

EUROPEAN COAL AND STEEL COMMUNITY

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PRESS RELEASE

CONSULTATIVE COMMITTEE MEETS

Hopeful predictions for end of recession

Luxembourg, July 1st, 1958: Roger Reynaud, member of the High Authority, today told the Consultative Committee of the E.C.S.C. that there was a likelihood that the third quarter of this year would mark the end of the recession in the steel market, which has continued for several months. Various favourable factors were present: the uninterrupted improvement in real consumption in steel, a revival in orders from non-Community countries in the Benelux market which has been harder hit than the other Community countries by the recession, and the cessation of the fall in international prices.

Speaking of the coal market, M. Reynaud said the market currently featured a fall in orders as a result of high consumers' stocks, the slackening in the rate of economic expansion and the competition from oil. At the same time, owing to the increase in the number of thermal power stations, global real consumption was almost as high as it was last year at the same period.

The problem of pithead stocks, M. Reynaud said, was in the opinion of the High Authority a joint problem which called for a joint solution. The High Authority proposal for a mechanism to aid the financing of stocks was considered by the High Authority - in line with its general objectives - as an important measure for the stabilization of products and employment. As the Council of Ministers had not approved the proposal, the High Authority was now re-examining the problem of stocks to see if another way could be found of assuring equilibrium on the Community coal market.

In conclusion, M. Reynaud submitted to the Consultative Committee various questions from the High Authority on problems of long-term development in the steel industry, on measures to contribute in the most efficient way to the re-adaptation of workers who lose their employment, and on the free circulation of workers in the Community.

Albert Coppé, Vice-President of the High Authority, presented the High Authority's forecasts for the third quarter of 1958. He stated that while it was possible in the Community

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to speak of a slackening in industrial activity rather than of a recession, developments had been different from one country to another. Thus, in the first quarter of 1958 there had been an average increase in the Community's industrial production of 4 %, compared with the first quarter of 1957; but this average rate in fact covered an increase of 10 % in France of 2 % - 3 % in Germany and Italy and a fall of 3 % - 6 % in the Benelux countries.
