

Bulletin from the BUBOPBAN GOMMUNITY for coal and steel

INFORMATION SERVICE • HIGH AUTHORITY • LUXEMBOURG

COMMON ASSEMBLY MEETS IN STRASBOURG

Executive's Annual Report Shows Strong Progress Despite EDC Failure

The Coal and Steel Community's Parliament, the Common Assembly, opened its regular annual session in Strasbourg on May 10 to consider the High Authority's third yearly report and to debate Community policy.

The report submitted by the executive body covered activities from April, 1954, to April, 1955. It revealed that the rejection of the European Defense Community had not hampered progress within the Coal and Steel Community despite gloomy prophesies to that effect made last fall. The report showed that most of the important decisions made by the High Authority were taken after August 31, 1954. Some of these included the agreement on Association with Britain, the levelling of extra rail transport charges at frontiers, and the ratification of the agreement on a European Labor Card permitting skilled coal and steel workers free movement throughout the Community.

The Assembly meeting will end on May 18. Before that time, the 78-man parliament will vote on acceptance or rejection of the High Authority's program and policy. A two-thirds vote by the Common Assembly would compel the Community's executive branch to resign in a body.

The High Authority's report showed that the Community's institutions have gone through the "running-in" stages. On August 1, 1954, special steels, the last group of products subject to the Community's jurisdiction, were brought into the single market. On December 21, 1954, the Court took its first decision which reversed a High Authority decision and on March 21, 1955, delivered its second decision, favorable to the High Authority.

Meanwhile, the High Authority undertook in the past

year to streamline its organization by setting up permanent "working groups" each supervised by up to four High Authority members and covering such fields as market problems, external relations, tax policies, and investments.

The Executive also swung into action on most lines of its policy. At the end of 1954 it had: fined several firms contravening the Fair Trading Code; by January, 1955, had re-loaned three quarters of the \$100 million U. S. Government loan and laid down a financial procedure which will greatly consolidate its credit; had made substantial grants and fixed resettlement policies for workers faced with unemployment in firms modernizing to meet competition on the common market, and by April, 1955 was considering seven new requests for aid to labor in Belgium, France, and Italy.

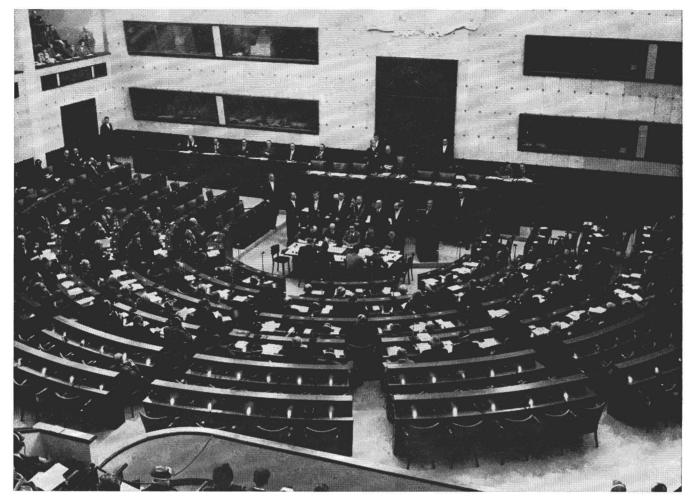
Finally, the report gives evidence of the impetus given by the opening of the single market to competition and to market conditions more conducive to economic and social progress. Trade across frontiers within the six-nation area,

IN THIS ISSUE

pag

- 1 COMMON ASSEMBLY MEETS
- 2 ATOMIC ENERGY POOL FORESEEN
- **3 GERMAN INDUSTRY VIEWS THE COMMUNITY**
- **5 COMMUNITY UNIONS FEDERATE**
- 6 BELGIAN COAL LOSING PRICE PROPS
- 7 NEWSBRIEFS
- 8 LIST OF PUBLICATIONS AVAILABLE IN U. S.

Published and distributed on behalf of the High Authority of the European Community for Coal and Steel, Luxembourg, by Leonard Tennyson, Information Representative for the European Community for Coal and Steel, 220 Southern Building, Washington 5, D. C., telephone NAtional 8-7067 whose registration statement, together with copies of this bulletin, have been filed with the Dept. of Justice under 22 U.S.C., sec. 611 et seq. and are available for public inspection. Registration does not imply governmental approval.



