners employed below ground. The maximum number of working hours per week is fixed at 40 for juveniles under 16, and 44 for other young workers.

Belgium

466. The employers' and workers' associations on May 30, 1960, signed a "social planning" agreement binding them to observe a certain restraint both within industries and between one industry and another. The agreement does not touch on the subject of wages, which continue to be a matter for bilateral negotiation within the individual sectors.

At the end of 1960 and the beginning of 1961, the country was shaken by a strike against the Bill introduced for "economic expansion, social progress and financial reconstruction." This, the so-called *Loi Unique*, or comprehensive measure, was passed by the Chamber of Representatives on January 13, 1961. It provides, *inter alia*, for higher taxes and for various savings on social security, unemployment benefits and education.

Wages

467. Apart from two increases of 2% each in the metallurgical industries, the main event as regards wages was the institution of the guaranteed week's wage. The Government's object, in making it legally obligatory that a worker prevented from working shall be paid his regular wage for a period of seven days, was to ensure that workers' contracts shall embody some of the same advantages as those legally required in the case of salaried employees' contracts, and thereby help to remedy the drift away from the skilled trades.

The law of July 20, 1960, on the guaranteed week's wage contains various permanent provisions, together with others of a temporary nature to run up to December 31, 1961, which may, however, be extended up to December 31, 1964.

The gist of the permanent provisions is that a worker prevented from working either by a technical incident in the enterprise, by disablement due to an accident occurring on the job, or by family, civic or union obligations is entitled to receive his regular wage for seven days.¹⁾

The main temporary provision, contained in Article 15 of the law, is that a worker prevented from working by a disablement of not less than fourteen days due either to illness or to an accident not occurring on the job is entitled for the first seven days to 80% of his regular wage. This applies to workers in the iron and steel industry, but not, for a period of twelve months, to those in the coalmining industry: the law specifies that certain

¹⁾ This includes the first seven days of women workers' maternity leave.

sectors in temporary difficulties may be exempted from the requirements of Article 15, and such exemption was granted by a decree of July 29, 1960, to employers coming under the Commission Nationale Mixte des Mines.

Social security

468. It proved impossible to carry through the planned remodelling of the health and industrial-injuries insurance system during 1960. A number of steps were, however, taken to standardize certain arrangements and to harmonize various ceilings of incomes subject to compulsory contributions, as well as some of the rules concerning the linking of these income ceilings and of the benefits payable to the retail-price index.

As rises in the index in 1959 had sent up certain benefits by 5%, so the fall in the index during the first few months of 1960 ought to have brought these benefits down again: the Government, however, decided that unemployment benefits and old-age pensions should not be affected by the statutory reduction scheduled for March 1, and that pensions to physically-handicapped and disabled workers should be cut by only 2.5% instead of 5%.

The increase which should have taken place on January 1 in the index-linked income ceiling up to which salaried employees have to pay contributions to old-age and dependents' insurance schemes was suspended by a law of February 22, 1960: the ceiling, instead of going up to Bfr.10,000 was first kept at 8,000, and subsequently raised to 8,400. With this exception, the income ceiling for compulsory contributions was fixed at Bfr.8,000 per month.

Two degrees successively extended up to March 4, 1961, the exemption entitling miners to be paid unemployment benefit without a waiting period. The miners thus continued to draw their benefit from the first day not worked in the week. In addition, a law was promulgated on January 2, 1960, and an order on January 7 providing that miners' pension rights would be in no way affected by any arrears of contributions. Stricter measures as to collection and interest will henceforth be adopted in respect of enterprises not paying their contributions punctually.

Other developments included

- (a) an increase of 0.5% in the contribution to workers' old-age and dependents' insurance as from January 1, 1960 (bringing the rates up to 4.5% for the men and 11% for the employers);
- (b) a reorganization of the system of family allowances, two independent self-administered offices being set up with sole responsibility for this field, while the monthly contributions were raised from Bfr. 248.75 to Bfr.422.50 for men and from Bfr.145 to Bfr.250 for women;

- (c) an order of October 25, 1960, extending the system of family allowances to cover employers and self-employed persons ;
- (d) the payment in 1960 of a family holiday allowance amounting to one-twelfth of the family allowance drawn in 1959 ;
- (e) the reintroduction from January 1, 1960, under the law of February 22, 1960, of "personal" old-age dependents' pensions for salaried employees ;¹⁾
- (f) an adjustment of disablement pensions, which were raised from Bfr. 106 to Bfr.112 per working day for disabled workers with families dependent on them, and from Bfr.75 to Bfr.80 for those without.

Other terms of employment

469. The employment situation, already a problem in 1959, resulted in an intensification of the trade unions' campaign for security of livelihood. Their more and more insistent representations to the authorities eventually led to the promulgation of a law on the indemnification of workers discharged owing to closures of enterprises, and the law introducing the guaranteed week's wage.

The law concerning closures was promulgated on June 27, 1960. Its main provisions were listed in last year's General Report²⁾ : the only further point which should be noted is that by the terms of a subsequent order it was made not applicable to workers eligible for assistance under Article 56 of the E.C.S.C. Treaty. Collieries and iron and steel enterprises are therefore not required to pay the annual contribution to the Indemnification Fund ; on the other hand, if they decide to close, they must notify their personnel, the authorities and all bodies concerned, in accordance with a procedure laid down in Article 3 of the law.

As well as dealing with wage matters proper, the law on the guaranteed week's wage made certain alterations concerning terms of employment : longer notice is to be given to workers who are to be discharged altogether following a period of short-time working ; the suspension of workers' contracts in the event of technical incidents or accidents on the job is to take place only after an interval of seven days, and rates of compensation are laid down in respect of wages lost owing to absence for family reasons or in fulfilment of civic duties.

¹⁾ A portion (3%) of the 4.25% contribution payable by the employee is set aside to pay for the old-age and dependents' pension ; the contributor is entitled to draw the pension on reaching the qualifying age, even if he continues to work.

²⁾ See *Eighth General Report*, No. 136.

By an order of November 25, 1960, a National Board for Economic Expansion was set up to promote and encourage the acceleration and regularization of economic expansion, the creation of new employment opportunities and the raising of the standard of living. The Board has the Minister of Economic Affairs as chairman, and consists of ten members, five of whom are trade-union representatives. Its work is intended to reinforce and supplement that of the Economic Planning Bureau set up under an order of October 14, 1959.

By the terms of an order of September 1, 1960, workers required to be on duty on a public holiday will in future be entitled to time off in lieu, paid at the rates in force for public holidays.

Under an order of February 18, 1960, enterprises employing over 50 workers are now required to submit a monthly report on their safety-and health conditions.

Another order of the same date made drastic changes in the General Regulations on Employers' Liability, a comprehensive corpus of enactments embodying most of the legal requirements concerning industrial health and safety. The changes relate in particular to protection against injury from debris or flying splinters, work in surroundings liable to contain noxious gases, dust extraction, medical supervision, individual protective equipment, and protection against injury to health from noise or vibration.

An order of May 31, 1960, set up a national advisory commission on occupational retraining, to give its views on the best methods for making available the various forms of financial assistance approved for discharged mineworkers.

An agreement to be operative up to the end of 1961 was concluded in the metallurgical industry, providing for the general introduction of a 45-hour week and fixing the amount of leave due for family reasons.

France

Wages

470. During 1960 the purchasing power of the earnings of workers without dependents again reached the level of July 1957, and in the month of October indeed, in some industries, exceeded it by some 5%.

Quite a number of wage agreements were signed from May onwards. The disparity between the wages actually paid and the minimum figures prescribed in the schedule was, however, still considerable, though efforts were made to narrow the gap.

Endeavours were made by the Government to stimulate home consumption, with the object of stepping up economic activity. Production increased by some 5.5%, though in view of the general business revival in 1959 a higher rate had been expected.

Retail prices remained fairly steady at the beginning of the year, but the rise that later set in brought the official 179-item index above the level requiring the adjustment of the minimum inter-industry guaranteed wage (S.M.I.G.). This was duly increased by 2.31% on October 1, from 1.6015 N.F. to 1.6385 N.F. per hour in the non-abatement area.¹⁾ Before any further increase can be made in the S.M.I.G., the 179-item index must remain for two consecutive months at not less than 125.27, *i.e.* 2% above the present level of 122.82.

The S.M.I.G. is a highly important element in industrial relations. Strictly, it is only the Government-fixed rate below which an adult, physically-normal worker must not be paid, and it is not used in collective bargaining on wage rates for the different occupational categories. In theory, therefore, it covers only the lowest wages, earned by some 500,000 workers. In practice, however, each time it goes up indirect repercussions are produced on the wage rates already above the level to which it is raised.

In the coalmining industry and the iron-ore mines a unilateral decision to raise wages was taken on March 26: the basic rates were put up by 2.5% with effect from January 1, 1960, and this was increased to 4% on May 1.

The trade unions protested against the principle of unilateral decision, and also contended that the increase itself was inadequate, in view, firstly, of the short-time working in force, which cancelled out part of its value, and secondly, of the rise in the cost of living since the last wage adjustment. They made the further claim that the increase was not commensurate with the miners' improved productivity, pointing out that direct wages had not been raised in line with productivity since 1957.

Wage rates were raised in the metalworking and iron and steel industries; the latter had been doing exceedingly good business and was one of the sectors in which the expansion had been greatest. Most of the increases were granted in two instalments, 2% from May 1 or June 1, and a further 2% from September 1.

¹⁾ Metropolitan France is divided into 11 areas, the S.M.I.G. being subject to abatements ranging from nil to 8% according to area.

Social security

471. The main event in the social-security field in 1960 was a reorganization outlined in a decree of May 12, and implemented in accordance with a series of ministerial orders and administrative regulations. The object of the measure was to standardize social-security arrangements and legislation, and to co-ordinate the operation of the various bodies involved.

Notwithstanding the general tendency towards greater centralization and stricter State control, the "special scheme" remained organizationally separate, the bodies responsible for social security continuing to be administered much as before, either by themselves or jointly by the employers and workers or their associations.

The reorganization under the decree principally concerned the health-insurance arrangements, and in particular the matter of medical practitioners' fees, which had long bedevilled relations between the insurance authorities and the panel doctors and were involving contributors in what they regarded as unduly heavy expense. The reorganization provides for the refunding of 80% of expenses incurred on doctors' bills.

With regard to unemployment benefit, it should be recorded that both the Government contribution and the supplementary contribution were raised in 1960. On October 1, the Government contribution was increased by 10%, the rates being now as follows :

- (a) in the Paris area, 4.25 N.F. as against 3.80, and 1.80 N.F. as against 1.65 for the wife ;
- (b) in administrative districts of over 5,000 inhabitants, 4.10 N.F. and 1.75 N.F. for the wife ;
- (c) in administrative districts of under 5,000 inhabitants, 3.85 N.F. and 1.65 N.F. for the wife.

The supplementary contribution was increased from March 1, and again from October 1 : since October 1 the daily minimum rates have been 4.20 N.F. in the Paris area and 4.10 and 3.85 N.F. in the provinces.

On April 1, 1960, disablement, old-age and dependents' pensions were increased by 10.5%.

Family allowances, maternity benefit and pre-natal allowances were increased by 5% with effect from August 1, 1960. The Government also decided to raise family allowances by a further 6%, in two stages, the first from January 1, 1961, and the second from August 1 of the same year.

The ceiling of the income subject to compulsory social-security contributions was raised from 6,600 N.F. per annum to 7,080 N.F. as from July 1, 1960, and to 7,200 N.F. as from January 1, 1961; it is to be raised again, to 8,400 N.F. on April 1, 1961. This measure also applies to the mining industry.

From January 1, 1961, the rate of employers' social security contributions was raised by 1%. From the same date, the employers' contribution to the miners' sickness and maternity-benefit insurance scheme was raised by 1%. Also from January 1, 1961, contribution rates in general are to be fixed by regulation, and not, as previously, by statute.

The main event as regards social security for the mineworkers was the introduction of a supplementary retirement scheme. Under an agreement in principle concluded on December 15, 1959, between the Charbonnages de France and the Force Ouvrière and Catholic unions, this was to come into operation on January 1, 1960, the contribution of 2.5% to come 1.5% from the employers and 1% from the workers themselves, the Charbonnages de France guaranteeing a balanced budget over the first ten years and setting up a reserve fund for the purpose. On May 19, 1960, the Charbonnages de France and the two union federations signed a protocol embodying the administrative details regarding the supplementary retirement scheme; and a "Caisse Autonome de Retraites Complémentaires des Ouvriers Mineurs" (CARCOM) was duly set up. Pending the final calculation of the individual pensions payable, which will take some time to complete, the Charbonnages de France are making payments on account, at a rate of 10 N.F. per year of service, to members with at least 15 years' service in the industry.

The supplementary pension will work out at between 10% and 20% of the main pension, according to the seniority and occupational category (surface or underground) of the pensioner.

Miners' pensions in general were increased by 3.31% from March 1, 1960 and are to be raised by 5.2% on March 1, 1961. In consequence of the continuing deterioration in the ratio of active contributors to pensioners, the employers' contribution to the miners' old-age pension schemes had to be raised, from 13.31% to 13.98% with effect from January 1, 1960, and to 15.2% as from January 1, 1961. The men's rate remained unchanged at 8%.

Other terms of employment

472. The miners' unions had for some time been agitating for a return to the forty-hour week, which they considered to be the best way of reducing short-time working. On October 1, 1960, the C.G.T. and Catholic miners' unions concluded an agreement with the Charbonnages de France on the reorganization and reduction of working hours.

This provided that, from October 17 onwards, working hours should be so arranged that every other week the men should have a second day off in addition to Sunday. At the same time, while this gave them 15 extra off-days in the year over and above the 11 (7 paid) to which they were already entitled, the working shift was lengthened from $7\frac{3}{4}$ hours to 8 for underground workers and from 8 hours to $8\frac{1}{4}$ for surface workers. The wage rate for the year remained unchanged.

Thus the collieries undertook to pay for 6 of the 15 new off-days without a return, while the remaining 9 were made good by the longer working shift. The daily wage rates were henceforth to be based on the 8-hour and $8\frac{1}{4}$ -hour shift, the standard working shift continuing fixed at $7\frac{3}{4}$ hours for men employed below ground and 8 for those at the surface, with the additional time paid at overtime rates, *i.e.* time and a quarter for the fortieth to the forty-eighth hour worked in the week, and time and a half beyond the forty-eighth hour. Workers on piece rates were to be paid appropriately-adjusted amounts for the work done during the extra fifteen minutes, and the fifteen minutes were also to be taken into account in the computation of seniority increments and of the supplementary allowances to the lowest grades. Except in the case of public holidays falling during the week, the off-days were to be given on either Saturdays or Mondays: each man's two days off would therefore generally be consecutive.

The contracting unions issued a joint statement in which they emphasized that the agreement was only a first step towards the reintroduction of the forty-hour week paid as for forty-eight hours, which was still their ultimate objective. They further requested that discussions be begun in 1961 with a view to a second step in this direction, to include in particular payment for the four off-days at present unpaid.

The Force Ouvrière federation of miners' unions did not sign the agreement of October 1, which it claimed contravened the principle embodied in the laws of April 12, 1919, and June 26, 1936, fixing the maximum working day at 8 hours for surface and $7\frac{3}{4}$ for underground duties. The Force Ouvrière view is that, especially in the case of the underground workers, the additional quarter of an hour must be considered a temporary measure only, as representing complete forfeiture of a definitely-established right.

Italy

Wages

473. Rising retail prices necessitated two increases in the *contingenza* or cost-of-living allowance, the first from the quarter February-April and the second from the quarter August-October.

In addition, the agreed basic wage for women workers was increased by 3% under an employers' and workers' agreement of July 16, 1960, providing for the progressive narrowing of the gap between the rates for men and for women.

As regards the E.C.S.C. sectors more particularly, mention should be made of the collective-bargaining agreement concluded for the extractive industries, and of the various wage claims advanced in the iron and steel industry.

The new agreement for the extractive industries, negotiations on which were begun in 1959, was signed in April 1960, and provides for increases in the scheduled wage rates.

Substantial wage claims were put forward in the iron and steel industry, which in contrast to the coalmining and iron-ore industries, has been expanding vigorously. As the national collective-bargaining agreement had been renewed in 1959, the claims were made at enterprise level. A large number of individual works agreements were concluded granting the workers larger fringe benefits: some enterprises introduced yearly or half-yearly production or performance bonuses or increased existing ones, while others increased the rates paid for overtime.

The three biggest union federations, the Confederazione Italiana Sindacati Lavoratori, the Unione Italiana del Lavoro and the Confederazione General Italiana del Lavoro, proposed to the employers' associations that negotiations be started for the remodelling of the present division of the country into areas with different minimum wage levels. Discussions on the subject have not, however, as yet produced any result.

Social security

474. A number of new social-security contribution rates became operative at the beginning of 1960:

- (a) the special 2.4% contribution to the pensions compensation fund was replaced by an overall contribution amounting to 15.75% of the

assessable wage, the employer to pay 10.5% as against a previous 7.75%, and the workers 5.25% as against 3.85% ;

- (b) the tuberculosis contribution¹⁾ was reduced from 2.3% to 2% ;
- (c) the contribution¹⁾ to the wage compensation fund was reduced from 0.65% of assessable wages to 0.4% ;
- (d) the unemployment contribution¹⁾ was reduced from 2.6% of the gross wage to 2.3%.

1960 saw the beginnings of a special social-security system for miners.

A law was promulgated on February 2, 1960, lowering the retiring age for workers in mines, quarries and peat-pits : if they fulfil certain requirements (including, in the case of the miners, a record of at least 15 years' service below ground), such workers are in future to be entitled to pensions at ages ranging from 55 to 60.

The national insurance authority, the Istituto Nazionale della Provvidenza Sociale, started a special miners' scheme as part of its overall arrangements concerning old-age, disablement and dependents' pensions. This is financed half from the pensions compensation fund, and half from new contributions of which two-thirds are paid by the employers and one-third by the workers. These latter, which are additional to the contributions already payable, were provisionally fixed for 1959 and 1960 at 1.95% of the gross wage for surface workers (0.65% to be paid by the worker himself), and 3.9% of the gross wage for underground workers (1.30% to be paid by the worker himself). After the death of a worker insured under the special scheme, his dependents are entitled only to the standard benefits for surviving dependents of workers insured under the general system, *i.e.* to an indirect pension or death grant based on the contributions paid under the compulsory general insurance.

With effect from October 20, 1960, unemployment benefit was increased to Lit.300 per day, and Lit.120 for each dependent.

A Government ruling of July 1960 appreciably improved the social-security position of certain workers in the coalmining and iron and steel industries. The Ministry of Labour and Social Insurance, after examining a number of appeals against the rejection by the responsible provincial authorities of applications for unemployment benefit submitted too late by certain discharged workers, when they were no longer receiving E.C.S.C. assistance, decided that under the relevant regulations these men were perfectly entitled to draw both unemployment benefit and assistance under

¹⁾ Payable by the employer only.

Section 23 of the Convention, payments under the Convention ranking not as social-security benefits, but as special allowances to miners and steelworkers to cushion the repercussions of the implementation of the E.C.S.C. Treaty on the labour market. Unemployment benefit was therefore to be payable from the eighth day following termination, and not from the day of expiry of the E.C.S.C. assistance.

In January 1960, the French and Italian Governments signed

- (a) an administrative agreement on the payment of family allowances under Regulation No. 3 of the E.E.C. Council concerning social security for migrant workers ;
- (b) an administrative agreement on the implementation of the supplemental convention concerning social security for cross-frontier commuters ;
- (c) a special convention making Italian nationals resident in France eligible for the additional allowance payable to disabled workers under French law.

Other terms of employment

475. During the last few months of 1960, the Government promulgated a number of decrees under the law of July 14, 1959, which empowers it to extend to all workers the minimum wage rates and terms of employment embodied in the collective-bargaining agreements.¹⁾ Accordingly, the inter-union agreement of December 20, 1960, providing for a conciliation procedure in respect of projected personnel cuts, was made generally applicable.

Although a start has thus been made on the implementation of the law of July 14, 1959, the Government has not yet had time to make full use of its powers thereunder. A law had to be passed on October 1, 1960, extending for a further fifteen months the deadline for the delegation of powers, initially fixed for October 3, and also authorizing the taking into account of collective-bargaining agreements signed during the six months after the law of July 14, 1959, came into force.

Parliament on October 14 approved a law regulating and limiting the functions of employment agencies.

The latest collective-bargaining agreement for the extractive industries reduced the working year by six days ; the same change was provided for in the agreements for salaried personnel and for the "special category" of mineworkers.

A collective-bargaining agreement was concluded on July 7, 1960, introducing certain additional provisions into the apprenticeship regulations for the metal-producing and metalworking industries.

¹⁾ See *Eighth General Report*, No. 156.

Luxembourg

Wages

476. As the general state of the economy remained eminently satisfactory, incomes and private consumption continued to rise.

In accordance with the arbitration ruling of December 31, 1959,¹⁾ wages in the E.C.S.C. industries were increased by Lfr.1.00 per hour, or an average of approximately 2.5%. The question then arose whether the agreed wage increases for overtime, Sunday and night work should apply to the extra franc per hour: the arbitration tribunal decided that they should.

Social security

477. The broadening of the social-security system continued in 1960. A law of January 22, 1960, introduced a compulsory pension scheme for self-employed persons and members of their families working with them.

A law of July 30, 1960, set up a "National Solidarity Fund," designed to provide all Luxembourg nationals, foreign nationals having lived and worked in the Grand Duchy and Stateless persons born there with a minimum income sufficient to keep them from destitution and ensure that they will not become dependent on public assistance. Payments from the Fund will not rank as social-security benefits proper: they will be more in the nature of assistance (subject to determination of need, etc.), but persons fulfilling the conditions laid down will be entitled to this as of right.

Other terms of employment

478. The Benelux Treaty of Economic Union now having been ratified, by a law of August 5, 1960, Belgian and Dutch nationals working in the Grand Duchy will henceforth be on the same footing as native Luxemburgers as regards terms of employment.

¹⁾ See *Eighth General Report*, No. 154.

Netherlands

Wages

479. The wage policy introduced in 1959, allowing contractual wage rates to be increased in line with the rise in productivity in each sector of industry or other activity, was continued in 1960. A number of points, however, remain to be solved, including the admission of other criteria for wage increases, and the levelling-up of wages in sectors where productivity has not risen.

The stipulation that wage increases must not be such as to send up prices led to difficulties in a few industries: some employers refused to sign collective-bargaining agreements, and a number of strikes broke out.

The national arbitration board, the Rijksbemiddelaars, ruled that all workers should be paid an allowance amounting to 2.5% of their wage, with a minimum varying with the type of district, to offset the rise in the cost of living which took place on April 1 as a result of the 20% increase in rents and the increase of 4 cents per litre in the price of milk.

The agreed wage rates for the iron and steel industry remained unchanged.

Since the increase in production had been very much larger than had been foreseen when the agreement was concluded in 1959, the employers and workers further agreed that until it expired the industry should pay a special yearly allowance of 3% and a wage increment of 3 or 4% from January 1 and 8% from July 1, 1961. The Government, however, declined to endorse this interim agreement, taking the view that ahead-of-schedule wage increases in the iron and steel and other metallurgical industries would quickly be followed by similar increases in other sectors.

In the coalmining industry, the special bonus to underground workers was increased on January 1 from Hfl.1.50 to Hfl.2.00 per shift; a similar bonus was at the same time made payable to surface workers, at the rate of Hfl.0.63 for juveniles under 18 and Hfl.1.25 for adults.

Social security

480. Under various laws in force, workers whose wages are above a specified ceiling are not compulsorily insured. The ceiling, which had stood since March 27, 1957, at Hfl.6,900 per annum, was raised from January 1, 1960, to Hfl.7,450, and from January 1, 1961, to Hfl.8,000.

A law was passed on May 25 introducing a new procedure for altering the ceiling wage: whereas hitherto the figure could be changed only by a revision of the relevant enactment, it is now linked to the trend in wages and in the cost of living. A definite ratio was established between the ceiling wage and the mean wage and cost-of-living indices: the ceiling may now be changed by Royal decree in line with the movement of these indices, and must be so changed should either index show a deviation of 3% or more from that on which the ceiling was last based.

Alongside the cost-of-living allowance, there was a round of increases in accident, disablement, old-age and widows' and orphans' pensions and in family allowances. Accident pensions were increased first by 6% and subsequently, from January 1, 1961, by a further 4%.

