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OFFICIAL GAZETTE

OF THE

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THE HIGH AUTHORITY

DECISIONS

DECISION No. 26/56, of July 11, 1956, amending Decision No. 27/55, of July 20, 1955, concerning information to be provided by enterprises in respect of their investments.

THE HIGH AUTHORITY,

HAVING regard to Articles 47 and 54, third paragraph. of the Treaty;

HAVING regard to Decision No. 27/55, of July 20, 1955, concerning prior notification of investment projects;

WHEREAS investment projects involving an increase in scrap consumption call for special attention;

WHEREAS the minimum values previously laid down did not enable the High Authority to gain a full picture of investment expenditure in the steelproduction sector :

DECIDES :

Article 1

Article 2 of Decision No. 27/55 shall be superseded by the following: *"Article* 2

"Investment projects to be thus submitted in advance shall be those relating either

(a) to entirely new plant, where the total estimated expenditure exceeds 500,000 E.P.U. units of account,

or

(b) to replacement or conversion of existing plant, where the total estimated expenditure exceeds 1,000,000 E.P.U. units of account.

"Notwithstanding, projects relating to steel furnaces and hot-blast cupolas used in steel production must be submitted in advance irrespective of the estimated expenditure.

"The total estimated expenditure must include all expenditure proceeding directly from the execution of the project concerned, and must be calculated by entering under one project all items constituting a single technical whole, even where several separate stages will be required for putting the scheme into effect."

Article 2

This decision shall come into force within the Community on August 1, 1956.

This decision was deliberated and adopted by the High Authority at its session on July 11, 1956.

For the High Authority,

RENÉ MAYER,

President.

OPINION

Opinion issued by the High Authority concerning the planning of capital schemes in the iron and steel industry.

The High Authority has already stated its views as to the seriousness of the scrap situation and the need to develop the production of steel on the basis of a corresponding increase on the production of pig-iron (Fourth General Report, April 8, 1956, Nos. 181-191; Presidential Address to the Common Assembly, May 8, 1956).

It has re-examined these questions at recent meetings with the presidents of the Community steel producers' associations.

These discussions have confirmed that plant coming into operation within the next two years will not be able to produce to full capacity owing to inadequate supplies of pig-iron and scrap, and that the scrap gap will widen unless appropriate action is taken now to plan capital expenditure in such a way as to remedy the situation.

Accordingly, the High Authority would urge upon all iron and steel enterprises the need for paying the closest attention to a balanced development of the pig-iron and steel production capacities in connexion with their capital schemes, and for the strictest care in avoiding the construction of any new steelmaking plant not accompanied (allowing for works' own scrap arisings) by a higher, or at least equivalent, increase in pig-iron production. Until further notice, this aspect of the problem will be among the prior considerations governing all examination of capital schemes notified to the High Authority, and all opinions which the latter may be called upon to issue on such schemes.

PROGRAMMES BASED ON FORECASTS FOR THE THIRD QUARTER OF 1956

I. Introduction

The "programmes giving forecasts for guidance" (Article 46 of the Treaty) of the production, consumption, exportation and importation of coal and steel during the third quarter of 1956 are based on the following considerations as to the general development of the economic situation in the countries of the Community.

A. GENERAL ECONOMIC DEVELOPMENT

Present economic developments in the countries of the Community reveal three outstanding features.

- (a) Since the beginning of this year, *industrial production* has been expanding more slowly than it had formerly done, mainly as a result of the manpower shortage, of the very high degree of utilization of production capacities, and probably also of a slackening in the rate of productivity.
- (b) Overall demand, stimulated by increasing consumption and the continuing vigorous investment and export activity, shows a steady upward trend.

(c) This *disparity* between the increase in production and that in demand is giving rise, in most countries and in some of the main economic sectors, to a tightness which is generally reflected in a rise in prices.

During the third quarter of 1956, industrial production will undergo a decline due to seasonal factors. At the same time, experience has shown that the volume of new orders in both the consumer-goods and the capital-goods industries will also drop in accordance with the season. So far, however, there is no indication that the expansion in demand is coming to an end, although the public authorities and issuing banks in three Community countries recently introduced selective measures, and in some cases even general restrictions.

The rate of public expenditure, which will probably continue to go up in most countries, and the very marked activity still in evidence as regards investment, together with rising wages and incomes, point to a further expansion of demand.

The demand for export goods likewise seems set to continue high, despite certain fluctuations which may be accounted for by economic developments in the United States.

B. DEVELOPMENTS IN VARIOUS STEEL-CONSUMING SECTORS

1. Automobile industry

PRODUCTION OF MOTOR-CARS IN COMMUNITY COUNTRIES⁽¹⁾ (monthly average in thousands, and variation per cent. as against the corresponding quarter of the previous year)

	1st quarter		2nd o	quarter	3rd d	quarter	4th quarter	
	'000	Per cent.	'000	Per cent.	.000	Per cent.	.000	Per cent
	 	_[]	(a) Pas	senger car	s			
1954 1955 1956	 88·4 113·9 151·0	$\left \begin{array}{c} + 33 \\ + 29 \\ + 33 \end{array}\right $	96 · 1 128 · 0 149 · 8(²	$+ 27 + 34 + 34 + 25(^2)$	91 · 9 120 · 0	+ 27 + 31	$\begin{array}{c} 104 \cdot 7 \\ 137 \cdot 3 \end{array}$	+ 29 + 31
				nercial vehi				
1954 1955 1956	 $29 \cdot 0$ 33 \cdot 7 34 \cdot 4	+ 36 + 16 + 2	$\begin{array}{c} 29 \cdot 1 \\ 33 \cdot 5 \end{array}$	+ 38 + 15	$\begin{array}{c} 27 & 3 \\ 30 \cdot 2 \end{array}$	+ 28 + 11	$32 \cdot 6 \\ 36 \cdot 4$	$\left \begin{array}{c} + 19\\ + 12\end{array}\right $

(1) France, Germany and Italy only.

(2) April only.

Taken from official figures for each country and from the O.E.E.C. General Statistical Bulletin.

Certain tendencies towards a decline in demand—not very pronounced as yet—are in evidence in the automobile sector. There is not, however, any drop in the Community motor market comparable with that observable in the United States and Britain. The number of passenger cars produced in the three big member countries in the first quarter was still roughly 33 per cent., and in April 25 per cent., above the level for last year. Demand for small cars, in particular, is likely to continue rising steeply.

The trend in the world market will. however, probably have some repercussions on the Community car producers' export sales : there is, in fact, already a certain decrease in the export percentages, affecting more particularly the high-powered passenger cars. The volume of production as a whole during the third quarter will thus probably be only 20 per cent. above last year's level. Furthermore, the demand for steel in the automobile industry may fall off inasmuch as the production figures relate to small cars instead of heavy ones.

2. Mechanical engineering

PRODUCTION	OF	THE	MECHANICAL	ENGINEERING	INDUSTRY
			(1953 = 10)	0)	

	(Germany		Belgium	Italy		
	I n dex	Rate of increase in per cent. of year before	Index	Rate of increase in per cent. of year before	Index	Rate of increase in per cent. of year before	
1955:							
1st gtr	123	+ 22	113	+ 17	188		
2nd gtr	138	+ 22	119	+ 18	124		
3rd qtr	136	+ 25	113	+ 14	115	l _	
4th qtr	151	+ 22	123	+ 12	131		
1956:		}					
lst gtr	141	+ 15	110	-2.5	133	+ + 13	
2nd qtr.(1)	154	+ 17					

(¹) April only.

Taken from official figures for the countries concerned.

In the *mechanical engineering industry*, increases of 15 per cent. and 13 per cent. over the previous year were still registered in Germany and Italy respectively during the first quarter. The volume of orders on the books and the continuing vigorous investment and export activity suggest that the rate of increase will be approximately the same for the third quarter, although there may be a certain decline of demand in certain sectors in consequence of the restrictive measures introduced in some countries. In Belgium, on the other hand, mechanical engineering production fell off slightly during the first quarter. No comparable figures are available for production in France.

3. Shipbuilding

SHIPBUILDING IN COMMUNITY COUNTRIES

(ships on the stocks,	in thousands of tons gross and variation per cent.
as against the	corresponding quarter of the previous year)

	lst quarter		2nd q	uarter	3rd q	uarter	4th quarter		
	'000 tons gross	Per cent.	'000 tons gross	Per cent.	'000 tons gross	Per cent.	'000 tons gross	Per cent.	
1954 1955 1956	1,964 1,964 2,370	$\begin{array}{c} + 6 \cdot 0 \\ \pm 0 \\ + 20 \cdot 7 \end{array}$	1,889 2,154	$- \frac{0 \cdot 1}{+ 14 \cdot 0}$	1,850 2,316	$- \frac{7 \cdot 3}{+ 25 \cdot 1}$	2,057 2,238	+ 1 + 8.8	

Taken from the O.E.E.C. General Statistical Bulletin.

In the *shipbuilding sector*, production capacity at the yards is quite obviously being driven so hard that any increase at the present rate would hardly seem possible. True, the first quarter still showed an increase of about 21 per cent. over the first quarter of 1955. This rise was, however, mainly attributable to stepped-up production in Italy, where the shipyards, evidently, still possessed unused production capacity, and where the government has taken action to encourage shipbuilding.

Thus even if demand continues to increase, and even though the industry has a heavily-loaded order-book, the rate of expansion in activity at the shipyards will still be governed by the production capacity available.