The Common Assembly in Session at Strasbourg

in steel especially, but also in coal, scrap, and iron ore, has greatly increased. At the same time, the report shows that a Europe-wide single market in coal and steel helped maintain production during the recession of 1953 and to restrain price rises during the boom of 1954. Community production both of steel and of coal reached record levels in 1954, yet steel prices are slightly lower now than at the opening of the common market in May, 1953, at a time when demand was weakening.

Copies of the High Authority's Report on the Activities of the Community (1954-1955) may be obtained in the Community's languages—Dutch, French, German, and Italian—from the Community's Publication Service, 2 Place de Metz, Luxembourg. English language editions may be obtained from the same address or in the U. S. for \$1.00 from the Information Office, European Community for Coal and Steel, Suite 220, 1425 H Street, Washington 5, D. C.

English Edition of the Official Gazette Now Available in the U. S.

The official gazette of the Community containing decisions, announcements, and opinions of the High Authority, the Consultative Committee, the Council of Ministers and the Court of Justice is now available in an English language edition. Copies may be purchased by writing to:

Sales Section
BRITISH INFORMATION SERVICES
30 Rockefeller Plaza, New York 20, N. Y.
price per 24-issue subscription (approx. one year): \$4.50
price per double issue: .50 price per single issue: .30

COPPE SEES NEED FOR EUROPEAN ATOMIC ENERGY POOL

The 2nd Vice President of the High Authority, Albert Coppé, said in a speech in Washington, D. C., last month, that unless the nations of free Europe pool their resources for the industrial use of atomic energy, they may wind up in last place among the nations of the free world.

Speaking before a luncheon group at the National Press Club on April 20, Mr. Coppé stressed the fact that the development of atomic energy for industrial use "will not be feasible in our small, sectionalized economies." He predicted that unless the nations of free Europe pool their resources, they "will play a totally insignificant part and will be incapable of keeping step with other nations of the world, perhaps including even the nations of Southeast Asia."

The Belgian High Authority member also expressed the view that it is perfectly possible now to extend integration such as achieved for coal and steel to transport and energy.

Speaking of political integration, Mr. Coppé acknowledged that there had been "temporary setbacks," but added: "Despite the rejection of EDC, I do not believe that the idea of political integration is dead, or that economic integration can be anything but a steppingstone to the political goal."

GERMAN INDUSTRY LOOKS AT THE COMMUNITY

By Waldemar Lenz

The following article was written by a German journalist who represents the weekly German newspaper on parliamentary affairs "Das Parlament". Many of the assumptions made are in sharp variance with High Authority views of its own policy or the Community situation. It is printed for its interest as a report on the attitude of German industry toward the Community. The High Authority accepts no responsibility for views expressed.



THE GERMAN FEDERAL REPUBLIC, measured by population and production, is the biggest country in the Community. It is the common boast of German politicians that Germany's will for a united Europe is greater than that of other countries. But German industrialists generally hesitate when asked about the results of the European Coal and Steel Community. This hesitation, however, detracts nothing from their general support for European unity.

Points Generally Accepted

1. The services of the Community to German industry from a historical standpoint:

After the war, the Ruhr was put under an Allied authority which established production and export quotas. With the establishment of the Community, Germany was relieved of this arrangement.

Recognition of this point is generally qualified by the observation that the Americans would in any case have insisted on the liquidation of the Ruhr Authority before long.

2. "De-concentration" has been largely stopped:

One typical feature of industry in the Ruhr was "vertical trusts" (associations of firms which tied up all stages of production from mining to the processing of the steel through the ownership of shares in one another's concerns). After 1945, the Allies decreed the compulsory sale, by a dozen or so big combines such as the Thyseen, Mannesmann and Vereinigte Stahlwerke concerns, of their shares in subisdiaries. The Paris Treaties have changed this state of affairs, somewhat to the chagrin of the German industry. However, with the authorization of the High Authority, it has been possible to reinstate some of the traditional combines. (The Treaty allows concentrations, provided they are not of a kind to dominate the market.) This fact is recognized with gratitude, but this recognition is usually accompanied by the question whether the principle of non-discrimination will be maintained in regard to concentrations. In other countries (France, Belgium and Luxembourg) it is pointed out, there are

considerably bigger concentrations than in Germany.

3. On the other hand, it is recognized that if it were not for this permission to reacquire former subsidiaries, there would be a still larger proportion of non-German firms in the industry. (Some 25% of the Ruhr is at present in non-German hands. The Harpen-Union mine, with an annual output of 10 million metric tons, recently passed under French ownership, and the Constantin mine under that of the Italian State Railways.)