Disablement pensions were increased by 100% over their previous level (290% over the basic rate), and the related supplementary family allowance went up by Hfl.5.00 per week. The regular family-allowance was raised from Hfl.51.00 to Hfl.73.00 per month. The cost of the increase in allowance went up by Hfl.5.00 per week. The regular family allowance was borne by the State: the total amount involved from April 1 to December 31, 1960, worked out at approximately Hfl.17,500,000.

Children's allowance were raised with retrospective effect from January 1, 1960, by 2 cents per day for the first, second and third child and 3 cents per day for each younger child. The cost-of-living allowance of 10 cents per child per day paid in 1958 and 1959 to workers earning less than Hfl.16 per day was from January 1, 1960, reckoned in with the new children's allowances, as the Government considered that, in view of the economic and social situation, the cost-of-living allowance should no longer be paid only to workers whose wages were below a given figure.

Since January 1, 1960, the rates for children's allowances have been as follows:

Hfl.0.72 per day for the first child;

Hfl.0.79 per child per day for the second and third child;

Hfl.1.06 per child per day for the fourth and fifth child;

Hfl.1.17 per child per day for the sixth and each younger child.

To meet the additional expenditure, the contribution payable under the law concerning children's allowances was raised from 4.8% to 5.3% by a regulation issued on October 7, 1959, by the Secretary of State for Social Affairs and Public Health. From January 1, 1961, the rate was reduced again to 4.9%, but the Government is planning a fresh increase of about 4.9% in the benefits.

As regards old-age, widows' and orphans' pensions under the new general schemes, the following increases became operative on April 1, 1960 :

- (a) old-age pensions for unmarried persons, from Hfl.972 to Hfl.1,134 per annum ;
- (b) old-age pensions for married persons, from Hfl.1,584 to Hfl.1,794 per annum ;
- (c) pensions for widows with no children, from Hfl.1,326 to Hfl.1,512 per annum ;
- (d) pensions for widows with children, from Hfl.1,986 to Hfl.2,196 per annum ;
- (e) pensions for orphans under 10 years of age, from Hfl.438 to Hfl.486 per annum ;
- (f) pensions for orphans between the age of 10 and 16, from Hfl.660 to Hfl.732 per annum ;
- (g) pensions for orphans between the ages of 16 and 27, from Hfl. 864 to Hfl.960 per annum.

Other terms of employment

481. The employers and workers in the metallurgical industries settled between them the procedure to be followed in shortening the working week from 48 to 45 hours, in accordance with the collective-bargaining agreement of June 30, 1959.¹⁾ A fresh agreement based on the 45-hour week was concluded in March 1960, and was duly endorsed by the Rijksbemiddelaars.

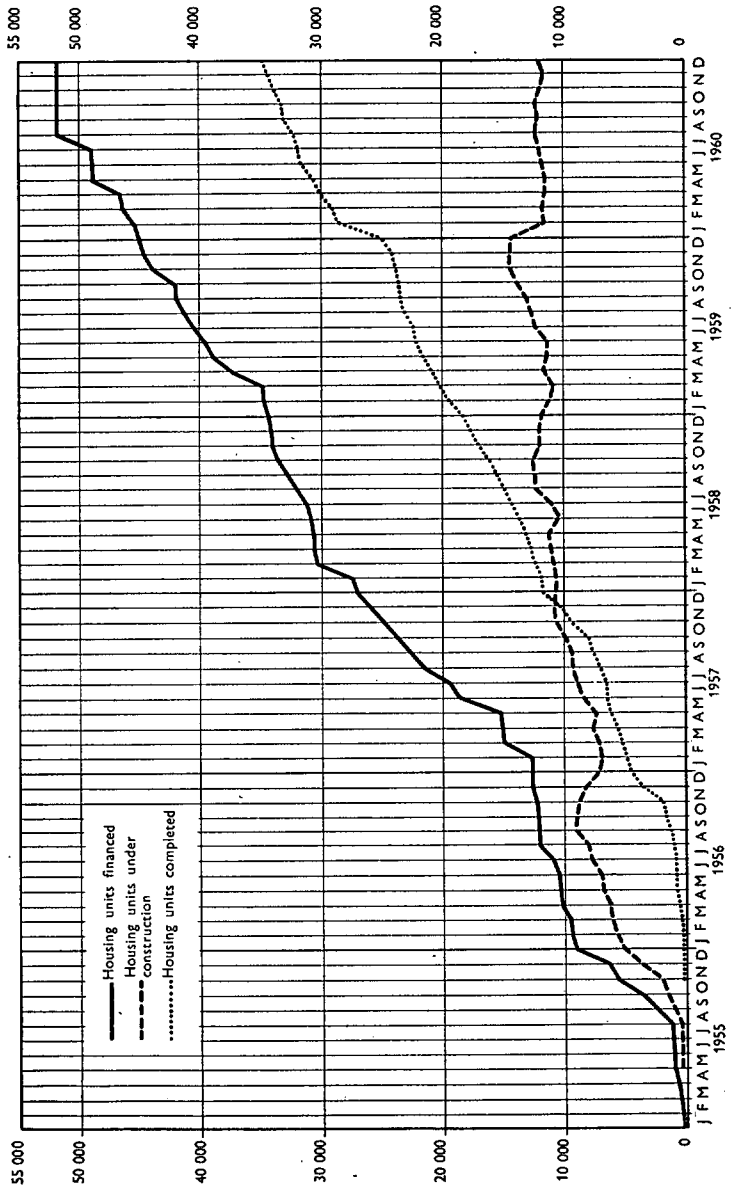
From October 1, 1962, the working week will be limited to 45 hours throughout the metallurgical industries. Meantime, it was cut on April 1, 1960, to 47 hours in the largest iron and steel enterprise of the country, and on January 1, 1961, a further reduction of one hour was made in the same enterprise and in a number of metalworking concerns.

Section 2: Housing

482. Between the completion of the last General Report and January 1, 1961, the High Authority helped to finance the building of 9,796 new housing units. Since it first began its activities in

¹⁾ See *Eighth General Report*, No. 156.

GRAPH No. 20
The High Authority's Contribution to the Financing of Workers' Housing



this connection, it has approved allocations of funds in respect of 51,783 dwellings in all, of which 31,777 were to be rented and 20,006 to be available for ultimate ownership by their occupiers.

At January 1, 1961, 34,946 of these dwellings were completed, 12,041 building, and 4,796 in preparation. At the same date, the total amount committed for the purpose, both out of the High Authority's own resources and borrowings and from the capital markets of the different countries, came to 91,800,000 E.M.A. units of account.

The table below gives a rough breakdown of the moneys supplied and a picture of progress to date on the first and second experimental schemes and the first and second loan-aided schemes. The four schemes cover a total of 36,722 dwellings.

483. Financial and Operational Position of Experimental Housing Schemes I and II and Loan-Aided Schemes I and II

	Credits (^{'000,000} units of account) of which						No. of dwell- ings financed	of which		
	Direct contri- bution by High Au- thority	%	Supple- mentary funds	%	Total amount advan- ced	%		In pre- para- tion	Build- ing	Com- pleted
Germany (Fed. Rep.) ¹⁾	22.4	49	11.8	71	34.2	55	25,223	1,050	1,502	22,671
Belgium	7.3	16	—	—	7.3	12	2,511	24	390	2,097
France	11.4	25	—	—	11.4	17	4,051	181	640	3,230
Italy	2.4	6	0.6	4	3	5	3,510	334	1,814	1,362
Luxembourg	0.6	1	—	—	0.6	1	205	1	91	113
Netherlands	1.4	3	4.2	25	5.6	9	1,222	—	—	1,222
Community	45.5	100	16.6	100	62	100	36,722	1,590	4,437	30,695

¹⁾ Including the Saar.

Experimental Scheme II

484. As the operations under Experimental Scheme II and the studies based on it had reached a sufficiently advanced stage, the High

Authority invited the heads of building research centres who, with certain of their staff members, constitute the expert committee of the International Council for Building Research, Study and Documentation, to inspect some of the sites concerned, for which they had themselves prepared the administrative and technical directives.

From September 12 to 17, 1960, the experts visited sites in Italy (Milan-Forlanini), France (Florange and Konacker), Belgium (Beyne-Heuzay), the Netherlands (Heemskerk) and Germany (Dortmund-Scharnhorst). The points they were able to note will be of assistance to them in the various studies they are carrying out on the results of the scheme (which they hope to complete during 1961) with regard to

- (a) tenders ;
- (b) measurement and layout of site ;
- (c) degree of fitting and manufacturing, installation and measurement tolerances ;
- (d) productivity ;
- (e) new uses for steel.

The following are a few facts and figures concerning Experimental Scheme II.

The High Authority's original decision to launch the scheme was taken at its meetings on March 28 and September 12, 1956. It set aside for the purpose 3,344,000 units of account in the form of loans and 1,000,000 in the form of non-repayable grants. The object was to enable practical experiments to be carried out with regard to possibilities of standardization and modular co-ordination in the building industry, particularly in the use of steel elements, both traditional and non-traditional.

Operations were begun in 1958. The scheme covers 2,174 units, which may be broken down as follows :

Germany (Fed. Rep.)	876 (8 sites);
Belgium	306 (3 sites);
France	586 (6 sites);
Italy	200 (2 sites);
Luxembourg	54 (1 site);
Netherlands	152 (1 site);

1,332 units had been completed by January 1, 1961.

Loan-aided Scheme II

485. The High Authority set aside for this scheme the sum of 18,807,000 units of account from its own resources. A further 17,360,000 units of account from the national capital markets brought the total amount available to 36,167,000.

The table following shows the general position regarding funds allocated and operations to date.

The financing of Loan-Aided Scheme II has now been completed.

486. Financial and Operational Position of Loan-Aided Scheme II

	Credits ('000,000 units of account) of which						No. of dwell- ings financed	of which		
	Direct contri- bution by High Au- thority	%	Supple- mentary funds	%	Total amount advan- ced	%		In pre- para- tion	Build- ing	Com- pleted
Germany (Fed. Rep.) ¹⁾	7,709	40	11,800	68	19,509	53	13,836	1,050	1,461	11,325
Belgium	3,700	20	—	—	3,700	10	685	400	69	216
France	3,038	18	—	—	3,038	9	1,255	80	251	924
Italy	2,860	15	1,360	8	4,220	12	2,907	155	1,458	1,294
Luxembourg	400	2	—	—	400	1	76	1	37	38
Netherlands	1,100	5	4,200	24	5,300	15	1,016	—	—	1,016
- Community	18,807	100	17,360	100	36,167	100	19,775	1,686	3,276	14,813

¹⁾ Including the Saar.

Loan-aided Scheme III

487. A number of points should be noted over and above the particulars contained in last year's Report,¹⁾ concerning the High Authority's aims in launching the scheme, the funds made available by it, the time allowed for the operations, and the series of special decisions which had to be taken with regard to Germany, the first country in which the national capital market was able to supply the additional funds needed to supplement those made available by the High Authority.

A total of DM.90 million (20,850,000 units of account) was raised in the money market of the Federal Republic. With the DM.30 million which the High Authority had allocated to Germany under Scheme III, this brought the aggregate amount available for housing purposes to DM.120 million (28,810,000 units of account), which was divided DM.58,500,000 for steelworkers' dwellings and DM.61,500,000 for miners.

By January 1, 1961, 14,961 housing units had been financed: of these 4,251 were completed, 7,504 building and 3,206 in preparation.

In the other Community countries the implementation of Scheme III was held up by the fact, firstly, that it was found difficult in 1959 and 1960 to find the necessary supplementary funds in the national capital markets, and secondly, that some Governments during these years made changes in their legislation on building. Ways and means had therefore to be sought of adapting the financing system employed by the High Authority to the new regulations introduced by the Governments, which generally tended towards the scaling-down of charges on the State budget and greater reliance on the capital markets.

488. Last year's Report²⁾ listed the points on which the High Authority proposed to concentrate in order to meet the requirements

¹⁾ See *Eighth General Report*, No. 160.

²⁾ See *Eighth General Report*, No. 163.

arising on the one hand from the present position regarding the quantity and quality of E.C.S.C. worker's accommodation, and on the other from the economic prospects of the coalmining and iron and steel industries.

In view of the expansion in the iron and steel industry, very large-scale projects are having to be worked out for housing the extra workers to be recruited in the neighbourhood of works being constructed or extended. The High Authority intends to continue its endeavours to meet all needs, whether essentially social in character, as in the case of those described in the survey made of E.C.S.C. workers' housing, or economic and social at once, as with those resulting from the expansion in the iron and steel industry.

E.C.S.C. Housing Design Competition

489. All the designs submitted for this competition were exhibited in Luxembourg from December 7 to 18, 1959.¹⁾

The 24 prizewinning entries were then displayed in the other Community countries during the last few months of 1960, at exhibitions arranged successively in Milan (as part of the twelfth Triennial Fair), Essen, Brussels, Paris and Rotterdam. Many leading figures in the building world and representatives of building organizations and associations were present at the opening of each exhibition.

The booklet which the Eighth General Report mentioned was to be brought out on the results of the competition and instructive points emerging from them was duly published in the four Community languages. It described the prizewinning entries in order of award, and includes articles by some of the judges on various aspects of these.

One article give an analysis and appraisal of plants for a housing estate in an industrial district. Another detailed study deals with the actual layout of the dwellings — the main theme of the competition — listing the requirements for and components of a well-

¹⁾ See *Eighth General Report*, No. 164.

designed dwelling, and emphasizing the major role played by accommodation in the life of the worker and his family. A critical assessment of the different types of dwelling gives the reader a general idea of the nature of the prizewinning designs. The booklet also includes an article on the general social and human significance of the E.C.S.C. competition.

By means of the exhibitions and the booklet, the High Authority has been able to bring the results of the competition and the additional fund of knowledge thereby gained to the attention of the housing authorities and building organizations in the member countries, and to initiate an international exchange of views which will undoubtedly result in an improvement in workers' housing conditions.

The High Authority is now examining with the responsible authorities in the different countries whether some of the prizewinning designs might not be adopted in practice, and what steps might usefully be taken to this end.

Section 3 : Industrial Health, Medicine and Safety

490. The High Authority continued in 1960 the work it has now been doing for some years to promote improvements in the E.C.S.C. industries' arrangements to protect their workers against accidents and occupational hazards and diseases.

As previously, it provided assistance under four heads, *viz.*

- (a) for the promotion of research ;
- (b) for the promotion of co-operation among researchers and research centres ;
- (c) for the dissemination of the results of the research work and co-operation in question ;
- (d) for the provision of documentary material.

ASSISTANCE FOR RESEARCH WORK

491. The first research programme on industrial medicine came to an end at the end of 1959, so that the High Authority's promotion work in this field was continued at the end of 1959, so that the High Authority's promotion work in this field was continued under the second programme on industrial health and medicine.

Operations under Programme II were got under way; at the same time the High Authority during the first half of 1960 applied itself to the preparation of the new Programme III, under which it is to aid research over a period of four years.

Programme II (of December 5, 1957)

492. On December 5, 1957, the High Authority set aside the sum of 3 million units of account to finance research over a period of four years on

- (a) dust prevention and suppression;
- (b) rehabilitation of accident victims and persons suffering from occupational diseases;
- (c) non-technical factors liable to affect industrial safety.

Dust prevention and suppression

493. The High Authority then, on July 14, 1958, adopted two general sub-programmes on dust prevention and suppression, one for the coalmining and the other for the iron and steel industry. Details were published in the specialized Press, as a result of which 127 projects were submitted to Luxembourg, representing a total of 5,757,680 units of account, *viz.*

76 (2,473,154 units of account) relating to the coalmining industry;

48 (3,021,021 units of account) relating to the iron and steel industry ;

3 (263,505 units of account) relating to both industries simultaneously.

The High Authority consulted the various responsible committees as to the scientific and practical value of each project and each grant requested, and took an initial decision on November 24, 1959, to approve 52 projects (37 in the coalmining and 15 in the iron and steel industry) and to make available 767,058 units of account (572,248 and 194,800 respectively) to finance them. The other projects were either turned down altogether or held in abeyance until the High Authority's departments could assemble additional particulars or until some of the first projects were sufficiently advanced.

The High Authority combined under a single head a number of projects relating to the coalmining industry, in order to lay out the funds available to the best advantage, and the 572,248 units of account set aside for these accordingly in fact cover 29 projects instead of the original 37; one project for the iron and steel industry was withdrawn, bringing the number of such projects to 14 instead of 15, and the appropriation to 190,800 units of account.

On May 18, 1960, and at the beginning of 1961, 10 of the projects earlier held over were finally approved: 32,350 units of account were made available in respect of 2 coalmining projects and 135,000 in respect of 7 iron and steel projects, and subsequently one further iron and steel project was passed, involving an expenditure of 12,620 units of account. One project, for which 15,000 units of account had been allocated on May 18, having since been withdrawn, the position as regards research on dust prevention and suppression under Programme II is now: coalmining industry, 31 projects covered by 604,598 units of account; iron and steel industry, 21 projects covered by 232,420 units of account; total, 52 projects covered by 928,018 units of account.

The projects which were adopted in 1960 and early 1961 and not subsequently withdrawn were as follows:

- (a) one project for dealing with certain technical difficulties in connection with dust production in shotfiring in cross-cuts ;
- (b) one project for improving methods of extracting the dust produced in drilling for roof-bolting purposes ;
- (c) one project for enabling non-silicogenous substances to be used in place of quartz sand, which has hitherto commonly been regarded as essential for sand-blasting in the open air ;
- (d) two projects for assuring optimum extraction and precipitation of dust and smoke given off by electric-arc furnaces ;
- (e) one project for developing appliances which will, by means of filter bags, easily, economically and effectively precipitate the brown smoke given off in oxygen-blown steelmaking ;
- (f) one project for working out more economic methods of utilizing brown smoke collected ;
- (g) one project for ascertaining the practical value of a suggestion received regarding a comparatively simple method of determining the free-silica content of dust samples ;
- (h) one project for obtaining a full picture of the nature, composition and volume or approximate volume of the fluorine content of the dust and gases emanating from the open-hearth and the electric furnaces.

Rehabilitation of accident victims and persons suffering from occupational diseases

494. The High Authority received applications in respect of 97 projects, involving a total of approximately 1,300,000 units of account.

After the usual examinations and consultations, it decided on April 8, 1960, to set aside 372,904 units of account covering 53 projects, and on January 4, 1961, to set aside a further 35,900 units covering 9 projects. The 62 projects thus approved, involving a total of 408,804 units of account, are aimed at ensuring practicable im-

provements to the methods used in treating accident victims and workers suffering from occupational diseases, and at helping to enable these men to resume work and to be reintegrated into normal social life. 40 of them relate to cranio-cerebral, spinal and limb injuries, 16 to burns and 6 to silicosis and emphysema.

Non-technical factors liable to affect safety

495. On the basis of the suggestions put forward by the advisory committees concerned, the High Authority in 1960 and early 1961 took two decisions on the 64 projects, involving a total of 1,600,000 units of account, which had been submitted to it under the portion of Programme II relating to safety.¹⁾ On April 28, 1960, it approved 14 of these and set aside 161,525 units of account to finance them; on January 4, 1961, it approved a further 6, for which it set aside 51,920 units. Over and above the 213,445 units of account thus allocated for these 20 projects on industrial safety, there was available the additional sum of approximately 600,000 units which had been earmarked for the Community research mentioned on a later page.

The research centres began work on the first 14 projects in July 1960, and on the remaining 6 in January 1961.

Five projects are concerned with the improvement of personal-protection standards. This it is hoped to achieve

- (a) by arriving at a fuller appreciation of workers' reasons for accepting or rejecting particular types of protective equipment, whether due to psychological factors possibly arising out of attitudes specific to the team, or to physical or psychological aspects of the equipment itself;
- (b) by making the protective equipment for hands and feet both more convenient and more effective.²⁾

¹⁾ See *Eighth General Report*, No. 169, subsection on "Human factors (safety)."

²⁾ The equipment concerned is that used in the pits, where limb injuries are of especially common occurrence.

10 projects relate to the selection and training of personnel: seven of these deal specifically with one or the other, and three with both. Although the idea of individual accident-proneness is coming more and more to be ruled out, it is none the less a fact that each individual worker's capacity for absorbing a given form of training and adapting himself to the requirements of a given job can and does affect his own and his comrades' safety. It is therefore necessary to assess the probable influence of selection on training and safety. As training methods have altered a good deal, owing both to changes in recruitment conditions and to new developments in the nature of the jobs themselves, it is also necessary to examine those now used as to their effectiveness from the safety angle.

The remaining five projects concern the attitudes and reactions of the men, individually or collectively, to particular hazards, and are aimed at clarifying the operation of certain basic psycho-sociological mechanisms.

The Community-level scheme referred to in last year's Report¹⁾ was approved by the High Authority on March 11, 1960. It consists of basic research conducted over a period of three years, and will be trebly co-ordinated and comprehensive in that

- (a) it is to be carried out simultaneously in one coalmining and one iron and steel enterprise of each Community country;
- (b) teams made up to include members with specialized knowledge of the technical side of the industry concerned, of safety, of industrial psycho-sociology and of industrial medicine will conduct general or ergonomic studies of specific jobs and the risks they involve;
- (c) some ten or more teams of such researchers, selected by the High Authority in agreement with the employers' and workers' associations, will work in accordance with programmes to be jointly drawn up by them and carried out with the aid of the High Authority. Their activities will be carefully co-ordinated

¹⁾ See *Eighth General Report*, No. 169, "Human factors (safety)."

not only as between one team and another, but also as between the teams and the departments concerned in the enterprise.

The object of the scheme is to meet the anxiety of both sides of industry to pinpoint certain factors affecting safety, to assess their importance and to obtain guidance for preventive action. It will also enable the High Authority to work out a plan for the studies to be promoted at a later stage, and the enterprises themselves, in co-operation with the researchers and with their own safety, medical and industrial-relations departments, to carry out studies on safety which will certainly prove of wider scope as time goes on.

Programme III (of December 9, 1959)

496. At its meeting on December 9, 1959, the High Authority expressed itself in favour of launching a further research programme on industrial health and medicine. The Consultative Committee and the Council of Ministers were informed, in accordance with Article 55 of the Treaty, and both approved unanimously, the Committee on January 14 and the Council on March 22, 1960.

On April 7, 1960, the High Authority decided to make available 2,800,000 units of account over a period of four years, from January 1, 1960, to December 31, 1963. It then, in co-operation with the various committees which advise it on the research work which it subsidizes, drew up the announcement listing for the information of the research centres the types of project to which it was prepared to give financial aid. Following the publication of the list,¹⁾ applications were received for assistance in respect of 178 projects, involving a total of 3,197,061 units of account.

The appropriate advisory committees embarked on an examination of the applications in October 1960: since they were anxious to produce a really effective and co-ordinated master plan, this took them until February 1961. The High Authority hopes to be able in April to announce which applications it has approved and what sum it intends to make available for each project.

¹⁾ See *Journal Officiel des Communautés Européennes*, July 26, 1960.

497. Programme III deals with the following four main subjects :

- (a) occupational respiratory disorders ;
- (b) other respiratory disorders of special importance to miners and steelworkers ;
- (c) efficiency-affecting factors of special importance to miners and steelworkers ;
- (d) basic research on burns.

498. Although considerable progress has been made in connection with the diagnosis of the pneumoconioses, the exact process governing the toxic action of silica and the development of fibrosis remains unexplained, and was consequently felt to call for further research. Functional tests and X-ray examination, as a means of detecting silicotic lesions and assessing the degree of disability involved, could also be improved, while more attention might be given to research on methods of treatment, both to ease pain and discomfort and to prevent complications.

499. The initial work done under Programme I on bronchitic emphysema, one of the main respiratory complaints, ought, it was considered, to be taken further : in particular efforts should be made to establish the bearing of the occupational background on the disease.

500. The High Authority also felt that further progress should be possible on the studies already carried out with regard to the principal factors affecting efficiency of work, namely climatic conditions, noise, mechanical vibrations and the harmful effects of gases. To arrive at fuller conclusions on the men's ability to adapt themselves and develop tolerances to climatic factors, it will be necessary to pursue and extend the physiological experiments which have already shed light on many points in this connection. The studies on noise will need to be continued until the sound-volume readings can be accurately interpreted as to physiological implications. The increasing use of machinery subjecting the workers to mechanical vibrations is making

the study of these more than ever essential. Finally, to ensure improved protection, it will be necessary to study the action of various gases other than carbon monoxide.

501. To enable burns to be more effectively dealt with and the possible complications — often of a very serious nature — to be prevented from developing, it was considered essential to promote basic research on metabolic disorders and on skin grafting. Whereas the burns studies under Programme II were conducted mainly with a view to their application for rehabilitation purposes, those under Programme III will be in the nature of “basic” research.