4. Metal-processing industry

PRODUCTION OF THE METAL-PROCESSING INDUSTRY

(1953 =	100)
---------	------

		1st quarter		2nd q	uarter	3rd c	uarter	4th quarter		
		Index	Rate of increase in per cent.	Index	Rate of increase in per cent.	Index	Rate of increase in per cent.	Index	Rate of increase in per cent.	
1954 1955 1956	···· ···	106 126 143	+ 6.0 + 19.0 + 13.5	116 136 150 (1)	$ + 11 \cdot 5 + 17 \cdot 2 + 14 \cdot 5(^1) $	108 128	$\begin{array}{r} + 14 \cdot 9 \\ + 18 \cdot 5 \end{array}$	122 142	$\begin{array}{c} + 16 \cdot 1 \\ + 16 \cdot 2 \end{array}$	

(1) April only.

Taken from the High Authority's Bulletin Statistique.

In the *metal-processing industry* as a whole, the rate of increase in the first quarter of this year was still something like 13.5 per cent. as against 18.5 per cent. in the third quarter of 1955 and 16.2 per cent. in the fourth. This reflects a falling-off in the rate of increase, which will probably continue during the coming months. In fact, the shortage of plant and manpower in this industry will in all likelihood still further hamper expansion. Production in the third quarter will be only slightly above the figure for the first.

5. Overall industrial production

INDUSTRIAL PRODUCTION OF THE COMMUNITY (exclusive of the building trade and foodstuffs industries)

(1953 = 100)

		1st q	uarter	2nd c	luarter	3rd c	juarter	4th quarter		
		Index	Rate of increase in per cent.	Index	Rate of increase in per cent.	Index	Rate of increase in per cent.	Index	Rate of increase in per cent.	
1954 1955 1956	···· ···	$ \begin{array}{r} 105 \cdot 6 \\ 120 \cdot 2 \\ 130 \cdot 0 \end{array} $	8.6 13.8 8.0	$ \begin{array}{r} 112 \cdot 5 \\ 127 \cdot 1 \\ 137 \cdot 0(^1) \end{array} $	$ \begin{array}{r} 10 \cdot 9 \\ 13 \cdot 0 \\ 10 \cdot 5(^1) \end{array} $	107 · 5 120 · 8	$ \begin{array}{r} 12 \cdot 6 \\ 12 \cdot 4 \end{array} $	119·5 133·1	$\begin{array}{c} 12 \cdot 8 \\ 11 \cdot 4 \end{array}$	

(1) April only.

Taken from the High Authority's Bulletin Statistique.

As regards *overall industrial production*, it must also be borne in mind that the reduced manpower reserves and capacities are affecting the rate of increase in production. The rate of increase in industrial production (exclusive of the building trade) has been tending to fall off for some time past : the figures for the third and fourth quarters of 1955 were 12.4 per cent., 11.4 per cent, respectively, and for the first quarter of 1956 only 8 per cent.

However, it would appear that the low rate of increase for the first quarter was due to the strong seasonal influence of last winter. It may be estimated that the rate of increase in overall industrial production as against 1955 will be about 8–10 per cent. also for the third quarter of 1956. This being so, the level of industrial production would be well above last year's level, but hardly, if at all, above that for the first quarter of this year. Seasonal influences will, however, help to ensure that the third quarter's production figures are above and not below the first.

6. Building trade

	1st quarter		2nd quarter		3rd quarter		4th quarter	
	`000	Rate of increase in per cent.	'000	Rate of increase in per cent.	.000	Rate of increase in per cent.	.000	Rate of increase in per cent.
1954 1955	 246 247	+ 29 + 0.4	309 316	$^{+15}_{+2}$	316 323	$^{+12}_{+2}$	322 336	+10 + 4

BUILDING WORK AUTHORIZED⁽¹⁾ (*in thousands of housing units*)

(1) Figures for the first quarter of 1956 in respect of Belgium, Germany and the Netherlands are provisional only: building licences issued during this period total 143,500, an increase of 0.7 per cent. over the first quarter of 1955.

Taken from the E.C.E. Quarterly Bulletin of Housing and Building Statistics for Europe.

Production in the *building trade* should remain at a high level. Work on industrial buildings and dwelling-houses continues apace. The shortage of manpower, particularly of skilled building workers, is, however, making it impossible to achieve more than a limited advance over last year.

This is not to say that building work may not increase considerably between now and September, following the seasonal rhythm. Viewed as a whole, however, production in the building sector during the third quarter is unlikely to be much above last year's high level. The trend as regards building licences is not, in any case, indicative of any further increase in building activity as against last year.

II. Programme for Coal. Third quarter, 1956

In accordance with Article 46 of the Treaty, the High Authority has drawn up, on the basis of information furnished by the governments of the member countries, and of consultations and discussions with various government spokesmen and other important representatives, a programme giving forecasts, for guidance, on coal production, consumption, imports and exports for the third quarter of 1956. An examination of the situation reveals a seasonal increase in demand for hard coal, arising mainly from household requirements and the consumption by thermal power-stations. This increase is accentuated by the need, particularly in France, to reconstitute stocks. Estimated requirements are therefore something like 2,500,000 metric tons above those for the second quarter.

As a result of the greater number of working days (3–5 days according to the coalfield concerned), and of continued improvement in output, it is estimated that production will be 800,000 metric tons higher than in the previous quarter. Actually, the increase would be quite noticeably greater, the holiday season notwithstanding, were it not for the fact that the normal operation of production plans in France is being jeopardized by the call-up of young miners for military service.

Imports from third countries (exclusive of the United Kingdom and the United States) show an estimated increase of 500,000 metric tons, nearly 400,000 of which will come from Poland. This would, however, appear to represent so far only a readjustment of deliveries, as the total imports for the second and third quarters together still work out at a quarterly average of between 400.000 and 450.000 tons, as it has been for some time past.

Hard-coal imports from Great Britain have been agreed at 512,000 metric tons following the latest negotiations in the Council of Association between the United Kingdom and the European Coal and Steel Community.

If it is to meet its hard-coal requirements in full, the Community will be forced to import from the United States close on 8m. metric tons, *i.e.* approximately 2m. tons more than at the beginning of the year, of which 700,000 will go to Germany and 1m. to France.

The demand for coke-oven coke remains unchanged, except in the iron and steel industry, where it is going up by a further 400,000 metric tons over the previous quarter (allowing for certain tonnages to be used in reconstituting stocks).

Carbonization, on the other hand, would seem to have reached its limits for the present, which means a deficit of roughly 400.000 metric tons in the Community's final balance-sheet for coke-oven coke.

In these circumstances, therefore, it is quite possible that the tonnages of coke-oven coke delivered to the iron and steel industry will be slightly less than the 11,600,000 metric tons which the industry has estimated it will require.

The following table shows the forecasts for the third quarter of 1956 as to the Community's production and the requirements of the various consumer, export and import sectors in respect of hard coal and hard-coal briquettes, coke-oven coke, brown-coal briquettes and low-temperature brown-coal coke.

AVAILABILITIES AND REQUIREMENTS IN SOLID FUELS IN THE COMMUNITY Third Quarter, 1956

(000 metric tons)

	Hard coal and hard-coal briquettes	Coke-oven coke	B.K.B. and low-temperature brown-coal coke
 (1) Hard-coal production	61,600	18,700	4,450
fuels	200		
(3) Collieries' own consumption	6,500	500	280
(4) Miners' coal	1,250	50	80
(5) Stocks at beginning of quarter	6,100	250	
(6) Stocks at end of quarter	6,000	200	—
(7) Additions to (+) and withdrawals from (-) stocks (6-5)	- 100	- 50	
(8) Internal availabilities $(1+2-3-4)$	54,150	18,200	4,090
 (9) Imports from— (a) third countries other than the U.S.A. (b) U.S.A. 	1,550 7,850		1,200
(c) Total	9,400		1,200
(10) Total availabilities $(8+9c)$	63,550	18,200	5,290
(11) Apparent consumption of which	62,400	17,400	5,150
(a) coking-plants	24,900		
(b) gasworks	3,100	-	_
(c) power-stations	6,200		20
(d) iron and steel industry	1,250	11,650	220
(e) other industries	10,800	2,350	1,100
(f) railways	4,750	2 - 5 - 5 - 6	50
(g) households	9,900	2,550	3,370
(12) Exports to third countries	1,850	1,200	130
(13) Total requirements	64,250	18,600	5,280

(1) Briquette production minus hard-coal consumption at the briquetting-plants.

III. Programme for Iron and Steel. Third quarter, 1956

The same method has been employed in drawing up the iron and steel programme for the third quarter of 1956 as that adopted in April of this year for the second quarter.

The sources used and the margins of error are also unchanged.⁽¹⁾

It should be added that in working out the following programme, the development of the daily production of steel, pig-iron and iron ore has been examined more closely than was the case in connexion with the previous programme. Seasonal factors, always very marked in the third quarter, have been allowed for in the extrapolations.

It has, moreover, been assumed that the iron and steel industry of the Community will not be called upon to withstand the effects of a sudden upheaval in the world steel market, such as would be caused by a considerable

⁽¹⁾ See Official Gazette of the Community, April 30, 1956, p. 149.

diminution in activity (as a result of a strike, for instance) in any of the big producing centres outside the Community.