In principle, there is no objection to this infiltration, but it is felt to be regrettable that the process should be one-sided. The view is expressed that there is hardly any opening for German participation in the industries of other countries: the French coal-mining industry is nationalized, and the concentration of the French steel industry has been completed.

To sum up, the German industry recognizes that, due to the Community, it has gained freedom of movement and equal rights—with certain small blemishes.

Apprehensions which have proved baseless

The year in which the Community was established was marked by a shortage of coal. It has been feared that, as a consequence of the introduction of the Common Market, the other countries would pounce upon Ruhr coal, and the German consumer would have to go short. The coal surplus which prevailed for a time last year showed that predictions were wrong.

Jean Monnet's statement that since the Community was established Europe has had fewer fluctuations in trade, is accepted. The experts (every German firm of any size strives to have at least one expert on its staff) are not quite sure why, but they do admit that there is now greater security against crises.

The objection is always raised that, logically, there cannot be a real common market so long as it is limited to coal and steel. Similarly, there must also be, as a minimum, convertibility of currency, and, in theory, also a transport community and a levelling of financial burdens. However, the heated controversy over the discrepancies in taxation on German and French exports has died down and has become a matter of scientific research, in spite of a good deal of initial sound and fury.

There is another objection which one no longer hears voiced, namely, the contention that the German industry was under a handicap because the French had been able to modernize their industry in peace before the Community was established. This, it was held, was the only reason why French steel, for instance, had been able to gain a foothold in Southern Germany. Today, with steel in great demand, the German industry is not displeased.

Finally, the executives of the industrial associations are

as a rule loud in their praise of the increase in trade between the different countries.

Reservations

There is less enthusiasm regarding one or two of the other points upon which the High Authority plumes itself.

The American loan, since it amounts to a "mere" \$100 million, is rather poorly thought of. On the other hand, the industrialists have not commented upon the American stipulation that no part of the loan go toward the modernization of the steel industry. Given the continuation of the common market, it is considered that the European steel industry might well compete successfully with the American.

The High Authority is of the opinion that, thanks to the low rate of interest (4.1%), it has brought about a general lowering of interest rates in some Community countries. It is felt, however, that in Germany this reduction would have taken place in any case. Private savings in Germany have gone up by DM 5,000 million (\$1.9 million) in a single year, and tax reform has also had a good effect on the capital market. Approval is expressed in regard to the High Authority's intention to make available funds derived from the levy as low-interest loans.

The enforcement of free competition is welcomed as it is considered to exert a constant pressure on prices. But it is not felt to be necessary in Germany as an inducement to modernization. It is, they say, in the nature of the German industrialist to have "the same propensity to perfectionism as the German savings investor has to ant-like optimism and activity."

It is no longer considered likely that the German coal selling cartel, GEORG, will be offered up as a sacrifice to free competition. After the failure of EDC and the European Political Community, the High Authority is no longer considered strong enough to demand this. And why, it is asked, should a German cartel be suppressed when the French coal cartel goes untouched because it is nationalized?

The Ruhr on the fringe

There are other points on the program which German industry customarily considers in comparison with France. The harmonization of national economic policies is approved, but it is feared that there will be considerable disagreement should France propose to the other member States the introduction of, for instance, the sliding scale for wages, or the generalization of its own system of family allowances.

The levelling of transport tariffs, too, is felt to be a sacrifice. As a result of the standardization of "rate-of-fall" charges, French steel would, it is feared, gain a still firmer foothold in Southern Germany, but the same would not be true of German steel in France. The French, Belgian and Luxembourg industrial basin, they say, is planted midway between the Ruhr and France proper—the Ruhr is on the fringe of the common market. A correct balance could only be established by the reunification of Germany, when the Ruhr would regain its natural outlets eastwards. To offset the disadvantage of its peripheral position, it is argued, the Ruhr is obliged to defend the advantage it derives from its position close to the Rhine and Ruhr waterways.

German Steel Mills Along the Rhine River



COMMUNITY'S CHRISTIAN TRADE UNIONS FEDERATE

Last March 24, the 23 Christian Trade Unions of the Community countries, claiming a membership of 500,000, set up a single federation to further their unity. The Federation, like the Coal and Steel Council of the International Confederation of Free Trades Union, will have its headquarters in Luxembourg, seat of the European Coal and Steel Community. In this interview, the Federation's new secretary, A. C. De Bruijn, explains the background and aims of the new organization.

