

EUROPEAN COAL AND STEEL COMMUNITY
THE HIGH AUTHORITY

Sixth
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on the

Activities of the Community

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Volume II

THE ECONOMIC AND SOCIAL SITUATION
OF THE COMMUNITY
AND THE ACTIVITIES OF THE HIGH AUTHORITY

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INTRODUCTION

1. The institutions of the European Coal and Steel Community, which assumed their functions close on six years ago, were required to deal with the various problems arising out of the introduction, operation and development of the Common Market for coal and steel. The way in which they worked demonstrated that it was possible to do this with due regard for the general interest. Thus, the first Common Market being a system which called imperatively for extension, the institutional organization adopted served as a basis for that of the European Economic Community and the European Atomic Energy Community.

2. The work of the *High Authority* in the different fields under its jurisdiction is described in the various Chapters of this volume. The principles underlying that work are set forth in Volume One.

M. René Mayer, who had succeeded M. Jean Monnet as President of the High Authority on June 1, 1955, wrote on September 18, 1957, to the Foreign Ministers of the six Community countries apprising them of his decision to relinquish his post. Herr Franz Etsel, who had been a Vice-President of the High Authority since August 7, 1952, likewise resigned on October 28, 1957, upon his appointment as Minister of Finance in the Government of the Federal Republic of Germany.

The Foreign Ministers of the six countries met in conference in Paris on December 19 and 20, 1957, and January 6 and 7, 1958. At the latter meeting the Ministers, in addition to designating the Presidents and Members of the European Economic Commission and the Euratom Commission, appointed:

- Herr Franz Blücher and M. Roger Reynaud to be Members of the High Authority in succession to Herr Etzel and M. Mayer, whose resignations they accepted;
- M. Paul Finet to be President and Mh. Dirk Spierenburg to be Vice-President of the High Authority, after due consultation with that body.

M. Finet and Mh. Spierenburg have been Members of the High Authority since its inception, on August 7, 1952. M. Finet was co-opted by the other eight members, who had been appointed by the Governments.

3. Ever since it was first installed in Luxembourg and took up its duties, on August 10, 1952, the High Authority has, as the Treaty recommends it should, preceded each of its decisions by thorough discussion with all the quarters immediately concerned, including the Governments, the producers, the workers, the consumers, the dealers, and others. It has also done its utmost to ensure that these circles, and European public opinion generally, are kept better informed as to the results achieved by the Community.

During these five years, relations between the High Authority and the *Consultative Committee*, which met for the first time on January 26, 1953, in connection with the introduction of the Common Market, have become steadily closer and more effective.

Since March 1955, the High Authority has given the Committee an account of the situation every three months. Its "programmes with forecasts" on production, consumption, exports and imports have been submitted quarterly to the Committee since April 1956.

During the period under review, the Committee has, *inter alia*, pronounced in favour of a proposed financial grant for research on industrial safety and health. It has been consulted in connection with applications for exemption from the harmonization of external Customs tariffs on the expiry of the transition period, and with the arrangements regarding alignment of coal prices on the same occasion, and had discussions with the High Authority on coal and steel policy and the problem of inland water-transport rates.

The Consultative Committee held its constituent session for the financial year 1958 on January 14. M. Jean Picard, of the consumers' and dealers' group, was elected Chairman, and Herr Fritz Dahlmann, retiring Chairman, and M. Eric Conrot were elected Vice-Chairman.

4. Since its first session opened on September 10, 1952, the *Common Assembly* has not only asserted its special character by forming into groups representing political parties rather than nationalities, but also, in particular, intensified its work of scrutinizing the High Authority's activities. This it does on a permanent basis, outside the actual sessions, through Committees to which the High Authority is required to give an account of itself. The High Authority for its part has never been satisfied with merely having the Assembly's confidence: it has always asked for the Assembly's active co-operation and support, and has thereby helped to increase the Assembly's influence.

The Common Assembly held its Ordinary Session for 1957-58 in Strasbourg from May 14 to 17 and from June 24 to 28. The debates dealt with the High Authority's Fifth General Report and with the reports of the Parliamentary Committees on its various aspects.

Nine Resolutions were adopted by the Assembly at the conclusion of the second part of the Session. These concerned

- the problems of the Common Market;
- transport;
- problems in connection with investment and long-term production development;
- living and working conditions and safety in coalmines;
- external relations;
- the results of the fourth financial year, and the estimates of expenditure and the budget of the Community for the financial year 1957-58.

At the Extraordinary Session held in Rome from November 5 to 9, 1957, the growing importance of the Assembly received further con-

firmation: the members of the Special Council of Ministers were present during one day of the proceedings, and discussed with members of the Assembly and the High Authority the problems involved by endeavours to co-ordinate the economic policies of the member States.

- At the end of the session Resolutions were adopted concerning
- co-ordination of European transport;
 - migration by and freedom of movement for workers in the Community;
 - safety in coalmines;
 - the commercial policy of the Community.

The Assembly of the Coal and Steel Community held its last session from February 24 to 28, 1958. Before adopting its last Resolutions, which concerned the revision of the Treaty, the problem of concentrations, the wage trend and wage policy, the Assembly heard, and unanimously approved, a report by M. Pierre Wigny on behalf of the Political Affairs Committee, summing up the experience gained by this first European Parliamentary Assembly and setting forth in broad outline what, in the light of that experience, the new Assembly which is to control the three European Communities, will be required to do.

The outstanding part which the Common Assembly has played in the development of the European Coal and Steel Community is due in no small measure to the exceptionally able political leaders who have been its successive Presidents (to whom the High Authority takes this opportunity to pay tribute), namely,

M. Paul-Henri Spaak, from September 10, 1952 to May 11, 1954,

the late Sig. Alcide De Gasperi, from May 11 to August 19, 1954,

Sig. Giuseppe Pella, from November 29, 1954, to November 27, 1956 and

Herr Hans Furler, from November 27, 1956, to March 18, 1958.

The new Assembly held its constituent session from March 19 to 21, 1958. It elected as its President M. Robert Schuman, the former French Premier and Foreign Minister, who had set the first official seal on the conception of a Coal and Steel Community by his Declaration of May 9, 1950.

At this session, the Assembly heard statements by the Presidents in office of the Councils of Ministers of the three Communities, and by the Presidents of the High Authority and the European Economic Commission and the Vice-President of the Euratom Commission. The two latter also reported on the first proceedings of their respective Commissions. Finally, the new Assembly adopted a number of Resolutions, including one to the effect that it was to be known as the European Parliamentary Assembly.

5. The *Special Council of Ministers* has also come to play a considerably larger part than it did in the days of its first meeting in the beginning of September 1952, as the High Authority has acquired the habit of consulting it more and more, even when not dealing with specific cases requiring its agreement. It is not that the High Authority hesitates to make use of its recognized prerogatives. But, quite apart from the fact that such consultations are in conformity with the letter and spirit of Article 26 of the Treaty, it seeks by this means to co-ordinate relations between the institutions and dispel any possible misunderstandings as to its intentions.

Thus at the various meetings of the Council during the period under review there have been numerous discussions with the High Authority on the operation of the Common Market, the development of the economic situation and the Community's relations with third countries.

The High Authority asked and obtained the Council's agreement to the setting-aside of financial assistance for research on industrial safety and health, the introduction of a readaptation scheme of a rather special kind, and the granting to France and Italy of exemptions from the rules concerning the harmonization of import duties on steel from third countries on the expiry of the transition period.

Again, on May 10, 1957, the Council approved the text of the agreement on the introduction of international rail through-rates in respect of consignments of coal and steel passing in transit through Austria. On July 9, it set up a committee to carry out studies with a view to clarifying matters

prior to the forthcoming discussions with the High Authority on the harmonization of economic policies. On October 8, it approved the High Authority's proposals regarding ways and means of ensuring a co-ordinated energy policy.

Other matters discussed with the High Authority included the trends in coal and steel prices, and many further questions such as co-operative economic action and the incorporation of coal and steel into the free trade area now under study.

As regards those problems in connection with the coalmining and iron and steel industries which do not, by the terms of the Treaty, fall within the jurisdiction of the High Authority, there have been three developments deserving of mention:

- on May 10, 1957, the Council and the High Authority decided to set up a regular Commission to be responsible for proposing what action should be taken to improve the standard of safety in the coalmines, as a follow-up to the Conference held on the subject from September 24, 1956, to February 7, 1957;
- on July 9, 1957, the Council approved the draft agreement on freight charges and conditions of carriage in respect of coal and steel shipped on the River Rhine, to come into force on May 1, 1958;
- on November 19, 1957, the Council approved the text of the European Convention on Social Security for Migrant Workers, which was signed on December 9 following.

6. Since its installation on December 10, 1952, the *Court of Justice* has had to deal mainly with appeals against High Authority decisions by member Governments, enterprises or groups of enterprises, and employees of one or other of the Community institutions.

In its judgments — some of them particularly — the Court has had to define the exact meaning to be placed on certain all-important articles in the Treaty. Thus,

- on December 21, 1954,
in accordance with a petition from the French and Italian Governments, it reversed a High Authority decision which was to have introduced greater flexibility in the application of iron and steel price-schedules (interpretation of Article 60 of the Treaty);

- on March 21, 1955,
it dismissed an appeal by the Netherlands Government against High Authority decisions fixing maximum prices for the Ruhr and Nord/Pas-de-Calais coalfields (interpretation of Article 61 of the Treaty);
- on April 23, 1956,
it dismissed an appeal by the Groupement des Industries Sidérurgiques Luxembourgeoises against the High Authority's refusal to treat as a special charge the levy imposed by the Luxembourg Government on every ton of fuel imported for non-household use in order to lower the selling price of fuel for household use (interpretation of Article 4 of the Treaty);
- on November 29, 1956,
it dismissed appeals by the Fédération Charbonnière de Belgique and three Belgian collieries for the reversal of the High Authority decisions of May 1955 reorganizing the operation of the compensation scheme for Belgian coal (interpretation of Section 26 of the Convention);
- on December 10, 1957,
it dismissed an appeal by the Société des Usines de Tubes de la Sarre against an unfavourable High Authority opinion on a capital scheme projected by that company (interpretation of Article 54 of the Treaty).

The President of the Court since December 10, 1952, has been Sig. Massimo Pilotti. He was appointed by the Governments for his first term, and elected to continue in the appointment by his colleagues on December 1, 1955.

PART ONE

**OPERATION AND DEVELOPMENT
OF THE COMMON MARKET**

CHAPTER ONE

IMPLEMENTATION OF THE PRECAUTIONARY MEASURES

7. One exceedingly important point which emerges from the history to date of the European Coal and Steel Community is that the introduction of a Common Market requires transitional stages, but these transitional stages must be clearly delimited as to duration. It requires respites, but those respites must have a definite term: that is to say, the enterprises must be allowed a period for adjustment, but they must realize at the same time that the process is irreversible and that the period of adjustment is strictly limited.

In the case of the Common Market for coal and steel, the special provisions for the transition period which expired on February 9, 1958, were in fact limited in scope as well as in time. First, certain interim exceptions to the principles of the Common Market had to be progressively eliminated, such as the temporary retention of some degree of tariff protection for the Italian coking and iron and steel industries, the authorization of certain subsidies, and various special provisions allowing zone-delivered prices to be charged for coal. And then there was the problem of the special measures instituted for the safeguarding and progressive integration of Belgian and Italian coal⁽¹⁾.

As it turned out, the course of events in the Common Market for coal and steel during the five years of the transition period

(1) For the action taken to implement transitional provisions concerning harmonization of the external Customs tariff, transport and readaptation of workers, see Chapter VII, Chapter II, Section 2, and Chapter IV, Section 4, respectively.

was such that a number of the precautionary measures provided for never had to be implemented, notably those relating to French coal and Luxembourg steel.

Section 1 — Progressive Elimination of Interim Exemptions

8. *Italian duties on coke.* — By the terms of Section 27,2 of the Convention containing the Transitional Provisions, the High Authority was empowered, in view of the special position of the Italian coking-plants, to authorize the Italian Government to retain duties on coke from the other Community countries during the transition period. The initial ceiling was to be reduced by 10% for the second year, 25% for the third, 45% for the fourth and 70% for the fifth, and the remainder to be done away with altogether on the completion of the transition period.

In accordance with this arrangement, the duties in question have stood successively at the following levels since the Common Market was first introduced:

February 10, 1953—February 9, 1954	15.00%
February 10, 1954—February 9, 1955	13.50%
February 10, 1955—February 9, 1956	11.25%
February 10, 1956—February 9, 1957	8.25%
February 10, 1957—February 9, 1958	4.50%
from February 10, 1958	

9. *Italian duties on iron and steel products.* — The Italian iron and steel industry being likewise in a somewhat special position, Section 30,1 of the Convention contained similar provisions for the temporary retention and gradual elimination of duties on iron and steel products from other Community countries. In actual fact, certain of these duties were suspended before the end of the transition period, and others reduced below the upper limits prescribed.

The following table shows the various stages in the scaling-down of all these duties.

	Pig-iron	Ordinary steels	Special steels	
			high-carbon steels free-cutting steels spring steels dynamo sheet	other alloy steels
May 1, 1953	10 %	15—23%		
August 1, 1953	9 %	13—20%		
August 1, 1954			13—20%	4—15.5%
May 1, 1955	7.5%	11.25—17.25%		
August 1, 1955			11.25—17.25%	
December 1, 1955	7.5% ⁽¹⁾			3.5—7%
May 1, 1956	5.5% ⁽¹⁾	8.25—12.65%	8.25—12.65%	
May 1, 1957	3.0% ⁽¹⁾	4.50—6.90%	4.50—6.90%	3.5—6.9%
February 10, 1958	0 %	0%	0%	0%

(1) Suspended.

10. *Prohibition on alignment with Italian prices.* — The temporary retention of tariff protection for the Italian iron and steel industry was supplemented, in accordance with Section 30,2 of the Convention, by a rule debarring other Community iron and steel enterprises from aligning their prices in respect of sales to Italy with the schedule prices of the Italian producers. They were, however, still entitled to align their quotations with those from third countries. This prohibition became inoperative upon the expiry of the transition period, since when alignment with Italian prices has been subject to the general provisions contained in Article 60,2 of the Treaty.

The Associazione Industrie Siderurgiche Italiane recently made application to the High Authority for the introduction of the measures referred to in the last paragraph but one of Article 60, "to avoid disequilibria resulting from a difference between the methods of quotation used for their products and those used for their raw materials". This application is still under examination

11. *Subsidies and special charges.* — Section 11 of the Convention entitled the High Authority to authorize the temporary retention of subsidies and special charges (prohibited by Article 4 of the Treaty) up to the end of the transition period.

Subsidies thus continued were to all intents and purposes confined to the following French Government payments, which in 1953 totalled Ffr. 12,600 million:

	Ffr. '000,000,000
(1) coke from other Community countries	1.3
(2) coking coal from other Community countries	3.9
(3) Saar and Lorraine coal sold to the Federal Republic of Germany	3.5
(4) Community coal delivered to non-mine-owned briquetting-plants	3.9
	<u>12.6</u>

These subsidies were progressively reduced and for the most part eliminated before the end of the transition period. The subsidy on coke was done away with as early as April 1955. All that remains is a trickle of State aid for coke entering France by water under the French flag through the port of Strasbourg: an enterprise electing to bring its coke in by waterway receives compensation for the difference between this mode of transport and direct carriage by rail. This portion of the subsidy may have to be examined from the transport angle in connection, in particular, with the implementation of the agreement of July 9, 1957, concerning freight charges and conditions of carriage in respect of shipments of coal and steel by way of the River Rhine⁽¹⁾. The subsidy on coking coal was discontinued from March 31, 1956, that on sales of Saar and Lorraine coal to Germany, in 1955.

The subsidy to the non-mine-owned briquetting-works was abolished at the end of the transition period in respect of all coal from Community coalfields. It is being continued for coal from third countries in order to stabilize transport costs for briquetting fines.

Special charges existed in Germany, where the Federal Government obliged the collieries to grant certain price reductions on deliveries to household consumers, the railways (nationalized

⁽¹⁾ See No. 87 below.

and non-nationalized), the inland-shipping companies and the deep-sea fisheries. These were abolished on April 1, 1954.

12. *Zone-delivered prices for coal.* - Under Section 24,a) of the Convention the High Authority was entitled to allow the charging of zone-delivered prices for coal to avoid sudden and harmful shifts in production, or in certain areas price increases so steep and sudden as also to be harmful.

In accordance with this provision, zone-delivered prices were authorized during the period 1953-56 in respect of

- (1) sales by the Aachen coalfield within the Federal Republic of Germany;
- (2) sales by the Belgian coking-plants within Belgium, to Luxembourg and to the French departments of Moselle and Meurthe-et-Moselle;
- (3) sales by the Lower Saxony coalfields within Northern Germany and to the Netherlands;
- (4) sales by the Centre/Midi coalfields to certain parts of France;
- (5) sales by the Saar coalfields to the Federal Republic of Germany;
- (6) sales by the Lorraine coalfields to the Federal Republic of Germany;
- (7) sales by French non-mine-owned briquetting-plants to certain French departments;
- (8) sales by the Sulcis coalfield to certain parts of Italy.

As a result of the trend in the market, certain of these special prices — those mentioned under (1), (2) and (6) — were found as time went on to be no longer justified and were accordingly abolished. The authorizations for the remainder were extended up to the end of the transition period.

13. The system of zone-delivered prices for coal represented in some degree the substitution of limited alignment under High Authority supervision for the general alignment provided for by Article 60,2,b) of the Treaty, which had been suspended by the High Authority by reason of the disturbances which it would have been liable to

produce in the collieries' operating conditions and in the currents of trade⁽¹⁾.

This danger still persisted at the end of the transition period. At the same time, it was felt that the introduction of any new system must coincide with the beginning of the coal year (April 1, 1958), and that the system selected must be worked out on the basis of exhaustive studies of the market conditions expected to prevail at that date. The High Authority therefore decided to maintain the prohibition on general alignment up to March 31, 1958, while authorizing those coalfields which had up till then charged zone-delivered prices to align their delivered prices in respect of limited sales to specified destinations with the delivered prices of enterprises in certain other coalfields at the same destinations⁽²⁾. The same decision also covered the Belgian collieries, whose selling prices were fixed up to the end of the transition period by the High Authority⁽³⁾.

The new system, which came into force on April 1, 1958, takes account of certain fundamental points in connection with the pattern of trade in coal in the Common Market. The main advantage of the Common Market so far as coal is concerned is not so much that it actually increases trade as that it results in a rational redistribution of the sales outlets of the different coalfields. This process is based essentially on a saving in real transport costs. It can be achieved only if it is normal practice for the buyer to pay the pithead price plus real transport and handling charges. If delivered prices are to be reduced it is necessary that coal should be carried in as steady a flow as possible, not in sporadic consignments. The problem has accordingly had to be considered in the light of Article 2,2 of the Treaty.

The alignment arrangements regarding coal prices were therefore worked out on the basis of the following principles⁽⁴⁾:

Every colliery is entitled to align its prices. At the same time, in order to protect small producers whose production capacity should in the

(1) See Decision No. 6/54, of March 19, 1954, extending Decision No. 3/53, of February 12, 1953, *Journal Officiel de la Communauté*, March 24, 1954.

(2) See Decision No. 1/58, of February 5, 1958, *Journal Officiel de la Communauté*, February 8, 1958.

(3) See No. 16 below.

(4) See Decision No. 3/58, of March 18, 1958, *Journal Officiel de la Communauté*, March 29, 1958.

Community's interest be maintained, alignment is permitted only with the delivered prices of the principal producers or of their selling agencies.

Further, in order to avoid disturbances in the Common Market, the right of alignment has been made subject to a number of limitations as to total tonnage sold and tonnage sold in specified areas. The costs of transport by lorry being difficult to check, alignment is not permitted in the case of deliveries by road. Rules have been laid down regarding calculation of transport costs, comparability as between types and grades, method of marketing and trade margin. The underlying principle is that the aligning enterprise must conform with the conditions of sale of the producer with whose schedule it is making the alignment. Enterprises must also submit certain returns regularly to the High Authority to enable it to check whether the alignments made are in accordance with these regulations, and to keep a regular watch on the effects of alignment generally on the coal market.

Section 2 — Implementation of the Special Provisions on the Integration of Belgian and Italian Coal

14. Chapter II of Part Three of the Convention provided for special precautionary measures in favour of Belgian, Italian and French coal. Sections 26 and 27 lay down the arrangements for the progressive integration of Belgian coal and of Italian coal from the Sulcis mines respectively. The precautionary measures in favour of French coal provided for in Section 28 have never had to be introduced.

Section 25 defines the compensation arrangements to finance these special integration measures. The compensation scheme was to derive its funds from a special levy on the coal production of countries whose average production costs were lower than the weighted average of the Community. Up to April 31, 1957, this levy was payable on the production of the German and Netherlands collieries; from May 1 to December 10, 1957, it was collected only from Germany⁽¹⁾, and the system was ultimately discontinued altogether from this last date⁽²⁾.