Allowing for unavoidable errors and for the reservation just stated, it seems probable that the tightness which was observable to some extent in the iron and steel industry of the Community during the first quarter of 1956 will be slightly eased. It will, however, continue in regard to scrap.

The figures in the table appended call for the following comments.

A. STEEL

1. Demand

Orders from Community countries, after a falling-off in April, increased again in May.⁽¹⁾

Estimates as to the probable trend in industrial production and in production by the metal-processing industries indicate that *internal demand* in the Community will be only very slightly above the level for the first quarter. Apparent consumption may be expected to reach something like 11.800.000 metric tons of crude steel.

As regards *external demand*, the present level of orders on hand suggests that it will continue steady and that exports during the third quarter will be maintained at much the same level as during the first few months of the year, *i.e.* approximately 2,500,000 metric tons in crude-steel equivalent. This is, of course, on the assumption that the third countries' import requirements are not suddenly sent soaring by any out-of-the-ordinary occurrence.

2. Availabilities

If, for the purpose of forecasting the production attainable in the third quarter, we base ourselves on the *steel production* for the second quarter, which may be estimated at 13.950,000 metric tons, we must bear in mind the following three factors:

- (a) the greater number of working days in the third quarter,
- (b) the continuing expansion of the production capacity of steelworks in the Community,
- (c) the seasonal decline of daily production during the summer.

The first two factors tend to increase production by 5 per cent. and slightly over 1 per cent. respectively, and the third to reduce it by about 6 per cent. Allowing for the combined effect of these three factors, we may assume that crude-steel production in the third quarter will amount to about 14m. metric tons and if we add the probable import figure of 300,000 metric tons (in crude-steel equivalent), we obtain the same figure—14,300,000 metric tons —as for the estimated total requirements.

It should be noted that the apparent balance thus achieved may, however, be disturbed by a change either in external demand or in the rate of stockpiling within the Community.

B. PIG-IRON

Viewing the Community's blast-furnace output from the same angle, we come to the conclusion that pig-iron production in the third quarter is unlikely to exceed 10.900.000 metric tons. The ratio of pig-iron to steel production

⁽¹⁾ See Bulletin mensuel d'Information, No. 6, 1956, p. 2.

may be expected to show a further slight improvement owing to the fact that the seasonal decline is less marked in the case of pig-iron than in that of steel. This may also induce a slight reduction in scrap requirements.

External trade may also help to ease the pig-iron situation during the third quarter. Imports and exports balanced out in 1955, but in the first quarter of 1956 imports exceeded exports by 85,000 metric tons, and this figure may rise to 200,000 as a result of the suspension of Customs duties on open-hearth pig-iron as from July 1.

C. METALLURGICAL COKE

On the basis of the pig-iron and steel-production forecasts the consumption of coke by the iron and steel industry of the Community during the third quarter may be estimated at 11,250,000 metric tons. It should, however, be added that stocks at the steelworks were largely depleted during the winter, and will have to be built up again before the end of the year. The iron and steel industry will, therefore, absorb all the coke available, *i.e.* about 11,400,000 metric tons.

D. SCRAP

The programme for the last quarter forecasts an appreciable tightness in regard to scrap supplies in the Community, with 700,000 metric tons to be provided by way of imports and/or withdrawals from stocks.

During the third quarter, two new factors now emerging are likely to affect the position in opposite ways:

- (a) as regards availabilities, internal scrap recovery is undergoing a seasonal decrease;
- (b) as regards requirements, there should be a reduction in the throughput rate of scrap at the steelworks, as a result of the alreadymentioned improvement in the pig-iron/steel ratio.

The balance-sheet resulting from these factors, which is set out in the table following, indicates that import requirements will be much the same as those forecast for the second quarter, *i.e.* approximately 700,000 metric tons.

Incidentally, it will hardly be possible to reduce stocks any further. If the Community desires to become less dependent on imports—always a somewhat unreliable source—it must concentrate on stepping up its pig-iron production.

E. IRON ORE

The method employed in estimating the production of saleable ore is the same as that described for steel, so as to allow for seasonal factors.

The indications are that foreseeable requirements in the third quarter will also be met without great difficulty out of Community production and imports from third countries.

Availabilities and requirements in iron and steel products and raw materials in the Community

Third Quarter, 1956

(000,000 metric tons)

A. Crude Steel									
	Production Imports		 	$\begin{array}{c} 14 \cdot 0 \\ 0 \cdot 3 \end{array}$					
(4)	Total availabilities Apparent internal o Exports	(1 + 2) consump 	otion	$ \begin{array}{r} 14 \cdot 3 \\ 11 \cdot 8 \\ 2 \cdot 5 \end{array} $					
(6)	Total consumption	(4 + 5)		14.3					
	B. Pig-iron								
(8) (9)	Production Net imports Consumption at the Remainder availab			$ \begin{array}{c} 10 \cdot 9 \\ 0 \cdot 2 \\ 10 \cdot 0 \\ \hline \end{array} $					
(10)	ries $(7+8-9)$			1 · 1					
	C. Co	KE							
• •	Availabilities for in industry Consumption for p			11.4					
	duction ⁽¹⁾ Consumption for	other	pur-	10.9					
	poses of iron ar duction	id steel	•	0.35					
(14)	Total consumption and steel industry	of the $(12 + 1)$	iron 3)	11 · 25					

	wor	ks (1	1-14)			0.15
		I	Э. S c	RAP(²)		
(16) S (17) I					ngs 	 	$3 \cdot 55$ $2 \cdot 15$
(18) T (19) E (20) S	Blast-i	fu <mark>rn</mark> a	ce coi	ısum	ptior		$5 \cdot 7$ $1 \cdot 1$ $5 \cdot 3$
(21) T (22) F	ema port	inder s and	to be or wi	met thdra	fron	n im-	6.4
	stoc	ks (2	118)			0.7

(15) Additions to stocks at the steel-

E. IRON ORE (FE CONTENT)

(23) Production of saleable ore	5.75
(24) Consumption for pig-iron pro-	
duction (1)	8.4
(25) Steelworks consumption	01
(26) Total consumption $(24 + 25)$.	8.5
(27) Remainder to be met from net	
imports and/or withdrawals	
from stocks $(26-23)$	2.75

(1) Blast-furnaces and sintering-plants.

⁽²⁾ Exclusive of independent steel foundries.

INFORMATION

List of opinions on investment projects

(Article 54 of the Treaty)

(See Official Gazette of the Community, March 15, 1956, p. 100)

- 1. Nazionale Cogne, Turin
 - Installation of new rolling-mill for medium and light sections and rounds in coils.

Opinion issued by the High Authority on July 4, 1956.

2. Ilva Alti Forni e Acciaierie d'Italia, Genoa (Bagnoli works) Extension of power-plant; construction of new blast-furnace; extension of ancillary plant; adaptation of open-hearth steelworks to other plant; new blooming-mill; conversion of a rolling-mill for the production of wide-flanged beams.

Opinion issued by the High Authority on July 4. 1956.

- 3. Mannesmann-Hüttenwerke AG., Duisburg-Huckingen Construction of new blast-furnace; extension of plant ancillary to basic Bessemer steelworks. Opinion issued by the High Authority on July 4, 1956.
- 4. Bergwerksgesellschaft Hibernia AG., Westerholt/Polsum Sinking of central pit.
- Opinion issued by the High Authority on July 4, 1956.
- 5. Société Lorraine de Laminage Continu ("Sollac"), Paris (Sérémange works)
 - Construction of new open-hearth furnace.
- Opinion issued by the High Authority on July 11, 1956.
- 6. Société des Aciers Fins de l'Est (" Safe "), Boulogne-Billancourt Extension of electric steel-making plant.
- Opinion issued by the High Authority on July 11, 1956.
- 7. Union Sidérurgique du Nord de la France ("Usinor"), (Denain works) Replacement of an open-hearth furnace.
- Opinion issued by the High Authority on July 11, 1956.
- 8. Stahlwerke-Südwestfalen A.G., Geisweid Installation of electric-arc furnace and accessory equipment. Opinion issued by the High Authority on July 11, 1956.
- 9. Aciérie et Laminoirs de Beautor, Paris (Beautor works) Installation of open-hearth furnace; lengthening of furnace-shop; enlargement of scrap yard.
- Opinion issued by the High Authority on July 11, 1956.
- Klöckner-Mannstaedt-Werke G.m.b.H., Troisdorf Construction of low-shaft furnace with ancillary plant.
 Opinion issued by the High Authority on July 11, 1956.
- 11. Società Italiana Acciaierie Cornigliano ("Siac"), Genoa
- Replacement of obsolete open-hearth furnace.
- Opinion issued by the High Authority on July 11, 1956.

THE COMMON ASSEMBLY

FINANCIAL YEAR 1955-56 ORDINARY SESSION (PART TWO)

MINUTES OF THE SITTINGS

MINUTES OF THE SITTING OF MONDAY,

JUNE 18, 1956

M. PELLA, *President*, in the Chair The Sitting was opened at 3.10 p.m.

RESUMPTION OF THE ORDINARY SESSION

The Ordinary Session for the financial year 1955-56, which had been adjourned on May 11, was declared resumed.

SUBMISSION OF DOCUMENTS

The Assembly noted as tabled Documents Nos. 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26.

TRIBUTES

The President paid tribute to the memory of M. Jean MAROGER, member of the French Senate and of the Conseil de la République, and M. Stefano PERRIER, member of the Italian Senate, whose death had taken place since the adjournment.