What led your affiliated unions to federate, Mr. De Bruijn? Our twenty-three unions in the Benelux countries, France and the Saar, felt the need to present a united front in the Community.

Before, they had maintained only a liaison bureau here in Luxembourg to coordinate policies. That proved inadequate.

Why?

For one thing, High Authority decisions, ranging from the drawing-up of a European Labor Card to the fixing of price ceilings on coal, continually affect workers.

However, unions found that their national organizations, adequate in a national setting, did not suit the wider framework of the Community. They had less power to influence the High Authority than they had to sway their own governments. So they decided to federate to increase their strength in the Community's institutions by representing Community-wide labor interests.

How does the Federation do that?

Any decision on Community matters endorsed by twothirds of the executive is binding on all affiliated unions. As a result the representatives of our unions will take a common line in Community institutions and press their point of view more efficiently on day-to-day problems. Also, acting together, they will possess resources they cannot separately command. That's for the present. For the future, they will be able to develop a common policy, for instance for greater representation of trade unions in Community institutions, or for the extension of the Community itself.

About the common line of action—could not big unions, or the unions from a large country, refuse to follow decisions taken by the executive, if they disagreed with them?

No. Each union, large or small, has only one vote on the executive of 23. Decisions on the statutes of the federation already have been taken against the votes of major unions. Of course, we do everything to ensure there is as much agreement as possible on decisions. But if we disagree, the Council of the International Confederation of Christian Unions in Brussels acts as arbiter. Will the common line extend to common action with the unions affiliated to the International Confederation of Free Trade Unions?

I hope so. We have consulted together on a number of issues in the past, but I think we should consult more. Now that the Liaison Bureau of the Free Trade Unions is working well and we have our federation, I think cooperation will be easier. In practice our attitudes are very similar. We agreed, for instance, that the levy raised by the High Authority, far from being lowered as the employers want, should be maintained, or even increased, to permit the High Authority to carry out adequate programs of housing and resettlement for workers threatened with unemployment on the common market.



A. C. De Bruijn, 37 year old Secretary-General of the newly-formed Federation of Christian steelworkers and miners unions.

Your second point was that you would possess greater resources as a Federation. How will this work in practice? Well, a big improvement in the quality of our research staff should be obtained.

The governments and the producers have sent their best experts here. The unions have found it hard to match them because separately they have too few experts.

Now, as Secretary of the Federation, I will be able to appoint to Community working groups any one of sixteen hand-picked union experts throughout the Community area. I will be able to choose the best man we have in each specialty and I do not care what his nationality is.

And that's only one example of the advantages of better organization.

Your third point was that you could fix a common policy. What policy?

We want more workers' representatives in the Consultative Committee, by including trade unionists among the "consumer" group. At present it is composed of employers only. Do you have other objectives?

Yes, we want the Treaty to have more social scope. It's partly the unions' own fault. I think they had too little confidence in the future of the Community at the time the Treaty was drafted. They did not sufficiently press their own point of view.

Its social clauses are important but negative. Resettlement, the free movement of labor, the prohibition of competition by lowering wages—all these clauses, though valuable in themselves, add up to seeing that social tension does not hold up economic progress. We want the High Authority to have more powers to develop a social policy.

Also there are anomalies in the present treaty. Our

legal advisers tell us that any individual can appeal to the Court of Justice against High Authority decisions, but that unions cannot.

We shall begin to study now what amendments to suggest when the Treaty comes up for modification at the end of the Community's transitional period in 1958.

Do these criticisms imply fundamental objections to the European Community?

No, not at all. There is no doubt in our minds that the common market has already brought not only greater competition which is necessary to induce progress in production, but has also tended to iron out the extreme effects of the trade cycle on coal and steel. That means greater stability of employment—which is the fundamental consideration for us. The view of the Federation is that the common market is proving its worth and should be extended to transport and power, especially electricity.

THE COMMUNITY'S MEDICAL SCIENTISTS POOL EFFORTS TO FIND CURE FOR PNEUMOCONIOSIS

Medical researchers admit that some of Europe's problems in the field of industrial diseases, like her economic problems, cannot be solved on a national basis alone. This, they have discovered, is particularly true of pneumoconiosis, one of the world's dread industrial diseases.

Now the High Authority of the Coal and Steel Community has given fresh impetus to research in the field by helping medical scientists in the member nations pool the results of their research into the disease.