502. As is apparent from these brief indications, the High Authority's intention in launching its third-programme is to work up the findings of Programme I and to continue and extend the activities in progress under Programme II.

Programme III has, however, still another objective. It was most important that, while the details were in preparation, there should be no break in the research work which the High Authority was already assisting, as this would have seriously impaired the effectiveness of the scientific work already carried out. Under Programme III, the High Authority was able to furnish “continuity grants” to the research centres, which were thereby enabled to keep on the young researchers they had recruited to help in the operations conducted under the earlier programmes. During 1960, they went over and revised the laboratory notebooks and records of observations, checked their findings by means of experiments and documentary material, and outlined ideas for new projects. 1960, though in some respects a year of transition, nevertheless produced a number of extremely valuable results.

In order not to extend the Report unduly by listing all of these, we mention six, purely as examples, from the six Community countries.

503. Continuing its analyses of dust found in the lungs of cadavers, the medical research centre of the Max Planck Society, in Germany, observed that the particles were comparatively large in subjects who

had not been especially exposed to dust, but very much finer in miners, and more particularly in miners who had suffered from silicosis — only 2.5% above 5 microns. The establishment of this fact amply justifies the work being done by the French coalmining industry's research centre, Cerchar, on pulmonary elimination, which varies considerably from one individual to another.

The Belgian Institut de Hasselt first systematically calculated the ventilatory values, and in particular the vital capacity (volume of air expelled by maximum expiration), of 95 miners round about 40 years of age, and then compared these with the figures obtained in the High Authority-sponsored standardization survey. A significant correlation was found between the vital capacity and the stages of the new international radiological classification of pneumoconioses drawn up by I.L.O. in 1958. This appears to confirm that silicosis is a "restrictive" complaint, *i.e.* one causing the ventilated areas to be so to speak cut off.

In France, the Paris municipal laboratories worked out a new method of extracting carbon monoxide from the blood in a considerably shorter measuring time. It will therefore now be possible to apply the measurement method in the medical supervision of workers exposed to carbon monoxide.

In Italy, the Ente Nazionale Prevenzione Infortuni carried out large-scale X-ray tests for pneumoconiosis in five steelworks. Ultra-discrete anomalies (linear or finely-reticulated images) were found in 9.5% of the steelworkers examined. Active tuberculosis did not appear to be more common in the other sectors (steel foundries, ordinary foundries).

The Luxembourg State laboratories, which are now able to carry out more intensive research on newly-equipped premises, succeeded in determining the nature of dust occurring in enterprises in the Grand Duchy.

In the Netherlands, studies at the coalmining industry's lung research centre on dyspnoea (shortness of breath) in miners revealed a high incidence of allergies similar to those detected in cases of urticaria.

ASSISTANCE FOR SCIENTIFIC CO-OPERATION

504. Programme II, like Programme I, enabled the High Authority to promote scientific co-operation in many different forms.

Thus it arranged for a discussion in Luxembourg on November 28 and 29, 1960 — at which the President of the World Traumatology Association was present — on the prevention and treatment of pseudarthrosis (failure of a fracture to knit). It also organized a number of study tours and courses.

The working parties, however, continued to offer the principal opportunities for contact among the research specialists whose work the High Authority is helping to finance, and also between them and other researchers from Community and third countries, who were regularly invited to attend. It was mainly at meetings of working parties that the researchers were able to exchange details of their experiments and findings.

As a rule the meetings took place in Luxembourg, but in special cases — for instance where practical demonstrations were necessary — they were held elsewhere. Thus one was organized in Milan in June on immunological research in connection with silicosis, another in Nancy in October on the standardization of ventilatory tests, and a third in Hasselt in December on dust-sampling techniques.

Dust prevention and suppression (coalmining industry)

505. One working party made a thorough study of dust measurement. It found that the manner in which the instruments in current use in the pits were operated differed from one country to another. A considerably fuller picture of these technical differences was obtained at a session at which practical demonstrations were given.

The Working Party on Dust Prevention and Suppression Proper laid down the main lines of investigation concerning seam infusion.

The Working Party on Stowing and Caving compared notes on stowing methods. Dust production was considered to be es-

pecially due to certain points connected with the particle size of the stowing material employed and with the pressure and flow rate of compressed air, and the Working Party expressed the opinion that these dustiness factors should be subjected to co-ordinated examination. A study plan was drawn up.

The Working Party on Personnel Protection sought to harmonize requirements as to the data which should figure in the card-indexes on dust conditions and on X-ray examinations to enable all relevant scientific conclusions to be drawn at European level.

Dust prevention and suppression (iron and steel industry)

506. The High Authority set up three working parties to follow, *inter alia*, those research projects under Programme II which relate to dust prevention and suppression in the iron and steel industry. The working parties have already held a preliminary exchange of experiences on the basic or pure-research aspects.

The Working Party on Basic Research is concerned mainly with the harmonization and standardization of the processes employed in measuring dust and determining dust conditions on given jobs (nature, concentration and number of particles).

The Working Party on Prevention and Suppression of Dust and Brown Smoke deals with the special problems of dust extraction and precipitation which have been posed for some years by the increasing use of oxygen in converter, open-hearth and electric-furnace steelmaking, and in the scarfing of ingots.

The Working Party on Prevention and Suppression of Dust and Non-Brown Smoke has to do principally with the problem of silicogenous dust endangering the health of such workers as furnace-liners: it is, however, also required in principle by its terms of reference to deal with all other matters relating to dust and burnt gases with the exception of brown smoke *e.g.* prevention of damage by fluor, lead, etc.

Rehabilitation of accident victims and persons suffering from occupational diseases

507. The Working Party on Traumatology discussed up-to-date methods of treating spinal fractures, accompanied or unaccompanied by nervous lesions. One of its conclusions was that appropriate treatment nowadays enabled one such case in four to resume light duties after six months.

The Working Party on Psycho-Physiological Bases of Rehabilitation studied the physio-pathological aspects of rehabilitation. Discussing the muscular function, it reviewed the various means of investigation, and specially commended the use of electromyography. Attention was also drawn to the importance of physical anomalies for purposes of diagnosis, and to possible ways and means of treating such frustrations as might develop following the accident. It was emphasized that an essential point for successful psychotherapy was for the practitioner in charge and the rehabilitator to be quite unconnected with the medical officers responsible for assessing the patient's degree of disability and unfitness for work.

The Working Party on Rehabilitation Techniques concentrated chiefly on early-stage functional retraining. It noted in particular that there should be closer co-operation between the rehabilitation experts and the surgeons, and also recommended the institution of advanced courses on rehabilitation at the universities.

Non-technical factors liable to affect safety

508. Co-operation is ensured by periodic meetings of all the research workers engaged on the twenty Programme II projects. As these researchers are thus enabled to compare their working hypotheses and methods, problems and results, each project benefits by the experience gained in connection with the rest.

Inter-branch exchanges of views and experience take place at meetings of the Research Committee on Human Factors (Safety) and the Working Party on Contacts and Information (Safety Research).

Accident statistics and cost of accidents in the iron and steel industry

509. A working party drew up criteria for common statistical returns of accidents throughout the Community iron and steel industry. On this basis it will be possible to compute a first series of comparative statistics for 1960.

Another working party, basing itself on material assembled for it by the High Authority's departments and on its members' own experience, set forth what it considered to be the principal requirements for a genuinely instructive comparative study on the direct and indirect costs of accidents in the iron and steel industry. A pilot study was carried out in an iron and steel enterprise of the Community.

ASSISTANCE WITH THE DISSEMINATION OF RESULTS

510. The High Authority continued its vitally necessary work of ensuring that the results of the research and study activities which it is promoting reach as wide a circle as possible — research centres, medical bodies, works medical officers, safety engineers and employers' and workers' associations.

As in previous years, it arranged to secure reprints of scientific articles by researchers giving details of their results as the work proceeded. These reprints were then circulated to the institutes of industrial medicine, to experts in industry, and so on.

Much use was also made in 1960 of another channel for making known new ideas, namely reports read at professional congresses. Experts from Community working parties submitted reports and papers to congresses at Oxford, Groningen, New York, Vienna, Nancy, Paris, Bochum and Milan.

A comprehensive monograph, intended more particularly for the medical men both in general practice and in the hospital centres, is to be published shortly on the points established as a result of the work carried out from 1956 to 1959 under Programme I. The High Authority will also be issuing a more popular brochure summarizing

the contents of the monograph for medical and industrial circles generally.

In April 1961, researchers, works medical officers and representatives of the employers' and workers' associations are to meet for a study conference on silicosis, similar to those already held on noise abatement and work at high temperatures.¹⁾ Though the fullest possible reports will be made on the progress achieved thanks to the research projects which the High Authority is supporting financially, attention at this conference is to be focused mainly on the practical side. The papers read will be comparatively few in number, and speakers will be asked to avoid over-specialized terminology. A committee is already at work on the preparation of the conference.

Further study conferences are to be held during the spring.

Representatives of industry will hear papers by members of the Research Committee on Human Factors (Safety) reviewing the advance of knowledge on safety matters during the last twenty years as a result of medical, psychological and sociological studies. The papers will afterwards be published.

ASSISTANCE WITH DOCUMENTATION

511. The High Authority continued its endeavours to improve the provision of information and documentary material to the circles directly concerned.

It intensified its co-operation with I.L.O.'s International Information Centre on Industrial Health and Safety, which issues a bibliographical card index system kept up to date by the constant addition of abstracts of all specialized articles and publications appearing throughout the world. As a large proportion of the reference cards relate to the coalmining and the iron and steel industry, the High Authority concluded an agreement with I.L.O. by which it regularly receives some forty complete sets and itself forwards these to various bodies in the Community.

¹⁾ See *Eighth General Report*, No. 170.

The Medical Documentation Pool which the High Authority set up in 1954 was recognized in 1960 as follows:

- (a) a new system was introduced for the retrieval of the reference cards;
- (b) it was arranged that the research centres doing the actual abstracting should also be responsible for the translation/revision of the abstracts;
- (c) to ensure wider distribution, abstracts are now no longer issued in card form, but published in special bulletins in the four Community languages.

The members of the working party responsible for editing the monographs on safety in the iron and steel industry and the iron-ore mines continued their work of assembling and sifting a very comprehensive corpus of documentary material.

Section 4: The Mines Safety Commission

512. Having thus described the High Authority's work to promote scientific research on industrial health, medicine and safety, we now turn to its activities in connection with the practical application of research. It is not, however, proposed to give all the details contained in the Second Report of the Mines Safety Commission, which is to be published in April 1961,¹⁾ merely a brief account of the recommendations, directives, reports, etc., adopted by the Commission in 1960, and of progress to date on those matters on which it has not yet taken a definite stand in plenary session.

Most of its recommendations and the studies not yet concluded relate to technical problems. Some, however, deal with rescue arrangements, while others again concern human factors affecting safety, an aspect taken up only in mid-1959.²⁾

¹⁾ The Commission's first report was published in April 1959.

²⁾ See *Eighth General Report*, No. 172,c.

513. At its meetings on April 8 and December 20, 1960, the Commission adopted a number of drafts which had been prepared by working parties. These thereupon became recommendations, directives, official opinions or reports of the Commission. The Commission passed them to its members, who themselves conveyed them to the Governments and to the employers' and workers' associations.

The Commission will follow their implementation in accordance with the procedure employed (six-monthly reports by each Government) in respect of the recommendations of the Conference on Safety in Coalmines.

We give below only the gist of the recommendations adopted in 1960: the full text will be reproduced in the Commission's forthcoming second report.

514. The Commission also followed with close attention the deliberations of the panel of judges on the competition for improvements to safety devices for use in the pits.¹⁾ All the laboratory tests on the prototypes submitted have now been completed, and trials are now in progress below ground.

TECHNICAL PROBLEMS

Recommendations adopted

Protection against electrocution by underground electrical installations

515. The Commission recommended the simultaneous introduction of three sets of measures relating respectively to protection against direct contact with a live phase, to equipotential connection of all earth conductors, and to the limitation of the duration of faults.

It emphasized that the best installation was only as good as its weakest part and as reliable as the personnel responsible for its

¹⁾ See *Eighth General Report*, No. 174.

maintenance and operation. The men's safety depended on the technological standard of the equipment, the care taken in its installation and maintenance, and the observance of due care and circumspection in its handling.

Personnel required to operate such equipment needed to be properly trained just as much as did the electricians themselves.

Shotfiring cables

516. The Commission adopted recommendations relating both to shotfiring cables in general (fixed or movable) and to those employed in gassy pits. These were to the effect that the insulation must be in good condition and the joints adequately insulated, and also that cables must be inspected regularly and carefully to see that they are in sound condition generally. In particular, such inspection must include measurement of the ohmic resistance of the circuit prior to shotfiring in certain workings or involving a large number of detonators.

Spraying as a means of preventing fires in pit shafts¹⁾

517. Although the Commission did not make any definite pronouncement as to the desirability or otherwise of this process, it laid down certain directives, for cases where the colliery's firefighting arrangements do not rule out its use, concerning the equipment to be installed and methods to be employed in order to enable spraying to be carried out effectively.

The Commission appended to its directives some detailed notes, with practical examples, as to ways and means of determining in advance the possible effects of the discharge of a given quantity of water on the ventilation systems. Special attention was drawn to the very serious risks involved by spraying, owing to the kinetic effects of a mass of water falling vertically.

¹⁾ See *Eighth General Report*, No. 172,a,3.

Propagation of fire or combustion via flammable materials inside electric cables with non-flammable sheaths

518. The Commission held that the tests which it had caused to be carried out¹⁾ had not shown in the types of cable tested that the risk of propagation was increased by the presence of flammable materials inside the cable.

Further studies and tests are to be conducted.

Fire-stoppings

519. The recommendation by the Commission concerning the protection of the men installing stoppings to seal off fires dealt firstly with the composition and construction of forward fire-barriers both in the presence and in the absence of danger from firedamp, and secondly with the actual fire-stoppings proper.

It was accompanied by detailed notes on such aspects as the design and construction of the forward fire-barriers; the preparatory measures and arrangements to allow of subsequent checking of ventilation; the siting of the safety screens and the fire-stoppings themselves; the inspection of the points selected for installing fire-barriers; and the transport of the material needed to construct them.

Oils and lubricants

520. In a report on oils and lubricants, the Commission listed the properties these must possess, without detriment to their technical quality, in order to rank as non-flammable, or at any rate not readily flammable, and at the same time not injurious to the personnel.

On the basis of this list, a series of criteria were established, amounting to a complete book of specifications for the whole Community.

¹⁾ See *Eighth General Report*, No. 172,a,2.

The report also outlines ways of testing whether a given product does in fact fulfil the technical, safety and health requirements laid down in the specifications.

The Commission decided to forward the report to all institutions and bodies concerned with matters arising in connection with the use of oils and lubricants below ground. It also decided to continue its studies in this field.

Studies in progress

521. The Commission's working parties and committees are studying the following problems, several of which are closely bound up with matters already dealt with in recommendations :

- (a) protection of electric networks below ground against fire and firedamp ignition ;
- (b) construction and employment of high-tension circuit-breakers and switches containing little or no oil, usable without risk in gassy areas ;
- (c) properties of certain materials which can be used to build fire-stoppings, and the design of such stoppings ;
- (d) methods of erecting improved gastight safety screens quickly in the intake airway of the roadway where fire has broken out ;
- (e) value of devices for ascertaining the resistance to fatigue of winding-ropes by subjecting them to repeated flexion tests ;
- (f) electromagnetic testing of winding-ropes ;
- (g) inspection of the cage-guide-system.

Electromagnetic testing of winding-ropes

522. Comparative tests were carried out on various types of winding-rope in service, using apparatus employed in Germany, Belgium and

France.¹⁾ It was found that the charts recorded could and did give useful indications as to the condition of the rope.

This is in itself a worth-while conclusion : it is not, however, a sufficient basis for deciding whether a rope should be kept in service or be removed.

The working party responsible is therefore continuing its studies, concentrating in particular on the effects on the resistance of the rope to such factors as rust, wear, kinks, nicks, fractures in wires, any displacement of the wires inside the rope, the crystalline condition of the wires, the magnetic condition of the rope, and so on.

It was felt necessary to arrange for a special expert assessment involving a larger number of more systematic tests than heretofore. Accordingly, testing is now being conducted on detached ropes, not on those in actual use. The object is to determine the respective effects of the various deterioration factors firstly on the resistance of the rope, and secondly on the recording of the charts.

The High Authority is helping to finance this expert assessment.

Examination of cage guides

523. The Working Party on Winding-Ropes and Guides had already discussed this point in July 1958 and January 1959, when it had noted that the testing apparatus should indicate the dynamic forces acting upon the guides at normal winding speed and with normal suspended load. The apparatus which had long been employed in many German collieries for carrying out, at low speeds, checks on the spacing and alignment of the guide-rods, the side wear on these and the wear on the guide-shoes of the cage gave only static recordings of the wear on the shaft and cage-guide system.

The Working Party therefore decided to await the results of the following tests and studies in progress at the time :

¹⁾ See *Eighth General Report*, No. 172,a,4.

- (a) in Belgium experiments were being conducted with the Cambridge accelerometer, connected to a remote-controlled decelerometer which made it possible to pick up at the surface all the forces and stresses measured and recorded by the decelerometer installed in the moving cage ;
- (b) in Germany a number of organizations were engaged in developing two non-electrical and hence firedamp-proof contrivances, one of which was said to be similar to the Cambridge accelerometer, which measures the accelerations of the cage in two directions at right angles in an horizontal plane, while the other was designed to measure the horizontal forces and stresses exerted by the cage on the guides.

Further material having been duly supplied from France, Germany and Belgium, the Working Party resumed its study on the examination of guide systems.

RESCUE OPERATIONS

Report adopted

524. On December 20, 1960, the Commission adopted a report on the points emerging from the study tours by the Working Party on Co-ordination of Rescue Arrangements.¹⁾

The report contains a comparative survey of the present position at the rescue stations in the Community countries and the United Kingdom as regards organization, personnel training, preparatory measures for emergencies, warning systems, execution of a rescue operation, rescue plans, anti-gas breathing apparatus and closed-circuit respirators, rescue equipment, and so on. The conclusion was that the organization of the rescue services was now much the same in all countries, such differences as still persisted being due to special local conditions and circumstances.

The Working Party also noted that following the personal

¹⁾ See *Eighth General Report*, No. 172,b.

contacts and exchanges of experience which had been made possible by its fact-finding tours and by the meetings of the Commission, a number of improvements had been made in some countries in the matter of rescue equipment and training of rescue personnel.

Studies in progress

525. At the request of the Commission, the Working Party on Co-ordination of Rescue Arrangements is making a further examination of the preliminary conclusions reached in the report just referred to. Particular attention is being devoted to

- (a) the institution of a supranational emergency plan ;
- (b) arrangements to pool experience, more especially within the Working Party itself, by making available the annual reports of the rescue stations and by holding regular discussions ;
- (c) the suggestion that the Working Party should be convened in connection with any special events, such as an accident likely to yield new relevant data, or a technical innovation in the field of equipment ;
- (d) the issuing of an annual report on the position with regard to rescue arrangements in the Community countries, any outstanding developments or occurrences, and the activities of the Working Party itself ;
- (e) the improvement of self-contained portable closed-circuit respirators, to make for safer and easier handling and maintenance and enable them to be used for longer periods ;
- (f) insurance cover for rescue workers operating outside their own country.

HUMAN FACTORS

Report and recommendations

526. On December 20, 1960, the Commission adopted

- (a) a report describing the functions, organization, equipment and operation of colliery medical services in the Community, the legal status of their members and the arrangements for ensuring that they work harmoniously with the other departments of the colliery and with the miners and their representatives;
- (b) recommendations — the first to be submitted in respect of human factors — concerning pre-entry, special and routine medical examinations.

It was recommended that all applicants for employment at the collieries be required to submit to a medical examination to establish that they showed no symptoms making them unfit for such work. The pre-entry examination should include both a general check-up and more specific investigations including radiography or radiophotography (minimum size of film 7×7 cm.) of the thorax. In the case of men who were to be employed on jobs involving exposure to dust hazards (either below or above ground), the image of the lung so obtained must be absolutely normal.

Men should be subjected to special examinations before being put on certain duties (*e.g.* winding-enginemens, motormen), or required to work under trying conditions (*e.g.* in hot workings).

With regard to routine examinations, the Commission recommended that all workers be regularly examined, at intervals of not more than two years, or less should this be desirable in view of the man's age (under 21), his state of health or the nature of his job or occupational environment.

Examinations should also be carried out prior to any change of job involving exposure to risks for which the man had not originally been examined, and when a worker was returning to duty

after an absence due to an accident or illness. Where a man's resuming work on returning from sick leave entailed risks to his own or others' safety, he might usefully be subjected to further medical examinations, the details and exhaustiveness of which must depend on the individual circumstances.

Studies in progress

Working Party on Medical Problems of Safety Policy

527. The working party, which was responsible for drawing up the report and recommendations just described, is now examining certain other matters discussed in the comparative account of colliery medical services in the Community.

Working Party on Psychological and Social Problems of Safety Policy

528. Work is well advanced on the draft recommendations in preparation. After first discussing various measures which might be instituted to enable the men to recognize and avoid potential dangers, the Working Party discussed in detail the following points:

- (a) that before new workings were opened up or major changes introduced in operating conditions, the managerial and supervisory staff, safety personnel and the workers concerned or their representatives might usefully make a study of any dangers liable to arise and of possible ways of dealing with them;
- (b) that the general occupational training given might be supplemented by detailed instruction as to the special aspects of the job and the conditions in which it had to be carried out;
- (c) that each man should be kept as long as possible in the same job and the same type of working.

The Working Party then went on to study various problems in connection with the selection and safety training of managerial

and supervisory personnel, devoting particular attention to ways and means of instructing them in the preparation of accident reports. It also discussed the value of psychotechnical examinations and the precautions to be observed in order to ensure that these were fully effective: a distinction was drawn between the psychotechnical tests to which all prospective new entrants should be subjected, to avoid the engagement of applicants of insufficient general intelligence, and the more thorough and individual psychotechnical examination which should be carried out before a man was assigned to certain particular duties or promoted to a managerial or supervisory grade.

Working Party on Incidence of Hours of Work on Safety (with special reference to difficult and unhealthy workings)

529. This Working Party has been engaged in reviewing the regulations in force in the coal-producing countries of the Community concerning operations in thin seams, in damp workings and in hot workings.

The Working Party considered the desirability of fixing certain climatic limiting factors. It first discussed an upper limit beyond which nobody would be allowed to remain in an underground working, except subject to very special conditions and in special circumstances (e.g. imminent danger). In addition, it considered another maximum permitted temperature beyond which operations might continue only if specified action were taken.

Suggested measures for enabling workers to maintain their body-heat balance and avoid dangerous overstrain included

- (a) special medical check-ups and supervision for men employed in hot workings;
- (b) various possible special arrangements concerning working hours;
- (c) safeguards in connection with payment at piece rates.

The Working Party will shortly be restudying its findings on hot workings in co-operation with medical experts.

ANNEX ON FINANCE

(Situation as at December 1, 1960)

TABLE I — ANNEX ON FINANCE

I — REVENUES AND EXPENDITURES OF THE HIGH AUTHORITY

A — Revenues

1. PROCEEDS OF THE GENERAL LEVY

('000 E.M.A. units of account)

Country	Financial Year 1959-60			Financial Year 1960-61 (1st 6 months)
	1st 6 months	2nd 6 months	Total	
Germany (Fed. Rep. including Saar)	7,868	8,541	15,409	8,612
Belgium	1,312	1,435	2,747	1,334
France	3,264	3,718	6,982	3,537
Italy	1,353	1,479	2,832	1,581
Luxembourg	471	506	977	512
Netherlands	587	635	1,222	638
Community	14,855	16,314	31,169	16,214

2. OTHER REVENUES

Nature of Revenue	Financial Year 1959-60			Financial Year 1960-61 (1st 6 months)
	1st 6 months	2nd 6 months	Total	
Interest on bank deposits and investments	3,329	3,505	6,834	2,512
	—	9	9	10
Fines and interest on arrears	574	914	1,488	701
Receipts for Pension Fund	306	339	645	330
Sundry receipts	4,209	4,767	8,976	3,553

TABLE I — ANNEX ON FINANCE

B — Expenditures*('000 units of account)*

Nature of Expenditure	Financial Year 1959-60			Financial Year 1960-61 (1st 6 months)
	1st 6 months	2nd 6 months	Total	
Administrative expenses of the High Authority	4,141	4,970	9,111	4,306
Administrative expenses of the other Institutions	1,078	1,250	2,328	1,148
Expenditure on readaptation	4,332	8,135	12,467	4,260
Expenditure on technical research	1,085	1,515	2,600	1,617
Bank charges and issue costs	116	116	232	637
Disbursements under pen- sion scheme	111	86	197	140
Total	10,863	16,072	26,935	12,108

TABLE II — ANNEX ON FINANCE

**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 1959-60	Financial Year 1960-61 ¹⁾
Total revenue	40,145	19,767
Total expenditures	26,935	12,108
Balance to be allocated	13,210	7,659

¹⁾ First six months.