⁽¹⁾ Decision No. 15/57, of June 21, 1957, *Journal Officiel de la Communauté*, June 24, 1957.

⁽²⁾ Decision No. 23/57, of November 27, 1957, *Journal Officiel de la Communauté*, December 7, 1957.

The upper limit of the levy was fixed by the Convention at 1.5% of receipts per saleable ton for the first year, to be lowered by one-fifth each year thereafter.

The High Authority fixed an initial rate of 1.1% as from March 15, 1953. The figures moved during the transition period as follows:

Entry into force		Levy per metric ton	
		German collieries	Netherlands collieries
March 15, 1953 ⁽¹⁾	1.1%	55.0 pfennigs	42.0 cents
February 10, 1955 ⁽²⁾	0.9%	41.0 pfennigs	44.0 cents
February 10, 1956 ⁽³⁾	0.6%	29.1 pfennigs	19.9 cents
February 10, 1957 ⁽⁴⁾	0.3%	15.25 pfennigs ⁽⁵⁾	15.28 cents ⁽⁶⁾

(1) Decision No. 1/53, of February 7, 1953, *Journal Officiel de la Communauté*, February 10, 1953, and Decision No. 27/53, of March 9, 1953, *Journal Officiel de la Communauté*, March 13, 1953.

(2) Decision No. 3/55, of February 8, 1955, *Official Gazette of the Community*, February 8, 1955.

(3) Decision No. 2/56, of February 1, 1956, *Official Gazette of the Community*, February 5, 1956.

(4) Decision No. 3/57, of January 30, 1957, *Journal Officiel de la Communauté*, February 5, 1957.

(5) Up to December 10, 1957.

(6) Up to April 30, 1957.

The yield of the levy from March 15, 1953, to the end of November 1957 totalled 56.6 million units of account, divided as follows between the German and Netherlands enterprises:

	German collieries	Netherlands collieries	Total
1953 ⁽¹⁾	9.35	0.86	10.21
1954	15.01	1.20	16.21
1955	12.67	1.23	13.90
1956	9.47	0.94	10.41
1957 ⁽²⁾	5.59	0.25	5.84
Total	52.09	4.48	56.57

(1) From March 15, 1953.

(2) Up to the end of November 1957.

BELGIAN COAL

15. The transitional provisions relating to Belgian coal offered a choice of courses, either the payment of compensation, financed and administered in accordance with the details laid down in Sec-

tion 25 (Section 26, 2), or the temporary separation of the Belgian market from the Common Market (Section 26,3). In the latter case the High Authority was required to convey to the Belgian Government a recommendation regarding possible shifts in production within the limits stated in Section 26, 1. The Belgian Government never made use of its right to isolate its home market, so that only the provisions regarding the financial arrangements became operative. This did not, however, prevent the High Authority from recommending or imposing measures to help place the production of the Belgian collieries on a sounder footing.

The compensation payments provided for by Section 26, 2 were designed

- (a) to make it possible to bring the prices of Belgian coal as close as possible to the prices ruling in the Common Market generally (Section 26, 2, a);
- (b) to reduce the prices of the Belgian coal consumed by the Belgian iron and steel industry (Section 26, 2, b);
- (c) to offset to some extent losses incurred in the sale of Belgian coal in the Common Market (Section 26, 2, c).

The compensation arrangements under Section 26, 2, b) never had to be put into operation.

A — Operation of the Compensation Scheme under Section 26, 2, a)

16. The action originally taken to implement the compensation arrangements provided for in Section 26, 2, a) consisted in offsetting the differences between the prices in a sales schedule drawn up by the High Authority and those in an account schedule assuring the Belgian collieries of receipts at the level at which they had stood when the Common Market was introduced⁽¹⁾. The producers in working out their account schedules had made allowance for the abolition of the dual pricing formerly practised.

⁽¹⁾ Decision No. 24/53, of March 8, 1953, *Journal Officiel de la Communauté*, March 13, 1953.

The difference between the sales and account schedules averaged Bfr. 29 per metric ton for all types and grades of coal produced. In actual fact, however, the concession represented an average of only Bfr. 18 per metric ton for the Belgian consumer, if the abolition of dual pricing is taken into account. This rate, which was applied as from March 15, 1953⁽¹⁾, amended on November 1, 1953⁽²⁾, and renewed from March 1954⁽³⁾, was intended to enable the Belgian collieries to push ahead with their re-equipment and modernization programme while at the same time bringing their prices closer to those ruling in the Common Market.

In the light of the various instructive points which emerged, this basic system was later twice drastically remodelled.

17. *First changes.* — In February 1954, the High Authority set up a joint commission consisting of representatives of itself and of the Belgian Government to study the progress so far achieved, the outlook regarding the integration of Belgian coal into the Common Market, and the practical details and results of the compensation scheme as instituted on the introduction of the Common Market.

On the basis of the commission's findings, the High Authority in June 1955 made the following changes in the compensation arrangements⁽⁴⁾:

- (a) certain grades (low-volatile over 10 mm. and semi-bituminous over 20 mm.) were excluded altogether from the compensation scheme;
- (b) the amounts payable in compensation were lowered for those collieries which were in a particularly favourable position by reason of the conditions under which their coal was mined, and would in future be able to withstand competition in the Common Market with reduced compensation;
- (c) the so-called "convention assistance" hitherto paid by the Belgian Government to the Borinage collieries, amounting to Bfr. 200 million p.a., was reappropriated for general compensation requirements⁽¹⁾;

⁽¹⁾ Letter to the Belgian Government dated March 8, 1953.

⁽²⁾ Decision No. 40/53, of October 20, 1953, *Journal Officiel de la Communauté*, October 27, 1953.

⁽³⁾ Decision No. 15/54, of March 19, 1954, *Journal Officiel de la Communauté*, March 24, 1954.

⁽⁴⁾ Decision No. 22/55, of May 28, 1955, and letter from the High Authority to the Belgian Government of the same date, *Official Gazette of the Community*, May 31, 1955.

- (d) any difference between the yield of the compensation levy plus the equal contribution from the Belgian Government on the one hand and the amount required to cover payments under the new arrangements on the other was to be used to help cover supplementary assistance for the Borinage⁽¹⁾;
- (e) the sum of Bfr. 180 million was set aside for the purpose of lowering the prices of certain industrial grades.

The compensation scheme was operated in accordance with these principles from June 16, 1955, to February 9, 1956. The reduction in the levy with effect from February 10, 1956, made it necessary to reduce the compensation rates at the same time, though without alteration to the actual system⁽²⁾. The new rates remained in force up to December 31, 1956.

18. When these first changes were made in the compensation scheme, the High Authority strongly recommended that certain measures be introduced to enable Belgian coal to be integrated into the Common Market, more particularly by financing re-equipment programmes, supervising their implementation, encouraging a more rational layout of workings and valorizing production.

It was recognized that in future compensation payments would need to be accompanied by co-ordinated action on the part of the Belgian Government

- (1) to grant the collieries supplementary credits at reduced rates of interest, backed by a State guarantee⁽³⁾;
- (2) to deal with the problem of financing pithead stocks;
- (3) to finance the building and/or bringing into operation of thermal pithead power-stations;
- (4) to withdraw compensation from enterprises not pulling their weight as regards re-equipment, or refusing to enter into necessary transactions for the cession or exchange of coal reserves.

As the "convention" assistance to the Borinage collieries was henceforth to be part of the funds allocated for general compensation re-

⁽¹⁾ See No. 21 below.

⁽²⁾ See table under No. 14 above.

⁽³⁾ See the Belgian Law of July 12, 1955, providing for special credits totalling Bfr. 4-5,000 million to the collieries, including approximately Bfr. 1,100 million for the Borinage.

quirements, it was proposed that the marginal collieries be aided by other means⁽¹⁾.

Following the changes to the basic system, the Belgian collieries fell into three categories:

- (a) collieries receiving normal compensation payments;
- (b) collieries receiving reduced compensation payments (the Charbonnages de Beeringen, the Charbonnages de Helchteren et Zolder and the Charbonnages de Houthalen);
- (c) collieries receiving subsidies under the reorganization programme, over and above the normal compensation payments⁽¹⁾.

The outstanding point about this first remodelling of the system was the introduction of the principle of *selectivity*, which was eventually to govern the whole arrangement regarding entitlement to compensation. The High Authority's Decision No. 22/55 gave rise to two appeals to the Court of Justice, one by the Fédération Charbonnière de Belgique, and the other by the three mining companies considered themselves to be adversely affected by the observance of the principle of selectivity. Both appeals were dismissed⁽²⁾.

19. *Second changes.* — The principle of selectivity was applied on a general scale as a result of studies carried out by the High Authority and on the basis of information on the costs and receipts of the Belgian collieries assembled by a group of experts.

On the conclusion of its studies, the High Authority decided towards the end of December 1956 to classify the Belgian enterprises into three groups⁽³⁾:

Group 1: Enterprises whose operating results were such that they could charge the selling prices fixed by the High Authority under

⁽¹⁾ See No. 21 below.

⁽²⁾ Judgments by the Court of Justice in Cases 8/55 and 9/55, *Journal Officiel de la Communauté*, January 23, 1957.

⁽³⁾ Letter from the High Authority to the Belgian Government, dated December 19, 1956, *Official Gazette of the Community*, December 27, 1956.

Section 26, 2, *a* of the Convention without the aid of compensation payments. Compensation was accordingly discontinued in respect of this group as from January 1, 1957.

Group 2: Enterprises which could become competitive within the Common Market by the end of the transition period, if need be with the help of subsidies under Section 26, 4 of the Convention. From January 1, 1957, to the end of the transition period this group received compensation calculated in proportion to operating losses per ton produced over a reference period⁽¹⁾.

Group 3: Enterprises which had no prospect of becoming competitive within the Common Market by the end of the transition period. Compensation was discontinued in respect of this group as from February 10, 1957⁽¹⁾.

Group 3 consisted solely of the four Borinage marginal collieries, whose losses were practically covered by a special agreement with the Belgian Government⁽²⁾. Certain complications arose in connection with two collieries in the Liège coalfield (Charbonnages de Bonne-Espérance, Batterie Bonne Fin et Violette), which produce considerable tonnages of anthracite. The High Authority agreed to include them in Group 2 only subject to a number of conditions regarding technical and financial re-organization.

20. *Compensation payments under Section 26, 2, a.* — Compensation payments by the Community under Section 26, 2, *a*) over the period March 15, 1953—November 30, 1957 totalled 37.5 million units of account, distributed over the years as follows:

1953 ⁽³⁾	6.45
1954	8.53
1955	9.75
1956	6.63
1957 ⁽⁴⁾	6.11
Total	37.47

⁽¹⁾ Letter from the High Authority to the Belgian Government, dated January 30, 1957, *Journal Officiel de la Communauté*, February 9, 1957.

⁽²⁾ See No. 21 below.

⁽³⁾ From March 15, 1953.

⁽⁴⁾ To November 30, 1957.

In accordance with Section 25, the same amount was paid over by the Belgian Government.

21. "Convention" assistance. — To enable certain Belgian collieries to sell at lower prices without risk to their production or equipment, the High Authority decided to include in the compensation scheme, under Section 25, the so-called "convention" assistance which was already being paid by the Belgian Government before the introduction of the Common Market⁽¹⁾. For 1953 this assistance, which went mainly to the Borinage collieries, was fixed at Bfr. 200 million⁽²⁾; the same figure was approved for 1954.

During the latter year, these payments had to be supplemented by "additional convention assistance" totalling Bfr. 190 million⁽³⁾. In accordance with Section 24, 3,b) the High Authority had further authorized a *supporting fund* of Bfr. 120 million, supplied on a fifty-fifty basis by the producers and the Belgian Government⁽⁴⁾.

Community participation in the basic convention assistance was fixed at 50% for the years 1953 and 1954, and its share of the additional convention assistance and the supporting fund at Bfr. 45 million.

The system of "convention" assistance remained in force beyond January 1, 1955. At June 15, 1955, the Community's contribution amounted to Bfr. 34.4 million.

After studying the Joint Commission's reports⁽⁵⁾ on the problem of integrating Belgian coal into the Common Market and the present and future economic soundness or otherwise of the Borinage collieries, the High Authority in February 1956 laid down a definite reorganization programme for those collieries⁽⁶⁾. This provided for the overhaul of pits deemed to be

(1) The 1952 re-equipment programme was backed by a subsidy of Bfr. 13,000 million, of which Bfr. 3,400 million had to be borne by the producers.

(2) Letter from the High Authority to the Belgian Government dated March 8, 1953, *Journal Officiel de la Communauté*, March 13, 1953.

(3) Letter from the High Authority to the Belgian Government dated March 13, 1954, *Journal Officiel de la Communauté*, March 24, 1954.

(4) Decision No. 5/54, of March 13, 1954, *Journal Officiel de la Communauté*, March 24, 1954.

(5) See No. 17 above.

(6) Letter from the High Authority to the Belgian Government dated February 3, 1956, *Official Gazette of the Community*, February 22, 1956.

economically workable, and for the gradual closing-down of those whose operating results could not be improved to any satisfactory degree.

The amount budgeted for to finance this programme in 1955 was Bfr. 403.5 million; this was, however, exceeded by Bfr. 18.7 million, with the agreement of the High Authority. For 1956 the High Authority originally authorized subsidies totalling Bfr. 331 million, which were later raised to Bfr. 525.9 million. The 1957 subsidies were fixed at Bfr. 387.2 million.

The Community's share in the financing of the reorganization programme was fixed at Bfr. 200 million, of which Bfr. 130 million was to come from the compensation levy and Bfr. 70 million from the readaptation fund. Of this total amount, Bfr. 90 million was allocated for 1955 and Bfr. 40 million for 1956. The latter sum represents the Community's last payment under the scheme for special assistance to the Borinage. The remaining Bfr. 70 million were to be devoted as need arose to the readaptation of miners obliged to change their employment in consequence of the reconstruction programme.

Community participation in the form of "convention" assistance in the financing of schemes for the reorganization of the Borinage collieries from 1953 to 1956 totalled Bfr. 339.4 million.

B — Compensation under Section 26, 2, c)

22. Compensation under Section 26, 2, c) was operated from June 1953 to March 1955. The High Authority first examined the quarterly schedules of Belgian sales to other Community countries, and then fixed the tonnages, types and grades on which compensation was to be payable and notified the Comptoir Belge des Charbons accordingly. Contracts concluded by tonnages, types and grades between Cobechar and the recipients of compensation were forwarded to the High Authority for checking.

The quarterly schedules show Belgium to have supplied in all 4.8 million metric tons, of which

400.000 went to the Federal Republic of Germany,
1.2 million to Italy,
3.2 million to the Netherlands.

The cost of the compensation was borne half by the Community and half by the Belgian Government. The total paid represented 80% of the difference between the schedule prices and alignment with the prices of other Community countries. The remaining 20% had to be borne by the Fédération Charbonnière de Belgique.

The Community's share between June 1953 and March 1955 amounted in all to Bfr. 257.7 million.

23. Total compensation payments under Section 26 in respect of Belgian coal amounted to 117 million units of account, of which 48.8 million was contributed by the Community and 68.2 million by the Belgian Government, the breakdown being as follows:

('000,000 units of account)

	Community	Belgian Government	Total
Compensation under Section 26, 2, a)	36.86	36.86	73.72
"Convention" assistance	6.79	26.16	32.95
Compensation under Section 26, 2, c)	5.15	5.15	10.30
Total	48.80	68.17	116.97

C — Developments in the Belgian Coalmining Industry under the Compensation System

24. *Investment.* — Actual capital expenditure on the pits in all Belgian coalfields from 1953 to 1956 totalled Bfr. 7,500 million⁽¹⁾. The following table shows the breakdown by coalfields of average annual expenditure from 1953 to 1956, together with estimates for 1957 and 1958⁽²⁾:

⁽¹⁾ Exclusive of mine-owned coking-plants, briquetting-plants and pit-head power-stations.

⁽²⁾ For further details see *Statistical Annex*, Table No. 58.

(Bfr. '000,000)			
	1953-1956	1957 (estimates)	1958
Campine	702.1	1,146.0	896.0
Southern Belgium	1,173.8	1,930.0	1,458.5
Total	1,875.9	3,076.0	2,354.5
of which Borinage (marginal pits)	310.0 (253.0)	612.0 (496.5)	410.0 (335.0)

25. *Concentration of pits and workings.* — The great feature of the Belgian coalmining industry in the last few years has been the emphasis on concentration at all levels of production, with a view to instituting larger and more economic units.

Most of the older mines consisted largely of small dispersed workings with a low output employing only a handful of men. Progress with regard to ventilation, haulage at the face and in the roadways, support, roof control and so on has made it possible to introduce more rational coal-getting methods which have entirely revolutionized the layout of the underground workings. These now usually consist of a small number of extension faces, served by very efficient haulage installations.

A number of pits have been closed and arrangements made to have their production brought to the surface through adjacent pits with improved surface installations.

Pits in operation

	1952	1957
Southern Belgium	136	113
Campine	7	7
Total	143	120

Considerable progress has also been made in the concentration and modernization of the coal-sorting and preparation plant, and in electrification above and below ground.

26. *Production capacity.* — It has been possible to increase the capacity of many pits appreciably by the acceleration of underground haulage and the modernization of winding shafts and equipment

(enlarging of shafts, installation of new pithead gear and new cages and skips, electrification of winches, etc.).

(*'000,000 metric tons*)

	Production potential		Actual production
	1954	1957	1957
Campine	10.26	10.54	10.33
Southern Belgium	21.20	20.68	18.76
Total	31.46	31.22	29.09

27. *Manpower.* — One of the main elements in the manpower situation is its inherent instability, to which the producers to a great extent attribute the inadequacy of the improvement so far achieved in output.

	Belgian nationals		Other nationals		Total number employed
	number employed	%	number employed	%	
1952	89,180	55.9	70,369	44.1	159,549
1953	89,285	57.9	64,961	42.1	154,246
1954	88,564	60.2	58,624	39.8	147,188
1955	83,264	55.4	67,113	44.6	150,377
1956	78,850	55.4	63,488	44.6	142,338
1957	78,099	51.4	73,799	48.6	151,898

28. *Output.* — Output per man/shift has noticeably increased, though in the Campine very much more than in the Southern coalfields.

(*kilograms*)

	Campine	Southern Belgium	Belgium	Community
1952	1,300	965	1,051	1,389 ⁽¹⁾
1957	1,450	1,032	1,150	1,545 ⁽¹⁾

⁽¹⁾ Exclusive of the Sulcis coalfield.

Thus although in the Campine the trend has been pretty well up to the Community average, this is far from being the case in the South,

where the improvement in output is very slow. In consequence, the absolute output for Belgium as a whole is still far below that of the Community, and the improvement of o. m. s. in kilograms is also less.

29. *Production.* — Fluctuations in production are very slight, and the only point which seems worth mentioning, as it reflects a permanent trend in this regard, is a shift in production from the South towards the Campine.

(*'000,000 metric tons*)

	Campine	Southern Belgium	Total
1952	9,172	20,672	30,384
1953	9,483	20,577	30,060
1954	9,258	19,991	29,249
1955	10,145	19,833	29,978
1956	10,468	19,085	29,553
1957	10,331	18,775	29,086

30. *Sales.* — Sales of Belgian coal outside Belgium fluctuate fairly markedly: *inter-alia*, there seems to be a definite decline in deliveries to Italy and an increase in those to the Netherlands.

(*'000,000 metric tons*)

	1952	1953	1954	1955	1956	1957
Germany (Fed. Rep.)	19	107	226	732	295	202
France	1,091	1,577	1,304	1,221	1,145	1,411
Italy	668	836	575	184	98	23
Luxembourg	49	13	31	41	40	36
Netherlands	478	1,050	2,148	2,816	1,721	1,435
Community	2,305	3,583	4,284	4,995	3,298	3,107
Third countries	232	582	1,397	2,056	1,165	855
Total	2,537	4,165	5,681	7,050	4,463	3,962

31. *Production costs.* — The table below shows in the form of indices (1953 = 100) the trends in wages, social charges, wage costs (wages + social charges) and production costs.

Wage costs are given in relation both to shift and to net metric ton produced.

Production costs have been calculated from data supplied by the Fédération Charbonnière de Belgique and worked out in accordance with the method used by the Conseil National des Charbonnages.

	Average wage per shift	Social charges per shift	Wage costs per shift	Wage costs per net metric ton produced	Production costs per net metric ton produced
1954	102.57	103.70	102.90	98.79	99.25
1955	105.15	107.96	105.99	97.08	98.66
1955	110.77	144.03	120.68	106.17	107.43
End 1957	127.90	178.61	143.01	126.45	124.85

A comparison between the costs of the Belgian mines as at the end of 1957 and those of the other Community coalfields as at the same date reveals that the Belgian costs are more than 40% above the average for the whole of the rest of the Community. Indeed, they exceed the Ruhr costs by very nearly 50% (though this figure will be slightly lower as from April 1, when the Ruhr collieries will resume responsibility for financing the miners' social insurance funds), and even those of the Nord/Pas-de-Calais reckoned at the new rate of exchange (1 E.P.U. unit = Ffr. 420) by more than one-third.

