

Report on the 702nd session of the High Authority1. Energy

The High Authority decided to communicate to the members of the Inter-Executive Committee a draft for an agreement between the member states of the European Community on the creation of a common market for energy.

The draft agreement is based on the understanding that the establishment of a common market for energy must involve changes that can only be carried out gradually, during a transition period. This transition period would be the same for all the basic sources of energy, and would last as long as the transition period laid down for the establishment of the general common market. It might also be necessary to undertake measures on behalf of the coal industry which are incompatible with the ECSC Treaty as it now stands.

Therefore the draft agreement lists various modifications and changes in the ECSC and Common Market Treaties which would provide the necessary instruments with which to carry out a common energy policy.

2. Investment Authorization

The High Authority made two decisions concerning the Friedrich Krupp Company at Essen.

In the first the High Authority laid down that "Capito und Klein AG", steel manufacturers of Düsseldorf, are linked in the sense of Article 66 of the ECSC Treaty, with Fried. Krupp Company of Essen, and with those companies directly or indirectly controlled by the latter, and in particular the firm "Bochumer Verein für Gusstahlfabrikation AG" of Bochum. According to the High Authority the link that has been established between these firms does not give them the power 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.

The second decision authorized the construction of a wide hot strip mill and ancillary equipment by Bochumer Verein für Gusstahlfabrikation AG of Bochum on the one hand, and of a wide cold strip mill and ancillary equipment by Capito und Klein AG of Düsseldorf-Benrath on the other. This authorization was given in furtherance of the High Authority's decision of January 26 1959 according to which the investment program of the firm of Fried. Krupp of Essen must receive the High Authority's authorization.

3. Concentration (Link-Up) Project

The High Authority has authorized the participation of the Italian firm "Acciaierie e Ferriere Lombarde Falck" of Milan, in the Belgian firm "Siderurgie Maritime (SIDMAR)".

In so far as the Falck company intends to take a participation of between 5 and 6 % in SIDMAR capital stock, and to become a member of the group controlling SIDMAR, the High Authority decided that this link-up would result in a concentration between Falck and SIDMAR only, without involving a concentration between the Falck company and its partners in the group (ARBID, Schneider, etc.).

4. Technical research

With the agreement of the Council of Ministers given at its October 4 session, the High Authority gave its formal approval to seven research projects (c.f. Background Information no. 8/62).

5. Contract awarded

The High Authority also agreed to a request by the Association Européenne pour l'Echange de Littérature Technique (European Association for the Exchange of Technical Publications) for the means to continue until the end of 1964 the study and utilization of technical publications produced in the countries of the Eastern bloc. The necessary funds will come from the residue of the subsidy of 5 million Belgian francs awarded this Association in November 1959.