Speakers: MM. MAYER, President of the High Authority, GIACCHERO, Member of the High Authority, BOGGIANO PICO and CROUZIER.

EXAMINATION OF CREDENTIALS

The Assembly confirmed the admission of M. ARMENGAUD.

ORDER OF PROCEEDINGS

On the proposal of the Committee of Presidents, the Assembly decided to fix the order of proceedings for the second part of the Ordinary Session for the financial year 1955-56 as follows:

(a) The Assembly to meet on

Monday, June 18, at 3 p.m.; Tuesday, June 19, at 2.30 p.m.; Wednesday, June 20, at 9.30 a.m. and 3 p.m.; Thursday, June 21, at 9.30 a.m. and 3 p.m.; Friday, June 22, at 2.30 p.m.; Saturday, June 23, at 9 a.m.

- (b) The debates on the various Reports during these Sittings to take place in the following order :
 - (1) debate on the Reports on economic affairs, submitted by MM. BLANK, de MENTHON, SABASS, de MENTHON, POHLE and KAPTEYN;
 - (2) debate on the Reports on matters of administration and budgeting submitted by MM. BLANK, KREYSSIG and CHARLOT;
 - (3) debate on the Reports on social affairs, submitted by MM. VANRULLEN, BERTRAND and BIRKELBACH;
 - (4) debate on the Reports on political issues, submitted by MM. STRUYE and GOZARD;
 - (5) debate on the Report by the Common Assembly to the Consultative Assembly of the Council of Europe, submitted by M. STRUYE.

In reply to a question by M. MUTTER, the President stated that each Report would be followed by a debate, but that any Resolutions moved would be debated at the end of the Session. *i.e.* probably on the Saturday morning.

PRESENTATION OF REPORT BY M. BLANK,

on behalf of the Common Market Committee, on Chapter Four-"Application of the Transitional Provisions"—of the Fourth General Report on the Activities of the Community (April 11, 1955 to April 8, 1956).

Speaker: M. BLANK, Rapporteur.

DEBATE ON REPORT BY M. BLANK

Speakers: MM. CARBONI and De SMET.

M. FOHRMANN, Vice-President, in the Chair.

Speaker in the resumed debate: M. ETZEL, First Vice-President of the High Authority.

The debate on the Report by M. BLANK was declared closed.

PRESENTATION OF INTRODUCTORY REPORT BY M. de MENTHON,

on behalf of the Committee on Investments, Financial Questions and Production Development, on the General Objectives and on coal policy (Chapter Six, Section 1 of the Fourth General Report).

Speaker: M. de MENTHON, Rapporteur.

DEBATE ON REPORT BY M. de MENTHON

Speakers: MM. BLAISSE. MUTTER, BLANK, KREYSSIG, COPPE, Second Vice-President of the High Authority, BLAISSE and MAYER, President of the High Authority.

The debate on the General Objectives and on coal policy was interrupted to be resumed at a later Sitting.

PRESENTATION OF REPORT BY M. SABASS,

on behalf of the Common Market Committee, on co-operation between the High Authority and the member governments, as described in the Fourth General Report.

Speaker: M. SABASS, Rapporteur.

DEBATE ON REPORT BY M. SABASS

Speakers: MM. KOPF, COPPE, Second Vice-President of the High Authority, and SABASS.

Upon proposal by M. de MENTHON, the Assembly decided not to close the debate, in order that it might hear any comments which the members of the Special Council of Ministers might wish to put forward.

AGENDA OF THE NEXT SITTING

The President informed the Assembly that the next Sitting would be held on Tuesday, June 19, at 2.30 p.m., with the following agenda:

- (a) resumption of the debate on the Report by M. SABASS (Document No. 20);
- (b) presentation of and debate on the Report by M. de MENTHON on the Community's finance and investment policy (Document No. 21);
- (c) presentation of and debate on the Report by M. POHLE on the general development and operation of the Common Market, and on improvements in conditions of competition (Document No. 18);
- (d) presentation of and debate on the Report by M. KAPTEYN on transport problems in the Community (Document No. 15).

The Sitting was closed at 7.35 p.m.

MINUTES OF THE SITTING OF TUESDAY, JUNE 19, 1956

M. PELLA, *President*, in the Chair. The Sitting was opened at 2.45 p.m.

MINUTES

The Minutes of the previous Sitting were adopted.

POINT OF ORDER

as to the setting-up of an Editorial Committee.

Speakers: MM. SASSEN, KREYSSIG, PUENDER, MARGUE, FOHRMANN, KREYSSIG, SASSEN and KREYSSIG.

The Assembly decided to refer to the Committee of Presidents the question whether an Editorial Committee should be set up to draft a Resolution or Resolutions for submission to the Assembly upon the completion of the debates on the High Authority's General Report. Since the Committee of Presidents would meet to discuss the matter on Wednesday, June 20, at 12.30 p.m., the Assembly decided that the Sitting on that day should be opened at 9 a.m.

SUBMISSION OF DOCUMENT

The Assembly noted as tabled Document No. 28.

APPOINTMENT TO COMMITTEE

The Assembly appointed M. ARMENGAUD a member of the Committee on Investments, Financial Questions and Production Development, in succession to the late M. MAROGER.

RESUMPTION OF THE DEBATE ON DOCUMENT No. 20,

the Report by M. SABASS, on behalf of the Common Market Committee, on co-operation between the High Authority and the member governments, as described in the Fourth General Report.

Speakers : MM. CORTESE, President of the Special Council of Ministers, SABASS, FOHRMANN, COPPE, Second Vice-President of the High Authority, SABASS, CORTESE, KREYSSIG, CORTESE, SABASS, BIRKELBACH and MAYER, President of the High Authority.

The debate on the Report by M. SABASS was declared closed.

PRESENTATION OF REPORT BY M. de MENTHON

(Document No. 21), on behalf of the Committee on Investments, Financial Questions and Production Development, on the Community's finance and investment policy (Chapter Six, Sections 2 and 3, and Annex on Finance, in the Fourth General Report).

Speaker: M. de MENTHON, Rapporteur.

DEBATE ON REPORT BY M. de MENTHON

Speaker : M. BLAISSE.

M. VIXSEBOXSE, Vice-President, in the Chair.

Speakers in the resumed debate: MM De SMET, CROUZIER and POHLE, MM. POTTHOFF and DAUM, *Members of the High Authority*, M. de MENTHON, M. MAYER, *President of the High Authority*.

The debate on the Report by M. de MENTHON was declared closed.

ORDER OF PROCEEDINGS

The Assembly decided to discuss at its current Sitting the Report by M. POHLE (Document No. 18), and to postpone until the following day (Wednesday), for attention after the Reports on matters of administration and budgeting (Documents Nos. 22, 23 and 24), the presentation of and debate on the Report by M. KAPTEYN on transport problems in the Community (Document No. 15).

PRESENTATION OF REPORT BY M. POHLE

(Document No. 18), on behalf of the Common Market Committee, on Chapters Three and Five of the Fourth General Report, "General Development of the Common Market" and "The Operation of the Common Market and Improvements in Conditions of Competition."

Speaker: M. POHLE, Rapporteur.

DEBATE ON REPORT BY M. POHLE

Speakers : MM. CAVALLI, GOZARD, NEDERHORST and LAPIE. M. PELLA, *President*, in the Chair.

Speakers in the resumed debate: MM. KREYSSIG, interim chairman of the Common Market Committee, KAPTEYN and ETZEL, First Vice-President of the High Authority.

The debate on the Report by M. POHLE was declared closed.

AGENDA OF THE NEXT SITTING

The President informed the Assembly that the next Sitting would be held on Wednesday, June 20, at 9 a.m. and 3 p.m., with the following agenda:

- (a) Reports by MM. BLANK (Document No. 22), KREYSSIG (Document No. 23) and CHARLOT (Document No. 24), on matters of administration and budgeting;
- (b) Report by M. KAPTEYN (Document No. 15) on transport problems in the Community :
- (c) Reports by MM. VANRULLEN (Document No. 25), BERTRAND (Document No. 26) and BIRKELBACH (Document No. 19) on social affairs.

The Sitting was closed at 8.55 p.m.

MINUTES OF THE SITTING OF WEDNESDAY, JUNE 20, 1956

M. PELLA, President, in the Chair.

The Sitting was opened at 9.10 a.m.

MINUTES

The Minutes of the previous Sitting were adopted.

SUBMISSION OF DOCUMENTS

The Assembly noted as tabled Documents Nos. 27 and 29.

PRESENTATION OF REPORT BY M. BLANK

(Document No. 22), on behalf of the Committee on the Budgeting and Administration of the Community and the Common Assembly. on the accounts of the four institutions of the Community for the third financial year ending June 30, 1955, and on the half-yearly reports of the four institutions for the first six months of the financial year 1955–56 (ending December 31, 1955).

Speaker: M. BLANK, Rapporteur.

DEBATE ON REPORT BY M. BLANK

Speakers: MM. MAYER, President of the High Authority, SASSEN, BLANK and MAYER.

The Assembly adopted the following Resolution on the Supplementary Budget Estimates :

"THE COMMON ASSEMBLY,

Recalling that under Article 78, 5 of the Treaty any Supplementary Budget Estimates are subject to the same rules as the General Estimates;

Noting that in submitting its Supplementary Budget Estimates for the financial year 1955–56, the High Authority has not observed the same rules as govern the General Budget Estimates;

Insists that in future the provisions of Article 78, 5 shall be observed whenever Supplementary Budget Estimates are submitted."