32. *Selling prices.* — Since the beginning of the transition period, when reductions were imposed by the High Authority in conformity with the reiterated views of the Belgian Government, prices have been raised again on a number of occasions in order to absorb some of the increases in production costs. The most recent increase, introduced on November 6, 1957, was distinguished by one rather special feature, in that there was a differentiation between the Southern and the Campine prices, the latter coalfield not having included its wage increases into its selling prices⁽¹⁾. The following table shows the movement of pithead prices for certain types and grades between March 15, 1953, and November 6, 1957⁽²⁾.

⁽¹⁾ As from February 10, 1958, Belgian producers have been free to fix their own schedule prices. See Decision No. 2/58, of February 5, 1958, *Journal Officiel de la Communauté*, February 8, 1958.

⁽²⁾ For further details, see *Statistical Annex*, Table No. 13.

	Increase
Gras B (over 28% V.M., 30—50 mm.):	
Campine	+ 9.9%
Southern Belgium	+ 14.0%
Gras A (20—28% V.M., washed smalls 0—10 mm.):	
Campine	+ 21.8%
Southern Belgium	+ 24.6%
3/4 gras (18—20% V.M., 10—20 mm.)	+ 14.9%
Maigres (10—14% V.M., 20—30 mm.)	+ 23.6%
Anthracites (under 10% V.M., 20—30 mm.)	+ 23.6%
Demi-gras briquettes (14—18% V.M., 10—14% ash)	+ 28.7%

In these circumstances, despite increases in Ruhr prices, the Belgian coalfields have failed to make up the leeway between them and the other producers in the Common Market. In the case of a good many grades the difference between Ruhr and Belgian pithead prices has increased since the introduction of the Common Market.

	Difference 1953	Difference 1957
Bituminous washed smalls	Bfr. 96.50	Bfr. 165.50
Low-volatile nuts (20—30 mm.)	429.50	626.00

The delivered prices of Ruhr coal in Belgium are now below those of home-won coal.

33. *The position of the Borinage mines.* — That certain Borinage collieries were in difficulties was already an established fact many years before the introduction of the Common Market.

It was as long ago as 1938 that the first shutdowns were decided. In 1950, i.e. more than two years before the introduction of the Common Market, the Government concluded special agreements with six collieries in this coalfield. When the Community was set up, therefore, the Borinage problem was submitted to the Council of Ministers on December 21, 1953. The High Authority and the Belgian Government decided to have the matter investigated by a commission of very highly-qualified outside experts selected from among particularly competent specialists in Belgium, the Netherlands, France and Germany.

The commission was asked to deal with the following four enterprises:

- Cockerill-Ougrée, Charbonnages Belges,
- Levant-Flénu,
- Ouest de Mons,
- Hainaut.

The experts found in favour of a thoroughgoing reorganization comprising concentration of pits and workings, sinking of new pits and a major increase in investment activity, generally. If this was done, the commission considered that the collieries could, over a period of some years, varying in each case, arrive more or less at a balanced operating position.

In pursuance of the commission's report, action was taken in two ways:

- (a) a schedule of shutdowns was drawn up, though not all the measures advocated by the commission were adopted as some were felt to be too costly in relation to the somewhat problematical result to be expected from them;
- (b) fresh agreements were concluded between the Government and the enterprises on November 5, 1955.

The agreements guarantee that 93.5% of the losses will be met, exclusive of the maintenance appropriation of Bfr. 35 per ton, which is still payable by the collieries. An avoidance clause was, however, inserted to the effect that the assistance could be terminated should output and/or receipts fall more than 10% short of estimates.

In a letter of February 3, 1956, to the Belgian Government, the High Authority mentioned that the discontinuance of its own special assistance of Bfr. 200 million a year hitherto paid to certain Borinage collieries, intended to make allowance for the particular circumstances prevailing there, would necessitate the readjustment by other methods of the assistance given these collieries in the form of Belgian Government subsidies⁽¹⁾.

At the same time, the High Authority continued to pay special compensation assistance amounting to Bfr. 130 million.

⁽¹⁾ See *Official Gazette of the Community*, February 22, 1956.

As was recalled in Part One, the letter approved the reorganization programme which the Belgian Government had submitted to the High Authority, at the same time setting forth the conditions in respect of assistance and more particularly the details of the year-by-year closing-down schedule.

At the end of 1956, when it recast the Belgian compensation scheme, the High Authority decided to classify the Belgian collieries into three groups, Group 3 to consist of enterprises with no hope of becoming competitive in the Common Market by the end of the transition period⁽¹⁾. The four Borinage enterprises were classified in Group 3 by the High Authority in January 1957, following a further examination of the question, and the Belgian Government notified accordingly. Since the High Authority had received formal notice that the Belgian Government intended to continue on the basis of the existing agreements to pay out subsidies covering most of their losses, it decided, by agreement with that Government, to discontinue compensation payments to the four Borinage collieries from February 9, 1957.

In May 1957, the High Authority expressed concern as to the implementation of the reorganization programmes of the Borinage collieries, noting in particular that

- (a) not one of the four had by then produced the tonnages estimated;
- (b) receipts had fallen short of expectations;
- (c) output was everywhere below the level hoped for;
- (d) the amounts paid in subsidy, so far from decreasing, were having to be stepped up in consequence of certain circumstances unforeseeable at the time when the scheme was drawn up.

D — *Present Position regarding the Compensation Scheme*

34. Consumers of Belgian coal — principally Belgian industry and the household sector — have had the benefit of the price reductions which were introduced when the compensation scheme first

⁽¹⁾ See No. 19 above.

came into operation. Since it was not considered necessary to isolate the Belgian market, Belgian coal consumers have been able to obtain supplies freely from other Community countries.

Thanks to the payment of compensation under Section 26, 2, c) on something like five million metric tons between June 1953 and March 1955, it was possible to prevent widespread unemployment in the Belgian collieries during the minor recession of 1953-54.

The High Authority has contributed both directly (by granting loans for the construction of pithead power-stations) and indirectly (by operating the compensation scheme) to the modernization of the Belgian coalmining industry. The Belgian Government and producers have had five years in which to put into effect a modernization programme and a reorganization scheme at legislative, industrial and financial level:

- (a) the requisite legislative action was taken in 1955 (the law of July 12, 1955) to provide the deficiency guarantee on the loans to be contracted by the collieries for modernization purposes;
- (b) the investment programme represents a total of some Bfr. 13,000 million;
- (c) credits have been made available to them, from 1955 onwards;
- (d) to finance the construction of thermal power-stations, various credits have been made available to them, including Bfr. 700 million from the Community;
- (e) there has been a certain amount of regrouping, reducing the total number of pits in operation from 143 to 119;
- (f) the Government has made arrangements for the placing of Campine reserves B and C under licence;
- (g) a bill providing for the reorganization of the Conseil National des Charbonnages has been drafted with the object of facilitating reorganizations, regroupings, mergers, etc.;

- (h) a further bill amending the law of 1862, aimed at facilitating the security of stocks, by warranty, has been drafted and is likely to be introduced in Parliament at an early date.

This last bill is very much in accordance with the High Authority's own efforts. Ever since the first remodelling of the compensation scheme the High Authority has been urging the necessity for measures in regard to the financing of stocks. The object of the bill is to ensure that the coal pledged against credits shall not (as the law of 1862 requires that it shall) automatically pass out of the ownership of the enterprise. Ways and means of actually financing stocks will, however, still remain to be found.

35. At the end of the transition period, the Belgian coalmining industry, is still in difficulties, prominent factors in which are:

- (a) high production costs (except in the Campine);
- (b) a selling-price schedule on the basis of which the delivered prices of Belgian coal within Belgium work out higher than those of the major competing coalfields in the Common Market;
- (c) in fact that a proportion of its production cannot be integrated without special subsidization.

Consequently, it is extremely sensitive to market fluctuations, and tends in particular to accumulate stocks on a considerable scale when business is slack.

The problem of the integration of Belgian coal therefore remains unsolved. Numerous points are still outstanding, and the High Authority is seriously concerned over the situation.

As regards whether, in view of the foregoing, Belgian coal was in fact successfully integrated into the Common Market on February 10, 1958, no more than a fraction can be said to have been integrated without more ado. What is rather more complicated is to fix the delimitation.

It is, moreover, possible that part of the capacity which cannot at present be integrated may yet achieve a more satisfactory position by means of reorganization (more particularly of what may be termed "negative rationalization", *i.e.* by dropping attempts to extract certain tonnages which are exceptionally difficult to work, or of shifts in production. This possibility relates chiefly to the three million tons from the Borinage, but the reorganization of certain anthracite pits is equally imperative.

The results of the action taken to further integration are certainly not commensurate with the efforts made. The boom conditions which prevailed for some years in all the Community countries to a great extent determined the trend in production costs in the Belgian collieries, while at the same time retarding the solution of certain problems of adjustment which should have been disposed of during the transition period. The Community would have gained in particular if some of the measures envisaged had been either adopted earlier or carried through more expeditiously.

36. Section 26, 3 entitled the Belgian Government, if it so chose, to isolate the Belgian market from the Common Market for the whole of the transition period, and in certain circumstances for the two years following.

The High Authority would emphasize that throughout the transition period, despite the alternation of coal booms and slumps, the social and economic conditions which, thanks to the compensation scheme, prevailed in the Belgian coalmining industry where at no time such as to necessitate any such decision on the part of the Belgian Government.

It is quite definitely essential that a strict programme of reconstruction be laid down. The utmost use must be made of the fact that subsidies can only be paid under Section 26, 4, with High Authority agreement: the amounts, the tonnages and the terms on which the High Authority is prepared to give its permission must be such as really will enable Belgian coal to be integrated into the Common Market.

ITALIAN COAL

37. Section 27, 1 of the Convention provided that compensation should also be payable to the Italian collieries at Sulcis, to enable them, pending the completion of the re-equipment operations in progress, to face competition in the Common Market. The assistance was not to be granted for more than two years, which ended on March 14, 1955.

38. *Compensation payments.* — The compensation assistance planned for the two years was fixed at 13 million units of account, of which one-half, i.e. 6.5 million, was to be furnished by the Community and the remainder by the Italian Government.

After paying over a number of advances totalling 6 million units of account, the High Authority made the final settlement of the compensation conditional upon the acceptance by the Italian Government and the Carbosarda Company (which runs the Sulcis mines) of a reconstruction programme which it had approved.

39. *Implementation of the reconstruction programme.* — In 1952, four area managements were set up in the Sulcis coalfield, employing in all 9,169 workers (6,875 of them below ground), and having a total production of 948,895 metric tons.

Following the introduction of the concentration programme, these bodies were in 1957 reduced in number to three, one of which (Cortoghiana) was about to be closed down. They employed 4,724 workers (3,916 below ground), and their production totalled 913,768 metric tons.

The fluctuations in production are due in the main to absenteeism — largely caused by strikes — and to considerations of quality: the gross tonnage was practically equal for the two years in question.

Underground output per man/shift rose from 618 kg. in 1952 to 959 kg. in 1957, and underground and surface o.m.s. together from 450 kg. in 1952 to 784 kg. in 1957.

For purposes of concentration, the coal-preparation plant was reduced from four washeries to two, and extraction shifted to the most economic pits (Seruci), whose production increased from 5.2% of the total in 1952 to 40% in 1957.

The average cost per metric ton produced, which in 1952 came to Lit. 9,850, has been brought down to Lit. 7,400, despite a rise of some 37% in the general index of pithead prices. The Seruci mine has the lowest costs at approximately Lit. 6,300 per metric ton.

The average pithead selling price has fallen from Lit. 6,450 to Lit. 5,500 per metric ton, a decrease of Lit. 950, attributable mainly to the present state of the market.

Operating losses between January 1, 1952, and December 31, 1957, totalled approximately Lit. 19,000 million, of which Lit. 2,000 million is due to the retention of redundant workers, and a further Lit. 2,000 million represents interest costs incurred as a result of delays in financing. These losses were covered by compensation assistance from the Community and the Italian Government, and by an Italian Government credit of Lit. 8,750 million to increase the Company's capital. The debit balance now stands at approximately Lit. 2,000 million.

CHAPTER II

OPERATION OF THE COMMON MARKET

40. The purpose of the special measures laid down in the Convention containing the Transitional Provisions was to facilitate the progressive adaptation of the Community's industries to the new economic order resulting from the introduction of the Common Market for coal and steel. The High Authority's role in this process was to ensure, by the exercise of constant supervision, compliance with the rules of the Treaty and thereby establish and maintain the necessary conditions for the efficient operation of the Common Market.

Thus the High Authority had in particular to see that Government measures of a statutory, administrative, or other nature did not conflict with the rules of operation of the Common Market and that individual enterprises did not infringe these rules. In the field of transport, the High Authority had to ensure that conditions of competition were not distorted by discriminations in freight-rates resulting in artificial increases or reductions in the delivered price of Common Market products. Finally, it had to exercise permanent supervision over the development of the structure of the Common Market in order to make sure that competition was not impeded, limited or distorted by cartels, monopoly organizations, or industrial concentrations.

Section 1 — Implementation of the rules of competition

41. Under the terms of Article 2 of the Treaty, the Community is entrusted with the task of "progressively establishing conditions which will in themselves assure the most rational distribution of production at the highest possible level of productivity".

The progressive establishment of “*conditions which will in themselves assure*”, obviously means the organization of a competitive market. Moreover, Article 5 of the Treaty sets forth clearly that the Community “shall assure the establishment, the maintenance and the observance of normal conditions of competition, and take direct action with respect to production and the operation of the market only when circumstances make it absolutely necessary”.

Competition in the Common Market is not therefore the general “free-for-all” jungle which would result from the pure and simple abolition of every obstacle to trade, but a *regulated competition* resulting from deliberate action and permanent arbitration.

It is the responsibility of the institutions of the Community and in particular of the High Authority,

to ensure the establishment, maintenance, and observance of normal conditions of competition;

to eliminate every factor which is incompatible with such conditions;

to take action with respect to production and the operation of the market, preferably by means of indirect measures in accordance with the procedure laid down in the Treaty.

The very numerous actions taken by the High Authority under these three heads since the introduction of the Common Market have been described in detail in previous General Reports. It therefore suffices for our purpose to mention briefly the most important measures and give an account of those which have been taken since the last General Report was issued.

ESTABLISHMENT, MAINTENANCE AND OBSERVANCE OF NORMAL CONDITIONS OF COMPETITION

42. Apart from its special measures in the field of transport⁽¹⁾, the High Authority in the decisions and actions it took to ensure

⁽¹⁾ See below Section 2 of this Chapter.

the establishment and maintenance of normal conditions of competition was concerned mainly to draw up *rules governing the publication of the price schedules* and to define the *non-discrimination rule* and the *principle of free circulation* of products within the Common Market. In order to enforce compliance with the rules of competition, the High Authority found itself obliged in certain cases to issue warnings and impose fines on enterprises which had infringed them.

43. *Publication of price schedules.* — A few days before the opening of the Common Market for coal and iron ore, the High Authority issued a decision the form and manner in which the *mining industries* (coal and iron-ore mines) should publish their price schedules and conditions of sale⁽¹⁾.

Particular importance was attached to enabling the buyer to learn from the price schedules and conditions of sale, not only the prices, but also the methods of quotation, the charges connected with the various methods of loading, trade discounts, the method of calculating the incidence of taxation, any bonuses for quality which might be allowed, and so forth. Furthermore, the price schedules and conditions of sale, which have to be communicated to the High Authority within specified time-limits prior to their coming into force, must comprise such data as will enable the buyer to obtain an exact idea of the properties of the products offered.

Producer enterprises are also under an obligation to compel their sales organizations and any agency acting on their behalf to comply with these rules.

44. Although they were made subject to the non-discrimination rule⁽²⁾, no obligation has so far been imposed on buyers, that is to say wholesale coal dealers within the meaning of Article 63 of the Treaty, to publish their prices for resale. It is the intention of the High Authority to discuss all aspects of this problem with the Governments at the next session of the Council of Ministers.

45. A few days before the introduction of the Common Market for steel, the High Authority prescribed, as it had done for the

⁽¹⁾ Decision No. 4/53 of February 1953, *Journal Officiel de la Communauté*, February 10, 1953.

⁽²⁾ See No. 50 below.

mining enterprises, the method to be followed and the time-limits to be observed for the publication by enterprises of the *iron and steel industry* of their price schedules and conditions of sale for *ordinary steels*. The High Authority specified the minimum details which must be made public⁽¹⁾.

This decision might easily have remained ineffective had it not been extended to cover the intermediaries through whom the producers sell their products. It was therefore laid down that these intermediaries (dealers, agents, sales-agencies and commission agents) must either publish their own price schedules and conditions of sale in the same form as the producers, or, where they are adopting, totally or in part, the terms of the producer enterprises, inform their customers of the extent to which these price schedules and conditions of sale are applicable to their own transactions.

Since enterprises in the iron and steel industries are permitted to align their quotations with the schedules of other enterprises (a practice prohibited for the coalmining industry during the transition period⁽²⁾), it is essential that these schedules should apply only to products actually included in the range or goods manufactured by the enterprises in question. If this rule were not applied, fictitious schedules drawn up by one enterprise would make it possible for another, acting in collusion with the first, to practice discrimination by aligning its prices on them.

Finally, it follows from this decision that for quotations as from a basing point of its own choice every enterprise is obliged to conform to its published price schedules for as long as these remain in force.

46. This decision provided for exact agreement between schedules and the prices actually applied. Every change in price, however insignificant or temporary, had to be reflected in the schedules. The system was thus too rigid to allow for market fluctuations of a purely passing nature.

In order to make allowance for this situation, the High Authority amended its decision in such a way that the publication of changes in an enterprise's schedules was only obligatory when they resulted in an average difference of more than 2.5% either way, between the prices actually charged by the enterprise and the basis prices which would have been applicable to the transaction in question according to the published schedule in its original

(¹) Decision No. 31/53 of May 2, 1953, supplemented by Decisions No. 32/53 of May 20, 1953, *Journal Officiel de la Communauté*, May 4 and 21, 1953.

(²) See No. 13 above.

unamended form⁽¹⁾. Naturally, the enterprises had to be in a position to prove that the deviations actually practiced within these limits had been applied to all comparable transactions without discrimination. This decision was supplemented by another specifying the information which the iron and steel enterprises were required to furnish on the application of their price schedules⁽²⁾.

However, the Court of Justice, upon appeals lodged by the French and Italian Governments, quashed these provisions⁽³⁾. Following the judgment of the Court, the High Authority defined the various aspects of the regulations in force in a notice in the Official Gazette. At the same time, it rescinded the decision concerning the information to be furnished by the enterprises⁽⁴⁾.

47. A particular difficulty had to be overcome in regard to the publication of price schedules and conditions of sale for *special steels*, the Common Market for which was introduced on August 1, 1954. For the publication of a schedule to have any value, it is necessary that the nature of the product should be such as to allow of comparison, and that the prices quoted to buyers in the different schedules should refer to precisely the same article. This comparability raised no serious problem in the case of ordinary steels, but for special steels it assumed primordial importance.

The rules on the publication of price schedules and conditions of sale laid down by the High Authority may be summed up as follows⁽⁵⁾:

any enterprise making an offer or concluding a transaction involving comparable qualities of special steel — these are enumerated in a detailed list⁽⁶⁾ — must publish the prices and conditions of sale applicable to these qualities in the Common Market;

offers and transactions involving other qualities of special steel for which a sufficient degree of comparability does not exist, are exempted from the publication requirement.

(1) Decision No. 2/54 of January 8, 1954, amending Decision No. 31/53 of May 2, 1953, *Journal Officiel de la Communauté*, January 13, 1954. See *Second General Report of the High Authority*, April 1954 (Nos. 74-78).

(2) Decision No. 3/54 of January 1954, *Journal Officiel de la Communauté*, January 13, 1954.

(3) Judgments of the Court on December 21, 1954 in cases No. 1-54 and 2-54, *Official Gazette of the Community*, January 11, 1955.

(4) See *Official Gazette of the Community*, January 11, 1955.

(5) Decision No. 37/54 of July 29, 1954, *Official Gazette of the Community*, August 1, 1954. See *Report on the Situation of the Community*, November 1954 (Nos. 36-47).

(6) These qualities make up approximately 85% of the special steels enumerated in Annex 3 to the Treaty.

48. *Sub-standard and second-choice iron and steel products* were initially subject to the general obligation to publish price schedules in the sense that enterprises had to publish any rebates allowed on the prices of primes when selling such products. But as these sales are rarely intercomparable, the publication of such rebates in no way contributed to the achievement of the aims set forth in Article 60, 1 of the Treaty. For this reason, the High Authority took two decisions, one abolishing the obligation to publish rebates for seconds, and the other making it incumbent upon enterprises to submit monthly returns of the tonnages of these products sold. This arrangement makes it possible to track down and repress any abuses which may exist⁽¹⁾.