**B — Allocations to or Withdrawals from Reserve Accounts
(incl. the Special Reserve)**

('000 units of account)

	Financial Year 1959-60	Financial Year 1960-61 ¹⁾
Guarantee Fund	—	—
Special Reserve	2,559	3,259
Allocations :		
for financing of readaptation operations	6,534	4,790
for financing of research projects	400	— 517
for loan service	485	— 870
Pension Fund	1,291	562
Allocation for administrative expenses (incl. unallocated balance)	1,941	435
Total	13,210	7,659

¹⁾ First six months.

TABLE III — ANNEX ON FINANCE

**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 30-6-1960	Position as at 31-12-1960
Guarantee Fund	100,000	100,000
Special Reserve	28,272	31,531
Pension Fund	6,835	7,397
Allocation for loan service	1,218	348
Total	136,325	139,276

B — Funds Allocated to Cover Budgetary Expenses

(*'000 units of account*)

	Position as at 30-6-1960	Position as at 31-12-1960
Allocation for readaptation operations	33,253	38,043
Allocation for technical research	18,908	18,391
Allocation for administrative expenses (incl. unallocated balance)	6,425	6,861
Total	58,586	63,295

TABLE IV — ANNEX ON FINANCE

**IV — COMMITMENTS OF THE HIGH AUTHORITY
FOR READAPTATION OPERATIONS**

('000 units of account)

Type of Operation	Credits opened since 1952	Total paid out ²⁾ since 1952	Net commitments as at 31-12-1960
1) Readaptation (Section 23 of the Convention and Article 56 of the Treaty)	44,148 ¹⁾	17,790 ¹⁾	26,358 ¹⁾
2) Emergency measures to deal with the crisis	7,000	6,692 ²⁾	308
a) Financing of pithead coal stocks			
b) Special E.C.S.C. allowance for Belgian miners put on short time ³⁾	6,400	5,020	1,380
Total	57,548	29,502	28,046

¹⁾ This figure includes expenditure under the Assailly workers' housing programme (324 079.51 units of account, of which 70 892.40 had been paid out by Dec. 31, 1960, leaving net commitments totalling 253 187.11 units).

²⁾ Including loans granted to a total of 5,074,000 units of account but not shown under "Revenues and Expenditures."

TABLE V — ANNEX ON FINANCE

**V — COMMITMENTS OF THE HIGH AUTHORITY
FOR TECHNICAL RESEARCH**

('000 units of account)

Industry or Type of Research	Commitments entered into since 1952	Total amounts paid out since 1952	Commitments outstanding at as 31-12-1960
Iron and steel industry	6,694	3,810	2,884
Coalmining industry	4,590	1,303	3,287
Iron and other ores	5,000	1,787	3,213
Experimental housing programmes	1,960	1,577	383
(1st and 2nd programme)	2,882 ¹⁾	2,882 ¹⁾	—
Industrial health, safety and medicine	6,995	1,781	5,214
Total	28,121	13,140	14,981

¹⁾ The amount originally set aside for this purpose was 3 million units of account.

TABLE VI — ANNEX ON FINANCE

VI — BORROWINGS OF THE HIGH AUTHORITY
(Secured Notes)

Country	Year of issue	Interest % p.a	Term (years)	Original Amount		Amount outstanding as at Dec. 31, 1960 (equivalent in E.M.A. units of account)
				in currency concerned	Equivalent in E.M.A. units of account	
United States	1954	3 7/8	25	\$ 100,000,000	100,000,000	90,800,000
Germany (Fed. Rep.)	1955	3 3/4	25	DM 50,000,000	11,904,762	10,627,452
Belgium	1955	3 1/2	25	Bfr. 200,000,000	4,000,000	3,688,000
Luxembourg	1955	3 1/2	25	Lfr. 5,00,000	100,000	—
Luxembourg	1955	3 1/2	25	Bfr. 20,000,000	400,000	368,800
Luxembourg	1956	4 1/4	20	2,977,450 ¹⁾	708,917	638,734
Switzerland	1956	4 1/4	18	DM 50,000,000	11,655,012	11,655,012
United States	1957	5 1/2	18	\$ 25,000,000	25,000,000	25,000,000
United States	1957	5	3-5	\$ 7,000,000	7,000,000	4,690,000
United States	1957	5	3-5	\$ 3,000,000	3,000,000	2,010,000
Luxembourg	1957	5 3/8	25	Lfr. 100,000,000	2,000,000	2,000,000
United States	1958	5	20	\$ 35,000,000	35,000,000	35,000,000
United States	1960	4 1/2	3-5	\$ 15,000,000	15,000,000	15,000,000
United States	1960	4 3/4	3	\$ 3,300,000	3,300,000	3,300,000
United States	1960	4 7/8	4	\$ 3,300,000	3,300,000	3,300,000
United States	1960	5	5	\$ 3,400,000	3,400,000	3,400,000
United States	1960	5 3/8	20	\$ 25,000,000	25,000,000	25,000,000
					250,768,691	236,477,998

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 — FUNDS ALLOCATED FOR
LOANING OPERATIONS**

(*'000,000 units of account*)

1. <i>Borrowings</i>			
Value of loans raised by the H. A.		250.77	
Proceeds of anticipatory redemption payments on earlier loans granted by the H. A. (the long lifetime of the original borrowings enabled these to be re-lent for 20 years)		10.02	260.79
2. <i>Interest on investments</i>			
The Treaty gives no indication of particular uses to be made of such receipts, which were therefore paid into the Special Reserve and employed to help finance the building of workers' houses. Receipts under this head as at December 31, 1960			31.53
3. <i>Proceeds of the levy</i>			
Various sums were made available, with the agreement of the Council of Ministers, in the form of loans to aid readaptation and research, including in particular experimental building and the financing of pithead stocks.			
Amounts authorized under this head as at December 31, 1960			9.00
Total			301.32

**VIII — OVERALL PICTURE OF LOAN OPERATIONS
(as at December 31, 1960)**

(*'000,000 units of account*)

	Loans from borrowed funds	Loans from the High Authority's own resources		Total
		from the Special Reserve	from other funds	
I. Amounts available	260.79	31.53	9.00	301.32
II. Amounts committed	260.79	21.68	9.00	291.47
III. Paid out	233.16	21.28	8.75	263.19
Redemption payments	—24.31	—0.33	—0.35	—24.99
Amounts outstanding as per balance-sheet at December 31, 1961	208.85	20.95	8.40	238.20
IV. Amounts committed but not yet drawn down	27.63	0.40	0.25	28.28
V. Amounts not yet committed	—	9.85	—	9.85

**IX — BREAKDOWN OF LOANS COMMITTED,
BY TYPES OF INVESTMENT AND BY COUNTRIES**

(*'000,000 E.M.A. units of account*)

	Loans from borrowed funds	Loans from the High Authority's own resources		Total
		from the Special Reserve	from other funds	
1. Type of Investment				
Coalmining industry (including mine-owned coking-plants)	88.14	—	—	88.14
Pithead power-stations	46.31	—	—	46.31
Iron-ore mines and ore-preparation plants	22.25	—	—	22.25
Iron and steel industry	83.98	—	—	83.98
Housing for miners and steelworkers	20.11	21.68	—	41.79
Readaptation	—	—	5.40	5.40
	—	—	2.88	2.88
Other projects (European School)	—	—	0.72	0.72
Total	260.79	21.68	9.00	291.47
2. Geographical Distribution				
Germany (Fed. Rep. incl. Saar)	135.98	15.76	6.30	158.04
Belgium	27.20	0.61	0.45	28.26
France	55.86	3.13	1.00	59.99
Italy	40.45	0.92	0.22	41.59
Luxembourg	1.30	0.21	0.80	2.31
Netherlands	—	1.05	0.23	1.28
Total	260.79¹⁾	21.68	9.00	291.47

**X — SECURITIES FOR LOANS GRANTED
FROM BORROWED FUNDS**

(*situation as at December 31, 1960*)

(*'000,000 units of account*)

1. Guarantees by Governemnts of member countries, plus negative-pledge clauses	35.43
2. Guarantees by Governments of member countries	6.57
3. Guarantees by banks	2.29
4. Guarantees by banks, plus mortgages	99.76
5. First mortgages	11.09
6. Second mortgages	3.03
7. Guarantees by industrial concerns, plus negative-pledge clauses	23.72
8. Guarantees by industrial concerns	26.96
9. Negative-pledge clauses	—
Total	208.85

TABLE XI — ANNEX ON FINANCE

XI — INDIRECT MEDIUM-TERM LOANS
 (Situation as at December 31, 1960)

These loans are granted to enterprises in the coal-mining 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.)	DM 170,280,810	40.5
Belgium	Bfr. 296,750,000	5.9
France	Nfr. 81,000,000	16.4
Italy	Lit. 5,100,000,000	8.1
Luxembourg	Lfr. 100,000,000	2.0
Netherlands	Hfl. —	—
Community	—	72.9

STATISTICAL ANNEX

TABLE 1 — STATISTICAL ANNEX

TABLE No. 1
Community Hard-Coal Production
(by countries and coalfields)

Coalfield-Country	(\$'000 metric tons)									
	1952	1953	1954	1955	1956	1957	1958	1959	1960 ¹⁾	
Ruhr	114,417	115,551	118,712	121,106	124,627	123,209	122,302	115,389	115,441	
Aachen	6,439	6,588	6,857	7,062	7,208	7,619	8,020	7,894	8,188	
Lower Saxony	2,422	2,333	2,466	2,560	2,572	2,328	2,260	2,303	2,425	
Saar ²⁾	16,235	16,418	16,818	17,329	17,090	16,455	16,423	16,246	16,234	
Germany (Fed. Rep.)	139,514	140,889	144,853	148,058	151,497	149,512	149,005	141,833	142,287	
Campine	9,712	9,483	9,258	10,144	10,468	10,331	9,973	8,771	9,387	
Southern Belgium	20,672	20,577	19,991	19,833	19,085	18,755	17,089	13,986	13,071	
Belgium	30,384	30,060	29,249	29,978	29,555	29,086	27,062	22,757	22,458	
Nord/Pas-de-Calais	29,406	27,554	28,705	29,101	28,583	28,725	28,858	29,249	28,940	
Lorraine	12,210	12,001	13,996	13,157	13,286	14,297	14,971	15,142	14,703	
Centre/Midi	13,157	12,606	12,299	12,705	12,899	13,373	13,586	12,957	12,094	
Other mines ³⁾	592	427	405	372	362	400	306	258	225	
France	55,365	52,588	54,405	55,335	55,129	56,795	57,721	57,606	55,961	
Italy, all coalfields	1,089	1,126	1,074	1,136	1,076	1,019	721	735	734	
Dutch Limburg	12,532	12,297	12,071	11,895	11,836	11,376	11,880	11,978	12,498	
Community	238,883	236,961	241,653	246,401	249,092	247,880	246,390	234,908	233,938	

N.B.

The figures are not wholly comparable as between one country and another, nor indeed, in the case of Germany, as between one coalfield and another, owing to differences in the breakdown of coal grades. The proportion of middlings and slurry produced in the Ruhr, Aachen, Lower Saxony and Dutch Limburg has been converted into terms of saleable coal; that produced in the Saar and the Belgian, French and Italian coalfields is reckoned ton for ton for all grades.

1) Provisional figures.

2) For 1960, exclusive of the production of the small mines (1959 = 146,000 metric tons).

3) Non-nationalized mines.

TABLE No. 1a

Short-Time Working in the Community
owing to Lack of Sales

Country of supply	1959		1960	
	Average number of days not worked at the pits	Production forfeited ('000 m. t.)	Average number of days not worked at the pits	Production forfeited ('000 m. t.)
Ruhr	11·26	4,977	0·36	162
Aachen	2·70	80	—	—
Lower Saxony	4·42	41	—	—
Saar	18·47	1,085	11·47	673
<i>Germany (Fed. Rep.)</i>	11·35	6,183	1·61	835
Campine	59·26	2,269	35·78	1,343
Southern Belgium	50·04	3,432	27·97	1,747
<i>Belgium</i>	52·88	5,701	30·81	3,090
Nord/Pas-de-Calais	—	—	5·00	492
Lorraine	2·73	143	12·18	638
Centre/Midi	5·14	237	16·45	711
<i>France</i>	1·67	380	8·85	1,841
Sulcis, <i>Italy</i>	—	—	—	—
<i>Dutch Limburg</i>	—	—	—	—
<i>Community</i>	15·17	12,264	7·60	5,766

TABLE 2 — STATISTICAL ANNEX

TABLE No. 2
 Underground Output per Man/Shift in the Community Hard-Coal Mines
 (by countries and coalfields)

Coalfield - Country	1938	1932	1953	1954	1955	1956	1957	1958	1969	1960 ¹⁾
Ruhr	1,970	1,503	1,486	1,523	1,572	1,591	1,614	1,675	1,886	2,102
Aachen	1,409	1,194	1,186	1,200	1,279	1,281	1,314	1,375	1,516	1,702
Lower Saxony	1,380	1,200	1,130	1,169	1,228	1,274	1,264	1,198	1,368	1,739
Saar	1,570	1,623	1,676	1,744	1,810	1,819	1,800	1,797	1,851	2,013
Germany (Fed. Rep.)	1,877	1,491	1,480	1,518	1,571	1,589	1,606	1,658	1,846	2,057
Campine	1,523	1,300	1,307	1,352	1,484	1,492	1,450	1,387	1,499	1,618
Southern Belgium	1,004	965	986	1,011	1,028	1,034	1,032	1,049	1,148	1,318
Belgium	1,085	1,051	1,068	1,099	1,148	1,160	1,150	1,152	1,262	1,429
Nord/Pas-de-Calais	1,136	1,228	1,277	1,349	1,426	1,484	1,506	1,499	1,507	1,562
Lorraine	2,014	2,018	2,088	2,214	2,257	2,275	2,310	2,285	2,424	2,580
Centre/Midi	1,176	1,270	1,343	1,424	1,513	1,590	1,602	1,634	1,680	1,790
Other pits	—	977	974	1,001	1,110	1,213	1,219	1,256	1,327	1,608
France	1,226	1,353	1,416	1,504	1,583	1,645	1,673	1,680	1,717	1,798
Sulcis			609	636	867	949	957	1,039	1,164	1,346
Dutch Limburg	2,371	1,609	1,567	1,497	1,486	1,496	1,499	1,521	1,617	1,789
Community	1,590	1,389	1,401	1,447	1,502	1,529	1,543	1,579	1,724	1,896
			1,383	1,438	1,497	1,525	1,539	1,577	1,722	1,894

N.B.

The figures are not wholly comparable as between one country and another, nor, in the case of Germany, as between one coalfield and another (the Saar is different from the other three), owing to differences in the breakdown of production (see note to previous table) and in the length of shifts.

1) Provisional figures.

2) Exclusive of Sulcis.

3) Inclusive of Sulcis.

TABLE 3 — STATISTICAL ANNEX

TABLE No. 3

Pithead Stocks of Hard Coal

Coalfield-Country	(\$'000 metric tons at end of year)																
	1952		1954		1955		1956		1957		1958		1959		1960 ¹⁾		
	Total stocks	Low-grade products ²⁾	Total stocks	Low-grade products ²⁾	Total stocks	Low-grade products ²⁾	Total stocks	Low-grade products ²⁾	Total stocks	Low-grade products ²⁾	Total stocks	Low-grade products ²⁾	Total stocks	Low-grade products ²⁾	Total stocks	Low-grade products ²⁾	
Ruhr	445	617	540	653	684	7,817	9,444	9,444	4%	2%	7,817	9,463	4%	9,444	4%	5,159	4%
Aachen	12	17	19	29	25	563	497	497	18%	18%	563	497	18%	497	29%	222	29%
Lower Saxony	8	21	13	17	26	185	389	389	0%	0%	185	389	0%	389	—	368	—
Saar	462	821	228	102	181	898	1,436	1,436	14%	14%	898	1,436	14%	1,436	13%	1,394	13%
Germany (Fed. Rep.)	927	1,475	800	802	916	9,463	11,766	11,766	4%	4%	9,463	11,766	4%	11,766	6%	7,143	6%
Campine	667	898	69	23	500	2,506	2,341	2,341	20%	20%	2,506	2,341	20%	2,341	17%	2,264	17%
Southern Belgium	1,006	1,917	302	156	913	4,423	5,156	5,156	46%	46%	4,423	5,156	46%	5,156	45%	4,306	45%
Belgium	1,673	2,815	371	179	1,413	6,928	7,496	7,496	36%	36%	6,928	7,496	36%	7,496	37%	6,570	37%
Nord/Pas-de-Calais	1,533	2,995	1,759	1,416	1,559	2,450	3,710	3,710	61%	61%	2,450	3,710	61%	3,710	58%	4,533	58%
Lorraine	1,181	2,032	1,790	1,458	1,498	2,612	3,795	3,795	72%	72%	2,612	3,795	72%	3,795	64%	4,806	64%
Centre-Midi	1,442	2,769	2,417	1,636	1,506	2,308	3,438	3,438	73%	73%	2,308	3,438	73%	3,438	66%	3,919	66%
France ³⁾	4,200	7,838	5,983	4,524	4,583	7,380	10,955	10,955	68%	68%	7,380	10,955	68%	10,955	63%	13,264	63%
Italy, all coalfields	53	26	65	29	50	21	111	111	21%	21%	21	111	21%	111	1%	93	1%
Dutch Limburg	237	287	292	259	312	746	864	864	40%	40%	746	864	40%	864	30%	655	30%
Community	7,090	12,441	7,511	5,793	7,273	24,538	31,193	31,193	36%	36%	24,538	31,193	36%	31,193	34%	27,725	34%

¹⁾ Middlings, slurry and various other low-grade fuels.²⁾ Provisional figures.³⁾ Including stocks at non-nationalized mines.

TABLES 4 AND 5 — STATISTICAL ANNEX

TABLE No. 4

Production of Coke-Oven Coke

(Community)

('000 metric tons)

Year.	Germany (Fed. Rep.)	Saar	Belgium	France	Italy ¹⁾	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	38,405	4,335	7,217	13,092	3,054	4,083	20,187
1960 ²⁾	44,541		7,542	13,574	3,694	4,518	73,869

¹⁾ Including Trieste from 1955 onwards.

²⁾ Provisional figures.

TABLE No. 5

Stocks of Coke at Coking-Plants

(Community)

('000 metric tons at end of period)

Year	Germany (Fed. Rep.)	Saar	Belgium	France	Italy ¹⁾	Nether- lands	Com- munity
1952	110	18	101	187	52	63	531
1953	3,429	34	200	435	63	99	4,260
1954	1,984	19	127	375	58	82	2,645
1955	164	12	71	164	62	82	555
1956	178	20	87	175	50	68	578
1957	622	53	237	448	129	163	1,653
1958	5,316	51	276	708	321	342	7,015
1959	7,062	18	291	688	209	301	8,583
1960 ¹⁾	5,465		270	555	130	221	6,642

¹⁾ Provisional figures.

TABLE No. 6

Community Hard-Coal Imports from Third Countries

('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>Germany (Fed. Rep.)</i>						
1959	4,617	215	828	177	118	5,956
1960	4,448	396	531	37	160	5,572
<i>Belgium</i>						
1959	1,051	348	3	34	1	1,437
1960	780	131	—	2	—	914
<i>France</i>						
1959	773	215	287	702	200	2,178
1960	580	175	266	789	81	1,891
<i>Italy</i>						
1959	4,961	93	753	352	177	6,336
1960	4,447	127	772	488	321	6,156
<i>Luxembourg</i>						
1959	—	—	—	—	—	—
1960	—	—	—	—	—	—
<i>Netherlands</i>						
1959	2,701	368	77	58	131	3,336
1960	2,229	890	47	27	28	3,222
<i>Community</i>						
1959	14,102	1,240	1,948	1,324	627	19,242
1960	12,484	1,719	1,616	1,343	591	17,755

N.B.

For figures in respect of the years 1952-1958, see *Eighth General Report, Statistical Annex, Table No. 7*, or *Bulletin statistique, charbon et acier, Tables C40-43*.
The 1960 figures are provisional.

TABLE 7 — STATISTICAL ANNEX

TABLE No. 7

Community Hard-Coal Export to Third Countries

('000 metric tons)

Country of origin Country of destination	Country of origin					
	U.K.	Scandi- navian- countries	Switzer- land	Austria	Other countries	Total
<i>Germany (Fed. Rep.)¹⁾</i>						
1959	—	288	605	793	1,381	3,067
1960	—	305	776	983	613	2,677
<i>Belgium</i>						
1959	93	5	238	1	10	347
1960	—	42	267	11	38	359
<i>France</i>						
1959	—	—	241	25	323	589
1960	—	—	232	19	188	439
<i>Netherlands</i>						
1959	—	49	58	1	1	109
1960	—	30	80	1	0	111
<i>Community</i>						
1959	93	344	1,141	820	1,714	4,112
1960	—	377	1,355	1,014	839	3,586

N.B.

For figures in respect of the years 1952-1958, see *Eighth General Report, Statistical Annex, Table No. 8*, or *Bulletin statistique, charbon et acier, Table C66*.

The 1960 figures are provisional.

¹⁾ German exports in 1960 include exports from the Saar. To make the figures comparable, the Saar is considered as having been reintegrated with the Federal Republic of Germany throughout 1959, i.e. as if the German figures for 1959 likewise included exports from the Saar.

TABLE No. 8

Community Coke Exports to Third Countries

('000 metric tons)

Country of origin Country of destination	Scandinavian countries	Switzer- land	Austria	Other third countries	Total
<i>Germany (Fed. Rep.)¹⁾</i>	1,351	281	348	505	2,485
1959					
1960	1,675	351	407	621	3,055
<i>Belgium</i>					
1959	266	6	1	23	296
1960	183	12	2	59	256
<i>France</i>					
1959	—	28	2	18	48
1960	—	36	1	6	43
<i>Italy</i>					
1959	—	11	16	8	35
1960	—	4	54	52	109
<i>Netherlands</i>					
1959	283	99	32	106	520
1960	378	115	37	36	566
<i>Community</i>					
1959	1,898	426	400	660	3,385
1960	2,236	518	501	774	4,029

N.B.

For figures in respect of the years 1952-1958, see *Eighth General Report, Statistical Annex, Table No. 9*, or *Bulletin statistique, charbon et acier, Table C73*.

The 1960 figures are provisional.

¹⁾ German exports in 1960 include exports from the Saar. To make the figures comparable, the Saar is considered as having been reintegrated with the Federal Republic of Germany throughout 1959, i.e. as if the German figures for 1959 likewise included exports from the Saar

TABLE 9 — STATISTICAL ANNEX

TABLE No. 9

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

Country of supply	Countries of destination	1952	1953	1954
<i>Germany (Fed. Rep.)</i>	Belgium	317	691	1,930
	France/Saar	3,706	3,828	4,256
	Italy	2,993	3,421	3,505
	Luxembourg	103	127	118
	Netherlands	2,143	2,544	3,028
	Total	9,262	10,611	12,837
<i>Belgium</i>	Germany (Fed. Rep.)	19	107	226
	France/Saar	1,228	1,830	1,597
	Italy	681	839	576
	Luxembourg	65	23	38
	Netherlands	574	1,070	2,166
	Total	2,567	3,869	4,603
<i>France/Saar</i>	Germany (Fed. Rep.)	3,940	4,320	4,239
	Belgium	169	147	331
	Italy	214	471	417
	Luxembourg	155	129	132
	Netherlands	4	106	10
	Total	4,482	5,173	5,129
<i>Netherlands</i>	Germany (Fed. Rep.)	—	10	124
	Belgium	4	175	521
	France/Saar	—	74	386
	Italy	—	4	—
	Luxembourg	—	—	—
	Total	4	263	1,031
	Grand total	16,315	19,916	23,600
	<i>of which</i>			
	Germany (Fed. Rep.)	3,959	4,487	4,589
	Belgium	490	1,013	2,782
	France/Saar	4,934	5,732	6,239
	Italy	3,888	4,735	4,498
	Luxembourg	323	279	288
	Netherlands	2,721	3,720	5,204

¹⁾ This column gives the true situation for 1959, allowing for the change in the status of the Saar
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 have been if the Saar had been integrated with the Federal Republic throughout 1959.
³⁾ Provisional figures.