In five of the six countries of the Community, pneumoconiosis long has been recognized as an "industrial disease." Thus, for coal miners, main victims of the disease, each nation provides disability pensions, and medical treatment, and also enforces safety precautions against dust in all Community mines. In addition, some 150 research centers in the nations of the Community already are carrying out investigations into the disease.

Yet scientists working on the problem of pneumoconiosis readily admit that they have not yet been able to find the "cure." Various remedial and curative treatments have been tested but so far results have been inconclusive. Further, there is, as yet, no complete agreement on the basic cause of pneumoconiosis and therefore no standard defense for combatting the disease. Some investigators blame coal dust. Others hold that coal itself is innocuous while the real culprit is the dust particles of quartz and other "hard" minerals.

Despite an imposing array of evidence and many widelyheld theories in the member countries of the Community, a lack of information exchange between scientists in different countries has contributed toward a delay in finding conclusive means for preventing and curing the disease.

The High Authority Steps In

According to the trade unions, one out of every ten miners in the Community is afflicted by the disease in one form or other. Realizing its responsibility, the High Authority, despite lack of specific direction in the Treaty creating the Community, decided to do something about pneumoconiosis research. It obtained the consent of the Consultative Committee and the Council of Ministers to interpret as broadly as possible Article 55 of the Treaty, which states that "the High Authority must encourage technical and economic research concerning the production and the development of coal and steel as well as workers' safety in these industries."

The first result of the High Authority's decision was to set up a pool of publications on medical research into industrial diseases, safety in mines, and hygiene. Translated into the four official languages of the Community, the publications are being made available to all research centers in the six-nation area.

The second and more ambitious plan got underway on March 9, 1955. On that date, a Permanent Committee on Hygiene and Medical Research, composed of leading industrial disease specialists from the member countries met for the first time. At its first meeting the Committee assigned members different research tasks and called for reports on a number of the central problems involved in pneumoconiosis research. It also asked advice on a system of priorities for the grant, by the High Authority, of financial assistance to stimulate research in various fields. The role of the Committee will also be to compile, for the first time, detailed data on miners' and steelworkers' diseases in the six member countries and make recommendations for the exchange of scientists within the Community.

The problems which the Committee will try and solve within a supranational context have been the subject of research by some of Europe's outstanding scientists. As its main objective it hopes to stimulate research and accelerate a process of consultation and coordination that may lead to positive results in a relatively short space of time.

NEWSBRIEFS

New Steel Output Record

Community steel production for March, 1955, shattered all previous records in the six-nation area: 4,606,000 metric tons were produced against the previous peak of 4,134,000 tons last January. This is equivalent to an annual output of approximately 50 million metric tons a year against the peak production registered in 1954 of 43,800,000 tons. Belgium, France, and Germany individually broke former national output records while all Community steel industries shared in the boom with high rates of output.

Coal production also reached a record level of 22,-643,000 metric tons in March against the previous ceiling of 21,814,000 in March, 1954. The March rate of extraction is equivalent to a yearly output of over 250 million tons. The highest output in the Community area in any post-war year was 241.6 million tons in 1954.

France Seeks New Labor Resettlement Aid

The French Government has asked the High Authority for financial aid on behalf of a small French steelworks

Basic pamphlet available

An eight-page pamphlet dealing with the political, institutional, economic, financial, and social aspects of the Community is now available to teachers and international affairs organizations. This simplified presentation with graphics and up-to-date information is suitable for classroom and reference use. No charge for single copies to regular Bulletin readers. A minimum charge to cover postage will be made to individuals or organizations ordering in bulk (up to 100 copies). Orders may be made through the Information Office, Washington, D. C.

in Brittany, the "Forges d'Hennebont" and of two small private coalmines in Central France. The money will be required to help resettlement of an estimated 80 steelworkers and 300 miners who face unemployment in consequence of reconversion plans in the steelworks and of the closing down of the mines which cannot compete on the common market.

The French Government has recently made two other requests for High Authority Aid in resettling workers affected by modernization plans in small steelworks.

Ruhr Coal Price Ceilings

On March 28, the High Authority decided to maintain price ceilings for coal in the Ruhr; the new price ceilings, effective from April 1, 1955 for the year following, will maintain prices at their present levels. The decision was taken without reference to the present wage demands made by the miners of the Ruhr. If these were to change costs of production sufficiently to enforce higher prices, the High Authority will review the situation.