49. To supplement the publication of enterprises' price schedules and enable consumers to compare prices rapidly, the High Authority has published, in the form of a handbook which is being kept up to date, a list of the basis prices filed by enterprises for the principal types of pig-iron, standard rolled products and certain characteristic qualities of fine carbon and special steels.

50. *The non-discrimination rule.* — Free competition, on which the Treaty bases the Common Market is not simply freedom to charge any customer any price. The fundamental rule of the Common Market is that of non-discrimination. Article 60, 1 of the Treaty required the High Authority to define the discriminatory practices prohibited. This was done by a decision equally applicable to coal, iron ore and steel⁽²⁾.

The first rule laid down in this decision requires the conditions specified in the price schedules to be applied uniformly and in such a way that this rule cannot be evaded by granting abnormal time-limits for payment without any *quid pro quo*.

The Treaty provides for an exception to this rule in that a producer may align his quotations with the delivered prices of competing enterprises at the place of consumption. It should be pointed out that this alignment is merely an option and on no account an obligation. Moreover, it can only be

(1) Decisions Nos. 32/56 and 33/56 of November 21, 1956, *Official Gazette of the Community*, November 25, 1956.

(2) Decision No. 30/53 of May 2, 1953, amended by Decision No. 1/54 of January 7, 1954, *Journal Officiel de la Communauté*, May 4, 1953 and January 13, 1954.

applied downwards, i.e. by way of a reduction of the schedule price as defined above. This reduction may not be more than is necessary to equal, at the point of consumption, the lowest delivered price resulting from the application of the schedule of a competing producer using another basing point than the producer who is aligning his prices. Partial alignment is permitted.

Alignment is possible both with the competing schedules of other Community producers and with offers from third countries. In the first case, since the price schedules and freight charges are public knowledge, the producer wishing to align his prices can do so without any special formalities, provided that, in the event of a subsequent check, he can prove that his prices were correctly computed. In the second case, the consumer requesting a Community producer to align his prices must furnish proof of the offer received from a producer in a third country, while the Community producer concerned must report the operation to the High Authority and, if requested, must submit evidence showing that the competing offer really existed and provide all figures necessary to enable the High Authority to judge whether or not the alignment was in order.

The second rule prohibits the differentiation in terms according to the nationality of a buyer resident in the Community or to the location of his place of business within the Community.

51. It was not within the High Authority's power to prescribe one sales organization in preference to another from among the numerous selling systems in existence, nor to forbid enterprises to grant special terms to their customers for an order series of orders involving large tonnages. However, the High Authority had to see that all discriminations involved by systems operating on a national level prior to the introduction of the Common Market were eliminated. For this reason, one of its important decisions was to the effect that the tonnage or values to be taken into account for the calculation of a reference figure entitling to a rebate could no longer be those on the basis of which a Community buyer had done business with the enterprises of one given country, but those involved by all his dealings with all suppliers of the product or class of product in question within the Common Market, irrespective of the market in which he resold the products.

52. As regards the taxes which the dealer may include in the price asked of the buyer, the rule established by the High Authority is that the amount of such taxes may not be added to the price where the seller is entitled to tax exemption or refund.

53. *Free circulation of products.* — Besides Customs duties and quotas, which were abolished when the Common Market was introduced, the free circulation of products may be obstructed by *administrative impediments*. Since September 1953, the High Authority has been making efforts to remove these obstacles to trade. In collaboration with the Governments of the member States, it drew up a list of the administrative charges and formalities involved in buying a Treaty product from another Community country in comparison with buying the same product in the home market.

Since that date, it has proved possible to introduce a certain number of simplifications, particularly as regards the administration of import and export licences. The latter, which under the terms of the Treaty must be granted automatically, have been replaced in a great number of cases by a simple declaration in order not to deprive the government departments of the statistical information hitherto provided by such licences. All six countries have, in addition, abolished or shortened various documents which were felt to be no longer strictly necessary. With a few exceptions, administrative fees are no longer charged on shipments crossing from one Community country to another⁽¹⁾.

54. The above-mentioned list is shortly to be brought up to date by a select committee appointed by the Co-ordinating Committee.

Certain special circumstances have made it impossible as yet to introduce the full measure of simplification desired, for instance, in the arrangements for trade in scrap in the Community, currency regulations etc.

The High Authority has further submitted a proposal for the standardization of certain Customs papers in the six countries.

At the beginning of 1955, a select committee for the study of administrative impediments instructed a working party to examine the possibility of introducing a single Customs document for Treaty products crossing the frontiers of the six member countries.

⁽¹⁾ For further details, see *Third General Report of the High Authority*, April 1955 (Nos. 118 to 122).

On the basis of the information supplied by the member Governments, the High Authority prepared the draft of a suitable document comprising the outward and inward clearances and the certificate of "free entry". An alternative draft made provision for detaching the outward clearance form at the frontier crossing-point.

At its session of December 10, 1957, the Co-ordinating Committee decided that this document would be examined by a select committee composed of Customs experts and representatives of the government departments responsible for dealing with import and export licensing problems⁽¹⁾.

55. *Infringements by enterprises.* — In order to verify whether the rules of competition were being complied with, High Authority inspectors have, since February 1954, been making spot-checks in Community iron and steel enterprises.

To date, the High Authority has imposed 16 fines totaling 69,554 dollar units of account. In addition, warning letters have been sent to 16 enterprises, and purely explanatory ones to 16 others.

The principal infringements noted were the following:

non-observance of published prices;

granting of rebates and commissions not provided for in the price schedules;

improper alignments;

preferential treatment for certain categories of buyers;

failure to publish price-schedules for certain products.

The contacts established with enterprises by the High Authority's inspectors have proved extremely useful. They have made it possible to correct erroneous interpretations of articles of the Treaty and of High Authority decisions. The inspectors have reported on the various problems raised, and the answers to these have been communicated to the enterprises in numerous explanatory letters. Thus, the inspections have served to inform the enterprises concerned of the exact extent of their rights and obligations under the Treaty.

⁽¹⁾ For further information on the free circulation of products within the Common Market and mutual assistance, see Volume One of this Report, Chapter VII.

56. Checks have also been carried out in enterprises subject to the levy of the Compensation Office for imported scrap⁽¹⁾. In 14 cases legally enforceable decisions were taken in respect of enterprises in arrears with their payments, and in some of these it was found necessary to issue writs of execution.

Sixteen legally enforceable decisions were taken in respect of non-payment of the general levy, the penalty imposed being payment of interest on the arrears⁽²⁾.

57. As regards the coalmining industry, checks have been made to ascertain whether the schedule prices were being observed and to audit the accounts on the compensation levy provided for in Sections 25, 26 and 27 of the Convention.

ELIMINATION OF PRACTICES INCOMPATIBLE WITH THE RULES OF COMPETITION

58. When the Common Market was introduced, the High Authority found itself faced with a complex series of regulations, governmental administrative arrangements, and practices peculiar to different enterprises which were incompatible with the principles set forth above. The High Authority began by drawing up a list of these and then went on to abolish them by means of a number of decisions. In addition, it saw to it that no new practices contrary to the principle of competition arose in place of those thus eliminated.

59. *Publication and price-fixing.* — Among measures taken in this respect we may mention the following:

The abolition, in the Netherlands, of a compensation scheme by which Dutch consumers were to pay one set price for each grade of coal, regardless of origin or destination⁽³⁾;

(1) See No. 70 below.

(2) One enterprise has appealed to the Court of Justice against a decision of this nature.

(3) Letter from the High Authority to the Netherlands Government of March 23, 1955, *Official Gazette of the Community*, March 28, 1955. See *Third General Report of the High Authority*, April 1955 (No. 103).

Prohibition of the fixing of maximum prices for coal by the Inter-ministerial Price Committee (C.I.P.) in Italy⁽¹⁾;

Amendment of the price-compensation system employed by the Luxembourg *Office Commercial du Ravitaillement* in respect of imported coal for the purpose of securing a reduction in the price of household coal⁽²⁾.

60. *Rule of non-discrimination.* — Action taken by the High Authority in this field concerned in particular:

- (1) The discrimination resulting in Belgium, from the exemption from the turnover tax (the normal rate of which is 5%) granted in respect of Belgian and Luxembourg products supplied to public bodies in Belgium. Following the High Authority's representations, this exemption was extended to cover products from all Community countries⁽³⁾.
- (2) The discrimination resulting from the transport arrangements for Ruhr coal shipped to Belgium, which made the issue of licences conditional upon the transport arrangements being handled by the *Office Belge de Récupération Economique* (O.R.E.)⁽⁴⁾.
- (3) The discriminations resulting from the existence in Western Germany of two sets of financial arrangements concerning steel and pig-iron.

Before the introduction of the Common Market, the German Federal Government had set up a scheme for price-compensation between steel consumers in respect of freight charges on rolled products for distances of over 220 km from the basing point. These arrangements applied only to deliveries by the German iron and steel industry. In 1953, the High Authority came to the conclusion that they were discriminatory *vis-à-vis* other Community producers selling to Germany. The German Government then altered the method of operation of the Fund in such a way that deliveries to Germany by all Community producers would benefit by this price-compensation scheme.

⁽¹⁾ See *Fourth General Report of the High Authority*, April 1956 (No. 120) and *Fifth General Report of the High Authority*, April 1957 (No. 127).

⁽²⁾ See No. 99 below, and *Fifth General Report of the High Authority*, April 1957 (No. 127).

⁽³⁾ See *Fourth General Report of the High Authority*, April 1956 (No. 121).

⁽⁴⁾ *Ibid.* (No. 122).

On November 1, 1956, the system of zone-delivered prices for foundry pig-iron in the Federal Republic of Germany was abolished and replaced by a price-compensation Fund for freight charges set up by the Federal Government with five basing points (Amberg, Wetzlar, Oberhausen, Lübeck and Salzgitter).

The High Authority raised no objection to these two Funds for steel and pig-iron, but reserved the right to examine, after the expiry of the transition period, whether they constituted a completely satisfactory solution of the problem within the terms of the Treaty.

- (4) The discrimination resulting from the fact that, following certain tax reliefs, French iron and steel enterprises were allowing a 3.29% rebate on their published prices in respect of sales in the home market⁽¹⁾.
- (5) The discrimination resulting from an Italian law of July 17, 1954, which instituted a system for the encouragement of the ship-building by according preferential treatment to Italian iron and steel products as against those from other areas of the Common Market⁽²⁾.
- (6) The discrimination resulting from the special terms granted to French manufacturers of agricultural machinery in respect of their purchases of steel from iron and steel enterprises in France and the Saar⁽³⁾.
- (7) The discrimination resulting from the different licensing regulations for state-owned and privately-owned mines in Italy under which the privately-owned mines on the Island of Elba had to bear different charges⁽⁴⁾. By letter of May 25, 1957, the Italian Government assured the High Authority that a final settlement of this question by agreement between the Italian Authorities and FINSIDER, the parent company of the Società FERROMIN which exploits these mines was imminent. This agreement has now been concluded.
- (8) Certain provisions in the French Customs tariff law work out in such a way that French iron and steel products passing in transit via Rotterdam or Antwerp to the French Atlantic coast are considered to be dutiable just as if they were from third countries.

⁽¹⁾ See *Fourth General Report of the High Authority*, April 1956 (No. 123).

⁽²⁾ See *Fourth General Report of the High Authority*, April 1956 (No. 124) and *Fifth General Report of the High Authority*, April 1957 (No. 79).

⁽³⁾ See *Fifth General Report of the High Authority*, April 1957 (No. 79).

⁽⁴⁾ *Ibid.* (No. 82).

At the request of the High Authority, the French Government granted exemptions and introduced, in April 1955, a competitive tariff for consignments from the North-East to the Atlantic coast. The question of the application of similar competitive tariffs to all points on the French seaboard asking for them still remains open⁽¹⁾.

- (9) The 5% transmission tax (*taxe de transmission*) levied in Belgium on sales of scrap, which, at the request of the High Authority, ceased to be applied from July 1, 1957 on sales abroad, was incompatible with the general principle of compensation and exemption from turnover tax when a frontier is crossed and constituted discrimination.

61. Following the most recent price increase for Ruhr coal in October 1957⁽²⁾, the Federal German Government informed the High Authority that, with the aim of intensifying competition on the home coal market, it was studying the possibility of exempting coal imports from both third and Community countries from the turnover-tax compensation duty (*Umsatzausgleichsteuer*). The High Authority replied that it was opposed to any such measure, not only because it would have increased the difference between the delivered prices of Community coal and those of American coal, which is often cheaper than the former in several areas of the Federal Republic, but also because it would have constituted discrimination in favour of Community countries exporting coal to Germany in competition with German collieries.

62. *Prohibition of subsidies.* — On the basis of replies furnished by the Governments to a letter addressed to them by the High Authority, in conformity with section 11 of the Convention, as early as September 5, 1952, a table was drawn up showing the situation in regard to subsidies at the time the Common Market for coal and steel was introduced. These subsidies were progressively abolished during the transition period⁽³⁾.

(1) See *Fourth General Report of the High Authority*, April 1956 (No. 127) and *Fifth General Report of the High Authority*, April 1957 (No. 79).

(2) See No. 126 below.

(3) See No. 11 above.

63. When the Common Market for special steels was introduced on August 1, 1954, the High Authority decided to abolish the subsidies granted by the French Government to the special steels industry in respect of their foreign sales. This subsidy, by which other French industries also benefited, was in the form of a refund of the social security and fiscal charges assessed on wages and the refund of other fiscal charges at the rate of 5.45%. These refunds averaged approximately 11%⁽¹⁾.

64. The introduction in the Federal Republic of Germany, in March 1956, of a *shift bonus* for all underground miners called for examination by the High Authority as to its compatibility with the provisions of the Treaty prohibiting subsidies (Article 4)⁽²⁾. This bonus is granted by the collieries and charged against the tax due on their total payroll (*Lohnsummensteuer*). The High Authority did not object to the recourse to public funds for financing this bonus, but to the fact that the collieries paid no compensating contribution and were thus freed from meeting a portion of their wages bill out of their own resources. The proposal of the Federal Government to discontinue paying the 6.5% employers' contribution to the miners' insurance and pension funds — which it had been doing since 1956 — was deemed a satisfactory solution by the High Authority, since the extra burden thus placed upon the German collieries was equivalent to the exemption which the public financing of the shift bonus entailed⁽³⁾.

65. *Free circulation of products.* — Under this head, the High Authority has had to take action particularly in the following cases:

the refusal of import licences by the Luxembourg Government to a Luxembourg coal merchant⁽⁴⁾;

the administrative dues of 0.5% *ad valorem* charged on Treaty products entering Italy⁽⁵⁾;

the obligation for buyers in other Community countries to apply to the French *Union des Consommateurs de Ferraille* in order to obtain French scrap⁽⁶⁾.

⁽¹⁾ See *Report on the Situation of the Community*, November 1954 (No. 47).

⁽²⁾ See *Fifth General Report of the High Authority*, April 1957 (No. 109).

⁽³⁾ See No. 127 below.

⁽⁴⁾ See *Fourth General Report of the High Authority*, April 1956 (No. 128).

⁽⁵⁾ No. 125.

⁽⁶⁾ See *Fifth General Report of the High Authority*, April 1957 (No. 85).

66. By a decree of March 15, 1957, the French Government decided that all applications to the Office des Changes for import licences would be subject to deposit with a bank of a sum equal to 25% of the value of the goods to be imported. Following upon representations by the High Authority, which had received numerous complaints, the French Government published an order exempting importers of Treaty products from this obligation. Sums already deposited in respect of such imports had to be returned.

67. Obstacles to the free circulation of products, which also give rise to discriminations, are often the consequence of imbalance in the external payments account which is not corrected by an adjustment of the exchange rate. In fact, even if movements of capital are taken into account, such imbalance cannot be borne without appropriate corrective measures, and in the absence of currency adjustment, these measures generally vary greatly according to the branch of the economy involved, whether they be import or export restrictions, subsidies on taxes, with the result that the relative development of the different branches of production within a country is constantly disturbed.

If certain subsidies for exports and taxes on imports have not been sanctioned by the High Authority it is because, far from functioning solely as an exchange compensation, their manner of application provided scope for widely differing systems of assistance and protection, that is to say systematic distortions of economic activity⁽¹⁾.

ACTION BY THE HIGH AUTHORITY

68. From its very inception, the High Authority, in accordance with the Treaty, has endeavoured to avoid direct intervention in the operation of the Common Market except where this was absolutely necessary. It considered that despite the very tight coal and scrap supply situation in 1956, recourse to the declaration of a state "of serious shortage" and the consequent measures was not called

(1) See Volume One of this Report (No. 12).

for. The action of the High Authority has been in the form of indirect intervention in regard to *price arrangements for coal and the system governing scrap supplies*.

69. Common Market enterprises are free to fix their prices in the normal way, subject to the proper observance of the rules of publication and non-discrimination described above. But whereas this system was applied to iron ore and iron and steel products immediately the Common Market was introduced, the High Authority decided, in March 1953, to fix maximum prices for coal from the majority of Community coalfields, and for scrap.

Maximum prices for coal have since been progressively abolished and replaced, since April 1, 1956, by the normal system of free price-fixing by producers in all the coalfields⁽¹⁾. However, even after that date, and until the end of the transition period, prices fixed by the High Authority were still being applied for Belgian coal under the compensation scheme⁽²⁾.

As regards scrap, the price ceiling fixed by the High Authority in March 1953 was done away with in March of the following year, when the financial arrangements for price compensation for foreign scrap were introduced⁽³⁾.

70. The purpose of these arrangements was to provide for price compensation between scrap imported from third countries and scrap bought within the Community⁽⁴⁾. The scheme was amended in March 1955, in particular by the awarding of a bonus in respect of scrap saved by the increased use of pig-iron⁽⁵⁾. In July of the same year, the High Authority laid down the exact manner in which this system of awarding bonuses for the increased use of pig-iron and of basic Bessemer liquid steel in open-hearth furnaces was to be operated⁽⁶⁾. In February 1956, it similarly laid down the

⁽¹⁾ For the High Authority decisions on maximum prices, see previous General Reports, in particular the *Fourth General Report of the High Authority*, April 1956 (Nos. 158-165).

⁽²⁾ See Chapter 1, Section 2 above.

⁽³⁾ For the decisions on price-compensation arrangements for imported scrap, see *Fourth General Report of the High Authority*, April 1956 (Nos. 166-170) and *Fifth General Report of the High Authority*, (Nos. 87-89).

⁽⁴⁾ Decision No. 22/54 of March 26, 1954, *Journal Officiel de la Communauté*, March 30, 1954.

⁽⁵⁾ Decision No. 14/55 of March 26, 1955, *Official Gazette of the Community*, March 30, 1955.

⁽⁶⁾ Decision No. 26/55 of July 20, 1955, *Official Gazette of the Community*, July 26, 1955.

details of the operation of this bonus system in respect of the increased use of basic Bessemer liquid steel in electric furnaces⁽¹⁾.

With effect from February 1957, the High Authority introduced the new rules whereby scrap consumers are obliged to pay, over and above their previous compensation contribution, a surcharge which goes up at stated intervals if their scrap consumption exceeds that of their reference period or, inversely, is reduced if their consumption falls below their reference figure or below the average input rate of the Community⁽²⁾. In March 1957, a number of Community enterprises and associations of enterprises appealed to the Court of Justice against these new rules. The Court will pronounce judgment in a few weeks' time.

71. The Joint Office of Scrap Consumers decided unanimously, on March 16, 1957, to propose to the Compensation Office for Imported Scrap that Article 7 of the decision of January 26, 1957, on the reorganization of the scrap-price compensation system notwithstanding, the levying of surcharges for the purpose of increasing scrap stocks in Community enterprises be suspended until further notice in order to avoid any undue increasing of these stocks during the first six months' period preceding the coming into force of these surcharges. The High Authority representative with the Compensation Office reported these deliberations for approval, which the High Authority gave by its decision of April 1, 1957⁽³⁾.

72. In the course of the year 1957, the Board of Management of the Joint Office of Scrap Consumers discussed the question of extending the concept of "own arisings" to scrap received by an enterprise from others in which it has an interest. If the concept were thus extended, the result would be to exempt this scrap from price compensation levies in the same way as the "own arisings" of the enterprise proper. As unanimity could not be reached by the Board, the latter requested the High Authority to give a ruling.

(1) Decision No. 3/56 of February 15, 1956, *Official Gazette of the Community*, February 22, 1956.

(2) Decision No. 2/57 of January 26, 1957, *Journal Officiel de la Communauté*, January 28, 1957. The reorganization of the price-compensation system for imported scrap was described in detail in the *Fifth General Report of the High Authority*, April 1957 (Nos. 87-89). See also Volume One of this Report, Chapter I (No. 22).

(3) Decision No. 9/57 of April 1, 1957, *Journal Officiel de la Communauté*, April 6, 1957.