TABLE 9 — STATISTICAL ANNEX

('000 metric tons)

1955	1956	1957	1958	1959 ¹⁾	1959 ²⁾	1960 ³⁾
1,197	1,160	1,258	1,826	2,258	2,258	1,999
3,568	3,629	4,259	4,490	5,895	7,464	6,729
2,899	3,011	2,778	1,286	2,058	2,062	3,423
119	141	131	126	150	175	159
2,440	2,264	2,104	2,001	2,344	2,344	2,895
10,223	10,205	10,530	9,729	12,704	14,304	15,204
754	424	260	52	113	113	197
1,502	1,440	2,002	1,279	933	933	755
185	98	23	0	61	61	294
49	49	44	13	24	24	33
2,965	1,915	1,480	868	844	844	772
5,455	3,926	3,809	2,212	1,976	1,976	2,051
5,141	3,919	3,858	3,024	1,801	582	522
602	406	293	192	244	244	233
308	233	157	40	28	23	33
132	135	125	115	70	45	50
455	46	51	48	24	24	52
6,638	4,739	4,484	3,419	2,167	918	990
227	198	229	119	276	276	516
356	330	405	763	964	964	825
337	309	372	498	849	849	1,129
—	—	0	4	17	17	14
—	—	0	0	1	1	5
920	837	1,006	1,384	2,107	2,107	2,489
23,236	19,707	19,829	16,745	18,955	19,305	20,733
6,122	4,541	4,347	3,195	2,191	972	1,335
2,155	1,896	1,956	2,781	3,466	3,466	3,057
5,407	5,378	6,633	6,268	7,677	9,246	8,613
3,392	3,342	2,957	1,330	2,163	2,163	3,764
300	325	301	254	246	246	247
5,860	4,225	3,635	2,917	3,212	3,212	3,718

TABLE 10 — STATISTICAL ANNEX

TABLE No.10
Coke Trade within the Community

Country of supply	Countries of destination	1952	1953	1954
<i>Germany (Fed. Rep.)</i>	Belgium	—	8	48
	France/Saar	3,442	2,768	2,212
	Italy	2	11	23
	Luxembourg	2,970	2,798	2,773
	Netherlands	179	270	346
	Total	6,593	5,855	5,402
<i>Belgium</i>	Germany (Fed. Rep.)	201	21	1
	France/Saar	197	—	451
	Italy	—	220	—
	Luxembourg	140	102	102
	Netherlands	5	22	8
	Total	543	365	562
<i>France/Saar</i>	Germany (Fed. Rep.)	120	158	184
	Belgium	—	—	4
	Italy	—	—	—
	Luxembourg	—	—	—
	Netherlands	—	—	—
	Total	120	158	188
<i>Netherlands</i>	Germany (Fed. Rep.)	—	2	3
	Belgium	2	17	24
	France/Saar	518	448	565
	Luxembourg	234	203	246
	Total	754	670	838
	Grand total ⁸⁾	of which	8,104	7,075	6,990
Germany (Fed. Rep.) ⁸⁾		321	181	188
Belgium		2	25	76
France/Saar ⁸⁾		4,251	3,463	3,228
Italy		2	11	23
Luxembourg		3,344	3,103	3,121
Netherlands		184	292	354

¹⁾ This column gives the true situation for 1959, allowing for the change in the status of the Saar.

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 have been if the Saar had been integrated with the Federal Republic throughout 1959.

³⁾ Provisional figures.

⁴⁾ Including 3 to Italy.

⁵⁾ Including 7 to Italy.

⁶⁾ Including 25 to Italy.

⁷⁾ Including 17 to Italy.

⁸⁾ Including some small tonnages delivered by Italy.

TABLE 10 — STATISTICAL ANNEX

('000 metric tons)

1955	1956	1957	1958	1959 ^{a)}	1959 ^{b)}	1960 ^{a)}
60	59	57	73	58	58	69
3,523	3,582	3,625	3,383	3,123	3,355	3,890
21	4	13	49	28	32	27
3,140	3,187	3,086	3,085	3,043	3,043	3,466
386	315	271	194	304	304	336
7,130	7,147	7,052	6,784	6,557	6,792	7,788
23	115	7	5	17	17	32
356	386	467	331	307	307	371
—	—	1	1	16	16	90
92	91	173	59	210	210	238
27	33	36	14	—	—	—
498	625	686	410	550	550	731
166	143	156	64	72	60	37
7	0	3	1	7	7	13
—	—	—	39	34	30	34
—	—	—	—	—	—	—
14	2	0	—	—	—	1
187	145	159	104	113	97	85
13	12	13	7	209	209	303
73	47	60	76	108	108	163
721	744	788	612	653	653	834
304	363	451	370	421	421	383
1,111	1,166	1,315 ^{a)}	1,072 ^{b)}	1,416 ^{a)}	1,416 ^{b)}	1,699 ^{c)}
8,992	9,137	9,338	8,400	8,636	8,855	10,303
267	305	181	76	298	286	372
140	106	120	150	173	173	245
4,601	4,726	4,984	4,357	4,084	4,315	5,095
21	4	16	96	102	102	168
3,536	3,641	3,730	3,514	3,675	3,675	4,087
427	350	307	208	304	304	337

TABLE No. 11

**Deliveries of Hard Coal and Hard-Coal Briquettes to Consumers
within the Community**
(including collierie's own consumption and miner's concessionary coal)

('000 metric tons)

Country	1958	1959	1960 ¹⁾
Germany (Fed. Rep.)	139,716	130,072	136,500
Belgium	24,037	24,906	24,955
France	67,560	62,996	62,473
Italy	10,009	9,142	10,370
Luxembourg	260	249	250
Netherlands	16,805	16,019	17,145
Community	258,389	243,386	251,693

¹⁾ Provisional figures.

TABLE No. IIa

**Deliveries of Hard Coal and Hard-Coal Briquettes
to Consumer Sectors within the Community**

Sector	'000,000 metric tons			Change in %	
	1958	1959	1960	1960/59 ¹⁾	1960/58 ¹⁾
Coking-plants	97.8	93.0	98.2	+ 5.6	+ 0.5
Railways	15.4	12.9	12.4	- 3.9	-19.5
Power-stations	24.2	23.2	25.5	+ 9.9	+ 5.4
Gasworks	10.2	9.5	9.4	- 1.1	- 7.8
Iron and steel industry	4.0	3.9	3.8	- 2.6	- 5.0
Other industries	34.4	33.5	34.4	+ 2.7	-
Total, industrial sector	185.9	176.0	183.6	+ 4.3	- 1.2
Households	35.5	32.8	34.2	+ 4.3	- 3.7
Other consumers	3.9	3.8	3.8	-	- 2.6
Total deliveries to consumers	225.3	212.6	221.6	+ 4.2	- 1.6
Collieries' own consumption	27.4	25.6	24.9	- 2.7	- 9.1
Miners' concessionary coal	5.5	5.3	5.2	- 1.9	5.4
Grand total	258.2	243.5	251.7	+ 3.4	- 2.5

¹⁾ Provisional figures.

TABLE No. 11b

Deliveries of Coke-Oven to Consumer Sectors
within the Community

Sector	'000,000 metric tons			Change in %	
	1958	1959	1960	1960/59 ¹⁾	1960/58 ¹⁾
Iron and steel industry	44.4	44.6	51.0	+14.4	+14.8
Other industries	7.4	7.7	8.2	+ 7.0	+14.4
Total, industrial sector	51.8	52.2	59.2	+13.3	+14.2
Households	9.2	8.4	8.8	+ 3.8	— 5.0
Other consumers	2.2	1.6	1.6	— 5.4	—30.8
Total deliveries to consumers	63.3	62.3	69.5	+11.6	+ 9.8
Collieries' own consumption	2.7	2.8	2.6	— 8.0	— 3.7
Miners' concessionary coal	0.5	0.5	0.4	—15.5	—13.9
Grand total	66.5	65.6	72.5	+10.5	+ 9.1
Pig-iron production	43.5	46.7	54.8	+17.3	+25.8

¹⁾ Provisional. figures.

TABLE No. 12

Stocks of Hard Coal and Hard-Coal Briquettes held by Consumers
within the Community

At end of period	Coking-plants	Briquetting plants	Railways	Power-stations	Gas-works	Iron and steel industry	Other industries	Total
1953	1,311	439	1,484	2,393	1,167	312	3,666	10,772
1954	1,381	346	1,300	2,770	1,068	301	3,350	10,516
1955	1,798	318	1,036	2,092	1,055	347	4,332	11,978
1956	1,155	231	1,203	4,758	1,170	408	5,116	15,041
1957	2,678	482	1,879	6,734	1,966	423	5,646	19,808
1958	2,401	514	1,945	8,612	1,603	350	4,838	20,263
1959	2,437	370	1,308	7,345	1,161	274	3,972	16,867
Oct. 1959	2,448	372	1,376	7,732	1,290	262	4,595	18,075
Oct. 1960	2,088	346	1,161	8,776	1,342	235	3,788	17,736

TABLE No. 13

Development of Coal Prices in the Community¹⁾

(Shown beside each price is the volatile-matter content declared by the producer for the type and size concerned. See note below.)
 (Shown beside each price is the volatile-matter content declared by the producer for the type and size concerned. See note below.)

Product	Date	Ruhr		Aachen		Saar		Netherlands		Belgium ²⁾		Nord/ Pas-de-Calais		Lorraine				
		Price	V.M. %	Price	V.M. %	Price	V.M. %	Price	V.M. %	Price	V.M. %	Price	V.M. %	Price	V.M. %			
Anthracites	French nuts	Jun. 1952	19-20	7-10	19-20													
		Apr. 53	22-80	7-10	24-06	<10												
		Apr. 54	22-80	7-10	24-52	<10	21-60	10-14	27-22	<10	27-22	<10	26-06	<11	26-06	<11		
		Jun. 55	22-97	7-10	25-49	<10	21-22	10-14	26-60	<10	27-60	<10	26-57	<11	26-57	<11		
		Apr. 56	23-16	7-10	25-90	<10	22-37	9-12	30-00	<10	30-00	<10	26-86	<10	26-86	<10		
		Apr. 57	24-08	7-10	27-49	<10	23-68	9-12	30-00	<10	30-00	<10	27-83	<10	27-83	<10		
		Apr. 58	25-69	7-10	28-93	<10	25-39	9-12	33-60	<10	33-60	<10	27-83	<10	27-83	<10		
		Apr. 59	25-69	7-10	28-93	<10	26-97	8-10	34-60	<10	34-60	<10	26-50	<10	26-50	<10		
		Apr. 60	25-49	7-10	29-83	<10	27-63	8-10	34-60	<10	34-60	<10	26-95	<10	26-95	<10		
		Jan. 61	25-49	7-10	29-83	<10	27-63	8-10	34-60	<10	34-60	<10	26-95	<10	26-95	<10		
		Low volatile	small nuts	Jun. 52	16-23	10-14	16-23											
				Apr. 53	19-37	10-14	20-63	10-14										
Apr. 54	19-37			10-14	20-86	10-14	21-60	10-14	27-60	10-12½	27-60	10-12½	26-57	11-13	26-57	11-13		
Jun. 55	19-54			10-14	21-95	10-14	21-22	10-14	27-60	10-12½	27-60	10-12½	26-86	10-14	26-86	10-14		
Apr. 56	19-73			10-14	22-36	10-14	21-45	11-14	30-00	10-12½	30-00	10-12½	27-26	10-14	27-26	10-14		
Apr. 57	20-65			10-14	23-37	10-14	22-76	11-14	30-00	10-12½	30-00	10-12½	27-26	10-14	27-26	10-14		
Apr. 58	22-15			10-14	25-05	10-14	24-47	11-14	33-60	10-12½	33-60	10-12½	27-26	10-14	27-26	10-14		
Apr. 59	22-14			10-14	25-05	10-14	26-05	10-13	34-10	10-14	34-10	10-14	25-79	10-14	25-79	10-14		
Apr. 60	22-06			10-14	23-89	10-14	26-32	10-12	32-60	10-14	32-60	10-14	26-34	10-14	26-34	10-14		
Jan. 61	22-06			10-14	23-89	10-14	26-32	10-12	31-60	10-14	31-60	10-14	26-34	10-14	26-34	10-14		
Semi-bituminous	singles			Jun. 52	11-65	14-19	11-65											
				Apr. 53	13-66	14-19	14-92	14-19										
		Apr. 54	13-66	14-19	14-35	16-19	14-40	15-20	16-40	16-20	16-40	16-20	16-51	13-22	16-80	13-22		
		Jun. 55	14-05	14-19	14-40	16-19	14-40	15-20	15-70	18-20	15-70	18-20	17-14	14-22	16-29	14-18		
		Apr. 56	14-25	14-19	14-82	16-19	14-47	15-20	15-70	16-20	15-70	16-20	16-29	14-18	16-29	14-18		
		Apr. 57	15-16	14-19	16-06	16-19	17-24	15-20	19-40	16-20	19-40	16-20	16-20	14-18	19-14	14-18		
		Apr. 58	16-32	14-20	17-39	16-19	18-55	14-18	20-10	18-20	20-10	18-20	18-20	14-18	17-07	14-18		
		Apr. 59	16-09	16-20	17-39	16-19	17-11	14-18	19-70	18-20	19-70	18-20	19-20	14-18	16-00	14-18		
		Apr. 60	15-77	16-20	16-91	16-19	15-53	14-18	17-60	18-20	17-60	18-20	17-60	14-18	16-00	14-18		
		Jan. 61	15-77	16-20	16-91	16-19	15-53	14-18	17-60	18-20	17-60	18-20	17-60	14-18	16-00	14-18		

TABLE No. 13 (contd.)

Product	Date	Ruhr		Aachen		Saar		Netherlands		Belgium ¹⁾				Nord/ Pas-de-Calais		Lorraine	
		Price	V.M. %	Price	V.M. %	Price	V.M. %	Price	V.M. %	Price	V.M. %	Price	V.M. %	Price	V.M. %	Price	V.M. %
Coke large	Jun. 52	13-94		13-94		20-14								18-66		20-14	
	Apr. 53	15-26		16-52		20-29		16-55						18-80		20-29	
	Apr. 54	14-80		16-06		19-71		16-04						18-80		20-29	
	Jun. 55	15-23		16-72		19-43		16-32						18-09		19-57	
	Apr. 56	16-24		17-49		20-74		17-89						18-09		19-57	
	Apr. 57	17-72		18-96		20-86		19-47						20-23		21-00	
	Apr. 58	19-10		20-90		21-19		20-92						19-76		21-43	
	Apr. 59	19-10		20-90		20-47		20-13						19-04		20-86	
	Apr. 60	19-07		20-88		21-71		28-55						19-66		21-48	
	Jan. 61	19-07		20-88		21-71		19-07						19-66		21-48	
	Taxes to be added	1952	4-16%		4-16%		9-11%		4-16%						7-93%		7-93%
	1953	4-16%		4-16%		9-11%		4-16%						7-93%		7-93%	
	1954	4-16%		4-16%		9-11%		4-16%						7-93%		7-93%	
	1955	4-16%		4-16%		9-11%		4-16%						7-93%		7-93%	
	1956	4-16%		4-16%		11-11%		5-26%						9-29%		9-29%	
	1957	4-16%		4-16%		11-11%		5-26%						11-11%		11-11%	
	1958	4-16%		4-16%		11-11%		5-26%						11-11%		11-11%	
	1959	4-16%		4-16%		4-16%		5-26%						11-11%		11-11%	
	1960	4-16%		4-16%		4-16%		5-26%						11-11%		11-11%	
	1961	4-16%		4-16%		4-16%		5-26%						11-11%		11-11%	

N.B.

The prices shown for 1952 are those charged in the home markets. Export prices, even to those other Community countries which at that date did not yet form part of the Common Market, were for the most part a good deal higher. This system of dual pricing was abolished on the introduction of the Common Market.

Before the introduction of the Common Market the prices of the Ruhr and Aachen coalfields were quoted for delivery "f.o.t. Ruhr basing-point." The change in the method of quoting to "f.o.t. colliery" reduced the delivered price for customers located nearer to the basing-point. This was, for instance, the case for the majority of the customers of the Aachen coalfield.

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, together with the compensation levy invoiced over and above the schedule prices, have been added to the prices of Ruhr and Aachen products as shown in earlier Reports. All the prices above are on basis prices as invoiced to customers, and are more easily intercomparable.

Volatile-matter content

The types and sizes selected for each country have remained the same for the whole of the period under review. In some cases the figures given for the volatile-matter content of the product vary, owing either to a change in the range stated, or to changes in the method used to determine the content itself.

1) The prices, expressed in E.M.A. units of account are per metric ton 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) At the end of December 1958, three Campine enterprises resumed their commercial independence, each thereafter lodging price-schedules of its own. Other enterprises subsequently did the same, the total number thus selling independently being at one time twelve. By January 1, 1961, however, nine of the twelve, including the largest, had rejoined Cobechar.

TABLE No. 14

Comparative Movement of Coal Prices in the Different Coalfields of the Community

	Ruhr prices in 1953 = 100																		
	1953 = 100						Ruhr prices in 1953 = 100												
	1953	1954	1955	1956	1957	1958	1959	1960	1961	1953	1954	1955	1956	1957	1958	1959	1960	1961	
<i>Ruhr</i>																			
Anthracite	100	100	101	102	106	113	113	112	112	112	113	114	112	114	113	113	113	117	117
Low-volatile	100	100	101	102	107	114	114	114	114	114	114	114	114	114	113	113	108	108	108
Semi-bituminous	100	100	103	104	111	119	118	115	115	115	115	115	115	115	107	108	107	107	107
High-volatile bitum. No. 2 nuts	100	98	99	101	108	116	111	110	110	110	110	110	110	111	110	110	110	110	110
High-volatile bitum. No. 5 nuts	100	97	99	100	107	116	110	108	108	108	108	108	108	111	110	110	110	110	110
Washed fines, bituminous	100	96	98	99	106	115	115	115	115	115	115	115	115	111	110	109	109	109	109
Coke	100	97	100	100	116	125	125	125	125	125	125	125	125	108	109	110	108	109	109
<i>Aachen</i>																			
Anthracite	100	102	106	108	114	120	120	124	124	124	120	124	124	114	113	113	113	117	117
Low-volatile	100	101	106	108	113	121	121	116	116	116	121	116	116	113	113	113	108	108	108
Semi-bituminous	100	96	97	99	108	117	117	113	113	113	117	113	113	106	107	108	107	107	107
Washed fines, bituminous	100	97	97	100	107	115	115	115	115	115	115	115	115	111	110	110	110	110	110
Coke	100	97	101	106	115	127	127	126	126	126	127	126	126	108	109	110	108	109	109
<i>Saar</i>																			
High-volatile bitum. No. 2 nuts	100	102	102	100	101	95	87	90	90	90	87	90	90	134	139	137	133	125	111
High-volatile bitum. No. 5 nuts	100	102	102	104	113	109	104	103	103	103	104	103	103	103	109	106	107	109	97
Bituminous fines	100	103	102	103	110	112	109	116	116	116	112	116	116	107	115	112	112	110	104
Coke	100	97	96	99	103	104	101	107	107	107	104	101	107	133	133	128	124	118	111
<i>Netherlands</i>																			
Anthracite	100	98	104	110	118	125	128	128	128	128	128	128	128	95	93	97	102	105	108
Low-volatile	100	98	99	105	113	123	122	122	122	122	122	122	122	112	110	110	115	118	118
Semi-bituminous	100	100	100	100	120	129	119	108	108	108	108	108	108	105	105	103	102	114	114
Bituminous fines	100	94	94	94	105	111	104	97	97	97	104	97	97	106	106	104	103	108	105
Coke	100	97	99	108	118	126	122	112	112	112	122	112	112	108	108	107	110	110	110

<i>Belgium (Cobechar sales)</i>																		
Anthracite	100	100	109	109	125	125	125	125	125	121	121	131	130	140	135	135	135	135
Low-volatile	100	100	109	109	122	124	118	114	114	142	142	154	152	163	154	147	143	143
Semi-bituminous	100	100	96	96	118	123	120	107	107	120	120	112	110	128	123	122	112	112
High-volatile bitum. No. 2 nuts	100	100	95	95	110	110	110	95	95	129	131	123	121	132	123	127	112	112
High-volatile bitum. No. 5 nuts	100	100	100	101	119	119	112	100	100	114	117	115	115	126	116	116	105	105
Bituminous fines	100	99	97	97	122	118	111	103	101	112	116	112	110	129	115	108	101	100
<i>Belgium (Independent sales)</i>																		
Anthracite					125	125											136	136
Low-volatile					117	107											119	112
Semi-bituminous					100	95											116	112
High-volatile bitum. No. 2 nuts					107	100											110	105
High-volatile bitum. No. 5 nuts					110	108			108								108	106
Bituminous fines																		
<i>Nord-Pas-de-Calais</i>																		
Anthracite	100	101	105	105	100	101	101	101	101	117	118	121	120	116	103	105	106	106
Low-volatile	100	101	103	103	103	97	99	99	99	137	139	140	138	132	116	119	119	119
Semi-bituminous	100	102	97	97	114	102	95	95	95	123	125	116	114	126	105	99	101	101
High-volatile bitum. No. 2 nuts	100	99	99	99	105	97	87	87	87	134	135	134	132	130	112	105	107	107
High-volatile bitum. No. 5 nuts	100	100	95	95	110	99	94	94	94	120	123	115	113	123	102	103	104	104
Bituminous fines	100	99	95	95	101	97	96	98	98	114	117	111	109	108	96	96	97	97
Coke	100	100	96	96	108	105	101	105	105	123	127	119	111	114	103	100	103	103
<i>Lorraine</i>																		
High-volatile bitum. No. 2 nuts	100	100	100	100	93	87	87	87	87	134	136	135	133	124	108	105	106	106
High-volatile bitum. No. 5 nuts	100	102	99	100	111	105	98	100	100	105	110	105	105	109	96	94	97	97
Bituminous fines	100	103	100	100	111	108	108	112	112	100	107	103	101	104	94	94	98	98
Coke	100	100	96	96	103	106	103	106	106	133	137	128	121	119	112	109	113	113

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.U. units of account, of the French currency adjustments of December 27, 1958.

TABLE No. 15

Development of Pithead Prices for Certain Types and Grades of Belgian Coal¹⁾

Period	Gras B > 28% V.M. 30-50 mm.		Gras A > 20-28% V.M. washed fines 0-10mm.		3/4 Gras > 18-20% V.M. 20-30 mm.		Maigrès > 10-14% V.M. 10-20 mm.		Anthracite > 10% V.M. 20-30 mm.		‡ Gras briquettes 14-18% V.M. 10-14% ash	
	Campine		Campine		Cobechar		Cobechar		Cobechar		Cobechar	
	Cobechar sales	Inde- pendent sales	Cobechar sales	Inde- pendent sales	Cobechar sales	Inde- pendent sales	Cobechar sales	Inde- pendent sales	Cobechar sales	Inde- pendent sales	Cobechar sales	Inde- pendent sales
January 1, 1953	911	—	736	—	861	—	1,361	—	1,361	—	1,887	—
March 15, 1953	860	—	710	—	875	—	1,380	—	1,380	—	870	—
November 1, 1953	860	—	703	—	820	—	1,380	—	1,380	—	870	—
April 1, 1954	860	—	703	—	820	—	1,380	—	1,380	—	870	—
April 1, 1954	813	—	691	—	785	—	1,500	—	1,500	—	870	—
June 16, 1955	813	—	720	—	810	—	1,500	—	1,500	—	915	—
June 8, 1956	813	—	720	—	885	—	1,555	—	1,555	—	915	—
October 1, 1956	890	—	810	—	910	—	1,585	—	1,585	—	1,010	—
January 11, 1957	905	—	825	—	970	—	1,680	—	1,680	—	1,025	—
January 1, 1957	945	—	865	—	970	—	1,730	—	1,730	—	1,100	—
November 6, 1957	945	—	865	—	1,005	—	1,705	—	1,730	—	1,120	—
May 2, 1958	945	—	835	—	1,005	—	1,705	—	1,730	—	1,090	—
January 1, 1959	945	860	785	780	985	960	1,705	—	1,730	—	990	—
January 15, 1969	860	860	730	730	915	915	1,630	—	1,730	—	965	915
June 15, 1969	820	820	730	730	915	880	1,630	—	1,730	—	965	915
January 16, 1960	820	—	720	—	915	—	1,630	—	1,730	—	965	915
January 16, 1961	820	—	720	—	915	—	1,580	1,530	1,730	1,730	965	915
Variation between												
January, 1 1953 and	+ 34	or	+ 149	+ 169	+ 144	—	+ 344	—	+ 344	—	+ 239	—
November 6, 1957	+ 3.7	+ 7.6	+ 20.8	+ 23.6	+ 16.7	—	+ 25.3	—	+ 25.3	—	+ 27.1	—
Variation between												
March 15, 1953 and	+ 85	+ 120	+ 155	+ 175	+ 130	—	+ 325	—	+ 325	—	+ 250	—
November 6, 1957	+ 9.9	+ 14	+ 21.8	+ 24.6	+ 14.9	—	+ 23.6	—	+ 23.6	—	+ 28.7	—
Variation between												
March 15, 1953 and	- 40	—	- 10	+ 55	+ 40	—	+ 200	+ 170	+ 350	+ 350	+ 95	+ 45
January 16, 1961	- 4.7	- 0.6	+ 1.4	+ 7.7	+ 4.6	—	+ 14.5	+ 10.9	+ 25.3	+ 25.3	+ 10.9	+ 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, each thereafter lodging price-schedules of its own. Other enterprises subsequently did the same, the total number thus selling independently being at one time twelve. By January 1, 1961, however, nine of the twelve, including the largest, had rejoined Cobechar.