PRESENTATION OF REPORT BY M. KREYSSIG

(Document No. 23), on behalf of the Committee on the Budgeting and Administration of the Community and the Common Assembly, on the Auditor's third report for the year ending June 30, 1955.

Speaker: M. KREYSSIG, Rapporteur.

DEBATE ON REPORT BY M. KREYSSIG

Speakers : MM. FINET, Member of the High Authority, and KREYSSIG.

The Assembly adopted the following Resolution on the Auditor's third report:

"THE COMMON ASSEMBLY

Takes cognizance of the Auditor's Report for the third financial year, ending June 30, 1955;

Approves the Report of the Committee on the Budgeting and Administration of the Community and the Common Assembly on the Auditor's third report;

Adopts the account of the Secretary-General and Secretariat of the Common Assembly for the financial year 1954-55, closed at Bfrs. 54.938.864.

"THE COMMON ASSEMBLY

Notes with satisfaction that the time-limit set for the submission of the Auditor's Report under Article 78, 6 of the Treaty has this year been respected. in accordance with the expressed wish of the Assembly ;

Trusts that the High Authority will henceforth in all matters of budgeting abide strictly by the provisions of the Treaty."

PRESENTATION OF REPORT BY M. CHARLOT

(Document No. 24), on behalf of the Committee on the Budgeting and Administration of the Community and the Common Assembly, on the General Budget Estimates of the Community for the fifth financial year 1956–57.

Speaker : M. CHARLOT, *Rapporteur*. M. PUENDER, *Vice-President*, in the Chair.

DEBATE ON REPORT BY M. CHARLOT

Speakers: MM. MAYER, President of the High Authority, WIGNY, MAYER and CHARLOT.

The Assembly adopted the following Resolution on the administrative expenditure of the Community:

"THE COMMON ASSEMBLY

Recognizing the need for full and continuous parliamentary supervision;

Recalling its earlier Resolutions on matters of budgeting and administration;

Notes with satisfaction that the appropriations in the Budget Estimates of the Common Assembly and the Court of Justice are decreasing, and those of the Council more or less unchanged;

Takes cognizance of the High Authority's statements on action taken or at present under examination by it for the purpose of stabilizing its administrative expenditure, having due regard to all the activities it is called upon to undertake;

Trusts that the High Authority will submit to the Common Assembly each year a Budget Estimate of the financial requirements of the European Coal and Steel Community and the purposes for which they are allocated."

PRESENTATION OF REPORT BY M. KAPTEYN

(Document No. 15), on behalf of the Transport Committee, on transport problems in the Community, with special reference to Nos. 144–156 of the Fourth General Report.

Speaker : M. KREYSSIG, Rapporteur.

DEBATE ON REPORT BY M. KAPTEYN

Speakers: MM. CARBONI and BATTISTA.

M. PELLA, President, in the Chair.

Speakers in the resumed debate : MM. PUENDER, WIGNY, MUTTER and STRUYE.

The Sitting was suspended at 12.45 p.m.

The Sitting was resumed at 3.20 p.m.

Speakers in the resumed debate: MM. SPIERENBURG, Member of the High Authority, STRUYE, MARGUE, WIGNY, MAYER, President of the High Authority, CARBONI. WIGNY and KAPTEYN.

The debate on the Report by M. KAPTEYN was declared closed.

M. PUENDER, Vice-President, in the Chair.

POINT OF ORDER

as to the debate on the Reports on social affairs (Documents Nos. 25, 26 and 19).

Upon proposal by M. NEDERHORST, the Assembly decided that the three Reports on social affairs should be debated together after they had all been presented.

PRESENTATION OF REPORTS

(a) by M. VANRULLEN (Document No. 25), on behalf of the Social Affairs Committee, on Chapter Seven of the Fourth General Report;

(b) by M. BERTRAND (Document No. 26), on behalf of the Social Affairs Committee, on problems relating to the readaptation of workers employed in the industries of the Community;

(c) by M. BIRKELBACH (Document No. 19), on behalf of the Sub-Committee set up under paragraphs 23 and 24 of the Resolution of May 13, 1955, concerning social questions, on the possibilities open to the High Authority as regards granting financial assistance for the building of workers' houses.

Speakers: MM. VANRULLEN, BERTRAND and BIRKELBACH, *Rapporteurs*.

DEBATE ON REPORTS

(a) by M. VANRULLEN;

(b) by M. BERTRAND;

(c) by M. BIRKELBACH.

Speaker : Mlle KLOMPE.

SUBMISSION OF DOCUMENT

The Assembly noted Document No. 30 as tabled, and decided to refer it to the Committee on Political Affairs and the External Relations of the Community.

AGENDA OF THE NEXT SITTING

The President informed the Assembly that the next Sitting would be held on Thursday, June 21, at 9 a.m. and 3 p.m., with the following agenda:

- (a) resumption of the debate on the Reports by MM. VANRULLEN, BERTRAND and BIRKELBACH on social affairs (Documents Nos. 25, 26 and 19);
- (b) presentation of and debate on the Report by M. STRUYE (Document No. 27) on the external relations of the Community;

(c) presentation of and debate on the Interim Report by M. GOZARD (Document No. 28) on certain institutional aspects of the development of European integration. 1

The Sitting was closed at 6.40 p.m.

MINUTES OF THE SITTING OF THURSDAY, JUNE 21, 1956

M. PELLA, President, in the Chair.

The Sitting was opened at 9.5 a.m.

MINUTES

The Minutes of the previous Sitting were adopted.

RESUMPTION OF THE DEBATE

on the Reports by MM. VANRULLEN, BERTRAND and BIRKELBACH on social affairs (Documents Nos. 25, 26 and 19).

Speakers: MM. BIRKELBACH, BERTRAND and KOPF.

M. MOTZ, Vice-President, in the Chair.

Speakers in the resumed debate : MM. FINET and POTTHOFF, Members of the High Authority, NEDERHORST, BERTRAND, BIRKELBACH. VANRULLEN, FINET and POTTHOFF.

The debate on the Reports by MM. VANRULLEN, BERTRAND and BIRKELBACH was declared closed.

The Sitting was suspended at 12.45 p.m.

M. PELLA, President, in the Chair.

The Sitting was resumed at 3.15 p.m.

SUBMISSION OF DOCUMENT

The Assembly noted Document No. 31 as tabled.

PRESENTATION OF REPORT BY M. STRUYE

(Document No. 27), on behalf of the Committee on Political Affairs and the External Relations of the Community, on Chapter Two of the Fourth General Report, "The External Relations of the Community."

Speaker: M. STRUYE, Rapporteur.

DEBATE ON REPORT BY M. STRUYE

Speaker: M. FURLER.

M. VANRULLEN, Vice-President, in the Chair.

Speakers in the resumed debate: MM. BIRKELBACH, MARGUE, SPIERENBURG, Member of the High Authority, KREYSSIG, STRUYE, KOPF, SPIERENBURG and MAYER, President of the High Authority. The Assembly adopted the following Resolution concerning the setting-up of a Parliamentary Committee in connexion with the Council of Association :

"THE COMMON ASSEMBLY,

Considering the satisfactory development of the work of the Council of Association in recent months;

Considering that the introduction of certain responsibilities and contacts at parliamentary level would reinforce the intimate and enduring nature of the Association;

Recalls the suggestions made to this effect at the joint meeting of the Consultative Assembly and the Common Assembly, and in the House of Commons;

Invites the High Authority to propose to the Council of Association that a Joint Parliamentary Committee be set up to act in a consultative capacity, consisting of nine British Members of Parliament and nine members of the Common Assembly, and having such powers as may be decided by the Council of Association after consultation with the Common Assembly and the British authorities concerned;

Instructs the Committee on Political Affairs and the External Relations of the Community to contact the High Authority with a view to working out whatever procedure may be necessary for the implementation of this Resolution."

PRESENTATION OF INTERIM REPORT BY M. GOZARD

(Document No. 28), as part of the studies of the Working Party, on certain institutional aspects of the development of European integration.

Speaker: M. GOZARD, Rapporteur.

DEBATE ON REPORT BY M. GOZARD

Speaker: M. CARON.

M. FOHRMANN, Vice-President, in the Chair.

Speakers in the resumed debate : MM. KOPF, KREYSSIG, BERTRAND and MOTZ, Chairman of the Working Party.

The debate on the Report by M. GOZARD was declared closed.

AGENDA OF THE NEXT SITTING

The Assembly decided that the Sitting of Friday, June 22, should be opened at 3.30 p.m.

At that Sitting, the Assembly would deal with the last items on the agenda for the Ordinary Session 1955-1956, viz.

- (a) debate on the Resolutions submitted by the various Committees;
- (b) examination of the Report to the Consultative Assembly of the Council of Europe on the activities of the Common Assembly.

The Sitting was closed at 5.55 p.m.

MINUTES OF THE SITTING OF FRIDAY, JUNE 22, 1956

M. VANRULLEN, *Vice-President*, in the Chair The Sitting was opened at 3.35 p.m.

MINUTES

The Minutes of the previous Sitting were adopted.

SUBMISSION OF DOCUMENTS

The Assembly noted as tabled Documents Nos. 32, 33, 34, 35, 37 and 38.