From the very beginning of the operation of the price-compensation system, the Joint Office had tacitly interpreted the concept of "own arisings" in its fullest sense, implying legal ownership of such arisings at the time of recovery. By letter of December 18, 1957, to the Chairman of the Joint Office, the High Authority expressed its agreement with this interpretation⁽¹⁾. Nevertheless, as exemptions have been allowed in two special cases of an exceptional nature, it is understood that if other enterprises finding themselves in the same position should apply for exemption, they would be accorded the same treatment. Several appeals have been lodged against this interpretation of "own arisings".

73. The special problems raised by the procurement of large tonnages of scrap in the United States made it necessary to define the aims and objects of the purchasing policy of the Joint Office and the general rules to be complied with when buying scrap in the United States⁽²⁾.

These aims and objects are:

- to implement a programme which will ensure a steady flow of scrap to all participating enterprises;
- to assume responsibility for procuring the tonnages of scrap required for these enterprises within the limits of what the United States is prepared to export to Community countries;
- to endeavour to procure the scrap on the best terms and at the most advantageous prices.

The Joint Office is guided by the following general rules when purchasing scrap in the United States:

(1) All scrap dealers in the United States shall be entitled to submit tenders to the Joint Office on the same conditions. The latter shall treat all tenders submitted by reputable scrap dealers on an equal footing and without discrimination of any kind.

(2) The guiding principle of the Joint Office, when examining tenders submitted to it, shall be the necessity of obtaining scrap for the enterprises on the most advantageous terms. The following criteria in particular shall be taken into consideration:

⁽¹⁾ See *Journal Officiel de la Communauté*, February 1, 1958.

⁽²⁾ See Volume One of this Report, Chapter VII (No. 81).

- price and conditions relating to prices,
- comparability and regularity of quality,
- delivery dates,
- dependability and regularity of deliveries.

(3) The Joint Office shall abstain from introducing any discriminatory or restrictive policies into the arrangements concluded with scrap dealers.

(4) The Joint Office shall conclude no contract, agreement or convention with any supplier which would oblige it to place with that supplier a fixed percentage of all its orders.

(5) With due regard to the commercial criteria listed above, the Joint Office shall do everything in its power to maintain normal conditions of competition between the American suppliers of scrap to the Community.

The Joint Office has brought to the notice of the American scrap dealers concerned these principles.

The High Authority's representatives with the Joint Office are in a position to have cognizance at any time of tenders of scrap submitted to the Office by American dealers. They are entitled to be informed on request of the reasons why any particular offers were accepted or rejected. In implementation of these principles, a first invitation for supply tenders was issued on November 21, 1957. About twenty American firms submitted offers, and on the basis of the conditions laid down orders covering requirements from the United States for the first quarter of 1958 were apportioned among five firms. It is intended to invite further tenders shortly.

74. Although it is true that the principles governing the operation of the Common Market were clearly defined in the Treaty and elaborated by High Authority decisions, and that the Authority has at all times endeavoured to ensure that they are in fact observed, certain divergent tendencies are observable in the Common Market even now that the transition period is completed.

The operation of the Common Market for steel during the past five years has shown that some degree of compartmentation still exists and finds expression notably in the fact that price schedules generally tend to move up and down by national groups of producers. Prices in each of these groups show little or no variation from enter-

prise to enterprise, amendments to schedules being made practically simultaneously by all producers in a group. Only slight time-lags have occurred recently.

Moreover in a great number of cases, the difference between the schedule prices of the various groups of producers is much greater than the cost of transport between their respective basing points, which would not be possible if the sellers of the different groups were in effective competition with one another.

The explanation for this may be found in the continued existence of traditional links between producers in the same country, on the one hand, and between buyers and sellers in the same country, on the other. The strength of such traditional links is, moreover, related to the degree of competition which, in its turn, depends on general market conditions. During a boom period, competition between sellers loses in intensity, and this allows of disparities between schedule prices in excess of what would be justified by mere desire for geographical protection. When general market conditions are unfavourable, competition between sellers becomes stronger and the disparities between their prices tend to shrink.

Nevertheless, it would seem that price-fixing action by Governments is the main cause of the divergent tendencies which are observable in the Common Market for steel⁽¹⁾. Pressure, varying in intensity according to country, is put on producers by their trade associations. Instead of being gradually done away with, this sort of intervention seems to be becoming more and more frequent and indeed taken for granted.

These price differences have doubtless been increased by the alteration of the exchange rate of the French franc. It is important to point out, however, that the pressure exercised by the French Government on the prices of French producers had already resulted

⁽¹⁾ See *Fifth General Report of the High Authority*, April 1957 (Nos. 100 and 108 to 110).

in French price schedules being very highly competitive in the Common Market even before the currency measures of October 1957.

At present French steel can be delivered to almost any area of the Community, including the Ruhr, more cheaply than the local product. Similarly, most German steel products are cheaper in Belgium than the corresponding local products.

It should be noted that when German prices went up at the end of October 1957, an important State-owned works was the only one which did not raise its prices. The present price structure in the Common Market for steel is the more artificial inasmuch as demand for steel is steadiest in France and weakest in Belgium and Luxembourg.

The High Authority is devoting attention to the possible consequences of this state of affairs in the context of present general economic conditions. In the event of a steeper decline in demand it could well lead, by the operation of alignments with prices subject to Community producers until a level was reached at which it would no longer be possible to operate at a profit.

Section 2 — Transport

75. The development of competition in the Common Market, with the object of enabling the enterprises of the Community to make the best possible use of their relative economic and technical advantages, called for far-reaching changes in transport rates for coal and steel which were formerly fixed on a national basis. Thus, Article 70, 1 of the Treaty recognizes that "the establishment of the Common Market requires the application of such transport rates as will make possible comparable price conditions to consumers in comparable positions".

In implementation of this basic principle, Section 10 of the Convention provided for a number of measures to be taken or initiated during the transition period, *viz.*

- the elimination of discriminations in transport rates;
- the introduction, for carriage within the Community, of international through-rates eliminating the “break in rates” at the frontiers;
- the harmonization of charges and conditions for the carriage of coal and steel to the extent necessary for the proper operation of the Common Market.

These measures were to apply equally to rail transport and to transport by inland waterway and by road⁽¹⁾.

RAIL TRANSPORT

76. *Elimination of flagrant discriminations.* — Discriminations in charges and conditions of carriage based on the country of origin or destination of Common Market products, which are forbidden by Article 70,2 of the Treaty, were eliminated at the beginning of 1953, some when the Common Market was first introduced, others very soon afterwards. Of the 32 discriminatory practices thus abolished, 15 related to French tariffs, 10 to German tariffs and 4, 2 and 1 respectively to Belgian, Luxembourg and Italian tariffs.

77. *Other discriminations.* — As a result of a complaint made concerning failure to apply the reduction laid down in the French State Railways' Tariff SNCF No. 103, Section 1 (full train loads), to shipments entering France overland, it had been decided, as a temporary measure, to fix for this traffic international through-rates applicable to heavy lifts of trucks, with reductions for the distance covered on the French network equivalent to at least two-thirds of that provided for in the above-mentioned schedule. Following representations by the High Authority, the French Government agreed that, pending the introduction of international rates for full train loads of coal and steel, the reduction specified in the SNCF Tariff No. 103, Section 1, would be applied in full to bulk consignments from Community countries in the through-rates for heavy lifts of trucks, for the partial distance covered in France, in every case where senders complied fully with the conditions laid down in the above-mentioned SNCF schedule.

⁽¹⁾ For developments in the field of transport, see *Statistical Annex*, Table 44.

The High Authority also took action with a view to eliminating the discrimination arising from the fact that the frontier crossing-point between Germany and the Netherlands at Kaldenkirchen-Venlo is closed to traffic from Germany to France, whereas it is open to consignments from Germany to Belgium, Luxembourg and the Netherlands. The High Authority informed the Federal Government that the proposal made to eliminate this discrimination by reserving this crossing-point exclusively for traffic between Germany and the Netherlands was in its opinion also discriminatory.

Finally, the High Authority made representations to the Italian Government for the elimination of discriminations - varying according to the route chosen and the country crossed - which arises from the application of the special arrangements for coke shipments from France to Italy and vice versa by all Franco-Italian routes, and for similar shipments from a Community country to Italy and vice versa passing in transit through Switzerland.

78. *International through-rates.* — The introduction of international through-rates was carried out by stages. They began to apply from May 1, 1955, for fuel and ores, and from May 1, 1956, for iron and steel products and scrap. At each of these dates, the part of the terminal station fee hitherto collected at each frontier was reduced by two-thirds. In the case of fuels and ores, the remaining third ceased to be charged with effect from May 1, 1956⁽¹⁾.

On May 1, 1957, the international through-rates were drawn up in their final form taking into account the abolition of the remaining third of the terminal station fee for consignments of iron and steel products and scrap, thus completing the implementation of the agreement of March 21, 1955 on through-rates.

June 1, 1957 saw the entry into force of the agreement on the introduction of international through-rates for coal and steel passing in transit through Switzerland⁽²⁾. Under the terms of this agreement, international E.C.S.C. rates were extended from July 1, 1957, to consignments from one member State to another passing in

⁽¹⁾ See *Third General Report of the High Authority*, April 1955 (Nos. 124-129), and *Fourth General Report of the High Authority*, April 1956 (Nos. 146-149).

⁽²⁾ See *Fifth General Report of the High Authority*, April 1957 (No. 138).

transit through Switzerland. The Transport Commission provided for in this agreement, which was constituted on September 19, 1957, held its first meeting on November 5, 1957. It took note of the fact that no difficulties had arisen in the implementation of the agreement.

A similar agreement with Austria was signed on July 26, 1957, and came into force on March 1, 1958. With the common consent of all parties concerned, the international E.C.S.C. rates were already applied to coal and steel traffic between member States passing in transit through Austrian territory from January 1, 1958.

79. *Harmonization of tariffs.* — The action taken in respect of a number of technical rate-making problems raised by the introduction of international through-rates already provided partial results for the proposed harmonization of rail-transport freight charges and conditions.

A standard nomenclature specially adapted to transport requirements was drawn up for all Community railway networks. Following a decision by the Council of Ministers, this nomenclature was co-ordinated with the common Customs nomenclature. It is applied both to international traffic and to traffic within each member State. As regards normal and extra tonnage, or load terms, these have been standardized for iron and steel products and scrap. Partial harmonization of the national tapering scales has been attained by the standardization of the national tapering ratios for distances up to 250 km. (approx. 155 m.) for fuels and ores and up to 200 km. (approx. 125 m.) for the other products, by the retention for greater distances of the national tapering ratios within limits fixed by general agreement, and by the application of a general limit to the tapering of the international rates.

The study undertaken of other problems relating to harmonization of rates, in particular that of the harmonization of relations between the transport rates for the different Treaty products, above all coal/coke relations, showed how complex were the problems to be dealt with. The High Authority therefore set up a com-

mittee of outside economic experts for consultation on the degree of harmonization of transport rates which must be considered indispensable to the satisfactory operation of the Common Market. This committee is still working on these problems.

When the committee has submitted its findings, the questions which will call for examination over and above those of relations between transport rates for Treaty products are the following:

- standardization of tapering scales for E.C.S.C. products for distances exceeding 250 or 200 km. according to product;
- harmonization of differentiations in rates according to size of consignment;
- harmonization of conditions of carriage for consignments shipped in privately-owned trucks;
- harmonization of various tariff systems such as subscriber tariffs, fidelity clauses, etc.

80. *Special domestic tariff measures.* — Under Article 70, 4 of the Treaty “the application of special domestic tariff measures in the interest of one or several coal- or steel-producing enterprises shall be subject to the prior agreement of the High Authority, which shall ensure that such measures are in accordance with the principles of the Treaty”⁽¹⁾.

Under Section 10 of the Convention the High Authority was required, before the end of the transition period, to fix, for the amendment of the special domestic tariff measures incompatible with the provisions of the Treaty which were in force when the High Authority was set up, such time-limits as might be necessary to prevent serious economic disturbances.

The High Authority had already requested the German and French Governments to revise a number of special tariff measures in force for certain scrap and steel consignments, in such a way as to

⁽¹⁾ See Volume One of this Report, Chapter V (No. 62 and following).

remove all disparities and all provisions amounting to support for one or more coal- or steel-producing enterprises. On February 9, 1958, it took a number of decisions concerning notably:

- *the special German (differential) tariffs* for the transport of coal to German works situated at a distance from the Ruhr and for consignments of iron ore to the Ruhr;
- *the special French tariffs* for consignments of coal to the iron and steel enterprises in the Centre/Midi area, for consignments from the Auvergne, Cévennes and Loire coalfields to the Paris region, and for iron ore from Western France and the Pyrenees to the Centre/Midi area and other destinations.

81. *Special tariffs for the transport of coal to iron and steel enterprises:*

A — Germany

1) Certain iron and steel enterprises and iron-ore mines, situated mainly in the Sieg-Lahn-Dill area, enjoy the advantage of a special tariff (AT 6 B 30, Schedule No. 1) allowing a rebate of approximately 37% on the general tariff (6 B 1).

Although this 6 B 30 (Schedule No. 1) tariff was considered discriminatory, the High Authority decided that the rebates should only be abolished gradually in order to obviate serious economic disturbances.

In the case of one group of enterprises, the rates charged at present are to be increased as from July 1, 1958, and thereafter at 12-monthly intervals, by one-third of the difference between the existing charges and those under the general tariff (6 B 1). For these enterprises, rebates on this tariff will therefore be discontinued altogether on July 1, 1960.

For a second group of enterprises, the rates are to be increased as from July 1, 1958, and thereafter by 12-monthly periods, by $\frac{1}{8}$ of the difference between the existing charges and those of the general tariff (6 B 1). Consequently, rebates on this tariff will be discontinued altogether on July 1, 1965.

2) Two iron and steel enterprises in Bavaria, the Maximilianshütte at Sulzbach-Rosenberg and the Luitpoldhütte at Amberg benefit by a special tariff (6 B 31) allowing a rebate of approximately 21% on the general tariff (6 B 1).

This tariff, too, was considered discriminatory, but the High Authority recognized that the two enterprises concerned had to work under exceptional difficulties as a result of the division of Germany. It therefore authorized the retention of the present reduction of 21% for brown-coal briquettes and of 8% for hard coal and hard-coal coke on the general tariff (6 B 1). Thus, the rates of the special tariff (6 B 31) will be increased for hard coal and hard-coal coke by 3% of those laid down in the general tariff (6 B 1) on July 1 of the years 1958, 1959 and 1960, and by 4% on July 1, 1961. Should it be found, after July 1, 1960, that serious economic and/or social disturbances might occur as a result of these measures, the High Authority will review the situation and, if necessary, decide to postpone the final increase.

3) The iron and steel plants at Peine and Salzgitter are covered by a special tariff (6 B 33) for coal shipments from the Ruhr. This tariff, allowing a reduction of about 50% on the general tariff (6 B 1), was introduced because of competition by inland waterways (*Mittellandkanal*). However, the High Authority found that these enterprises were being granted a $\frac{7}{10}$ reduction on canal dues and were thus benefiting by a discriminatory tariff measure.

The High Authority fixed January 1, 1959 as the date for the abolition of this reduction and the corresponding amendment of special tariff 6 B 33.

4) The special tariff 6 B 77 for shipments between the collieries of the Rhineland brown-coalfields and the Ohler-Eisenwerk at Plettenberg, Sauerland, described by the Federal Government as a potential competitive measure against the supply of gas to the works, was declared to be discriminatory. The High Authority accordingly requested the German Government to do away with this discrimination before June 1, 1958, *i.e.* the tariff must be abolished by that date at the latest.

B — France

The iron and steel enterprises of the Centre/Midi area enjoy special rates (Tariff No. 7, Section 3, Subsection IV and Section 11, Subsection 1) allowing reductions of from 18 to 35% on the general tariff.

The High Authority considered these tariffs discriminatory. They will be abolished; however, in order to obviate any serious disturbances, this will be done by gradual reduction of the rebates allowed.

For a first group of iron and steel works the tariffs in question will be finally abolished on July 1, 1960, after successive reduction by $\frac{1}{3}$

of the present rebate on the rates in the general tariff on July 1, 1958 and July 1, 1959.

For a second group, the tariffs will be finally abolished on July 1, 1961, after successive reductions by $\frac{1}{4}$ of the present rebate on the rates in the general tariff on July 1 of each year from 1958 to 1960.

Lastly, for a third group, comprising all the other iron and steel enterprises concerned, the tariffs in question will finally cease to apply on July 1, 1965, after successive reductions by $\frac{1}{8}$ of the present rebate on the rates in the general tariff on July 1 of each year from 1958 to 1964.

82. *Special tariff for iron-ore shipments:*

A — *Germany*

A number of special tariffs in favour of certain German ore mines and certain iron and steel works in Siegerland not served by waterways were pronounced discriminatory. The High Authority decided on their abolition, but laid down the following conditions:

a) the rebates in favour of the mines in the Lower Harz (Vorharzgruben) are to be abolished on December 31, 1958, but in view of the difficulties these mines are experiencing by reason of their proximity to the zonal border, it is proposed to re-examine the question of any further reductions which may prove necessary;

b) the rebates on the general tariff 7 B 25 granted under special tariff 7 B 26 to the Karl colliery at Geislingen-Altenstadt will cease to apply on July 1, 1965, after successive yearly reductions by $\frac{1}{8}$ of their rate from July 1, 1958;

c) rebates on the general tariff (7 B 55) granted to other enterprises will be abolished on July 1, 1961, after successive yearly reductions by $\frac{1}{4}$ of their present rate from July 1, 1958.

B — *France*

1) Ores from Western France and the Pyrenees enjoy special rates to all stations of the French State Railways network (SNCF Tariff No. 13, Section 3, Subsection 1) in addition to which those from the West are accorded a special export tariff (SNCF Tariff No. 13, Section 103, Subsection 1). In relation to the general tariff these rates represent a rebate of from 18 to 38% according to whether single trucks or full trainloads are concerned.

All the above-mentioned special tariffs were regarded as discriminatory, with the exception of those for exports via the ports of Caen and Nantes, since these were introduced for the purpose of meeting competition.

The High Authority decided that

a) the special rates laid down in Section 103 for all routes other than those to Caen and Nantes, as also the rates fixed in Section 3, Subsection 1, for the mines in Western France will be abolished on January 1, 1959;

b) the special rates laid down in Section 3, Subsection 1, for the mines in the Pyrenees will be done away on July 1, 1965, after the present rebates on the general tariff have been progressively reduced by $\frac{1}{8}$ on July 1 of each year from 1958 to 1964.

2) Ores shipped from the mines in the Pyrenees to ore-preparation plants in the Centre/Midi area are covered by a special tariff (SNCF Tariff No. 13, Section 12, Subsection 1) which involves a reduction of from 22 to 40% on the general tariff. These rates were considered discriminatory, and the High Authority decided that they should be finally abolished on July 1, 1961, after successive reductions by $\frac{1}{4}$ of the present rebates on the general tariff on July 1 of each year from 1958 to 1960.

83. *Special tariffs for the carriage of fuel other than that consigned to iron and steel works:*

A — Germany

The following details of these special tariffs should be noted:

1) Two special tariffs (6 B 11 and 6 B 14, Section 1) described as measures to assist the frontier zone and depressed areas of Schleswig-Holstein have been authorized, but with the proviso that their zone of application be extended to the points of transit between the Federal Republic of Germany and the other member-countries of the Community;

2) in view of the special situation of the Helmstedt area close to the zonal border, temporary and conditional authorization, valid until December 31, 1958, was granted for special tariff 6 B 14, Section 2 in favour of the collieries in that area;

3) special tariff 6 B 8, in favour of certain mines in Bavaria, was declared discriminatory as regards Treaty products. For shipments of these products it will be discontinued on April 1, 1959;

4) the High Authority has requested the German Government to furnish more detailed information on two special tariffs (6 B 41 and 6 B 42) which apply to certain plants of the lead, copper and zinc industries not covered by the Treaty, with a view to examining them as to their compatibility of these tariffs with the provisions of Article 70,1 and 2 of the Treaty. Furthermore, the High Authority requested that the zone of application of these tariffs be extended to the points of transit between the Federal Republic of Germany and the other member-countries of the Community.

B — France

The High Authority devoted particular study to the special rates laid down in Tariff Nr. 7, Section 3, Subsections III and 16, for fuels shipped from the collieries in Auvergne, the Cévennes and the Loire area to the Paris area which provide for a rebate of from 15 to 20% on the general tariff. These rates were considered discriminatory, and the High Authority decided that they should cease apply on July 1, 1961.

84. Finally, in the overall study of the situation in the Centre/Midi area, the High Authority defined its position in regard to the special rates provided for in Tariff No. 14, Section 3, Subsection 3, which allow a rebate of 37% for shipments of scrap from the Paris area to the department of Aveyron, chiefly to the benefit of the Usines Chimiques et Métallurgiques de Decazeville established in that Department. It was decided that these rates should be finally abolished on July 1, 1961 after successive reductions by $\frac{1}{4}$ of the present rebate on the general tariff on July 1 of each year from 1958 to 1960.