TABLE No. 16
Price of U.S. Coal
 (slack/coking fines)

(\$ per metric ton)

Period	Price f.o.b. U.S. port ¹⁾	Average freight- charge Hampton- Roads-Rotterdam ²⁾	Price c.i.f.
1953			
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
1954			
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
1955			
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
1856			
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
1957			
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
1958			
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
1959			
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
1960			
March	9.60	3.51	13.11
June	9.60	3.59	13.19
September	9.60	3.51	13.11
December	9.60	3.51	13.11
1961			
January	9.60	3.51	13.11

¹⁾ Estimated.

²⁾ Mean between maximum and minimum figures charged during the month in respect of single voyages.

TABLE No. 17

Situations of Pits in Operation in Belgium on January 1, 1961

(production in '000 metric tons)

	Mons		Centre		Charleroi		Liège		Southern Belgium		Campine		Total	
	Num-ber of pits	Production in '000 metric tons per year	Num-ber of pits	Production in '000 metric tons per year	Num-ber of pits	Production in '000 metric tons per year	Num-ber of pits	Production in '000 metric tons per year	Num-ber of pits	Production in '000 metric tons per year	Num-ber of pits	Production in '000 metric tons per year	Num-ber of pits	Production in '000 metric tons per year
Pits in operation on January 1, 1960	14	—	9	—	40	—	20	—	83	—	7	—	90	—
Pits closed in 1960	4	803	2	607	7	671	2	428	15	2,510	—	1981	15	2,510
Pits in operation on January 1, 1961	10	—	7	—	33	—	18	—	68	—	7	—	75	—

TABLE No. 17a

Closures of Belgian Pits during 1958

	Number of pits	Production in metric tons in 1957
<i>Mons</i>		
S.A. Cockerill-Ougrée, Charbonnages Belges Division		
Hornu-Wasmes pit No. 7/8, closed 27-12-58	1	142,330
Grand Trait pit No. 3, closed 27-12-1958	1	87,200
	2	229,530
<i>Centre</i>		
Société des Charbonnages de Strépy-Bracquegnies S.A.		
St. Julien pit, closed 19-7-1958	1	194,050
St. Henri pit, closed 19-7-1958	1	208,350
	2	302,400
<i>Charleroi</i>		
S.A. des Charbonnages de Monceau-Fontaine Pit No. 8 closed 5-4-1958	1	57,150
S.A. des Charbonnages Mambourg, Sacré-Madame et Poirier Réunis	1	
St. André pit, closed 1-6-1958	1	62,846
St. Charles pit, closed 1-6-1958	1	48,010
Aciéries et Minières de la Sambre, Charbonnages de Fontaine-l'Evêque Division		
Pit No. 2, closed 10-10-1958	1	58,430
S.A. des Charbonnages de Monceau-Fontaine Pit No. 10, Yemporarily shut down 18-9-58	1	146,905
	5	374,341
<i>Liège</i>		
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	27,480
	3	306,480
<i>Campine</i>		
— No change	—	—
Total for 1958	12	1,312,751

TABLE 17b — STATISTICAL ANNEX

TABLE No. 17b

Closures of Belgian Pits during 1959

	Number of pits	Production (m. t. per year)	
		1957	1958
<i>Mons</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
Pit No. 28, closed 19-9-1959	1	207,790	168,500
S.A. des Charbonnages du Hainaut			
Hautrage pit, closed 18-7-1959	1	217,080	181,610
S.A. des Charbonnages Unis de l'Ouest de Mons S.A.			
Ferrand pit, closed 19-12-1959	1	123,450	120,900
	4	656,750	597,630
<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-Bascoup pit), closed 12-11-1959	1	144,784	113,661
Société des Charbonnages Bois-du-Lac 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 21-12-1959	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
Appaumée pit, closed 17-10-1959	1	69,519	60,595
S.A. des Charbonnages Sainte-Elisabeth			
Sainte-Barbe pit, closed 5-7-1959	1	163,300	139,140
S.A. des Charbonnages d'Amercœur			
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

TABLE 17b — STATISTICAL ANNEX

TABLE No. 17b (contd.)

	Number of pits	Production (m.t. per year)	
		1957	1958
<i>Charleroi (contd.)</i>			
Charbonnages Mambourg, Sacré-Madame et Poirier Réunis S.A. Sacré-Français, closed 1-8-1959	1	96,961	117,874
Charbonnages d'Aiseau-Prese S.A. Roselies pit, closed 22-8-1959	1	122,340	118,760
S.A. des Charbonnages de Monceau-Fontaine Pit No. 24, closed 1-1-1959	1	161,630	105,740
	8	847,881	769,080
<i>Liège</i>			
S.A. du Charbonnage de Gosson-Kessales Gosson I and Gosson II pits linked up on 1-1-1959 (465,000 m.t. in 1957 from both pits together)	1	—	—
Gosson I pits, closed 3-4-1959	—	242,970	247,320
S.A. du Charbonnage du Bois d'Avroy Val Benoit pit, closed 18-4-1959	1	77,270	69,650
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>Campine</i>			
No change	—	—	—
Total for 1959	19	2,506,705	2,243,171

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.

TABLE No. 17c

Closures of Belgian Pits during 1960

	Number of pits	Production (m. t. per year)	
		1957	1959
<i>Mons</i>			
S.A. des Charbonnages du Borinage ¹⁾			
Levant pit No. 14/15, closed 27-2-60	1	151,400	103,840
Pit No. 2 (formerly Rieu du Cœur), closed 30-4-60	1	286,480	158,570
S.A. Cockerill-Ougrée, Charbonnages Belges and Hornu-Wasmes Division			
Grisœil pit No. 10, closed 28-5-60	1	108,700	115,000
Crachet-Piquery pit, closed 25-7-60	1	256,550	282,000
	4	803,130	659,410
<i>Centre</i>			
S.A. des Charbonnages du Centre			
Albert 1 ^{er} pit (formerly La Louvière), closed 31-3-60	1	226,200	174,620
St. Arthur pit (formerly Mariemont- Bascoup), closed 30-6-60	1	381,411	203,209
	2	607,611	377,829
<i>Charleroi</i>			
S.A. des Charbonnages du Gouffre			
Carabinier pit No. 2/3, closed 31-5-60	1	151,896	90,100
S.A. des Charbonnages de Noël-Sart- Culpart			
Saint-Xavier pit, closed 20-5-60	1	100,090	75,380
S.A. des Charbonnages d'Amercœur			
Chaumonceau pit, closed 16-7-60	1	95,950	87,622
Belle-Vue pit, closed 16-7-60	1	68,140	51,751
S.A. des Charbonnages Mambourg, Madame et Poirier Réunis			
Hamendes pit, closed 16-7-60	1	109,719	123,126
S.A. des Charbonnages Réunis de Roton, Farciennes et Oignies-Aiseau			
Saint-Gaston pit No. 4, closed 17-7-60	1	113,400	106,500
S.A. des Charbonnages de Groyenne- Liégeoise			
Groyenne-Andenne pit, closed 15-10-60	1	32,237	27,812
	7	671,432	562,291

TABLE No. 17c (contd.)

	Number of pits	Production (m. t. per year)	
		1957	1959
<i>Liège</i>			
S.A. des Charbonnages Réunis de la Minerie Battice pit, closed 5-5-60	1	113,300	69,900
S.A. des Charbonnages de Bonne- Espérance, Batterie, Bonne-Fin et Vio- lette Nord pit (Bonne-Espérance/Wandre), closed 15-10-60	1	314,900	312,300
	2	428,200	382,200
<i>Campine</i>			
No change	—	—	—
Total for 1960	15	2,510,373	1,981,730

- 1) The following enterprises were merged under the name "S.A. des Charbonnages du Borinage":
 S.A. Cockerill-Ougrée, Charbonnages Belges et Hornu-Wasmes Division
 S.A. des Charbonnages Unis de l'Ouest de Mons
 S.A. des Charbonnages du Hainaut
 S.A. des Charbonnages du Levant et des Produits du Flénu
 S.A. des Charbonnages du Rieu du Cœur et la Boule Réunis.

TABLE No. 18
Community Position as regards Iron Ore

(^{000,000} metric tons Fe content)

Availabilities and requirements	1957	1958	1959	1960 ¹⁾
Production of saleable ore	24.3	24.1	24.9	26.9
Imports	13.5	13.0	12.4	18.6
Availabilities	37.8	37.1	37.3	45.5
Consumption	35.8	34.8	37.9	44.2
Exports	0.33	0.27	0.3	0.3
Requirements	36.1	35.1	38.2	44.5
Stock changes	+1.7	+2.0	-0.9	+1.0

¹⁾ Estimated.

TABLE No. 19
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	1,320	7,248	65,292
1953	14,641	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	53,259	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
1960 ¹⁾	18,872	162	67,713	2,116	6,977	95,840
Difference between 1959/1960 (in %)	+4.5	+14.1	+9.9	+3.6	+7.2	+8.5
1960 :						
1st quarter	4,732	45	17,572	526	1,769	24,644
2nd quarter	4,639	41	17,068	549	1,663	23,960
3rd quarter	4,732	38	15,532	549	1,763	22,615
4th quarter ¹⁾	4,769	37	17,541	492	1,782	24,621

¹⁾ Provisional figures.

TABLE No. 20

Iron-Ore Stocks in the Community

('000,000 metric tons Fe content)

Stocks	End of 1955	End of 1956	End of 1957	End of 1958	End of 1949	End of 1960 ¹⁾
Stocks at works						
Germany (Fed. Rep.),	3,3	4,4	5,5	6,5	5,7	6,3
Belgium, Italy, Netherlands	1,2	1,2	1,4	1,7	1,6	1,0
France, Saar, Luxembourg						
Stocks at mines	1,3	1,1	1,5	2,2	2,4	2,5
Total Community stocks	5,8	6,7	8,4	10,4	9,7	9,8

¹⁾ Estimated.

TABLE 21 — STATISTICAL ANNEX

TABLE No. 21

Iron-Ore Trade within the Community

Country of supply	Countries of destination	('000 metric tons)									
		1952	1953	1954	1955	1956	1957	1958	1959	first nine months	
										1959	1960
Germany (Fed. Rep.) ³⁾	Belgium/Luxembourg	—	—	1.2	0.9	1.7	1.3	1.6	2.5	1.8	2.0
	France ⁴⁾	51.6	57.6	51.6	24.1	39.0	59.8	36.8	14.6	13.8	1.9
	Italy	1.2	1.2	1.2	2.1	2.1	1.7	1.6	1.1	0.8	1.0
Belgium / Luxembourg	Netherlands	0.0	0.0	0.0	3.0	4.2	13.9	0.4	1.3	1.0	1.0
	Total	52.8	58.8	54.0	30.1	47.0	76.7	40.4	19.5	17.4	5.9
	Germany (Fed. Rep.) ³⁾	434.4	267.6	99.6	386.0	586.7	378.1	17.4	0.0	—	0.2
France ⁴⁾	France ⁴⁾	10.8	614.4	27.7	36.5	60.5	133.9	94.0	121.7	83.3	90.0
	Total	445.2	882.0	127.2	422.5	647.2	512.0	111.4	121.7	83.3	90.2
	Germany (Fed. Rep.) ³⁾	379.2	340.8	242.4	353.9	589.7	1,064.6	1,110.1	4,838.7	2,728.4	7,283.1
France ⁴⁾	Belgium/Luxembourg	8,395.2	9,001.2	10,261.2	12,537.5	12,634.4	12,559.7	13,616.5	14,721.2	11,027.1	12,652.4
	Netherlands	132.0	187.2	144.0	141.4	104.5	57.7	51.6	15.5	6.3	3.2
	Total	8,906.4	9,529.2	10,647.6	13,032.8	13,328.6	13,682.0	14,778.2	19,575.4	13,761.8	19,938.7
of which ⁵⁾ :	Grand total ¹⁾	9,404.4	10,470.0	10,828.8	13,521.5	14,067.6	14,313.8	14,941.6	19,719.5	13,865.1	20,040.2
	Germany (Fed. Rep.) ³⁾	813.6	608.4	342.0	776.0	1,221.2	1,481.5	1,139.1	4,841.0	2,730.4	7,288.4
	Belgium/Luxembourg	8,395.2	9,001.2	10,262.4	12,538.4	12,636.1	12,561.4	13,618.1	14,723.9	11,029.1	12,654.4
France ⁴⁾	France ⁴⁾	62.4	672.0	79.2	60.6	99.5	193.7	130.8	136.7	97.5	92.2
	Italy	1.2	1.2	1.2	2.1	2.1	1.7	1.6	1.1	0.8	1.0
	Netherlands	132.0	187.2	144.0	144.4	108.7	75.5	52.0	16.8	7.3	4.2

1) Including some small tonnages delivered by Italy and the Netherlands.

2) Estimate based on deliveries.

3) Including the Saar as from July 6, 1969.

4) Including the Saar up to July 5, 1959.

TABLE 22 — STATISTICAL ANNEX

TABLE No. 22

Iron-Ore Imports from Third Countries

Country of origin	Period						('000 metric tons)	
	1954	1955	1956	1957	1958	1959	1959	1960
Spain	554.5	1,250.6	2,042.5	1,910.0	1,158.7	623.2	623.2	1,270.5
Greece	19.3	110.6	289.0	286.0	101.8	31.3	31.3	114.9
Norway	720.7	844.3	973.9	797.8	760.6	584.7	525.0	728.1
Sweden	7,689.1	9,418.2	10,833.1	11,442.9	10,627.3	7,800.9	7,800.9	9,787.8
Turkey	126.0	334.1	512.1	608.9	348.2	273.7	221.0	304.6
Algeria	653.5	1,307.6	929.6	1,147.0	863.4	533.9	443.6	983.9
Liberia	245.0	498.2	508.8	723.6	953.6	1,187.9	839.9	1,190.6
Marocco ¹⁾	200.5	480.2	818.4	920.2	508.2	284.2	188.8	618.5
Tunisia	278.1	278.2	278.8	291.2	338.3	271.5	175.8	253.1
British West Africa	19.1	418.1	456.4	493.7	647.4	676.4	528.3	542.2
India	183.0	180.5	87.9	109.5	175.7	91.4	80.0	94.8
Portuguese possessions in Asia	575.1	766.8	890.8	783.0	1,387.1	1,375.9	880.1	2,089.4
Canada	724.3	1,176.5	1,562.1	1,638.3	1,736.6	1,385.5	1,044.1	1,597.0
Brazil	308.1	438.9	603.8	678.1	692.2	895.1	591.6	1,251.3
Chile	38.8	144.1	274.8	242.1	150.1	193.3	133.9	334.8
Peru	—	98.3	487.0	806.5	722.2	730.2	574.2	1,042.0
Venezuela	9.6	280.5	712.7	1,220.2	1,869.6	1,688.7	1,311.4	2,090.4
Other countries	345.7	467.0	578.5	692.3	716.7	654.5	396.0	1,065.3
Total	12,590.5	18,537.8	22,840.2	24,791.4	23,757.9	22,668.3	16,389.2	25,359.2

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. 23

Community Balance-Sheet for Pig-Iron and Scrap Supplies

('000,000 metric tons)

Availabilities and consumption	1955	1956	1957	1958	1959	1960 ¹⁾
<i>Steel</i>						
Production	52·63	56·80	59·81	57·99	63·1	72·80
<i>Pig-Iron</i>						
1. Consumption by steelworks	37·27	39·88	41·22	40·43	44·03	50·8
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	3·85
4. Production	41·04	43·57	45·11	43·51	46·67	54·05
5. Net imports	+ 0·07	+ 0·17	+ 0·11	+ 0·47	0·45	0·6
<i>Scrap</i>						
6. Consumption by steelworks	20·91	22·98	24·90	23·73	25·79	29·5
7. Consumption by blast-furnaces	4·02	4·36	3·91	3·17	2·90	3·05
8. Steel works' own arisings	15·66	14·69	15·56	15·96	16·79	-19·05
9. Recovery from the Common Market	10·03	10·21	10·41	9·92	12·45	13·1
10. Sales by iron and steelworks	0·73	0·90	1·15	1·23	1·31	1·55
11. Imports required from third countries ²⁾	1·97	3·34	3·99	2·25	0·76	1·95
12. Imports ²⁾	2·95	3·19	4·23	2·40	0·9	1·8
13. Stock changes	+ 0·98	- 0·15	+ 0·24	+ 0·15	+ 0·14	- 0·15

1) Partly based on estimates.

2) Including shipbreaking scrap and certain types of high-cost scrap recovered within the Community.

TABLE No. 24

Scrap Trade between Community Countries¹⁾

('000 metric tons)

Country	1954	1955	1956	1957	1958	1959	1959	1960
							first nine months	
<i>Deliveries to other Community countries by :</i>								
Germany (Fed. Rep.) ²⁾	676	560	820	776	859	978	713	864
Belgium / Luxembourg	142	122	31	91	136	247	148	339
France ³⁾	916	848	620	678	559	1,186	768	1,012
Italy	0	0	2	6	0	2	1	1
Netherlands	118	190	254	263	172	269	190	262
Community	1,852	1,720	1,727	1,814	1,726	2,682	1,820	2,478
<i>Purchases from other Community countries by :</i>								
Germany (Fed. Rep.) ²⁾	287	285	133	218	87	349	217	355
Belgium / Luxembourg	136	197	424	235	198	153	116	146
France ³⁾	65	107	253	253	360	257	192	254
Italy	1,342	1,120	907	1,091	1,063	1,877	1,265	1,674
Netherlands	22	11	10	17	18	46	30	49
Community	1,852	1,720	1,727	1,814	1,726	2,682	1,820	2,478

¹⁾ Customs figures; 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. 25
Development of Pig-Iron Prices in the Community
(showing maximum and minimum prices)

Quality			Germany (Fed. Rep.)		Belgium		France		Italy		Netherlands	
	Month	Year	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
Phosphorus foundry pig-iron P = 1.0%—1.4% Mn = 0.6% Minus rebate	May	1953	65.40	Oberhausen	60	Mousson	60	Longwy	68.80	Naples	57	Beverwijk
	Oct.	1954	65.40	hausen	56		60		64		57	
	Aug.	1957	75.67 ¹⁾		74		69.05 ¹⁾		89.60	Trieste	74.25	
	Jan.	1960	75.67 (61.37)		57		64.11 (61.29)		64	Trieste	74.25	
	Jan.	1961	75.67 (61.37)		57		64.11 (61.29)		64		61.75	
Hematite foundry pig-iron P = 0.08—0.12% Mn 0.7—1.5% Netherlands P = 0.06—0.08% Minus rebate	May	1953	62.29	Oberhausen	70.30	Charleroi	70.71	Longwy	68.80	Genoa	67.50	Beverwijk
	Oct.	1954	69.29	hausen	70.30		66.86		64	Genoa	67.50	
	Aug.	1957	80.70 ¹⁾		83.90		86.29 ¹⁾		91.20	Trieste	83	
	Jan.	1960	80.70 (66.40)		68.—		74.34 (69.44)		65.60		83	
	Jan.	1961	80.70 (66.40)		68.—		74.34 (69.44)		65.60		70.50	
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	64.20	Charleroi	61.43	Longwy	64	Genoa	61.44	Beverwijk
	Oct.	1954	54.77		58.70		58.86		59.20	Genoa	61.44	
	Aug.	1957	69.37 ¹⁾		80.10		82.57		88	Genoa	81.75	
	Jan.	1960	69.37 (60.24)		63.—		65.83		57.60	Piombino	81.75	
	Jan.	1961	52.57 (43.43) ²⁾		63.—		65.83		57.60		69.25	
Spiegel iron Mn 10—12%	May	1953	83.21	Siegen	80	Charleroi	82	Longwy	92.80	Genoa	—	
	Oct.	1954	83.21		73.60		78.57		92.80		—	
	Aug.	1957	94.41 ¹⁾		98		95.60 ¹⁾		103.20		—	
	Jan.	1960	94.41		78		81.53		102.40		—	
	Jan.	1961	84.57		78.—		81.53		102.40		—	
Ferro-manganese	May	1953	203.91	Oberhausen	211	Langerbrugge	177.71	Outreau	240	Aosta	—	
	Oct.	1954	203.91	hausen	167		166.57		240		—	
	Aug.	1957	246.20 ¹⁾		240		203.10 ¹⁾		284.80		—	
	Jan.	1960	246.20		145.—		141.79		164		—	
	Jan.	1961	165.71		145.—		141.79		164.—		—	

¹⁾ December 1957.

N.B. The figures in brackets are the prices less rebates.

²⁾ Basing-point Oberhausen

TABLE No. 26

External Trade in Pig-Iron with Third Countries

('000 metric tons)

	1954	1955	1956	1957	1958	1959	1959 first nine months	1960
Imports	300	567	576	506	648	772	532	768
Exports	360	498	410	393	204	316	228	288
Net imports	-60	69	166	113	444	456	304	480

TABLE No. 27

The Community's Internal Trade in Pig-Iron

('000 metric tons)

	1954	1955	1956	1957	1958	1959	1959 first nine months	1960
<i>Deliveries to other Community Countries by¹⁾</i>								
Germany (Fed. Rep.) ²⁾	180	200	180	290	224	174	135	261
Belgium/Luxembourg	45	50	24	30	43	62	42	56
France ³⁾	126	286	289	240	131	239	163	239
Netherlands	100	104	94	81	75	85	55	91
Community	451	640	587	641	473	560	395	647
<i>Purchases from other Community Countries by¹⁾:</i>								
Germany (Fed. Rep.) ²⁾	76	95	64	47	55	113	70	130
Belgium/Luxembourg	162	308	300	284	204	273	190	232
France ³⁾	106	143	112	175	148	116	90	96
Italy	97	85	103	125	62	51	40	177
Netherlands	10	9	8	10	4	7	5	12
Community	451	640	587	641	473	560	395	647

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. 28

Pig-Iron and Ferro-Alloys Production

('000 m.t.)

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	18,383	3,209	5,965	12,438	2,121	3,411	1,139	46,676
1960		25,739	6,518	14,016	2,716	3,714	1,348	54,051

TABLE No. 29

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	31,460	7,111	11,977
1960 ¹⁾	34,452	8,214	9,681

¹⁾ Provisional figures.

TABLE No. 30

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	50,448	46,053	13,334
1960 ¹⁾	52,347	52,750	13,000

¹⁾ Provisional figures.