No price ceilings are to be maintained in the coalfields of Northern France, in contrast to last year. French coalmines of the Nord and Pas-de-Calais fields have been experiencing difficulties in selling low-grade coals. Stocks in the French mines as a whole are over 8 million tons and did not fall during the winter period as expected.

Conference on Migrant Workers

A Conference of government experts sponsored by the International Labor Office and the High Authority opened in Geneva on April 13th to discuss a draft convention for the social security of migrant workers in Europe.

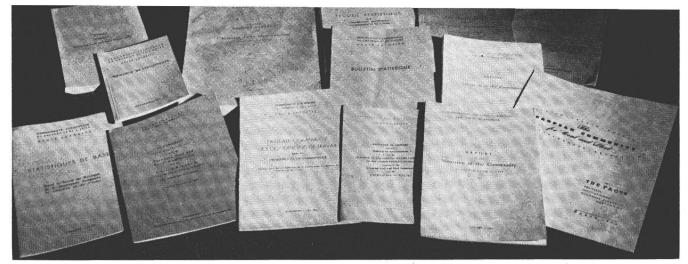
The draft convention has grown out of High Authority plans for bringing social security guarantees to workers entitled to hold the Community's European labor card and travel to jobs freely in the six-nation area without losing full benefit rights.

The scope of the draft convention extends beyond these Community plans to 16 European countries and migrant workers belonging to all industries.

High Authority Member Visits Hoover

Albert Coppé, one of the two Vice Presidents of the High Authority, paid an informal call upon Undersecretary of State Herbert Hoover, Jr., during a recent lecture visit to the United States. M. Coppé visited the State Department during a week-long lecture tour in April which included addresses at the New York Council on Foreign Relations, the Foreign Policy Association, and the National Press Club in Washington.

Another High Authority official, Max Kohnstamm, Secretary of the High Authority, also visited the United States during the last week in April speaking before academic groups and local Councils on Foreign Relations.



List of publications issued by the Eur	opean Community for Coal and Steel
Students, teachers and librarians interested in obtaining copies of Coal and Steel Community publications in English and the four languages of the Community can now do so by writing directly to:	German, French, Italian and Dutch Editions Tableau comparatif des conditions de travail dans les industries de la Communauté
Information Office European Community for Coal and Steel 220 Southern Building Washington 5, D. C.	Bulletin statistique: Subscription for 6 issues (bi-monthly) 7.00 Single copies 1.40 Mémento de Statistiques 1954
Below is a list of the publications currently available with prices which include shipment and U. S. postage. Stamps, checks, or money orders accepted.	Allocutions prononcées par M. Jean Monnet au cours de la session ordinaire 1953 de l'Assemblée Commune (juin 15-23, 1953)
HIGH AUTHORITY PUBLICATIONS English Editions	Documentation sur les Problèmes du travail dans les Industries de la Communauté (Emploi et salaires) 1.00
Treaty establishing the European Coal and Steel Community \$.75 Report on the Situation of the Community, Jan. 1953 .50 Speeches delivered by M. Jean Monnet: August 1952 in Luxembourg and Sept. 1952 in Strasbourg	COMMON ASSEMBLY PUBLICATIONS German, French, Italian and Dutch Editions Débats de l'Assemblée Commune. Compte rendu in extenso de la session d'ouverture du 10 au 13 septembre et de la session du 10 au 13 janvier 1953 1.50 do: Session extraordinaire du 11 mars 1953
Chairmen of the Foreign Affairs Committees of the U. S. Congress relating to the European Coal and Steel Community and the Unification of Europe	Subscription for 1955 (12 copies)
Report on the problems raised by the different turn- over tax system applied within the common market 1.00	l'intégration europèenne: Subscription (20 issues)
Report on the Situation of the Community at the beginning of 1954	Single copies
Second General Report on the activities of the Community (April 13, 1953 to April 11, 1954) 1.00	AD HOC ASSEMBLY PUBLICATIONS English Editions
Report on the Situation of the Community laid before the Extraordinary Session of the Common Assembly (November 1954)	Official Report of Debates of the 15th Sept. 1952: Jan. 7-10, 1953 and March 6-10, 1953

.25

1952) 1.40

* Subscribers to the Bulletin Statistique will also receive one

Draft Treaty embodying the Statute of the European Community

complimentary copy of the "Mémento de Statistique".

Assembly (November 1954).....

Agreement concerning the relations between the ECC&S and the United Kingdom of Great Britain and Northern Ireland

Third General Report on the Activities of the Community (April 12, 1954-April 10, 1955) 1.00