The most important of these decisions of the High Authority are summarized in Tables 45 and 46 of the *Statistical Annex* to this Report.

In addition to these tariffs, the High Authority examined those which the Governments concerned group under the designation of competitive tariffs. It was recognized that some of these were not incompatible with the Treaty⁽¹⁾ provided the present competition position continued unchanged and the parity of their rates with those of competing modes of transport was calculated correctly.

85. *Tariff Contracts.* — Tariff contracts concluded by certain railway companies in the Community and not made public have been reported by the Governments of the member States concerned

⁽¹⁾ See Volume One of this Report, Chapter V (No. 63).

to the High Authority, which has undertaken detailed studies to ascertain whether or not the provisions of these unpublished contracts are counter to the principles of the Treaty.

The High Authority's attention has been drawn by certain coal producers to the difficulties arising from the application of unpublished contracts. In view of the provisions of Article 70 of the Treaty and the right of alignment which Community producers have under Article 60, the High Authority considers that producers should be in a position to have full knowledge of transport rates not only for their own products but also for those of their competitors.

The various studies undertaken by the High Authority of the problems arising from the existence of unpublished tariff contracts are being continued in collaboration with the Governments concerned.

INLAND WATER TRANSPORT

86. In the field of inland water transport within the Community, the problem of the disparities in water-transport rates has been the subject of more study and negotiation than any other.

After a special committee of the Council of Ministers, set up on the High Authority's proposal at the end of 1956, had presented to the Council a general report on the situation, the High Authority, on February 7, 1957, informed the Governments of the member States that in view of the poor progress made in this matter and of the importance of finding a solution to the problem of disparities if the Common Market was to operate satisfactorily, it had instructed one of its members to work out a draft solution in direct negotiations with the Governments concerned.

In the course of these negotiations, which took place during the first six months of 1957, it was possible to reach the unanimity required for the conclusion of an agreement concerning one sector of inland water-transport which, by reason of the tonnages carried, is of the greatest importance to the Community: Rhine river navigation.

87. *The Agreement on Rhine River Navigation*, which was concluded on July 9, 1957, is based on the following considerations:

1) It is the unanimous opinion of all member States that in view of the provisions of the Mannheim Act of 1868 official inter-

vention in the arrangements governing transport rates for international traffic on the Rhine is not possible without far-reaching changes in the legal status of the Rhine.

2) With a view to eliminating the, at times, very considerable disparities in transport rates, the member States applying their administrative regulations to Rhine traffic rates on the national level undertake to keep these regulated internal rates constantly in line with the level of the representative international rates freely instituted by the shipping companies.

3) Should the implementation of this agreement be affected by serious difficulties in the field of transport, deep-rooted and persistent disturbance of the market, or any grave deterioration of the general economic situation, the member States will jointly consider measures designed to adapt the principle outlined in point 2 above to the new situation.

4) The Governments of the member States will agree with the High Authority on a common procedure enabling the latter to be at all times fully and accurately informed on the overall situation in regard to the transport rates charged in Rhine river navigation.

5) The agreement provides for notice of termination in the event of its application involving difficulties so great as to be insoluble by the procedure described above in joint consultation among the member States.

The agreement, which was concluded between the representatives of the member States of the Community on the Council of Ministers, further contains provisions guaranteeing the full implementation of the E.C.S.C. Treaty even in the event of the agreement being denounced.

In the opinion of all concerned, the text of the agreement offers the possibility of a solution to a very delicate problem, taking account, as it does, the special conditions of Rhine river navigation,

without precluding the High Authority's action where implementation of the Treaty demands it. The High Authority therefore felt it could accept the fundamental principles of the agreement.

The agreement on Rhine river navigation was published in the "Journal Officiel de la Communauté" after the Governments of the member States had signified that it did not conflict with the provisions of their respective domestic laws. It will come into force on May 1, 1958⁽¹⁾.

The special conditions of traffic on the Rhine, which are due to the existence of a well-tryed international statute, are reflected notably in the fact that the Central Rhine Commission must be consulted on measures to be taken in an emergency.

To comply with the wishes expressed by the member States of the Community it would now seem essential to conclude with Switzerland, whose fleet plays a not unimportant role in Rhine traffic, an agreement guaranteeing uniform legal and economic conditions for Rhine river navigation for the future. In accordance with a mandate received from the Governments of member States at the session of the Council of Ministers of March 10, 1958, the High Authority is shortly to open official negotiations with the Swiss Confederation for the purpose of settling this question.

88. As regards the *waterways west of the Rhine*, the Council of Ministers decided in 1955 that before its final acceptance any agreement concluded by the European Transport Ministers Conference should be examined by the Council for compatibility with the provisions of the Treaty. The High Authority then requested the Council to resume the discussion of the problem of disparities for the waterways not falling under the Rhine statute. At the Council's session on March 10, 1958, the representatives of the Governments expressed their agreement on this point and directed the select committee on Water Transport Rates to resume its study of this problem without delay.

⁽¹⁾ See *Journal Officiel de la Communauté*, February 1, 1958.

Now that an agreement has been concluded on transport rates for coal and steel shipped on the Rhine, the High Authority hopes that it will also be possible to define the bases of an agreement covering traffic on other inland waterways, so that here too comparability of transport rates irrespective of frontiers within the Community may be ensured in accordance with the provisions of the Treaty.

ROAD HAULAGE

89. From the very beginning of its studies of the problems raised by the implementation of the Treaty in the road-transport sector, the Expert Committee on Transport set up under Section 10 of the Convention came up against a number of difficulties both of fundamental principle and of practical application. These arose, on the other hand, from the far-reaching structural disparities between the regulations governing road transport and rate-making for such transport and the great number of road-haulage firms of widely varying sizes in the different member States, and, on the other hand, from the lack of accurate information on the volume of the traffic involved and the rates charged.

On February 21, 1956, the Committee forwarded to the High Authority a report containing a number of divergent views on the problem of the publication of road-haulage rates and conditions of carriage and on that of the actual fixing of such rates.

After studying this report, the representatives of the member-Governments meeting in Council, on October 4, 1956, adopted a proposal by the High Authority and directed a select Committee to examine the provisions of the Treaty and the Convention from the point of view of their application to road-haulage, and to work out practical details for concerted action by the member States.

The representatives of the Governments acknowledged the value of the four principles which the select committee, basing itself largely on the work of the Expert Committee on Transport, had enunciated in an interim report and at the Council's session on May 9 and 10, 1957, directed the committee to draw up practical rules for rate-making for international road-haulage traffic providing for reasonable latitude in the fixing of rates, to work out the necessary arrangements for checking, and to submit a draft agreement⁽¹⁾.

⁽¹⁾ See *Fifth General Report of the High Authority*, April 1957 (No. 146).

On the basis of a draft submitted by the High Authority, the select committee drew up a draft agreement concerning the haulage of scrap and steel by road on behalf of a third party together with a number of supplementary provisions for consideration by the Council at its session on February 4, 1958.

Widely diverging opinions continued, however, to be held within the committee on the two capital questions of publication of rates and conditions of carriage and on rate-making for international road-haulage.

90. The negotiations on these issues between the High Authority and the member States on the basis of the proposals submitted by the High Authority on February 4, 1958, resulted in unanimous agreement in the Council at its session on March 10, 1958, on the following points:

1) as regards the publication of rates and conditions of carriage for internal and international traffic, previous publication of maximum and minimum rates to be considered sufficient, provided the difference between these rates does not exceed

20% of their arithmetical mean where they are laid down and published by the State,

10% where they are laid down and published by the hauliers themselves;

2) except where otherwise provided for in the Treaty, the rate for international haulage of scrap or steel between two member States to be fixed between a maximum and a minimum rate to be laid down for each class of product, and for each different tonnage or load category, based on the total distance covered or on the route, and taking into account the technical and economic conditions prevailing in each member State through which the consignment passes.

For the most important traffic routes, which are laid down by the member States concerned subject to any comments by the High Authority, the difference between the upper and lower rates must not exceed 20%. This difference is calculated on the basis of reference scales agreed upon by the member States concerned between the representative scales of the average rates charged within

these States and extrapolated to the total distance of the haulage operation in question. In the event of disagreement on these maximum and minimum rates the problem is to be referred to the Government representatives in the Council.

The provisions of the above paragraph must be applied in respect of all traffic between the member States within not more than two years from the date when the agreement comes into force.

The text of the agreement on road haulage of scrap and steel on behalf of a third party and the supplementary provisions are to be given their final form by a drafting committee in time for the next meeting of the Council of Ministers.

91. *The Expert Committee on Transport*, set up on October 25, 1952, under Section 10 of the Convention held its last meeting on February 7, 1958 at which it submitted a report to the High Authority on its activities throughout the transition period.

Section 3 — Cartels, Official Bodies and Concentrations

CARTELS

92. As early as May 1953, the High Authority decided, in implementation of the provisions of Article 65,1 of the Treaty that the organization responsible for the allocation of scrap or for scrap-price compensation on the different national markets should be wound up. In their place the High Authority authorized a new system of organization of the scrap market to be supervised by itself and designed to ensure compatibility with the provisions of the Treaty, in particular with Article 65⁽¹⁾.

In July 1953, the High Authority published a decision giving effect to the prohibitions provided for in Article 65⁽²⁾. With effect

⁽¹⁾ See No. 70 above.

⁽²⁾ Decision No. 37/53, of July 11, *Journal Officiel de la Communauté*, July 21, 1953.

from August 31, 1953, agreements within the meaning of Article 65, 1 became null and void unless application for authorization had been made before that date.

93. Between the introduction of the Common Market and April 1, 1958, one hundred and twelve cases were examined under Article 65. Eighty-two of these arose from applications for authorization by enterprises, and thirty others were examined by the High Authority on its own initiative. The detailed breakdown of these cases according to countries and their outcome is shown in the following table:

Country	Number of cases	of which			
		authorized	prohibited	Article 65 not applicable	enterprise gone into liquidation

1. Cases examined following application for authorization:

Germany (Fed. Rep.)	20	9	—	4	2
Belgium	13	4	—	4	2
France	35	1	—	16	—
Italy	9	1	—	6	—
Luxembourg	—	—	—	—	—
Netherlands	3	—	—	1	1
Total	80	15	—	31	5

2. Cases examined by the High Authority on its own initiative

Germany (Fed. Rep.)	13	—	2	3	1
Belgium	2	—	—	—	—
France	12	—	—	4	1
Italy	2	—	1	—	—
Luxembourg	—	—	—	—	—
Netherlands	2	—	—	—	—
Community ⁽¹⁾	1	—	—	—	—
Total	32	—	3	7	2
Grand Total	112	15	3	38	7

(1) Agreement on export prices for iron and steel products (Brussels Convention) between the steel exporters of the Community with the exception of Italian producers.

94. The three applications rejected were those by the following organizations for the joint allocation and/or buying of scrap:

- (1) *Schrottvermittlung G.m.b.H.*, Düsseldorf (S.V.G.)⁽¹⁾;
- (2) *Consorzio Nazionale Approvvigionamenti Materie Prime Siderurgiche S.p.A.*, Milan (Campsider)⁽²⁾;
- (3) *Westdeutsche Schrotteinkaufs-Vereinigung* and *Westdeutsche Schrotteinkaufs-GmbH* (W.S.G.)⁽³⁾.

The fifteen authorizations were granted by the High Authority, under Article 65, § 2, to the following steelworks:

- (1) Specialization agreement between the *Compagnie des Forges d'Audincourt* and the *Société Lorraine-Escaut*⁽⁴⁾;
- (2) Agreement for the joint selling of hard coal, hard-coal briquettes and hard-coal coke through the selling agency known as *Aachener Kohlenverkauf GmbH*.⁽⁵⁾;
- (3) Agreement on the joint selling of brown-coal briquettes through the selling agency known as *Helmstedter Braunkohlen-Verkauf GmbH*.⁽⁶⁾;
- (4) Agreement on the joint selling of hard coal, hard-coal coke and hard-coal briquettes through the selling agency known as *Niedersächsischer Kohlen-Verkauf GmbH*.⁽⁷⁾;
- (5) Agreement on the joint selling of iron and steel products through the *Société Commerciale de Sidérurgie*, Brussels (Sidérur)⁽⁸⁾;
- (6) Specialization agreement between the *Società Cornigliano* and the *Società Fiat*⁽⁹⁾;

⁽¹⁾ Letter from the High Authority of May 19, 1953, *Journal Officiel de la Communauté*, June 9, 1953.

⁽²⁾ Letter of the High Authority of May 19, 1953, *Journal Officiel de la Communauté*, June 9, 1953.

⁽³⁾ Decision No. 28/55 of July 20, 1955, *Official Gazette of the Community*, July 26, 1955. See *Fourth General Report of the High Authority*, April 1956 (No. 141).

⁽⁴⁾ Decision No. 31/54 of June 25, 1954, *Journal Officiel de la Communauté*, July 6, 1954.

⁽⁵⁾ Decision No. 32/54 of June 25, 1954, *Journal Officiel de la Communauté*, July 6, 1954.

⁽⁶⁾ Decision No. 33/54 of June 25, 1954, *Journal Officiel de la Communauté*, July 6, 1954.

⁽⁷⁾ Decision No. 34/54 of June 25, *Journal Officiel de la Communauté*, July 6, 1954.

⁽⁸⁾ Decision No. 40/54 of July 29, 1954, *Official Gazette of the Community*, August 1, 1954.

⁽⁹⁾ Decision No. 41/54 of July 29, 1954, *Official Gazette of the Community*, August 1, 1954.

- (7) Agreement for the joint selling of iron and steel products through the *Union Commerciale Belge de Métallurgie* (Ucométal)⁽¹⁾;
- (8) Syndicate (Konsortium) agreement among 19 German iron and steel enterprises for the importation of 1,420,000 metric tons of American coal between January 1, 1955 and March 31, 1956⁽²⁾;
- (9) Agreement among 69 German iron and steel enterprises to raise a levy on iron and steel products, the proceeds to be employed to bring the price of the coal imported under the above agreement into line with those of Ruhr coal⁽²⁾;
- (10) Agreement on the joint selling of iron and steel products through the *Société Anonyme Union Commercial de Sidérurgie* (Ucosider)⁽³⁾;
- (11) Agreement on the joint selling of fuels by the mining companies of the Ruhr coalfield forming the *GEITLING Ruhrkohlen-Verkaufsgesellschaft mbH.*⁽⁴⁾;
- (12) Agreement on the joint selling of fuels by the mining companies of the Ruhr coalfield forming the *PRÁSIDENT Ruhrkohlen-Verkaufsgesellschaft mbH.*⁽⁵⁾;
- (13) Agreement on the joint selling of fuels by the mining companies of the Ruhr coalfield forming the *MAUSEGATT Ruhrkohlen-Verkaufsgesellschaft mbH.*⁽⁶⁾;
- (14) Agreement on the joint selling of fuels by the mining companies of the Belgian coalfields forming the *Comptoir Belge des Charbons* (Cobechar)⁽⁷⁾;
- (15) Agreement on the joint buying of fuels by the wholesalers forming the *Oberrheinische Kohlenunion* (O.K.U.)⁽⁸⁾.

⁽¹⁾ Decision No. 42/54 of December 22, 1954, *Official Gazette of the Community*, January 11, 1955.

⁽²⁾ Decision No. 32/55 of November 22, 1955, *Official Gazette of the Community*, November 28, 1955. See *Fourth General Report of the High Authority*, April 1956 (No. 139).

⁽³⁾ Decision No. 11/56 of March 7, 1956, *Official Gazette of the Community*, March 29, 1956. See *Fourth General Report of the High Authority*, April 1956 (No. 140).

⁽⁴⁾ Decision No. 5/56 of February 15, 1956, *Official Gazette of the Community*, March 13, 1956.

⁽⁵⁾ Decision No. 6/56 of February 15, 1956, *Official Gazette of the Community*, March 13, 1956.

⁽⁶⁾ Decision No. 7/56 of February 15, 1956, *Official Gazette of the Community*, March 13, 1956.

⁽⁷⁾ Decision No. 30/56 of October 3, 1956, *Official Gazette of the Community*, October 18, 1956. See *Fourth General Report of the High Authority*, April 1956 (No. 135), and *Fifth General Report of the High Authority*, April 1957 (No. 160).

⁽⁸⁾ See No. 97 below.

95. *Operation of the Ruhr coal-selling agencies.* — The organization and activities of the Ruhr coal-selling agencies have been described in detail in the preceding reports of the High Authority⁽¹⁾.

In accordance with the decisions authorizing the joint-selling agencies for Ruhr coal the question whether the trading regulations of these agencies concerning the admission of dealers as direct-buying wholesalers could be retained had to be examined at the end of the coal year 1956/57.

These decisions had established transitional regulations according to which all direct-buying coal wholesalers admitted during the coal year 1955/56 were to be again admitted as such for the coal year 1956/57, even if they had not yet attained the volume of sales laid down in the new trading regulations as a prerequisite for admission. On the expiry of these transitional regulations the question of how many direct-buying wholesalers would be eliminated by the implementation of the new regulations was to be examined. Should it emerge that, within a given sales area, more than 10% of the direct-buying coal wholesalers would disappear as a result of the implementation of the new trading regulation, Ruhr selling agencies would have to amend these.

Examination of the tonnages marketed by the direct-buying dealers revealed that in more than one sales area the application of the new trading regulations would have resulted in too many dealers having to be eliminated. For this reason, the High Authority, in July 1957, took a decision in response to further applications from the Ruhr-coal selling agencies setting lower minimum tonnages as a condition for admission as direct-buying wholesalers⁽²⁾. Under this decision, a wholesaler is admitted as a direct buyer if, in the course of the preceding coal-year, he has sold 60,000 metric tons (previously 75,000 tons) of coal from Community coalfields, of which 30,000 tons (previously 40,000) must have been disposed of in the sales area to

⁽¹⁾ See *Fourth General Report of the High Authority*, April 1956 (No. 133), and *Fifth General Report of the High Authority*, April 1957 (Nos. 152 to 159).

⁽²⁾ Decisions Nos. 16 to 18/57 of July 15, 1957, *Journal Officiel de la Communauté*, August 10, 1957.

which he wishes to be admitted; and of these 30,000 tons, 9,000 (previously 12,500) must have come from the selling agency with which he wishes to trade⁽¹⁾.

As regards the Netherlands, the High Authority found that even the new trading regulations, in respect of which the Ruhr coal-selling agencies had made fresh applications, would not have had the effect of increasing the number of direct-buying wholesalers of Ruhr coal operating in that part of the Common Market to the extent deemed necessary by the High Authority. At the same time, an increase in the small number of direct-buying wholesalers operating in the Netherlands seemed indispensable to the High Authority. To achieve this, the High Authority considered it necessary to cancel provisionally for one year the third requirement (9,000 tons) for admission as direct-buying wholesalers in so far as it affected supplies to buyers (dealers or consumers) in the Netherlands.

96. The High Authority had checks made by its inspector and its appropriate departments for the purpose of ascertaining whether the Ruhr selling agencies and their joint bodies were carrying out their activities within the terms of the authorizations and of the provisions of the Treaty.

At the end of September 1957, the three Ruhr coal-selling agencies raised their prices for all types and grades of coal in a manner identical down to the smallest detail⁽²⁾. The new price schedules were submitted by the managements of the three agencies to three separate and independent general meetings which duly approved them. This technically satisfied the High Authority's requirement that all decisions by the agencies must be taken separately. However, it seems clear from the minutes of the different meetings

(1) A German coal dealer who still stands to lose his qualification as a direct-buying wholesaler even on the introduction of the reduced minimum tonnages has appealed to the Court of Justice against these decisions of the High Authority. By an injunction of December 9, 1957, the Court of Justice ordered a stay of execution in the appellant's favour until a final ruling is given on the case.

(2) See No. 126 below.

at which these price increases were approved that the three managements had drawn up the price schedules in common. In view of the tightness of the market at that time — so considerable that the Joint Office of the agencies had thought it even necessary to draw up a delivery schedule — it was conceded that the managements might well have genuinely felt they were not restricting the normal play of competition by acting in concert.

In order to prevent any repetition of this sort of practice, the High Authority amended the procedure which the selling agencies must observe when altering their prices. In future, the Ruhr agencies will have to communicate their decisions concerning changes in their selling prices to the High Authority four weeks before the new schedules are lodged. This will enable the High Authority to examine, *inter alia*, whether the changes have been made in a manner conforming with the provisions of the Treaty⁽¹⁾. This decision also applies to the joint coal-selling agency in Belgium (Cobechar)⁽²⁾.

In a letter to the chairmen of the three selling agencies, the High Authority declared its readiness to shorten this period of notice whenever it had no objection to the proposed price changes. In this letter, the High Authority stressed the importance it attached to its decision and its determination to ensure strict compliance with all the terms of the decisions of February 1956, authorizing the three selling agencies.