TABLE No. 31

Rate of Utilization of Steel-Production Capacities

(in %)

	1955	1956	1957	1958	1959	1960
Germany (Fed. Rep.)	97.0	97.7	95.2	82.1	88.4	99.3
Saar	95.9	98.5	97.1	96.4	97.5	
Belgium	94.3	93.8	87.9	80.8	87.2	99.6
France	93.9	95.0	94.6	93.4	93.9	100.3
Italy	94.3	92.6	91.5	80.1	84.3	96.0
Luxembourg	98.7	98.5	97.0	93.6	93.7	104.1
Netherlands	96.9	97.3	93.3	92.5	90.4	93.6
Community	95.7	96.1	93.9	85.9	89.6	98.1

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. 32

Community and World Production of Crude Steel (1952-1959)

Country	in '000 metric tons										Increase 1959/ 1960 in %	in % of world production							
	1952	1953	1954	1955	1956	1957	1958	1959	1960 ¹⁾	1952		1953	1954	1955	1956	1957	1958	1959	1960
	Germany (Fed. Rep.) (without the Saar)	15,806	15,420	17,435	21,336	23,189	24,507	22,785	25,824	34,100		15.8	7.5	6.6	7.9	8.2	8.4	8.4	8.5	10.0
Saar	2,823	2,682	2,805	3,166	3,374	3,466	3,485	3,613	3,410	15.8	1.3	1.1	1.3	1.2	1.2	1.2	1.2	1.2	
Belgium	5,170	4,527	5,003	5,894	6,376	6,267	6,007	6,434	7,171	11.5	2.4	1.9	2.2	2.2	2.1	2.2	2.1	2.1	
France	10,867	9,997	10,627	12,631	13,441	14,100	14,633	15,197	17,294	13.8	5.1	4.3	4.8	4.7	4.8	5.4	5.0	5.1	
Italy	3,535	3,500	4,207	5,395	5,911	6,787	6,271	6,762	8,219	21.8	1.7	1.5	1.9	2.0	2.1	2.3	2.2	2.3	
Luxembourg	3,002	2,658	2,828	3,266	3,456	3,379	3,663	4,084	4,084	11.5	1.4	1.1	1.3	1.2	1.2	1.2	1.2	1.2	
Netherlands	693	874	937	979	1,051	1,185	1,437	1,670	1,940	16.2	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.6	
Community	41,896	39,658	43,842	52,627	56,798	59,805	57,997	63,161	72,808	15.3	19.7	16.9	19.7	19.6	20.0	21.3	20.7	21.3	
United Kingdom	16,681	17,891	18,817	20,108	20,991	22,047	19,873	20,511	24,694	20.4	7.9	7.6	8.4	7.4	7.5	7.4	6.7	7.2	
United States	84,521	101,251	80,115	106,173	104,522	102,255	77,534	86,774	90,047	6.2	99.9	43.2	35.8	39.3	36.8	34.9	28.5	27.8	
U.S.S.R.	34,492	38,128	41,434	45,271	48,098	51,043	54,868	59,951	65,000	8.4	16.3	16.3	18.5	16.7	17.2	17.4	20.2	19.6	
Eastern Europe ²⁾	11,225	12,695	13,044	14,211	15,329	16,153	17,394	18,850	20,400	8.2	5.3	5.4	5.8	5.2	5.4	5.5	6.4	6.0	
Japan	6,988	7,662	7,750	9,408	11,106	12,576	12,118	16,628	22,143	33.2	3.3	3.3	3.5	3.5	3.9	4.3	4.5	5.4	
China	1,350	1,770	2,230	2,850	4,520	5,250	8,000	13,350	18,000	34.8	0.6	0.8	1.0	1.0	1.6	1.8	2.9	4.4	
Other countries	14,847	15,245	16,368	19,752	21,836	23,857	23,916	27,975	28,908	13.3	7.0	6.5	7.3	7.3	7.7	8.2	8.8	8.5	
World ³⁾	212,000	234,300	223,600	270,400	283,800	293,100	271,500	305,200	342,000	12.1	100	100	100	100	100	100	100	100	

1) Provisional figures.

2) Eastern Germany, Bulgaria, Poland, Roumania, Czechoslovakia, Hungary.

3) Estimated.

TABLE No. 33

Crude-Steel Production (by manufacturing processes)
(Community)

(*'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	3,592	14	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	57,888
1959	32,217	171	23,418	6,343	1,010	63,159
1960 ¹⁾	36,024	193	27,528	7,505	1,558	72,808

¹⁾ Provisional figures.

TABLE No. 34

Production of High-Grade and Special Steels
(Community)

(*'000 metric tons*)

Year	Germany (Fed. Rep.)	Bene-lux	France/Saar ²⁾	Italy ³⁾	Com-munity
1955	1,755	168	1,296	838	4,057
1956	2,048	202	1,400	882	4,532
1957	1,905	183	1,494	1,006	4,588
1958	1,822	110	1,453	1,112	4,497
1959	2,152	133	1,237	1,293	4,815
1959 first nine months	1,961	118	1,113	1,170	4,362
1960 first nine months	2,712	182	1,383	1,223	5,500

¹⁾ Including the Saar as from July 1, 1959.

²⁾ Including the Saar up to June 30, 1959.

³⁾ Corrected figures as from January 1960.

TABLE No. 35
Production of Finished Products by types of product
(Community)

Type of product	1952	1953	1954	1955	1956	1957	1958	1959	('000 metric tons)	
									1959	1960
									first 11 months	
Permanent-way material	1,432	1,497	1,107	1,414	11,484	1,633	1,610	1,392	1,286	1,284
Heavy sections	2,723	2,549	2,738	3,298	2,629	3,846	3,258	3,475	3,146	3,673
Light sections	10,033	8,859	9,408	11,456	12,587	12,352	11,408	12,656	11,541	13,309
Wire-rod	2,844	2,491	3,161	3,638	3,751	3,895	4,069	4,827	4,381	4,937
Tube semis	973	980	1,146	1,391	1,534	1,642	1,482	1,602	1,467	1,808
Hoop and strip	2,273	1,848	2,569	3,011	3,087	3,155	3,227	3,991	3,608	4,285
Plate 3 mm. and over	4,288	4,547	4,428	5,614	6,737	7,475	6,977	6,831	6,200	7,189
Sheet under 3 mm.	3,947	3,789	4,961	6,274	6,448	6,935	7,634	8,538	7,733	9,439
Coils (finished products)	2	50	70	127	129	226	229	448	387	622
Total	28,515	26,610	29,598	36,223	39,377	41,159	39,894	43,760	39,749	46,546

TABLE No. 36

Trade in Iron and Steel Products within the Community

(Treaty products including pig-iron)

Country of supply	Country of destination	1952	1953	1954
<i>Germany (Fed. Rep.)¹⁾</i>	Belgium/Luxembourg	88.8	118.8	119.7
	France ²⁾	9.6	28.8	117.6
	Italy	62.4	79.2	150.3
	Netherlands	141.6	220.8	384.0
	Total	302.4	447.6	771.6
<i>Belgium/ Luxembourg</i>	Germany (Fed. Rep.) ¹⁾	532.8	478.8	652.5
	France ²⁾	14.4	73.2	303.3
	Italy	135.6	145.2	119.4
	Netherlands	571.2	546.0	711.0
	Total	1,254.0	1,243.2	1,736.2
<i>France²⁾</i>	Germany (Fed. Rep.) ¹⁾	243.6	543.6	863.4
	Belgium/Luxembourg	70.8	184.8	138.3
	Italy	121.2	253.2	249.9
	Netherlands	45.6	108.0	69.3
	Total	481.2	1,089.6	1,320.9
<i>Italy</i>	Germany (Fed. Rep.) ¹⁾	0.5	0.0	1.8
	Belgium/Luxembourg	0.8	0.0	0.0
	France ²⁾	0.1	3.6	6.0
	Netherlands	1.0	1.2	0.0
	Total	2.4	4.8	7.8
<i>Netherlands</i>	Germany (Fed. Rep.) ¹⁾	9.6	57.6	160.2
	Belgium/Luxembourg	51.6	36.0	59.4
	France ²⁾	3.6	12.0	27.3
	Italy	3.6	8.4	20.4
	Total	68.4	114.0	267.3
	Grand Total	2,108.4	2,899.2	4,153.8
	<i>of which³⁾</i>			
	Germany (Fed. Rep.) ¹⁾	786.5	1,080.0	1,677.9
	Belgium/Luxembourg	212.0	339.6	317.4
	France ¹⁾	27.7	117.6	454.2
	Italy	322.8	486.0	540.0
	Netherlands	759.4	876.0	1,164.3

¹⁾ Including the Saar as from July 6, 1959.²⁾ Including the Saar up to July 5, 1959.³⁾ Estimates based on deliveries.

TABLE 36 — STATISTICAL ANNEX

('000,000 m.t.)

1955	1956	1957	1958	1959	1959	1960
					first 9 months	
116.5	183.4	233.4	215.9	188.0	138.2	157.0
163.1	227.2	425.3	371.3	816.2	433.5	1,314.6
115.1	150.5	212.8	205.2	268.9	172.6	393.5
437.3	356.6	628.2	486.9	575.0	405.8	524.8
832.0	917.8	1,499.7	1,279.3	1,848.1	1,150.1	2,389.9
1,041.1	784.2	642.6	774.8	1,125.9	283.9	1,136.4
524.9	572.1	655.3	767.1	590.2	420.3	692.2
103.0	95.7	106.6	128.3	173.1	129.4	189.2
814.5	773.5	805.0	469.7	656.2	459.6	535.8
2,483.5	2,215.5	2,209.5	2,139.9	2,545.4	1,793.2	2,553.6
1,297.3	1,055.9	1,003.3	1,065.0	1,433.0	1,105.7	1,042.4
311.7	281.5	245.7	153.4	308.4	224.7	293.3
255.8	174.3	186.4	210.8	374.1	286.7	292.8
77.9	96.7	117.0	73.7	152.8	107.7	112.9
1,942.7	1,608.4	1,552.4	1,502.9	2,278.3	1,724.8	1,741.4
8.2	11.1	0.6	2.2	27.3	18.5	23.3
0.0	1.2	0.9	2.9	14.0	10.2	2.9
35.3	36.5	70.2	80.9	69.5	48.2	70.3
0.1	0.1	0.2	0.0	7.5	0.1	9.9
61.6	48.9	71.9	85.9	118.3	77.0	106.4
217.1	147.4	227.5	271.6	319.0	227.9	332.4
78.4	63.5	59.8	51.9	67.2	42.4	54.6
40.2	64.8	67.1	64.0	63.4	47.9	74.0
8.6	13.4	27.4	22.3	22.2	16.6	43.7
344.3	289.1	381.8	409.8	471.8	334.8	504.7
5,664.1	5,079.7	5,715.3	5,417.8	7,261.9	5,079.9	7,296.0
2,563.7	1,998.6	1,874.0	2,113.6	2,915.2	2,136.0	2,534.5
506.6	529.7	539.8	424.0	557.6	415.6	507.8
781.5	900.6	1,217.9	1,283.3	1,539.3	949.9	2,151.1
482.5	423.9	533.2	566.2	838.3	605.3	919.2
1,329.8	1,226.9	1,550.4	1,030.3	1,391.5	973.2	1,183.4

TABLE 37 — STATISTICAL ANNEX

TABLE No. 37
Steel Trade within the Community¹⁾

('000 metric tons)

Product or Group of products Period	Ingots and 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
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	1,524	459	642	741	5,052	368
1958	611	388	73	423	401	1,057	418	651	911	4,933	334
1959	869	552	87	556	443	1,484	498	688	1,478	6,656	443
1959 first nine months	566	391	66	425	312	1,061	361	474	1,022	4,678	321
1960 first nine months	1,066	560	75	489	464	1,365	434	659	1,461	6,572	377

¹⁾ Figures based on deliveries.

TABLE 38 — STATISTICAL ANNEX

TABLE No. 38
Community Steel Exports to Third Countries

('000 metric tons)

Product or Group of products	Period	Ingots & 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
	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
	1959	1,033	128	287	655	811	3,542	341	1,287	2,396	10,580	2,458
	1959 first nine months	774	52	206	477	673	2,666	235	873	1,680	7,636	1,722
	1960 first nine months	646	165	319	457	580	2,591	287	968	1,959	7,972	1,972

TABLE No. 39

Community Imports of Iron and Steel Products from Third Countries^{1) 2)}

(by countries of origin)

('000 metric tons)

Country of destination \ Country of origin	Austria	U.K.	Sweden	U.S.A. and dependencies	Eastern Europe and U.S.S.R.	Other third countries	Total
<i>Germany (Fed. Rep.)³⁾</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	219	88	51	131	146	131	765
1959	260	171	54	68	149	98	799
1959 ⁴⁾	179	124	39	66	104	74	585
1960 ⁴⁾	235	112	46	73	153	160	779
<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
1959	51	34	9	7	125	24	249
1959 ⁴⁾	34	24	6	6	95	17	182
1960 ⁴⁾	62	17	9	10	91	34	225
<i>France⁵⁾</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
1959	2	4	8	1	9	13	37
1959 ⁴⁾	2	1	6	1	8	10	27
1960 ⁴⁾	6	4	5	11	6	56	90

¹⁾ Treaty products, exclusive of old rails, including pig-iron.²⁾ As figures have been rounded off, totals by countries of destination vary slightly from totals by groups of products.³⁾ Including the Saar as from July 6, 1959.⁴⁾ First 9 months.⁵⁾ Including the Saar up to July 5, 1959.

TABLE 39 — STATISTICAL ANNEX

TABLE No. 39 (contd.)

('000 metric tons)

Country of destination \ Country of origin	Austria	U.K.	Sweden	U.S.A. and dependencies	Eastern Europe and U.S.S.R.	Other third countries	Total
<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
1959	201	36	4	26	309	78	655
1959 ^{a)}	155	32	2	22	206	42	459
1960 ^{a)}	213	22	12	47	431	205	931
<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
1959	9	55	4	35	7	18	129
1959 ^{a)}	5	33	3	31	4	15	91
1960 ^{a)}	8	56	2	55	12	15	149
<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	173	348	311	1,716
1959	524	300	79	137	599	231	1,869
1959 ^{a)}	375	214	57	125	416	157	1,435
1960 ^{a)}	525	212	74	198	693	471	2,173

TABLE 40 — STATISTICAL ANNEX

TABLE No. 40
Community Exports of Iron and Steel Products to Third Countries^{1) 2)}

Country of destination Country of origin		North America	Central & South America	U.K.	Sweden	Eastern Europe & U.S.S.R.	Other European countries	Overseas territories of member States ³⁾	Asia	Africa less territories of member States	Other areas	Total
('000 metric tons)												
Germany (Fed. Rep.) ³⁾		77	237	31	180	40	533	0	305	35	2	1,440
1954		48	209	62	165	52	602	1	254	51	4	1,445
1955		186	219	173	181	262	670	3	463	87	9	2,253
1956		102	346	103	229	337	843	14	703	89	4	2,770
1957		113	471	56	181	300	656	7	855	85	4	2,728
1958		590	716	68	171	314	946	13	581	48	5	3,451
1959		379	504	39	109	226	643	8	394	33	3	2,339
1959 ⁴⁾		290	300	79	165	210	836	15	494	34	6	2,430
1960 ⁴⁾												
Belgium/Luxembourg		300	522	64	230	64	618	126	380	139	40	2,484
1954		282	413	223	245	65	736	150	415	198	77	2,805
1955		604	366	352	170	137	695	161	687	186	50	3,448
1956		405	709	153	236	119	668	175	704	199	11	3,379
1957		639	815	91	171	125	640	101	759	183	17	3,541
1958		1,144	513	28	227	106	725	101	518	144	12	3,517
1959		870	398	20	166	67	534	73	394	113	10	2,644
1959 ⁴⁾		574	355	91	208	239	598	51	567	97	29	2,808
1960 ⁴⁾												
France ⁵⁾		149	345	71	85	107	536	457	184	160	15	2,126
1954		203	359	316	85	154	715	526	360	194	41	2,953
1955		312	190	200	55	191	642	455	486	129	31	2,691
1956		188	253	59	60	261	556	554	420	112	28	2,491
1957		161	266	17	63	358	471	603	527	72	17	2,554
1958		522	326	19	98	254	642	368	512	145	11	2,896
1959		398	252	11	71	197	470	274	392	108	10	2,183
1959 ⁴⁾		203	175	52	75	218	475	351	323	138	17	2,027
1960 ⁴⁾												

TABLE 40 — STATISTICAL ANNEX

<i>Italy</i>											
1954	0	43	8	—	2	31	—	1	5	2	90
1955	0	26	3	0	2	77	—	17	11	5	141
1956	9	61	12	0	63	97	0	118	17	7	384
1957	1	134	2	0	71	101	2	159	18	4	490
1958	0	148	5	4	101	99	0	124	17	4	502
1959	30	102	13	10	202	107	1	53	9	2	529
1959 ¹⁾	15	78	11	7	131	75	1	30	6	1	354
1960 ²⁾	22	63	23	0	232	164	3	74	13	7	601
<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
1959	42	60	160	60	—	122	7	48	2	1	503
1959 ¹⁾	8	56	120	43	—	87	4	24	1	1	344
1960 ²⁾	28	33	155	44	9	76	6	36	7	—	394
<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
1959	2,328	1,716	298	566	875	2,542	490	1,713	349	30	10,896
1959 ¹⁾	1,670	1,289	202	395	631	1,808	360	1,234	261	25	7,864
1960 ²⁾	1,116	926	399	492	908	2,149	427	1,495	290	58	8,260

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⁾ Including the Saar as from July 6, 1959.

⁴⁾ First 9 months.

⁵⁾ Including the Saar up to July 5, 1959.

⁶⁾ Without Morocco and Tunisia as from January 1, 1959.

TABLE No. 41.
Development of Average Schedule Prices for Finished Steel Products¹⁾
(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	Jan. 1, 1961
Germany (Fed. Rep.) Belgium France Luxembourg Netherlands	101	96	96	97	99	104	104	109	110	108	108
	100	100	95	96	109	111	117	117	103	113	113
	99	96	96	96	96	101	104	97	92	92	98
	99	99	96	96	102	108	113	114	114	111	111
	100	100	95	102	110	114	119	119	105	114	111
Community	100	98	96	96	100	104	106	106	101	102	104
U.K. ²⁾	86	86	86	86	92	103	103	113	112	111	107
U.S.A.	88	92	92	96	104	112	119	119	140	124	124
Germany (Fed. Rep.) Belgium France Italy Netherlands	93	89	89	90	94	101	101	106	106	105	104
	103	103	95	95	112	112	120	120	102	113	113
	96	96	94	94	102	107	110	101	92	92	96
	116	116	114	113	117	130	130	125	115	111	113
	94	94	89	95	102	110	112	110	103	107	107
Community	100	98	96	97	102	110	111	111	105	103	105
U.K. ³⁾	76	76	76	77	81	91	91	100	98	98	94
U.S.A.	78	81	81	84	91	99	105	105	109	109	109

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.
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.
³⁾ Corrected figures (rates adjusted for delivered prices).

TABLE No. 42

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			
	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1961	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1961	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1961	
	(\$ per metric ton)												
Merchant bars	b.B.	99.20	96.45	96.45	96.45 ^(a)	108	85 ¹⁾	99	99	86.70	82.40	82.40	89.30
	o/h	109.05	99.20	99.20	99.20 ^(a)	110	90 ¹⁾	104	104	104.40	92.50	92.50	99.20
Joists	b.B.	96.90	96.90	96.90	96.90	132	100 ¹⁾	119	119	87.70	83.40	83.40	90.40
	o/h	106.75	106.75	106.75	106.75	136	115 ¹⁾	122	122	105.75	96.45	96.45	100.50
Wire-rod	b.B.	101.70	101.70	101.70	101.70	108	102	110	110	90.65	86.15	86.15	93.35
	o/h	111.55	111.25	111.55	101.05 ^(c)	123	117	125	125	105.20	95.95	95.95	100.—
Hoop and strip	b.B.	112.90	112.90	112.90	112.90	107	107	109	109	95.50	90.70	90.70	96.65
	o/h	126.40	126.40	126.40	124.35	129	129	131	131	114.35	104.30	104.30	108.70
Plate	b.B.	109.05	106.50	106.50	106.50	130	100 ¹⁾	122	122	102.35	96.25	96.25	102.70
	o/h	122.75	119.75	119.75	119.75	142	112 ¹⁾	138	138	120.85	110.20	110.20	114.80
Sheet	b.B.	135.10	135.10	132.55	132.55	136	136	136	136	120.80	114.05	114.05	119.15
	o/h	146.50	146.50	144.—	144.—	148	148	148	148	138.55	126.35	126.35	132.—
Sheet (cold-rolled)	b.B.	156.70	156.70	153.85	153.85	150,3	150.3	150.3	150.3	137.—	129.35	129.35	135.20
	o/h												

Basing-points:

Oberhausen

For plate : Essen

For sheet : Siegen

Seraing

1) Clabecq

Thionville

For plate and sheet :

Montmédy

a) Reinforcing bars I.

b) Other merchant bars.

c) Varies from Works to works.

TABLE No. 42 (contd.)

(\$ per metric ton)

Product	Italy				Luxembourg				Netherlands			
	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1961	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1961	Jan. 1, 1958	Jan. 30, 1960	Jan. 1, 1960	Jan. 1, 1961
Merchant bars	b.B.	—	—	—	100	100	100	100	103	88.4	108.80	102.45
	o/h	100.8	96	105.60	108.80	—	—	—	107.5 ^(a)	98.85 ^(a)	109.75 ^(a)	107 ^(c)
	b.B.	126.4	121.6	115.20	115.20 ^(c)	—	—	—	116.25	112.50	117.50	117.50
	o/h	137.6	120	107.20	107.20	104	104	104	—	—	—	—
Wire-rod	b.B.	—	—	113.60	113.60 ^(d)	—	—	—	—	—	—	—
	o/h	132	112	121.6	121.60	100	103	103	116.25	105.50	111.75	111.75
Hoop and strip	b.B.	—	—	115.2	118.40	107	107	107	118	110	115.50	115.50
	o/h	139.2	131.2	121.6	121.60 ^(d)	—	—	—	111.75	111.75	114.25	114.25
	b.B.	—	136	—	—	124	118	118	122.50	123.75	126.25	126.55
	o/h	171.2	152	140.8	140.80	135.6	138.6	138.6	115	100	107.50	107.50
Sheet (hot-rolled)	b.B.	—	—	163.2	168	—	—	—	127.50	112.50	115	115
	o/h	172	158.4	—	—	150.3	150.3	150.3	142.58	131.60	131.60	131.60
Sheet (cold-rolled)	b.B.	—	—	174.4	179.20	—	—	—	148	141.75	141.75	141.75
	o/h	177.6	174.4	—	—	150.3	150.3	150.3	160.15	146.35	146.35	146.35

Basing-points

Novi Ligure

Genoa : sheet (cold-rolled)

For 1957 : Luxembourg

For 1958 : Belval

For plate and sheet : Dudelange

For merchant bars : Utrecht

For wire-rod and hoop and strip : Zwijndrecht

For plate and sheet : Velsen-Beverwijk

e) Varies from works to works.

d) According to size.

TABLE No. 42 (contd.)

(\$ per metric ton)

Product	United Kingdom					U.S.A.			
	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1961	Jan. 1, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1961	
Merchant bars	107.7 113.2	104.95 111.85	104.05 111.85	100.15 107.90	116.3 119.6	121.25 125.10	121.25 125.10	121.25 125.10 ^{d)}	
Joists	108.80	104.40	104.40	99.60	116.30	121.25	121.25	121.25	
Wire-rod	109.50	108.45	108.45	105	135.60	141.10	141.10	141.10	
Hoop and strip	113.60	109.55	109.55	90.90	108.60	112.45	112.45	112.45	
Plate	112.60	111.20	111.20	106.40	112.45	116.86	116.85	116.85	
Sheet (hot-rolled) (2,75-3 mm)	131.75	129	126.25	126.25	136.15	140	140	140	
Sheet (cold-rolled) (1-1.10 mm)	143.45	140.70	137.95	137.95	149.90	154.85	154.85	154.85	
Basing-points:	Price delivered place of destination, less transport costs					Pittsburgh			
d) According to size.									

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%.