ORDER OF PROCEEDINGS

The Assembly decided to debate, in addition to the items already on the agenda,

- (a) the Report by M. BERTRAND on the Resolution moved by M. SCHIAVI concerning social action on behalf of the workers in the Community (Document No. 35);
- (b) the Report by M. FURLER on the Resolution moved by M. CARBONI concerning the venue of the next Session (Document No. 37).

SUBMISSION OF DOCUMENT

The Assembly noted Document No. 36 as tabled, and decided that it should be debated during the current Sitting and not referred to a Committee beforehand.

PRESENTATION OF SUPPLEMENTARY REPORT BY M. De SMET

(Document No. 32) on behalf of the Common Market Committee, on Chapters Three and Five of the Fourth General Report, "General Development of the Common Market" and "The Operation of the Common Market and Improvements in Conditions of Competition."

Speaker: M. De SMET, Rapporteur.

DEBATE ON SUPPLEMENTARY REPORT BY M. De SMET

Speakers: MM. de MENTHON, De SMET, ARMENGAUD, SASSEN and NEDERHORST.

ADOPTION OF RESOLUTION MOVED BY COMMON MARKET COMMITTEE

MM. PLEVEN and De SMET spoke to Point 5 of the draft Resolution and to Amendment No. 1 thereto moved by MM. BLANK, MUTTER and PLEVEN.

Amendment No. 1 was adopted.

MM. NEDERHORST and de MENTHON spoke to Point 7a.

Point 7a was not adopted.

M. NEDERHORST spoke to Points 8 and 9.

The Assembly decided, Article 28, 2 of the Rules of Procedure notwithstanding, to put to the vote the amendment moved by MM. De SMET and KREYSSIG inserting a further point after point 10 of the draft Resolution.

The amendment moved by MM. De SMET and KREYSSIG was adopted.

M. NEDERHORST spoke to the whole of the Resolution, in explanation of his vote.

The Assembly adopted the Resolution concerning the problems of the Common Market with the following wording :

"THE COMMON ASSEMBLY,

Having taken cognizance of the Fourth General Report on the Activities of the Community (April 11, 1955–April 8, 1956);

Having heard the statement by the President of the High Authority; Having regard to the debates in the Assembly;

(1)—Notes with satisfaction that the development of the Common Market shows an appreciable advance towards the establishment of a single large economic area, that trade in the products coming under the Community's jurisdiction has increased more markedly than trade in other products, and that the Common Market has helped to steady the rate of increase in production and consumption;

(2)—Emphasizes the imperative necessity for the governments of the six member States to harmonize their economic policies in order to benefit by all the advantages of the Common Market;

(3)—Requests the High Authority to work, in accordance with its obligations under Article 3, c of the Treaty, for a stabilization of the prices of Community products, and to this end to make use of all the powers conferred upon it;

(4)—Stresses that the consumers of the Community must be adequately and equitably supplied with coal, and recommends that action be taken to ensure that the price of imported coal is kept as low as possible;

(5)—Considers that the High Authority must do everything necessary to improve the coal position of the Community and to ensure a more rational utilization of the coal produced ;

(6)—Endorses the High Authority's warnings concerning coke and scrap supplies, deplores the fact that in the absence of agreement between the governments the critical scrap situation continues, which does not make it any easier to find a solution, and hopes that the new regulations in respect of imported scrap will serve to reduce scrap consumption;

(7)—Assures the High Authority of its support for its endeavours to eliminate administrative and governmental practices contravening the Treaty;

(8)—Considers that it will not be possible to pronounce on the reorganization of the cartels in the Common Market until the new organizations have been in operation for some time;

(9)--Requests the High Authority, notwithstanding, to see that the new organizations respect the decisions whereby they were authorized;

(10)—Trusts that the High Authority will speedily produce a solution in conformity with the Treaty regarding all agreements and cartels not yet dealt with;

(11)—Approves the conclusions of the Report by M. Blank on the application of the Transitional Provisions."

PRESENTATION OF SUPPLEMENTARY REPORT BY M. de MENTHON

(Document No. 31), on behalf of the Committee on Investments, Financial Questions and Production Development, on

- (a) the Community's finance and investment policy (Chapter Six, Sections 2 and 3, and Annex on Finance, in the Fourth General Report);
- (b) the general objectives and coal policy (Chapter Six, Section 1, of the Fourth General Report).

Speaker: M. de MENTHON, Rapporteur.

DEBATE ON SUPPLEMENTARY REPORT BY M. de MENTHON

and on the Resolution moved by the Committee on Investments, Financial Questions and Production Development.

Speakers: MM. ARMENGAUD, de MENTHON, DAUM, Member of the High Authority, and FURLER.

MM. de MENTHON and ARMENGAUD spoke to Point 6.

The Assembly adopted the following Resolution on the Community's finance and investment policy and on the general objectives and long-term policy:

"THE COMMON ASSEMBLY,

(1)—Notes, firstly, that there is an undoubted lack of balance in the development of the various sectors of the iron and steel industry, and in the development of the iron and steel industry in relation to coke production,

and secondly, that, mainly because there are still difficulties in regard to financing them, the overall volume of capital schemes remains inadequate, not only in the coking-plants and collieries, but also in the iron and steel industry in respect of pig-iron production;

Reminds the High Authority. in view of these considerations, that the Treaty lays down a well-defined task, with the means to be employed, for promoting the co-ordinated development of investments;

Emphasizes how important it is for the future of the Community that the High Authority should fulfil this task, since it has been given the powers it requires to do so;

(2)—Deplores the delay in defining the general objectives and working out the long-term policy to be followed, and insists that the High Authority should produce these by October of this year :

Requests the High Authority to examine the findings of the experts with the Investments Committee before making any decision;

(3)—Notes that the High Authority is using the channels of information and notification open to it to caution the industries and governments of the Community as to the lack of balance between coke, pig-iron, steel and rolling-mill production capacities, and to stress the danger of the present inadequacy of investment in the collieries, coking-plants and blastfurnaces and the need to develop all capital schemes likely to bring about a decrease in the scrap requirements of the iron and steel industry;

Urges most seriously upon the industries and the governments the importance of these difficulties which may slow down the economic expansion still as essential as ever for the countries of the Community ;

(4)—Points out, firstly, that the High Authority's credit today is such as to afford it considerable opportunities for contracting loans, and secondly, that its financial contribution to technical and social schemes in the Community is not merely valuable but indispensable if it is to promote the co-ordinated development of investments;

Expresses satisfaction at the loan raised in the Swiss capital market, which can be allocated in the coming weeks to assist the most urgent capital schemes;

Hopes that further loans will be raised by the High Authority as speedily as possible;

Requests the High Authority also to increase its financial assistance for the building of workers' houses;

and to endeavour to arrange for additional credits to be advanced by banks to Community enterprises at a reduced rate of interest;

(5)—Considers that the action taken by the High Authority to implement the provisions of Article 54. fourth paragraph, of the Treaty is insufficient in scope,

and requests it to re-examine, in the light of the first few months' experience, how it may more effectively employ the procedure for compulsory notification of capital schemes and the issuing of optional opinions by the High Authority :

(6)—Takes cognizance of the promised action by the High Authority to extend its work regarding readaptation and assistance for technical research, and hopes that more and more of the Community's available receipts will be employed for these purposes :

Requests the High Authority to prepare a document showing all technical research projects now in hand in the industries of the Community, and the ever-increasing efforts it is having to make to co-ordinate. stimulate and encourage such projects."

PRESENTATION OF SUPPLEMENTARY REPORT BY M. BERTRAND,

on behalf of the Social Affairs Committee, on

- (a) Chapter Seven of the Fourth General Report;
- (b) problems relating to the readaptation of workers in the industries of the Community;
- (c) the possibilities open to the High Authority as regards granting financial assistance for the building of workers' houses.

Speaker: M. BERTRAND. Rapporteur.

ADOPTION OF RESOLUTION MOVED BY SOCIAL AFFAIRS COMMITTEE

The Assembly adopted the following Resolution on social questions :

"THE COMMON ASSEMBLY,

Having regard to the General Report of the High Authority and the reports thereon by the Committees;

Having heard the debates on the matter;

(1)-Reaffirms its Resolutions of May 13, 1955, and May 24, 1955;

(2)—Considers as incomplete any account of the Community's economic situation which gives no place, or insufficient place, to the social position of the workers and trusts that the High Authority will in future draw up its General Report and other statements with due regard for this point;

(3)—Notes that there is in both the collieries and the iron and steel industry a growing shortage of manpower, and more particularly of skilled workers, and points out that the High Authority is called upon by its obligations regarding the regular supply of manpower in the Community to take such action as may be necessary to ensure this, by common agreement with the governments;

Emphasizes that this is particularly important in view of the increasing disinclination to enter the mining profession, and that special action is called for, particularly in regard to general working conditions and vocational training;

(4)—Expresses strong disapproval of the fact that Article 69 of the Treaty has still not been implemented, and requests that the High Authority approach the government of one of the member States specially, to ensure that the agreement of December 8, 1954, concerning freedom of movement for workers (which is in any event inadequate to its purpose) shall be put into effect;

(5)—States that failure to authorize freedom of movement for workers is a reflection on the very essence of the Common Market and the Community, particularly as the question of implementing Article 69. 4 of the Treaty is also involved :

(6)—Points out that to facilitate freedom of movement for workers it will be necessary to make careful preparations for the actual migration, and to prepare the migrant workers themselves for the new conditions under which they will be living;