97. *Oberrheinische Kohlenunion (O.K.U.)* — The High Authority granted authorization to the *Oberrheinische Kohlenunion (O.K.U.)* following drastic changes in the latter's structure to bring it into line with the requirements of Articles 4 and 65 of the Treaty⁽³⁾. The

⁽¹⁾ Decisions Nos. 24 to 26/57 of December 10, 1957, *Official Gazette of the Community*, December 27, 1957.

⁽²⁾ Decision No. 27/57 of December 10, 1957, *Official Gazette of the Community*, December 27, 1957.

⁽³⁾ Decision No. 19/57 of July 16, 1957, *Official Gazette of the Community*, August 6, 1957. See *Fourth General Report of the High Community*, April 1956 (No. 134), and *Fifth General Report of the High Authority*, April 1957 (No. 161).

Oberrheinische Kohlenunion, which was formerly a sales cartel operating on behalf of the mining companies in the Ruhr, Aachen, Saar and Lorraine coalfields in Southern Germany, has been transformed into a company responsible for the joint buying of fuels from the mining companies and sales organizations in the same coalfields for and on behalf of direct-buying wholesalers. It is also responsible for transport, transshipment, storage and other operations in connection with these fuels.

Membership of the O.K.U. is open to all dealers admitted as direct-buying wholesalers, but is not obligatory. Large-scale consumers who fulfil the conditions permitting them to buy direct can no longer obtain their supplies through the O.K.U., although the latter may handle transport, transshipment, and storage operations for them.

Direct membership of the O.K.U. is not open to producers, although an exception was made to this rule up to March 31, 1958, for Lorraine and the Saar. Furthermore, colliery-owned coal-trading companies are not permitted to acquire a majority of shares and voting rights in the O.K.U. which would permit mining companies to exercise indirect control over the organization.

The High Authority has given much thought to the problem of preventing any restriction of the normal operation of competition in the coal market as a result of agreements between groups of river transport companies and collieries. To this end, and in the light of the findings of an enquiry into the position regarding navigation on the Rhine and its tributaries, the High Authority has included certain conditions covering transport of coal upstream in its decision authorizing joint buying.

OFFICIAL BODIES

98. At the time the Common Market was introduced, certain official bodies were operating in the coal market. Although they were not based on agreements between enterprises within the

meaning of Article 65 of the Treaty, these bodies nevertheless ran counter to the basic principles of the Common Market, in particular to the provisions of Articles 2, 3 and 4. Their special character brought them within the scope of Article 86, under which the member States had undertaken to refrain from any action incompatible with the existence of the Common Market. The High Authority's decisions concerning them were taken under Article 88 of the Treaty.

99. *Luxembourg Office Commercial.* — At the time the Common Market was set up, there existed in Luxembourg an Import Office for solid fuels and a compensation scheme for reducing the price of household coal by means of a levy on fuels purchased by industry ⁽¹⁾.

After numerous discussions with the Luxembourg Government and other parties concerned, the High Authority decided that the monopoly held by the Import Office was incompatible with the provisions of the Treaty. The Luxembourg Government appealed to the Court of Justice against this decision, but this appeal was rendered nugatory by an order of the Luxembourg Minister for Economic Affairs of September 30, 1955, rescinding the provisions concerning the importation of solid fuels.

As regards the compensation scheme, the High Authority considered, that it did not contravene the provisions of the Treaty: firstly, such a scheme does not constitute a "special charge" within the meaning of Article 4c, but is a general charge on the industry as a whole; secondly, the scheme does not involve discrimination between Luxembourg consumers and consumers in other countries; lastly, the levy of Bfr. 8.— per metric ton of coal consumed by Luxembourg industry does not seem to have involved that industry in any "serious disequilibrium" within the meaning of the Treaty. Appeals against this decision of the High Authority were lodged with the Court of Justice by the Groupement des Industries sidérurgiques luxembourgeoises and l'Association des Utilisateurs de charbon du Grand-Duché. The Court declared the appeals by the Association des Utilisateurs inadmissible and rejected those by the Groupement des Industries sidérurgiques, since it ruled that the levy per ton did not constitute a special charge within the meaning of Article 4c and was not incompatible with any other provision of the Treaty ⁽²⁾.

⁽¹⁾ See *Third General Report of the High Authority*, April 1955 (No. 104), and *Fourth General Report of the High Authority*, April 1956, (No. 137).

⁽²⁾ Judgments of the Court of Justice in Cases 7, 8, 9 and 10/54, *Official Gazette of the Community* of July 10, 1956. See *Fifth General Report of the High Authority*, April 1957 (No. 28).

100. *Organization of the coal market in France (A.T.I.C.)* — The High Authority has had to examine to what extent the French regulations governing coal purchases from other Community countries are compatible with the provisions of the Treaty. The two essential features of these regulations are:

firstly, they forbid or restrict access to non-French producers and dealers in the Community;

secondly, the conclusion and execution of contracts (including payment and transport) for the buying of coal from other Community countries are the monopoly of a State-established agency (A.T.I.C.).

The first amendments made by the French Government to these regulations following the introduction of the Common Market seemed to the High Authority inadequate to meet all its objections, and the High Authority therefore continued studies and discussions with the French Government with a view to eliminating every feature in the French coal market incompatible with the provisions of the Treaty.

As no basis for agreement could be found in the course of these discussions, the High Authority was obliged to resort to the procedure provided for in Article 88 of the Treaty, and, on November 21, 1955, addressed a communication to the French Government defining its position in regard to the whole body of regulations impeding the proper operation of the Common Market for coal and requesting the French Government to submit its comments.

These comments were furnished in a letter dated January 23, 1956, and in March of the same year, the French Government acceded to certain demands of the High Authority, in particular by defining in a uniform manner the conditions of access for French dealers to coal offered for sale by Community producers. On the other points, however, the French Government still maintained its position.

On June 22, 1956, the High Authority issued a reasoned decision declaring the stipulation that all contracts for the importation of coal from other Community countries must be signed by A.T.I.C. as purchaser to be incompatible with the provisions of the Treaty.

The French Government appealed to the Court of Justice against this decision, but subsequently, by a decree of January 14, 1957, excluded from A.T.I.C.'s activities the right to act as purchaser and the right of veto. The appeal, being thereby rendered nugatory, was withdrawn.

However, as the High Authority had already pointed out to the French Government before the withdrawal of the appeal, it still remained to dispose of the question of direct access to producers and dealers in the Common Market, and of A.T.I.C.'s activities as provided for by the decree of January 14, 1957 (which made it compulsory for enterprises to operate through A.T.I.C. as their authorized representative or agent).

In the course of the talks which ensued between its representatives and those of the French Government, the High Authority sought to meet the latter half-way by suggesting that concerted action be taken to eliminate the incompatibilities between the French system and the Treaty, while at the same time enabling the structure of the market to be adapted to these changes.

The French Government did not feel able to fall in with these proposals, except as regards entitling French consumers buying more than 2,400 metric tons a year to buy direct from Community producers, which they were allowed to do as from October 1957.

The High Authority therefore felt obliged to continue its implementation of Article 88 of the Treaty, requesting the French Government to present its final comments on all problems still outstanding. These were forthcoming in a letter dated November 14,

1957: on December 18, 1957, the High Authority issued a reasoned decision finding that, by keeping in force the indicted regulations concerning the purchase of coal from other Community countries the French Government was failing in its duties under the Treaty.

The position to which the High Authority took exception in its decision of December 18, 1957, is as follows:

- (a) dealers fulfilling certain conditions as to tonnage (selling 10,000 or 20,000 metric tons per annum in one or more *arrondissements minéralogiques*) are entitled to buy direct from Community producers outside France, yet enterprises and groups of enterprises which were entitled between April 1, 1955, and March 31, 1956, to buy direct from producers are continuing to do so indefinitely without being required to fulfil similar conditions;
- (b) French buyers are not entitled to buy from dealers outside France: they must apply either to outside producers, if they themselves fulfil the required conditions, or to dealers within France who fulfil them;
- (c) no French buyer may procure Community coal from outside France, except through a State-controlled agency carrying out duties of public law which also include the exercise of a monopoly in respect of the importation of coal from third countries.

By its decision of December 18, 1957, the High Authority declared such a system of national protection incompatible with the operation of a common market in accordance with the objectives and rules laid down for the Community in Articles 2, 3, 4 and 5 of the Treaty as follows:

- (a) the progressive establishment by the Community of conditions which will in themselves assure the most rational distribution of production at the highest possible level of productivity;

- (b) the prohibition of measures of practices discriminating among producers, among buyers or among consumers;
- (c) the prohibition of measures or practices which hamper the buyer in the free choice of his supplier;
- (d) the prohibition of restrictive practices tending towards the division or exploitation of the market;
- (e) the establishment, maintenance and observance of normal conditions of competition.

The High Authority allowed the French Government the following periods in which to carry out its obligations:

- (a) *one year* in which to abolish the arrangement whereby A.T.I.C. acts as agent;
- (b) *one year* in which to abolish the system of exemptions whereby the enterprises and groups of enterprises which were entitled to buy direct from producers between April 1, 1955, and March 31, 1956, are still permitted to do so even where their operations are not on a sufficient scale to fulfil the criteria laid down as to tonnage;
- (c) *two years* in which to allow direct buying from Community dealers outside France;
- (d) *two years* in which to abolish the arrangement whereby A.T.I.C. acts as sole authorized legal representative.

The changes requested relate only to those items in the French Government's regulations which are held to be incompatible with the Treaty, and in no way affect that Government's right to operate a system which does conform with the Treaty⁽¹⁾.

⁽¹⁾ The French Government on February 26, 1958, lodged an appeal against this High Authority decision before the Court of Justice.

CONCENTRATIONS

101. In the matter of concentrations the High Authority has pursued a realistic policy, enabling regroupings likely to ensure more efficient production to be made wherever it seems certain that the new concentrations will not have results counter to the Treaty.

Under Article 66, only concentrations carried through after the coming into force of the Treaty require prior authorization by the High Authority. However, under Section 13 of the Convention, the provisions of Article 66,5 could also be applied to concentration operations carried out between the date of signing the Treaty and the date of its coming into force, provided the High Authority furnished proof that they had been carried out with the specific object of evading the application of Article 66. The High Authority had accordingly to examine a number of concentrations which became operative before the Treaty did.

The High Authority also had to draw up three sets of regulations for the implementation of Article 66, 1, 3 and 4 respectively. These were embodied in decisions taken on May 6, 1954⁽¹⁾.

The first set of regulations defines exactly what constitutes "control" of an enterprise. The second specifies under what conditions enterprises are exempt from prior application for authorization, thereby making clear that they are not required to apply in respect of small-scale concentrations and operations which quite obviously could not possibly distort competition in the Common Market. The third lays down in what circumstances individuals and enterprises not coming within the jurisdiction of the High Authority are required to supply to the latter details necessary for the implementation of Article 66.

102. Between the introduction of the Common Market and April 1, 1958, 104 cases in all were examined under Article 66, 49 of them following applications for authorization and 55 on the basis of investigations instituted by the High Authority on its own initiative. The accompanying table shows the breakdown by countries and outcome.

⁽¹⁾ Decisions Nos. 24/54 and 25/54 (supplemented by Decision No. 28/54 of May 26, 1954) and No. 26/54, of May 6, 1954, *Journal Officiel de la Communauté* of May 11, 1954, and May 31, 1954.

Country of head office of principal enterprise	No. of cases reg- istered	of which					Cases dis- posed of
		Author- izations	Examin- ations under Article 66,5	Concen- trations effected before signa- ture of Treaty	Author- ization not re- quired in accor- dance with regula- tions im- plemen- ting Article 66,3	Non- appli- cability of Article 66	

I. Cases examined following application for authorization

Germany (Fed. Rep.)	25	13	2	3	—	4	22
Saar	1	—	—	—	—	—	—
Belgium	7	3	—	2	1	1	7
France	12	4	1	—	—	5	10
Luxembourg	4	2	—	2	—	—	4
Total	49	22	3	7	1	10	43

II. Cases examined by the High Authority on its own initiative

Germany (Fed. Rep.)	21	3	—	1	—	4	8
Saar	1	—	—	—	—	—	—
Belgium	13	—	—	—	1	2	3
France	16	2	—	2	—	2	6
Luxembourg	2	—	—	1	—	—	1
Netherlands	2	—	—	—	—	—	—
Total	55	5	—	4	1	8	18
Grand Total	104	27	3	11	2	18	61

103. The twenty-seven concentrations authorized by High Authority decision and the three examined under Article 66, 5 in conjunction with Section 13 of the Convention are enumerated in the list following, which shows the types of enterprise which have linked up in each country, the production of each new concentration in per cent. of total Community production, the form taken by each operation, and the passage in the Treaty on which the High Authority's final pronouncement was based. At the same time, it must be borne in mind that the list relates only to entirely new concentrations.

Enterprises concentrated	Production	Nature of operation
A. Horizontal concentration		
I. Coal/coal		
1. Consolidation/Essener Steinkohle (Germany, Fed. Rep.)	Coal: approx. 2% of Community production	Acquisition of a majority holding (Article 66,2)
2. Hibernia/Emscher-Lippe (Germany, Fed. Rep.)	Coal: approx. 5% of Community production	Acquisition of shares (Article 66,2)
II. Steel/steel		
3. Lorraine/Escaut (France)	Steel: approx. 4% of Community production	Merger (Article 66,5)
4. Société de Galvanisation Denain-Lourches/Etablissements Bavay (France)	Galvanized sheet: approx. 5% of Community production	Merger (Article 66,2)
5. August Thyssen-Hütte/Niederrheinische Hütte (Germany, Fed. Rep.)	Steel: approx. 4% of Community production	Acquisition of a majority holding (Article 66,2)
6. Cockerill/Ougrée Marihay (Belgium)	Steel: approx. 4% of Community production	Merger (Article 66,2)
III. Steel/special steels		
7. Ateliers et Forges de la Loire (France)	Special steels: approx. 4% of Community production	Regional concentration by merger and inter-company elimination of a number of special-steels producers (Article 66,2)
8. Forges et Ateliers du Creusot/Société Métallurgique d'Imphy (France)	Special steels: approx. 4% of Community production	Acquisition of approximately one-third of the shares and thereby control of the company (Article 66,2)
IV. Trade/trade		
9. Balland-Brugneaux/Etablissements Maclé-Moisset (France)		Merger (Article 66,2)

Enterprises concentrated	Production	Nature of operation
B. Vertical concentration		
<i>I. Steel/coal</i>		
10. Mannesmann AG./ Consolidation (Germany, Fed. Rep.)	Steel: approx. 3% of Community production Coal: approx. 3% of Community production	Merger (Article 66,2)
11. Hoesch AG./ Altenessener Bergwerke (Germany, Fed. Rep.)	Steel: approx. 3% of Community production Coal: approx. 3% of Community production	Acquisition of shares in the colliery (Article 66,2)
12. Klöckner Werke AG./ Bergwerke Königsborn Werne (Germany, Fed. Rep.)	Steel: approx. 3% of Community production Coal: approx. 2% of Community production	Acquisition of a majority holding in the colliery (Article 66,5)
13. August Thyssen-Hütte Erin Bergbau (Germany, Fed. Rep.)	Steel: less than 4% of Community production Coal: less than 0.5% of Community production	Acquisition of a majority holding in the colliery (Article 66,2)
14. ARBED/Bergbau AG. Lothringen (Luxembourg and Germany, Fed. Rep.)	Steel: 5% of Community production Coal: approx. 3% of Community production	Acquisition of a majority holding in the colliery (Article 66,2)

Enterprises concentrated	Production	Nature of operation
15. Hüttenwerke Oberhausen/ Bergbau AG. Neue Hoffnung (Germany, Fed. Rep.)	Steel: approx. 4% of Community production Coal: approx. 2% of Community production	Acquisition of a majority of the shares (Article 66,2)
16. Phoenix- Rheinrohr AG./ Emscher-Lippe Bergbau AG. (Germany, Fed. Rep.)	Steel: approx. 5% of Community production Coal: approx. 1% of Community production	Acquisition of a majority of the shares in order to obtain <i>Werksebstverbrauch</i> rights (Article 66,2)
II. <i>Steel/ore</i>		
17. ARBED/Marcelot (Luxembourg)		Sub-leasing of mining concession (Article 66,2)
III. <i>Steel/scrap</i>		
18. Dortmund-Hörder Hüttenunion/ Celler & Co. (Germany, Fed. Rep.)		Acquisition of shares of a small scrap dealer (Article 66,2)
IV. <i>Steel/processing</i>		
a) <i>Steel/wire- drawing</i>		
19. Providence/Dercq- Fontainoise (Belgium)	Wire-rod: approx. 6% of Community production	Merger (Article 66,2)
b) <i>Steel/tubemaking</i>		
20. Phoenix-Rheinrohr (Germany, Fed. Rep.)	Steel production: approx. 4% of Community production Consumption for tubemaking: approx. 25% enterprise's total steel production	Merger (Article 66,5)

Enterprises concentrated	Production	Nature of operation
21. La Providence/Société des Tubes de Rehon et de l'Aisne (Belgium and France)	Production: steel: approx. 2% of Community production rolled products: approx. 2% of Community production hoop and strip: approx. 8% of Community production Consumption for tubemaking: approx. 20% of enterprise's total steel production	Acquisition of a majority holding (Article 66,2)
22. Compagnie de Pont-à-Mousson and Sidelor/ enterprise to be set up by Compagnie de Pont-à-Mousson and Compagnie Française des Métaux (France)	Production of rolled products: approx. 6% of Community production Consumption: very little	Acquisition of a controlling interest in tubemaking side (Article 66,2)
<i>c) Steel/rolling</i>		
23. Dortmund-Hörder Hüttenunion/ Howaldtswerke Hamburg (Germany, Fed. Rep.)	Production: steel: approx. 5% of Community production rolled products: approx. 4% of Community production Consumption of rolled products: approx. 5% of enterprise's total production of rolled products	Acquisition of a controlling interest in a shipyard (Article 66,2)
24. Phoenix-Rheinrohr/ Blohm & Voss (Germany, Fed. Rep.)	Steel production: approx. 4% of Community production Consumption: negligible	Acquisition of a controlling interest in a shipyard (Article 66,2)

Enterprises concentrated	Production	Nature of operation
25. Dortmund-Hörder Hüttenunion/ Gebrüder Crédé & Co. (Germany, Fed. Rep.)	Production of rolled products: approx. 4% of Community production Consumption of rolled products: approx. 1,000 metric tons	Acquisition of a large majority holding in a firm producing rolling- stock, etc. (Article 66,2)
26. Mannesmann AG./ Stolterfoth (Germany, Fed. Rep.)	Production of rolled products: approx. 4% of Community production Consumption of rolled products: approx. 2,000 metric tons	Acquisition of shares in a mechanical- engineering firm (Article 66,2)
27. Mannesmann AG./ Porsche (Germany, Fed. Rep.)	Production of rolled products: approx. 4% of Community production Consumption of rolled products: approx. 2,000 metric tons	Acquisition of shares in a motor firm
28. Forges et Ateliers du Creusot/Société Batignolles-Chatillon (France)	Production of rolling products: approx. 0.5% of Community production Consumption of rolled products: approx. 2,000 metric tons	Merger with a mechan- ical-engineering firm (Article 66,2)
29. Mannesmann- Meer AG. (100% subsidiary of Mannesmann AG.)/ Maschinenfabrik Karl Wittig G.m.b.H. (Germany, Fed. Rep.)	Production of rolled products: approx. 4% of Community production Consumption: negligible	Acquisition of a con- trolling interest in a mechanical-engineering firm (Article 66,2)
30. Mannesmann AG./ Mecano-Bundy Hans Sickinger GmbH (Germany, Fed. Rep.)	Production of rolled products: approx. 4% of Community production Consumption: negligible	Acquisition of a con- trolling interest in a firm producing motor accessories (Article 66,2)

104. The thirty concentrations carried through since the Treaty was concluded may be broken down by nature of operation as follows:

Horizontal concentrations	9
Vertical concentrations	21
of which: steel/coal	7
steel/ore	1
steel/scrap	1
steel/processing	12

The vertical concentrations are thus more than twice as numerous as the horizontal. They all involve iron and steel enterprises, some of which have sought by this means to secure a coal supply base of their own, while others have linked up with processing works.

The High Authority is now examining certain economic disadvantages which may result, both for non-colliery-owning consumers and for the coal producers, from the increasing tonnages of coal going in "own consumption" by integrated coalmining and iron and steel enterprises. It is studying possible ways and means of dealing with this situation.

CHAPTER THREE

DEVELOPMENT OF THE COMMON MARKET

105. Industrial production in the Community countries continued to expand throughout 1957, though more slowly than in previous years. The rate of increase was 6%, as against 8% in 1956 and 12% in 1955; the pace slackened during the second half of the year. Nevertheless, the percentage increase remained higher than the 4.9% adopted in the General Objectives as a basis of computation for the period 1955—65, and was appreciably in excess of the U.K. rate, which was between 1 and 2%, while in the United States there was no advance at all.

106. Industrial expansion was most marked in France and Italy, exceeding the 1956 figures by 9% and 8% respectively. In Western Germany and the Saar the increase amounted to 5%.