TABLE No. 43
Steel Export Prices by Products

	(\$ per metric ton)					
	May 30, 1953		January 1, 1960		January 1, 1961	
	E.C.S.C.	U.K.	U.S.A.	E.C.S.C. (market prices)	U.K. agreed prices	U.S.A. agreed prices
Merchant bars	93	96	105	110	113	134
Sections	93	105	104	102	109	132
Plate	115	127	104	111	116	127
Sheet (cold-rolled)	147	128	134	180	155	157
				148	145	157

TABLE No. 44

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, 1958	Jan. 30, 1959	Jan. 1, 1960	Jan. 1, 1961	Jan. 1, 1958	Jan. 1, 1959	Jan. 1, 1960	Jan. 1, 1961	Jan. 1, 1958	Jan. 1, 1959	Jan. 1, 1960	Jan. 1, 1961
Merchant bars ²⁾	84-101	80-93	106-114	92-101	119.33- 152.95	107.50- 116.65	109.57- 116.65	109.75- 116.65	128.40- 131.60	128.30- 135.58	127.- 134.25	127.- 134.25
Joints	103	94	101-102	94-95	146.05	109.20	109.20	109.20- 109.75	128.10	133.15	131.85	131.85
Wire-rod	105	96	130-135	105-107	No price							
Hoop and strip	113	108	110 and +	109-111	123.45- 124.85	123.45- 124.85	123.45- 124.85	123.45- 124.85	140.20 119.25	144.85 119.25	146.15 117.95	146.15 117.95
Plate	122	110	110-112	99-100	161.90	116.02	116.02	114.65	123.25	128.09	126.75	126.75
Sheet (hot-rolled)	150.65	150.65	158-163	134-138	148.10	148.10	148.10	148.10	145.95	143.05	141.75	141.75
Sheet (cold-rolled, 1 mm.)	156.20	156.20	180 and +	147-149	145.50 165.35	145.50 165.35	154.50 165.35	145.50 165.35	164.68	158.05	156.75	156.75

¹⁾ Market prices as from July 1959. ²⁾ According to product. ³⁾ According to width. ⁴⁾ According to country of destination.

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 (Thomas) quality for the Community, and of "basic open-hearth steel" for the United Kingdom and the United States.

TABLE 45 — STATISTICAL ANNEX

TABLE No. 45
Half-Yearly Tariff and Quota Changes
 (total or partial suspension of import duties on certain Treaty products entering the Community from third countries)

Product		Reduced-duty quotas			Duty-free quotas		
		Pig-iron containing vanadium and titanium	Coils under 1.50m. wide	Bearing-quality steels	Grain-oriented electrical sheet (wattage loss below 0.75 w.)	Special wire-rod for rubber tyres	Special wire-rod for springs
	Duty reduced or Duty suspended (D.S.)	1%	3%	4%	A.Z.	A.Z.	A.Z.
1st six months, 1960	Germany Belgium/Luxembourg France Netherlands Italy		30,000 m.t. 10,000 t.m. 10,000 t.m. — 30,000 t.m.	2,500 m.t. — — — —	3,500 m.t. ¹⁾ 250 m.t. ²⁾ — 550 m.t. 700 m.t.	250 m.t. 2,500 m.t. 2,250 m.t. — —	3,000 m.t. 200 m.t. — — —
2nd six months, 1960	Germany Belgium/Luxembourg France Netherlands Italy	no quantitative restriction	60,000 t.m. 10,000 t.m. 10,000 t.m. — 40,000 t.m.	2,500 m.t. — — — —	2,000 m.t. ¹⁾ 250 m.t. ²⁾ — 650 m.t. 2,000 m.t.	250 m.t. 2,500 m.t. 2,250 m.t. — —	3,000 m.t. 200 m.t. — — —
1st six months, 1961	Germany Belgium/Luxembourg France Netherlands Italy		60,000 t.m. 10,000 t.m. 10,000 t.m. — 60,000 t.m.	2,500 m.t. — — — —	2,500 m.t. 250 m.t. ²⁾ — 600 m.t. 2,500 m.t.	250 m.t. 2,500 m.t. 2,250 m.t. — —	4,000 m.t. 200 m.t. — — —

¹⁾ A quota of 5,500 m.t. was specially imposed for the year 1960 only.

²⁾ Belgium only.

TABLE No. 46
Movement of Elements of Price c.i.f. Europe of Middle-East Crude
(\$ per metric ton)

	July 1956	April 1959		August-Sept. 1960	
	Posted price	Posted price	Less 5% rebate ¹⁾	Posted price	Less 15% rebate ²⁾
Persian Gulf price of Kuwait crude	12.50	12.10	11.50	11.50	9.80
— AFRA ¹⁾	10.60	8.90	—	7.60	—
— Spot rate ³⁾	—	—	3.60	—	4.30
Price c.i.f. Rotterdam	23.10	21.00	15.10	19.10	14.10
— AFRA ²⁾	8.20	6.60	—	5.70	—
— Spot rate ³⁾	—	—	2.90	—	3.40
Price c.i.f. Naples	20.70	18.70	14.40	17.20	13.20

¹⁾ Average rebates; estimated.

²⁾ Average freight rate assessment (covers long-term charters, consecutives and single voyages)

³⁾ Very short-term charters, single voyages (as per Lloyds' List).

N.B.

Rounded figures.

Kuwait crude taken as an example.

TABLE No. 47
Movement of Elements of Prices c.i.f. Europe of Heavy Fuel Oil
(\$ per metric ton)

	July 1956	February 1958		February 1959		August 1960	
	(a)	(a)	(b)	(a)	(b)	(a)	(b)
F.o.b. Caribbean ¹⁾	15	15	14.50	13.30	11	13.30	10.80
AFRA	6.2	5.8	—	5.10	—	4.20	—
Spot rate	—	—	2.40	—	2.0	—	1.70
C.i.f. Rotterdam	21.2	20.80	16.90	18.40	13.0	17.50	12.50 ²⁾
F.o.b. Persian Gulf ¹⁾		13.70	13	11.30	9.60	10.30	9.20
AFRA		7.70	—	6.70	—	5.70	—
Spot rate		—	3.90	—	3.40	—	3
C.i.f. Naples		21.40	16.90	18.00	13.00	16.00	12.20 ³⁾

¹⁾ F.o.b. prices in columns headed (a) are posted prices at source.

F.o.b. prices in columns headed (b) are less average rebate on posted prices.

²⁾ Cf. Platt's quotations : Channel Port Index \$12.45 per metric ton, and European barge price \$12.50.

³⁾ According to *World Petroleum* for September 1960, the price of Eastern European products c.i.f. Naples then stood at \$11.65 per metric ton.

N.B.

Rounded figures.

TABLE 48 — STATISTICAL ANNEX

Net Increase in Production Potential
(based on compulsory declarations of investment projects)

Sector	Production	Production potential 1958	Declarations received during				
			1956	1957	1958	1959	
Coalmining industry							
Pits							
Coking-plants (mine-owned)	Hard coal ('000 m.t.)	262,430	2,560	5,786	10,220	786	325
Coking-plants (independent)	Coke ('000 m.t.)	55,490	3,846	220	220	—	2,180
Pithead power-stations	Coke ('000 m.t.)	4,280	281	196	116	—	—
	Installed capacity ('000 kW)	7,754 ¹⁾	688	285	386	750	517
	Hard-coal briquettes ('000 m.t.)	20,190	—	—	460	430	—
Iron ore mines	Crude ore ('000 m.t.)	97,200	150	1,725	1,800	200	—
Iron and Steel industry							
Coking-plants (steelworks-owned)	Coke	23,430	2,246	917	174	267	1,630
Preparation of burden	Sinter	30,230	6,605	3,290	8,350	6,823	15,300
Blast-furnaces	Pig-iron	53,000	4,614	2,445	2,529	2,431	7,370
Steelworks: a) Basic Bessemer	Basic Bessemer steel	34,700	2,534	1,225	1,288	105	4,330 ²⁾
b) Open-hearth	Open-hearth steel	26,930	1,757	108	339	294	280 ²⁾
c) L/D and similar	L/D and similar steel	1,250	—	895	680	420	16,920
d) Electric-furnace	Electric-furnace steel	7,660	850	174	274	210	890
Rolling-mills: a) for semis	Semis	—	4,881	425	1,200	2,670	7,440
b) for sections	Sections	—	547	60	315	621	(4,735)
c) for flats	Flats	28,410	—	—	—	—	2,950
Power-stations (at works)	Installed capacity ('000 kW)	23,370	1,946	114	916	2,734	5,340
		—	106	48	89	15	—

¹⁾ Installed capacity as at the beginning of the year 1958.

²⁾ Certain steelworks are replacing all or some of their basic Bessemer or open-hearth plants by oxygen steelmaking plant.

TABLE 49 — STATISTICAL ANNEX

TABLE No. 49
Personnel Employed in the Community Industries

('000)

Industry	September 1959				September 1960			
	Workers	Apprentices	Salaried employees	Total	Workers	Apprentices	Salaried employees	Total
<i>Coalmining industry</i>								
Germany (Fed. Rep.) ¹⁾	456.0	33.9	53.3	543.2	415.8	25.3	52.1	493.2
Belgium	115.4	2.1	13.5	131.0	97.1	1.8	11.7	110.6
France ²⁾	198.4	5.7	26.4	230.5	186.0	5.1	25.8	226.9
Italy	3.6	—	0.5	4.1	3.4	—	0.5	3.9
Netherlands	50.4	3.9	7.4	61.7	48.7	2.9	7.5	59.1
Community	823.8	45.6	101.1	970.5	751.0	35.1	97.6	883.7
<i>Iron and Steel industry</i>								
Germany (Fed. Rep.) ¹⁾	202.3	7.1	29.3	238.7	215.1	7.2	30.0	252.3
Belgium	53.0	—	7.6	60.6	54.5	—	7.9	62.4
France	126.3	2.8	25.1	154.2	131.3	3.1	26.3	160.7
Italy	50.4	0.1	7.2	57.7	52.9	0.1	7.5	60.5
Luxembourg	19.2	0.3	2.1	21.6	19.4	0.3	2.1	21.8
Netherlands	8.9	0.4	3.7	13.0	9.2	0.5	4.2	13.9
Community	460.1	10.7	75.0	545.8	482.4	11.2	78.0	571.6
<i>Iron-ore mines</i>								
Germany (Fed. Rep.)	18.0	0.8	2.4	21.2	16.7	0.6	2.3	19.6
Belgium	0.0	—	0.0	0.0	0.0	—	0.0	0.0
France	23.8	0.7	3.3	27.8	23.4	0.8	3.3	27.5
Italy	2.9	—	0.2	3.1	2.9	—	0.3	3.2
Luxembourg	2.1	—	0.2	2.3	2.1	—	0.2	2.3
Community	46.8	1.5	6.1	54.4	45.1	1.4	6.1	52.6
Community Total	1,330.7	57.8	182.2	1,570.7	1,278.5	47.7	181.7	1,507.9

1) Including the Saar.

2) Including small non-nationalized mines.

TABLE No. 50

Apprentices and Total Personnel employed in the E.C.S.C. Industries
(December 1954 — June 1960)

('000 persons and % apprentices)

Industry	1954						1955						1956					
	December			June			December			June			December			June		
	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%
Coalmining Industry	49.6	521.3	9.5	55.2	526.5	10.4	50.3	522.3	9.6	52.5	529.3	9.9	47.9	534.9	8.9	51.9	63.6	8.0
Germany (Fed. Rep.)	5.5	64.0	8.6	5.1	63.2	8.0	5.5	63.5	8.7	5.2	62.8	8.3	5.1	63.6	8.0	5.1	63.6	8.0
Saar	0.9	153.5	0.6	1.8	152.1	1.2	2.3	157.6	1.4	1.2	151.7	0.8	1.9	149.8	1.3	1.9	149.8	1.3
Belgium	9.4	253.0	3.7	8.3	247.4	3.3	8.4	243.8	3.4	7.4	239.2	3.1	7.2	240.3	3.0	7.2	240.3	3.0
France	—	10.4	—	—	8.1	—	—	7.2	—	—	—	—	—	—	—	—	—	—
Italy	4.8	61.8	7.8	4.1	61.3	6.7	4.4	60.8	7.2	4.4	61.2	7.2	4.4	61.3	7.2	4.4	61.3	7.2
Netherlands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community	70.2	1,063.9	6.6	74.5	1,058.6	7.0	70.9	1,055.6	6.7	70.7	1,050.8	6.7	66.5	1,056.6	6.3	66.5	1,056.6	6.3
Iron-Ore Mines	1.1	20.8	5.3	1.1	21.5	5.1	1.0	21.8	4.6	1.0	22.5	4.4	0.9	22.9	3.9	0.9	22.9	3.9
Germany (Fec. Rep.)	1.3	29.7	4.4	1.2	28.9	4.1	1.2	28.7	4.2	1.1	28.1	3.9	1.0	28.3	3.5	1.0	28.3	3.5
France	—	3.6	—	—	3.8	—	0.0	4.3	0.0	0.0	4.3	0.0	0.0	4.1	0.0	0.0	4.1	0.0
Italy	—	2.5	0.0	0.0	2.6	0.0	0.0	2.7	0.0	0.0	2.7	0.0	—	2.6	—	—	2.6	—
Luxembourg	0.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community	2.4	56.6	4.2	2.3	56.8	4.0	2.2	57.5	3.8	2.1	57.6	3.6	1.9	57.9	3.3	1.9	57.9	3.3
Iron and Steel Industry	5.4	169.0	3.2	6.7	172.8	3.9	6.5	178.6	3.6	6.7	183.0	3.7	5.6	185.4	3.0	5.6	185.4	3.0
Germany (Fed. Rep.)	0.8	30.1	2.7	0.8	30.6	2.6	0.8	30.7	2.9	0.7	31.3	2.2	0.9	31.8	2.8	0.9	31.8	2.8
Saar	—	53.7	—	—	55.6	—	—	56.2	—	—	58.6	—	—	59.4	—	—	59.4	—
Belgium	3.4	142.7	2.4	3.4	145.5	2.3	2.4	147.3	1.6	2.8	149.2	1.9	2.6	152.0	1.5	2.6	152.0	1.5
France	0.1	56.1	0.2	0.1	59.0	0.2	0.1	60.3	0.2	0.2	62.9	0.3	0.2	62.8	0.3	0.2	62.8	0.3
Italy	0.3	19.1	1.6	0.3	19.5	1.5	0.3	17.7	1.5	0.3	20.4	1.5	0.3	20.6	1.4	0.3	20.6	1.4
Luxembourg	0.2	9.4	2.1	0.1	9.6	1.0	0.2	9.9	2.0	0.2	10.1	2.0	0.2	10.5	1.9	0.2	10.5	1.9
Netherlands	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community	10.2	480.1	2.1	11.4	492.6	2.3	10.3	502.7	2.0	10.9	515.5	2.1	9.8	522.5	1.9	9.8	522.5	1.9
E.C.S.C. Industries	82.8	1,600.6	5.2	88.2	1,608.0	5.5	83.4	1,615.4	5.2	83.7	1,623.9	5.1	78.2	1,637.0	4.8	78.2	1,637.0	4.8

1) Apprentices.

2) Total personnel employed.

TABLE No 50 (continued)

industry	1957						1958						1959						1960							
	June			December			June			December			June			December			June			December				
	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%		
	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%	1)	2)	%		
Coalmining Industry Germany (Fed. Rep.) Saar Belgium France Italy Netherlands	48.4	538.9	9.0	42.9	524.4	7.9	537.4	7.9	36.0	522.6	6.9	501.6	6.8	472.3	5.9	505.2	5.5	28.1	472.3	5.9	505.2	5.5	27.6	505.2	5.5	
	4.7	63.4	7.4	4.6	65.0	7.0	64.0	6.9	3.0	62.9	4.8	62.0	5.2	2.1	59.5	3.5	505.2	2.1	472.3	5.9	505.2	5.5	27.6	505.2	5.5	
	2.0	151.4	1.3	3.0	159.7	1.9	153.1	1.1	2.0	146.8	1.4	137.3	1.4	1.9	127.8	1.5	116.9	1.4	1.9	127.8	1.5	116.9	1.4	1.5	116.9	1.4
	6.1	241.7	2.5	6.0	241.6	2.5	237.7	2.2	5.8	237.2	2.4	233.3	2.3	5.9	229.7	2.6	222.6	2.3	5.9	229.7	2.6	222.6	2.3	5.1	222.6	2.3
		6.6	—	—	—	6.1	—	6.2	—	4.2	—	—	4.2	—	4.1	—	4.0	—	—	4.1	—	4.0	—	3.2	4.0	—
	3.2	61.3	5.2	3.6	62.8	5.6	63.4	6.1	4.2	63.6	6.6	62.1	6.6	3.7	61.2	6.0	59.6	5.4	3.7	61.2	6.0	59.6	5.4	3.2	59.6	5.4
Community	64.4	1,063.3	6.0	60.2	1,077.7	5.6	1,061.8	5.4	51.0	1,037.3	4.9	1,000.5	4.8	954.6	4.4	908.3	4.1	41.7	954.6	4.4	908.3	4.1	37.5	908.3	4.1	
Iron-Ore Mines Germany (Fed. Rep.) France Italy Luxembourg	0.9	24.1	3.7	1.0	24.3	4.1	23.8	4.2	0.9	22.7	3.9	21.4	3.7	20.9	3.5	19.9	3.0	0.7	20.9	3.5	19.9	3.0	0.6	19.9	3.0	
	1.0	28.3	3.5	0.9	28.6	3.1	28.5	3.1	0.8	28.2	2.8	27.9	2.9	27.8	2.9	27.5	2.9	0.8	27.8	2.9	27.5	2.9	0.8	27.5	2.9	
	0.0	4.1	0.0	0.0	3.8	0.0	3.5	0.0	0.0	3.2	0.0	3.1	—	3.1	—	3.1	—	—	3.1	—	3.1	—	—	3.1	—	
	—	2.6	—	—	2.6	—	2.5	—	—	2.4	—	2.4	—	—	2.3	—	2.3	—	—	2.3	—	2.3	—	—	2.3	—
	1.9	59.1	3.2	1.9	59.3	3.2	58.3	3.2	1.7	56.5	3.0	54.8	2.9	1.5	54.1	2.8	52.8	2.6	1.5	54.1	2.8	52.8	2.6	1.4	52.8	2.6
Iron and Steel Industry Germany (Fed. Rep.) Saar Belgium France Italy Luxembourg Netherlands	6.5	197.5	3.3	5.9	205.4	2.8	205.1	3.3	6.2	197.1	3.1	202.3	3.2	206.7	2.7	213.5	3.0	5.6	206.7	2.7	213.5	3.0	6.5	213.5	3.0	
	0.7	31.8	2.2	0.9	32.5	2.7	32.4	2.5	0.7	32.6	2.1	32.1	2.2	33.1	1.8	35.1	2.5	0.6	33.1	1.8	35.1	2.5	0.8	35.1	2.5	
	—	60.4	—	—	59.9	—	58.6	—	—	58.8	—	59.6	—	60.9	—	61.9	—	—	60.9	—	61.9	—	—	61.9	—	
	2.9	152.8	1.9	2.9	155.5	1.9	154.4	1.8	3.0	154.5	1.9	152.6	1.9	156.3	2.1	157.8	2.0	3.2	156.3	2.1	157.8	2.0	3.0	157.8	2.0	
	0.2	64.1	0.3	0.2	62.5	0.3	61.4	0.2	0.2	58.6	0.3	57.7	0.2	58.1	0.2	60.3	0.2	0.1	58.1	0.2	60.3	0.2	0.1	60.3	0.2	
	0.3	20.8	1.4	0.3	21.2	1.4	21.0	1.4	0.3	21.3	1.4	21.4	1.4	21.8	1.5	21.7	1.4	0.3	21.4	1.4	21.8	1.5	0.3	21.7	1.4	
	0.2	10.7	1.9	0.2	11.0	1.8	11.2	1.8	0.2	11.6	1.7	12.0	1.7	13.2	2.7	13.5	2.2	0.4	13.2	2.7	13.5	2.2	0.3	13.5	2.2	
	Community	10.8	538.1	2.0	10.4	548.0	1.9	544.3	2.0	10.6	534.5	1.9	537.7	2.0	550.1	1.9	563.8	2.0	10.2	550.1	1.9	563.8	2.0	11.1	563.8	2.0
E.C.S.C. Industries	77.1	1,660.5	4.6	72.5	1,685.0	4.3	1,664.4	4.3	63.3	1,628.3	3.8	1,593.0	3.8	1,598.8	3.4	1,524.9	3.3	53.4	1,598.8	3.4	1,524.9	3.3	50.0	1,524.9	3.3	

1) Apprentices.
2) Total personnel employed.

TABLE No. 51

Movement of Cost of Living in the Community¹⁾

(1953 = 100)

	1953	1945	1955	1956	1957	1958	1959	1960	
								January	September
Germany (Fed. Rep.) ²⁾	100	100	102	105	107	110	112	114	114
Saar	100	101	102	106	113	130			
Belgium ³⁾	100	101	101	104	107	108	110	110	110
France ⁴⁾	100	100	101	103	105	122	129	133	135
Italy	100	103	105	109	110	113	113	115	116
Luxembourg ³⁾	100	101	101	102	106	107	107	108	109
Netherlands	100	104	105	106	118	121	122	125	127

¹⁾ Figures supplied by the Statistics Office of the European Communities.

²⁾ Including the Saar from 1959 onwards.

³⁾ Exclusive of rents.

⁴⁾ Paris.

TABLE No. 52

Trend in Direct Hourly Wages and Total Hourly Wage Costs in the Coalmining Industry¹⁾
(underground and surface)

(1953 = 100)²⁾

Country	1953		1954		1955		1956		1957		1958		1959		1960					
	Direct hourly wage	Total cost	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					
															1st qtr.	2nd qtr.	3rd qtr.	4th qtr.		
Germany (Fed. Rep ⁴⁾)	100	100	103	104	112	113	124 ⁵⁾	120 ⁵⁾	134 ⁵⁾	137 ⁵⁾	146 ⁵⁾	139 ⁵⁾	148 ⁵⁾	145 ⁵⁾	140 ⁵⁾	148 ⁵⁾				
Saar	100	100	101	102	110	111	132 ⁶⁾	144 ⁶⁾	146 ⁶⁾	154	161	154	148 ⁶⁾	154 ⁶⁾	149 ⁶⁾	157 ⁶⁾				
Belgium	100	100	101	101	103	105	114	112	130	132	139	134	132	137	133	134				
France	100	100	102	102	112	113	121	126	137	145	154	154	161	174	163	166				
Italy	100	100	103	106	110	117	119	128	118	134	123	149	123	149	133	128				
Netherlands	100	100	110	110	118	122	126	135	144	154	162	154	156	162	169	168				

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 1953 to 1959 inclusive, see *Mémento de Statistiques*, and for 1960, *Bulletin Statistique*.

³⁾ Indices for hourly wages allow for pay in respect of off-days granted in lieu of a general reduction in working time.

⁴⁾ Including the Saar from 1959 onwards.

⁵⁾ Exclusive of shift bonus.

⁶⁾ Inclusive of shift bonus.

TABLE No. 53

Trend in Direct Hourly Wages and Total Hourly Wage Costs in the Iron and Steel Industry¹⁾(1953 = 100)²⁾

	1953		1954		1955		1956		1957		1958		1959		1960			
	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	March	June	Sept.	Dec.
Germany (Fed. Rep.) ³⁾	100	100	104	103	114	114	124	124	139	138	146	145	154	153	159	169	175	
Saar	100	100	101	100	115	115	129	132	143	147	176	178	137	140	141	142	143	
Belgium	100	100	104	103	110	110	121	122	131	134	132	136	167	176	176	184	188	
France	100	100	104	103	118	116	130	131	139	142	159	165	167	176	176	184	188	
Italy	100	100	106	105	110	107	120	121	124	123	130	132	138	138	138	142	140	
Luxembourg	100	100	102	99	110	107	120	121	135	135	139	138	142	138	150	151	152	
Netherlands	100	100	107	111	119	130	144	144	139	157	143	165	149	166	167	166	167	

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 1959 inclusive, see *Mémoire de Statistiques*, and for 1960, *Bulletin Statistique*.

³⁾ Including the Saar from 1959 onwards.

TABLE No. 54

Trend in Direct Hourly Wages and Total Hourly Wage Costs in the Iron-Ore mines¹⁾
(underground and surface)

(1953 = 100)²⁾

	1953		1954		1955		1956		1957		1958		1959		1960			
	Direct hourly wage	Total cost	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			
															Febr.	May	August	Nov.
Germany (Fed. Rep.)	100	100	105	108	115	119	126 ³⁾ 135	129 ⁴⁾	139	143 ⁴⁾	143	154 ⁴⁾	147	159 ⁴⁾	165	164	173	
France (East)	100	100	103	104	116	118	130	138	143	152	160	174	165	182	176 ³⁾ 169	175 ³⁾ 174	184 ³⁾ 174	
Italy	100	100	106	105	111	109	115	114	116	118	121	126	128	131	132	134	135	
Luxembourg	100	100	101	100	105	104	112	117	112	126	125	130	128	130	126	125	123	

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 1959 inclusive, see *Mémoire de Statistiques*, and for 1960, *Bulletin Statistique*.

3) First figures exclusive of shift bonus, second figure inclusive of shift bonus.

4) Exclusive of shift bonus.