(7)—Notes with approval that the High Authority has contacted the workers' and employers' organizations direct, and considers that this step may make for speedier harmonization of working conditions;

(8)—Expresses its satisfaction at the High Authority's decision

- (a) to contribute a further sum of not less than twenty-five million dollars for financing the building of workers' houses, for the benefit both of miners and of workers in the iron and steel industry,
- (b) to increase the amount of the settling-in allowance payable to workers covered by the readaptation scheme who are prepared to use this allowance to build a house,

(c) to launch a second experimental workers' housing programme as soon as the results of the first are known;

(9)—Deplores the inadequacy of the efforts made to do away with hutted camps, and strongly urges that the High Authority, in agreement with the governments and enterprises concerned, should draw up a building scheme to replace these camps in the near future by ordinary decent accommodation;

(10)—Requests its Social Affairs and Investments Committees to continue investigating possibilities open to the High Authority for granting financial assistance for the building of workers' houses, especially in view of the fact that the number of housing units to be built for miners under the High Authority's present scheme is only about 12,000, which represents approximately one-tenth of the miners' actual requirements, to say nothing of those of the steelworkers;

(11)—Approves the High Authority's undertaking, in accordance with Article 55 of the Treaty, to devote one million two hundred thousand dollars, spread over four years, to the financing of various research projects in the field of industrial health and medicine, and requests it to take similar action in regard to industrial safety ;

(12)—Deplores the High Authority's inadequate action in regard to readaptation, and accordingly once again urges it when dealing with applications from governments to show greater firmness and respect for the spirit of Section 23 of the Convention and Article 56 of the Treaty;

(13)—Recommends the High Authority to take all action which will ensure that the employers and the workers' organizations are better informed as to the possibilities open to them under the Treaty as regards readaptation;

(14)—Requests the High Authority in future to supervise more actively the implementation of readaptation measures on the spot, by, for instance, sending representatives of its own with instructions to establish direct contact both with the governments and with the enterprises and democratic workers' organizations :

(15)—Hopes that the High Authority, the governments and all others concerned will do whatever may be necessary to ensure that workers are given the chance of re-employment on the spot, such re-employment to take priority over any transfer of labour;

(16)—Draws attention once again, still more forcibly, and having regard also to the conclusions of the Venice Conference, to paragraph 17 of its Resolution of May 13, 1955, and accordingly requests the High Authority to continue its work in this field in co-operation with the Social Affairs Committee, and to draft such amendments to the Treaty as may be required on the expiry of the transition period for the effective implementation of its readaptation measures."

PRESENTATION OF REPORT BY M. BERTRAND

(Document No. 35), on behalf of the Social Affairs Committee, on a Resolution moved by M. SCHIAVI concerning social action on behalf of the workers in the Community.

Speaker : M. BERTRAND, Rapporteur.

M. PELLA, President, in the Chair.

ADOPTION OF RESOLUTION MOVED BY SOCIAL AFFAIRS COMMITTEE

The Assembly adopted the following Resolution concerning social action on behalf of the workers in the Community:

"THE COMMON ASSEMBLY

Recognizes the need to develop on as extensive a scale as possible all social action on behalf of the workers in the coalmining and iron and steel industries, particularly by means of a programme of social action encouraging employers and workers to try to get general social requirements catered for (e.g. opportunities for family recreation, cultural activities, holidays, etc.);

Requests the High Authority, accordingly, to work out such a scheme and have it put into effect."

PRESENTATION OF SUPPLEMENTARY REPORT BY M. KAPTEYN

(Document No. 34), on behalf of the Transport Committee, on transport problems in the Community, with special reference to Nos. 144–156 of the Fourth General Report.

Speaker: M. KAPTEYN, Rapporteur.

ADOPTION OF RESOLUTION MOVED BY TRANSPORT COM-MITTEE

The Assembly adopted the following Resolution concerning transport problems in the Community, as amended by Amendment No. 1, moved by M. KAPTEYN :

"THE COMMON ASSEMBLY

Emphasizes once again that the finding of satisfactory solutions for problems of transport is of vital importance to the development of the Common Market and the very existence of the Community;

Requests the High Authority to see to it that the discriminations resulting from the application of Articles 127, 257 and 260 of the French Customs Code are done away with as quickly as possible :

Welcomes the introduction of international railway through-rates in respect of iron and steel products and scrap;

Welcomes also the forthcoming conclusion of an agreement with the Federal Council of the Swiss Confederation concerning the introduction of international through-rates in respect of transit traffic through Switzerland, and hopes that negotiations will be opened as soon as possible with the Austrian Federal Republic with a view to the conclusion of a similar agreement in respect of transit traffic through Austria ;

Notes with regret the delay in regard to the introduction of through-rates for road and inland-water transport, and in regard to harmonization;

Welcomes the initiative taken by the High Authority to work out a solution to the long-standing problem of disparities in inland water-transport rates;

Hopes that the Ad-Hoc Committee set up by the Special Council of Ministers will, within the specified time-limit, submit satisfactory proposals concerning this matter, and repeats that it can under no circumstances approve any arrangement involving the establishment of cartels;

Trusts that it will soon be informed as to the results of the work to draw up a uniform system of transport statistics, and requests the High Authority to intensify its efforts in this regard;

Points out the importance of the obligation to publish contained in the Treaty, an obligation which it is particularly essential to have respected in regard to road haulage, and welcomes the agreement reached in principle with the Italian Government whereby road hauliers will also be covered by the obligation to publish;

Trusts that action will be taken to speed up the examination of special tariffs, and in particular of supporting tariffs;

Requests the High Authority to reconsider its views on co-ordination, with special reference to the provisions of Article 70, fifth paragraph, of the Treaty and of Section 10, third and sixth paragraphs, of the Convention containing the Transitional Provisions;

Requests its members to work in their own national parliaments for a satisfactory solution to the problems listed above."

PRESENTATION OF REPORT BY M. FURLER

(Document No. 37), on behalf of the Committee on Political Affairs and the External Relations of the Community, on the Resolution moved by M. CARBONI concerning the venue of the next Session.

Speaker: M. FURLER, Rapporteur.

ADOPTION OF RESOLUTION MOVED BY POLITICAL AFFAIRS COMMITTEE

The Assembly adopted the following Resolution concerning the venue of its first Session after the Constituent Session for the financial year 1956-57:

"THE COMMON ASSEMBLY

Expresses the desire that the first Session after the Constituent Session for the financial year 1956-57 should be held in Rome."

DEBATE ON RESOLUTION MOVED

by MM. OLLENHAUER, KREYSSIG, FOHRMANN, VANRULLEN, De BLOCK and NEDERHORST and the Socialist Group (Document No. 36).

Speakers: MM. BERTRAND, KREYSSIG, RIP, SASSEN, FINET, Member of the High Authority, KREYSSIG, MAYER, President of the High Authority, BERTRAND, RIP, ARMENGAUD, KREYSSIG, STRUYE, De SMET, GAILLY, BERTRAND, KAPTEYN, MLLE. KLOMPÉ, MM. FINET, Member of the High Authority, KREYSSIG, MAYER, President of the High Authority, and KREYSSIG.

The Assembly decided to refer the Resolution to the Committees on the Common Market, on Investments, Financial Questions and Production Development, and on Social Affairs.

STATEMENTS

by MM. KREYSSIG, interim chairman of the Socialist Group, SASSEN, chairman of the Christian Democrat Group, and MOTZ, interim chairman of the Liberal and associate Group.

Speakers: MM. KREYSSIG, on behalf of the Socialist Group, MAYER. President of the High Authority, SASSEN, KREYSSIG, STRUYE, GAILLY, MAYER and DOLLINGER.

The Sitting was suspended at 6.25 p.m.

The Sitting was resumed at 6.50 p.m.

Speakers: MM. SASSEN, on behalf of the Christian Democrat Group. and MOTZ, on behalf of the Liberal Group.

DEBATE ON THE DRAFT REPORT TO THE CONSULTATIVE ASSEMBLY

of the Council of Europe on the activities of the Common Assembly from July 1, 1955, to June 30, 1956 (Document No. 38).

Speakers: MM. STRUYE, Rapporteur, and KREYSSIG.

The Assembly adopted the draft Report submitted by M. STRUYE and approved by the Committee of Presidents, on the understanding that it would be supplemented to include an account of the proceedings at the current Session and that M. STRUYE would be responsible for upholding it.

DECISIONS CONCERNING THE FIRST EXTRAORDINARY SESSION OF THE COMMON ASSEMBLY FOR THE FINANCIAL YEAR 1956-57

It was decided that the Assembly should hold its first Extraordinary Session for the financial year 1956–57 in Strasbourg, starting on Tuesday, November 27, 1956.

This Session would fall into two parts.

The agenda for the first part, which would probably continue up to November 30, inclusive, would comprise

- (a) the constituent proceedings of the Common Assembly and its Committees;
- (b) the debate on certain reports now in preparation or already prepared, relating more particularly to information problems and to the Equirepresentative Committees.

The Assembly would probably be informed of the stage reached in the negotiations concerning Euratom and the General Common Market.

The second part of the Session, the date of which the Assembly would then be called upon to settle, in agreement with the President of the High Authority, would be devoted mainly to a debate on the General Objectives.

ADDRESS BY THE PRESIDENT

The President expressed his thanks to the Bureau, the delegates and the High Authority, and to the Secretariat of the Common Assembly. Speaker: M. STRUYE.

MINUTES

The Assembly adopted the Minutes of this Sitting.

END OF THE ORDINARY SESSION

The Ordinary Session for the financial year 1955–56 was declared closed. The Sitting was closed at 7.30 p.m.

Annex to the Official Gazette

QUESTIONS AND REPLIES

QUESTION No. 32, put by M. Paul Struye, Member of the Common Assembly

(June 4, 1956)

A Brussels newspaper on June 1 of this year published an article on the European Coal and Steel Community's relations with the Press, which contained the following passage :

"It can no longer be denied today that the Community in general, and the High Authority in particular, is spending more and more on getting journalists to follow the debates in the Common Assembly and to attend study meetings, Press conferences and other functions.

"To win over the papers—and not the least influential ones at that it has no hesitation in paying the journalists' travel expenses. It even offers them a per diem allowance which more than covers their hotel and subsistence expenses.

"Of course, not all papers accept this kind of windfall, but most of the journalists at, for instance, the sessions of the Common Assembly in Strasbourg have not felt obliged to decline the High Authority's offer.

"And the High Authority uses other channels of 'information,' too. Thus, journalists are invited to write articles on such-and-such an aspect of the Community or its activities. The Community buys these articles and pays for them to be published in various periodicals. This it does either by actually paying direct for the space used, or by buying or distributing a certain number of copies. "It has been known for the Community to buy whole pages in certain papers. These pages are devoted to the Community, and the text-matter to be printed there—presented as if it had been written by the staff of the paper—is provided by the Community.

"We have it on personal authority that two French dailies have agreed to publish a whole page on the Community, one of them at a rate of one million French francs, and the other at a still higher figure, while a French weekly which circulates in Belgium with a special Belgium page has also published a whole page on the Community, though at a much lower rate in view of its limited circulation."

The same article mentions a recent meeting of the International Federation of Journalists in Baden-Baden, at which the head of the information service of the Council of Europe is reported as having raised the problem of the relations of international organizations with the Press, from the point of view of journalistic ethics. This important official is quoted as saying:

"Certain international institutions are making a general practice of paying journalists' travel expenses. I do not refer to routine inspections of plant, or comprehensive organized reportages on industrial or military affairs : I mean paid trips to attend international meetings. This practice arises out of the fact that many papers cannot afford the ever-increasing expense involved in covering the field of international politics. The big papers can well afford to spurn this kind of disguised subsidy, but for the smaller ones it is another matter. I know a number of perfectly reputable journalists who have had to work under these conditions. I am quite sure their freedom of opinion has been in no way affected. I am certain they would never, for all that, have written that what they considered good was bad, or that what they honestly considered bad was good. But I know, too, that there was a moral obligation they could not evade---the obligation to write something, even when, looking at the matter quite objectively, there was not really anything to say. And that, to my mind, is a particularly insidious form of pressure : it is a threat to the freedom and independence of the Press. It is a method which I personally, at the Council of Europe, have always refused to employ. But I feel obliged to tell you that certain persons in influential positions, after comparing the thin attendance in the Press gallery when there is complete freedom with the crowds there when there is, shall I say, subsidized freedom, have made no bones about recommending the second method. It is a tremendous danger."

Will the President of the High Authority be good enough to state

- (1) whether the facts contained in this article are correct?
- (2) whether he considers the European Coal and Steel Community to be specifically referred to in the address to the International Federation of Journalists. in which mention is made of practices introduced by "certain international institutions"?
- (3) whether, if so, he does not consider that the High Authority should show greater circumspection in its dealings with the Press, in order to avoid all suspicion—even if, as I am sure is the case, such suspicions are entirely baseless—of exerting on certain journalists what the important international official quoted describes as "a form of

pressure " amounting to a " threat to the freedom and independence of the Press "?

- (4) whether, if it is true that the High Authority has paid one million French francs to a daily paper which had agreed to publish a page on the Community, the High Authority has made or proposed similar publicity arrangements with other papers, and, if so, what standards it employed in selecting a particular paper in a particular country, whether its proposals have ever been declined, and, if they have, on what grounds?
- (5) whether, still assuming the fact cited under (4) above to be true, he does not consider such publicity methods, although they are normal commercial practice, to be out of order on the part of a public body?

REPLY by the High Authority

(July 5, 1956)

The newspaper article to which the Hon. member refers had not escaped the attention of the High Authority. The High Authority is grateful to the Hon. member for giving it an opportunity of making a reply.

1. The facts mentioned in the section of the article to which the Hon. member alludes are correct. They relate to measures and disbursements for which the High Authority assumes responsibility, and all of which are checked in detail by the Auditor and ultimately controlled by the Common Assembly. The High Authority has no "secret funds".

The High Authority has on several occasions given accounts, verbally and in writing, to the Committees of the Assembly and to the Assembly itself, of the measures it is taking in regard to information. The only criticism usually encountered is that it has not so far done everything which the Assembly expects of it in this field, as regards bringing it home to public opinion in Europe that the European Coal and Steel Community is an established fact.

2. The High Authority is not in a position to identify the "international institutions" referred to in a report by the head of the Council of Europe information service to the International Federation of Journalists. It is, however, convinced that there can be no clash between the aims and methods of the Council of Europe in regard to information and those of the Community. In proof of this, it will only cite the following lines from a recent report to the Council of Europe's Committee on Cultural and Scientific Questions, approved by the Consultative Assembly on April 18 of this year :

"The influence of the Council of Europe, measured by the importance which Governments, Press and public opinion attach to its deliberation, has remained stationary, or has even declined, since its earliest days, and the provision of an efficient Press service has not been enough to ensure that it receives the publicity which it desires and deserves. However good the facilities for reporters, they cannot be expected to report what their editors will not print, and their editors will not print what their subscribers will not read. Interest in the Council of Europe must be stimulated by other means as well, and this involves an extension of the present role of the

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Information Service and an increase in its budget. It must be permitted to spend money more imaginatively."⁽¹⁾

3. The High Authority has too much respect for the freedom and independence of the Press to exert the smallest pressure on any journalist or paper.

It realizes, however—as does the Common Assembly itself—the importance of keeping public opinion in Europe as fully informed as possible concerning the implications and results of the European Coal and Steel Community.

The point has to be recognized that results in the economic field of coal and steel, however substantial, and Sessions of the Common Assembly, however interesting, do not as yet have the same appeal for public opinion as the great political happenings of the day, with their direct and obvious impact on the future of every one of our countries and every one of their inhabitants.

In most of our countries the national Press is concentrated in the Capital, and the papers have only a few correspondents abroad (*e.g.* in Luxembourg) and in the provinces (*e.g.* in Strasbourg). The provincial Press, so important for conveying information to a large section of public opinion, as a rule has correspondents only in the capitals and in one or two big centres.

It has become apparent, moreover, that the system of keeping the Press informed, which is normally done through news-agency despatches and Press conterences in the different countries, needs to be supplemented by special articles on the institutions of the Community.

In these circumstances, the High Authority regards it as necessary and allowable that it should be prepared, without discrimination of any kind, to meet the expenses of such journalists as express a wish to see matters for themselves in Luxembourg or Strasbourg, or even to investigate the results achieved by the Community in countries other than their own. So far as it is aware, most governments all over the world, and international organizations also, make arrangements of this kind. When the expenses involved by journeys of this nature are borne by the paper concerned, the High Authority takes no action : when, in exceptional cases, the paper or the journalists ask for expenses to be refunded, the High Authority helps to make the journey possible. If it did not do so, the less well-off papers, and those farther away from the centres of activity of the Community's institutions, would be unfairly handicapped

The Hon, member may rest assured that the High Authority does not keep an account with the lineage entered on one side and refunds on the other. Nor does it concern itself with whether a journalist who has been invited writes laudatory articles or not, or even whether he writes something when he does not really feel he should write anything. To allow any such idea to gain credence would be an insult not only to the High Authority, but also to the whole of the democratic Press.

4. The High Authority has in fact published pages on its activities in newspapers and periodicals in the various Community countries. It has made so little secret of it that this method was specifically mentioned by one of its Members on May 9 of this year when he addressed the Assembly.⁽²⁾

⁽¹⁾ Document No. 490 of the Council of Europe, April 16, 1956, paragraph 4.

⁽²⁾ Debates of the Common Assembly, provisional edition No. 11, May 10, 1956, p. 415 (in French).

In the case referred to by the Hon. member, the special page was expressly described as a *communiqué*, or official notice, a point which the writer of the article which has attracted the Hon. member's attention omits to note. The page contained a summary of the General Report which the High Authority is obliged by the Treaty to publish—i.e. to make public—every year.

The High Authority has entered into similar arrangements with other papers representing various shades of opinion. To the best of its knowledge, a number of papers have solicited this form of advertisement, but no paper has so far refused it.

5. The High Authority does not consider such methods—causing publicity matter to be inserted, buying special numbers or issuing reprints—to be beneath the dignity of a public body whose action and expenditure are subject to official supervision.

Obviously, the High Authority has no monopoly of information, and exerts no pressure concerning information. The best proof of this is the criticism of it which appears in the Press. It considers that it would be failing in its general duty of keeping informed all those concerned if it did not, subject to the supervision of the Common Assembly, employ all the clearly-defined methods enabling it to make its work and significance known to the best advantage.

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