In the Benelux countries expansion was slight. This is explained not only by the greater dependence of these countries on world economic conditions, which have deteriorated, but also by certain specific factors such as action on the part of the Netherlands Government to restrain demand and the strike which paralyzed vital sections of Belgian economy in the early summer. Had this strike not occurred, it is fair to assume that instead of remaining stationary Belgian production would have risen in the same proportion as that of Luxembourg (between 1 and 2%).

107. During the four years that have elapsed since the Common Market for Coal and Steel was set up in 1953, overall industrial production in the Community has gone up by 43%. The full significance of this notable expansion becomes clear when it is compared with the progress made during other periods of general prosperity, or with the development in highly industrialized Western countries outside the Community.

Admittedly, the Community countries had already succeeded in stepping-up industrial production by roughly 43% between 1949 and 1953. But on that occasion the initial level had been very low — hardly more than the

equivalent of the 1938 figure for the Community as a whole. Expansion between 1949 and 1953 was also influenced by an exceptional factor: the rapid recovery of German industry which, starting almost from scratch during the first post-war years, was still in its first stage of reconstruction in 1949.

The Community's achievement in increasing industrial production between 1953 and 1957 at a rate equal to that of 1949—53 may justly be regarded as remarkable. It was due entirely to the speeding-up of industrial expansion in some Community countries, which made up for the return to a more normal rate of development in others.

**Comparative Development of Industrial
Production in the Community Countries⁽¹⁾**

	Increase 1949-53	Increase 1953-57
Germany (Fed. Rep.)	75%	49%
Saar	37%	32%
Belgium	11%	24%
France	22%	45%
Italy	40%	39%
Luxembourg	14%	26%
Netherlands	31%	30%
Community	43%	43%

⁽¹⁾ Exclusive of the building trade and the foodstuffs, beverages and tobacco industries.

108. The scale of industrial development in the Community since 1953 is also readily apparent when it is compared with that of the United States and Great Britain.

Against the 43% production increase in the Community, the United Kingdom showed 15% and the United States as little as 7%. It must be emphasized, however, when analyzing these figures, that in 1953 development in the Community countries was still lagging behind in relation to pre-war years. As a result of recent expansion, the United Kingdom has now been overtaken and the lead of the United States greatly reduced.

109. Economic expansion in the Community slowed down in the early part of 1958, although not to an extent that would justify speaking of a general slump. The three largest Community countries appear to be less vulnerable than in the past to economic fluctuations in the other great industrial nations, particularly the United States and Great Britain, than their smaller partners.

Section 1 — The supply situation of the Community as regards coal

110. Stable supply and irregular demand on the one hand, and the widening gap, against a background of market variations, between internal production and requirements on the other, were at the root of the problems which those responsible for ensuring a steady-flow of supplies of coal to the Community encountered during the transition period.

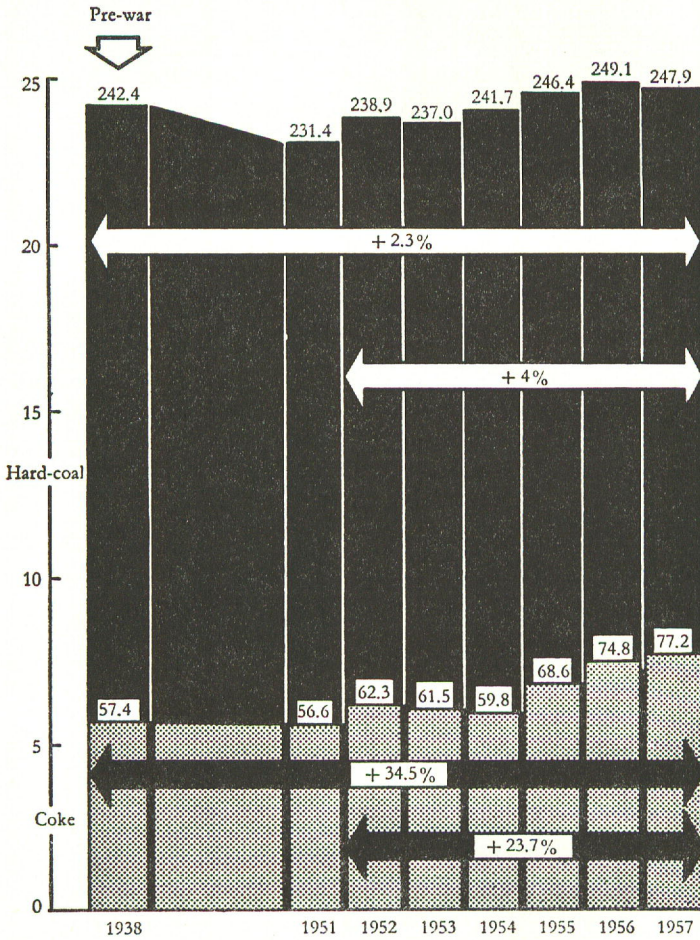
Coal production, which stood at 239 million metric tons in 1952, reached 248 million in 1957, an increase of roughly 4%. During the same period, industrial production rose by over 50%. This comparison throws into sharp relief a basic structural factor which has become increasingly apparent with every passing year: the Community's energy gap. Hard-coal imports from third countries have to some extent become a structural feature. They almost doubled between 1952 and 1957, rising from 22.3 million to 44 million metric tons.

Pithead stocks, which had swollen to 15 million metric tons by August 1954, were a contributing factor in the economic revival which began in the autumn of that year. They fell to their lowest level in 1956, with 5.8 million metric tons, 75% of which consisted of lowgrade products, but had again climbed to 8.1 million tons by the end of the transition period.

Through all the vicissitudes of the general economic situation, the High Authority has striven to maintain and expand the Community's coal production and at the same time to ensure that all classes of consumers receive their fair share of available supplies.

COMMUNITY COAL AND COKE PRODUCTION

('000,000 metric tons)



111. *Hard-coal production.* — 247.9 million metric tons of hard-coal were extracted by Community collieries in 1957. This was 0.5% less than in 1956, when the figure was 249.1 million. The decline is largely attributable to the influenza in September and October 1957 and to the increase in the number of holidays in Germany, Belgium and the Netherlands. All the Community countries were affected, with the exception of France, where output rose by 3%.

The increase of 3.8% in hard-coal production in the Community since 1952 is entirely attributable to Germany and France. In the other Community countries production has fallen off; in the Saar it has remained stationary⁽¹⁾.

	1952	1956	1957	Variation	
				('000,000 m.t.)	
				1957/52	1957/56
Germany (Fed. Rep.)	123.3	134.4	133.2	+ 8.0%	— 0.9%
Saar	16.2	17.1	16.5	+ 1.4%	— 3.7%
Belgium	30.4	29.6	29.1	— 4.3%	— 1.6%
France	55.4	55.1	56.8	+ 2.6%	+ 3.0%
Italy	1.1	1.1	1.0	— 6.4%	— 5.3%
Netherlands	12.5	11.8	11.4	— 9.2%	— 3.9%
Community	238.9	249.1	247.9	+ 3.8%	— 0.5%

If production between 1952 and 1957 is broken down by coalfields, the increase in tonnage extracted is seen to be accounted for principally by the Ruhr. Production has also gone up appreciably in Lorraine and in the Campine and Aachen coalfields. It is falling off sharply in Southern Belgium and Dutch Limburg, and is also shrinking in the Nord/Pas-de-Calais coalfield.

1957 witnessed a decline in production by comparison with 1956 in most Community coalfields, although two are making definite progress. These are the Lorraine coalfield with an increase of 1 million metric tons, and the Aachen coalfield with an additional 400,000 tons⁽²⁾.

⁽¹⁾ For further details, see *Statistical Annex*, Table 1.

⁽²⁾ For further details, see *Statistical Annex*, Table 2.

	1952	1956 (*000,000 m.t.)	1957	Variation	
				1957/56	1957/52
Ruhr	114.4	124.6	123.2	- 1.1%	+ 7.7%
Aachen					
(Aix-la-Chapelle)	6.4	7.2	7.6	+ 5.7%	+ 18.3%
Lower Saxony	2.4	2.6	2.3	- 9.5%	- 3.9%
Saar	16.2	17.1	16.5	- 9.7%	+ 1.4%
Campine	9.7	10.5	10.3	- 1.3%	+ 6.4%
Southern Belgium	20.7	19.1	18.8	- 1.7%	- 9.3%
Nord/Pas-de-Calais	29.4	28.6	28.7	+ 0.5%	- 2.3%
Lorraine	12.2	13.3	14.3	+ 7.6%	- 17.1%
Centre-Midi	13.2	12.9	13.4	+ 3.7%	+ 1.6%
Sulcis	1.0	1.0	0.9	- 6.1%	- 4.0%
Dutch Limburg	12.5	11.8	11.4	- 3.9%	- 9.2%

112. The underground O.M.S. in Community mines was 1,545 kg. in 1957, as against 1,529 kg. in 1956 and 1,389 kg. in 1952, i.e. an increase of 1% and 11.2% respectively. The major part of this latter improvement (7.2%) was achieved between 1953 and 1955⁽¹⁾.

Underground O.M.S. has developed as follows between 1952 and 1957⁽²⁾:

(1) For further details, see *Statistical Annex*, Table 3.

(2) Exclusive of the Italian coalfield of Sulcis, where the steep increase in underground output reflects the success of the measures taken under the scheme for its reorganization and financial reconstruction (see No. 39 above).

UNDERGROUND O.M.S.

Variation from 1952 to 1957

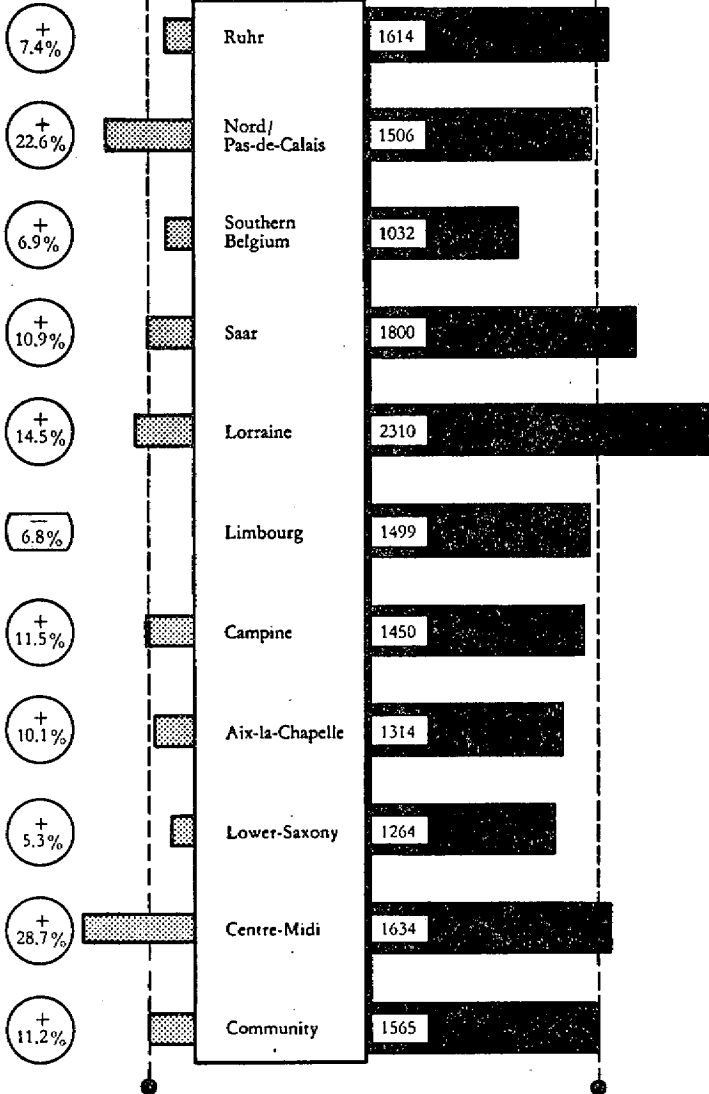
1957

(in kg)

COMMUNITY AVERAGE

COMMUNITY AVERAGE

COALFIELDS



113. In 1957, for the first time since 1953, Community hard-coal production had the advantage of an increase in the number of *underground workers*. The total number of men employed underground has varied as follows (monthly average):

1953	685,900
1954	661,800
1955	648,700
1956	648,300
1957	658,600

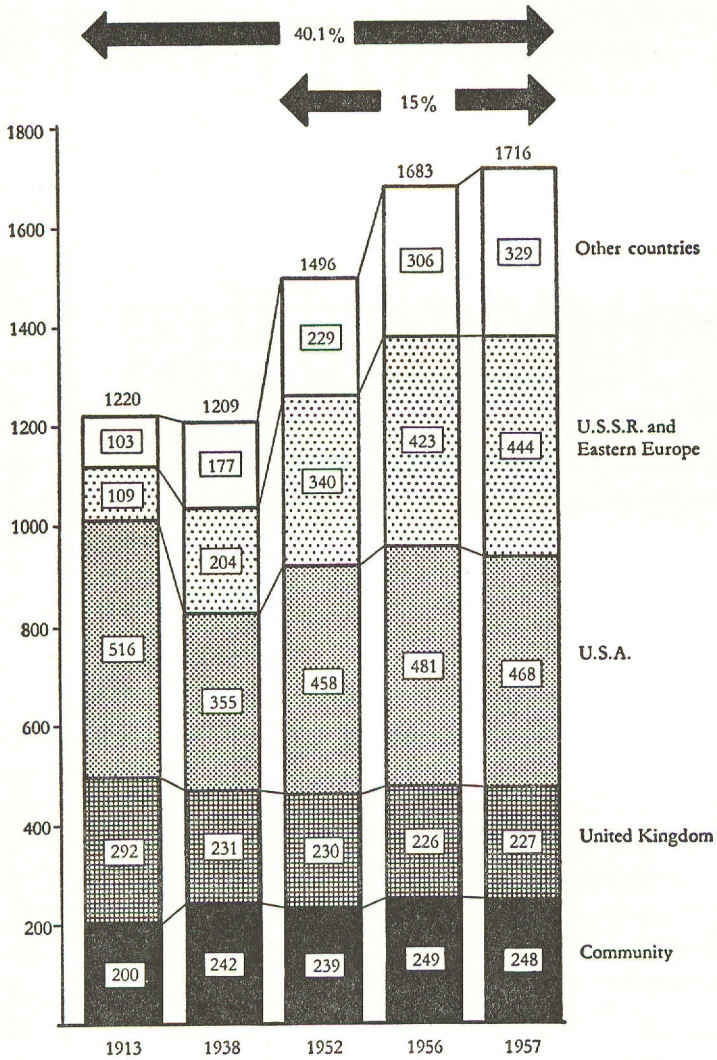
The improvement in the recruitment of underground workers was particularly marked in the Federal Republic of Germany and in Belgium, which accounted for 8,200 and 8,800 respectively of the 22,100 new entrants⁽¹⁾.

114. The trend in hard-coal production in the Community compares as follows with that of the other large producer areas.

(1) See No. 174 to 179 below.

WORLD HARD-COAL PRODUCTION

('000,000 metric tons)



115. *Coke production.* — Production of coke increased at a more rapid rate than that of hard coal and, at 77.2 million metric tons in 1957, was 23.7% above the level of 1952, when 62.4 million metric tons were produced. Economic developments in the coke sector follow those of the iron and steel industry with a certain time lag. After declining in 1953 and 1954, production picked up rapidly from 1955 onwards; from 1956 to 1957 the increase was 2.3 million metric tons and was accounted for mainly by the German coking-plants.

Coke production has gone up since 1952 in all the Community countries. The percentage increases reflect the efforts put forth by the different countries, but it is in Germany that progress, expressed in absolute values, has been greatest: 8 million metric tons, or 54% of the total increase in the Community over five years⁽¹⁾.

	1952	1956	1957	Variation	
				('000,000 m.t.)	
				1957/56	1957/52
Germany (Fed. Rep.)	37.2	43.4	45.2	+ 4.1%	+ 21.4%
Saar	3.9	4.2	4.3	+ 2.8%	+ 11.2%
Belgium	6.4	7.3	7.2	— 1.6%	+ 11.7%
France	9.2	12.2	12.6	+ 2.6%	+ 36.3%
Italy	2.4	3.4	3.7	+ 8.1%	+ 56.9%
Netherlands	3.3	4.2	4.2	+ 0.1%	+ 29.2%
Community	62.4	74.7	77.1	+ 3.2%	+ 23.7%

116. *Imports from third countries.* — Imports of hard coal rose by approximately 15.7% in 1957 to 44 million metric tons, compared with 38 million in 1956. Approximately 86% of the 1957 imports came from the United States which, during the transition period, consolidated its position as the Community's principal coal supplier. The United States' share was 73% in 1952, but fell to 48% in 1953 and 44% in 1954 — an indifferent business year. It then rallied to 69% in 1955 and reached 80% in 1956.

Imports from Great Britain developed in the opposite direction. They were relatively large in 1953 (5.1 million metric tons, or 37%) and 1954 (5.3 million, or 38%), but thereafter declined. Thanks to the excellent spirit

⁽¹⁾ For further details, see *Statistical Annex*, Table 4.

of co-operation prevailing in the Council of Association, it has, however, proved possible to maintain them at a satisfactory level (1955: 4.3 million metric tons, or 19%; 1956: 3.6 million, or 9%; 1957: 2.6 million, or 6%).

Supplies from the Soviet Union and Poland totalled 2 million metric tons in 1952, when they represented 9% of all hard-coal imports. By 1957, they had risen to 3 million tons, but this figure represented only 7% of total imports.

Hard-coal imports from third countries in 1957 exceeded those for 1952 by 6 million metric tons. More than half this increase was absorbed by Germany, which is also the country whose imports from third countries, expressed in absolute figures, increased most between 1952 and 1957⁽¹⁾.

Country of supply	1952	1957	1952	1957
	('000,000 m.t.)		(in % of total deliveries)	
United States	16.3	37.9	73.2%	86.1%
United Kingdom	3.5	2.6	15.8%	6.0%
Poland	1.6	2.0	7.3%	4.5%
Soviet Union	0.4	1.0	1.7%	2.3%
Other areas	0.5	0.5	2.0%	1.1%
Total	22.3	44.0	100.0%	100.0%

Country of destination	1952	1957	1952	1957
	('000,000 m.t.)		(in % of total deliveries)	
Germany (Fed. Rep.)	7.9	17.2	35.4%	39.1%
Saar	—	0.1	—	—
Belgium	1.2	2.8	5.3%	6.4%
France	5.3	9.7	24.1%	22.2%
Italy	5.1	8.8	22.8%	20.0%
Luxembourg	0.1	—	0.3%	—
Netherlands	2.7	5.4	12.1%	12.3%
Total	22.4	44.0	100.0%	100.0%

Imports of coke, although still small in volume, increased slightly from 1956 to 1957, rising from 515,000 to 552,000 metric tons.

117. *Exports to third countries.* — Exports of hard-coal from the Community to third countries continued to decline (5.1 million metric tons in 1957, as against 5.7 million in 1956 and 10.1 million

(1) For further details, see *Statistical Annex*, Table 5.

in 1955), but the 1957 figures were still above the 1952 level of 4.4 million metric tons. German sales went up a little in comparison with 1956; the overall decrease of 12% is explained by the fact that sales of other Community countries declined by 25%.

Switzerland has again become the Community's biggest customer, ahead of Great Britain, which has reduced its imports from the Community by 35%. More than 70% of the decline in hard-coal exports to third countries from 1956 to 1957 was due to the drop in British imports⁽¹⁾.

Coke exports also diminished from 5 million metric tons in 1956 to 4.2 million in 1957, *i.e.* a drop of 16%. As in the previous year, Germany accounted for more than three-quarters of total exports.

The Scandinavian countries continue to be the Community's best customers, but the volume of their purchases has fallen off sharply, from 3.7 million metric tons in 1956 to 2.8 million in 1957, *i.e.* a decrease of 24%. Sales to Austria on the other hand went up by 22%⁽²⁾.

118. *Total availabilities.* — *Total availabilities of hard-coal and briquettes* in 1957 amounted to 285.9 million metric tons, or slightly more than in the preceding year (285.3 million). But the index of industrial production went up 6.1% from 1956 to 1957. During the period 1952 — 1957, it had risen 52%, while total availabilities of hard coal and hard-coal briquettes increased from 252.6 million to 285.9 million metric tons, *i.e.* only 13%.

	1952	1956	1957	Variation	
				1957/56	1957/52
		(^{000,000} m.t.)			
Production ⁽¹⁾	239.8	251.3	249.1	- 0.9%	+ 3.9%
Net Imports	17.7	32.3	39.0	+20.8%	+120.6%
Additions to (—) or withdrawals from (+) stocks ⁽²⁾	-4.7	+1.7	-2.2	—	—
Total	252.6	285.3	285.9	+ 0.3%	+ 13.2%

(1) Corrected for briquettes and low-grade products.

(2) Including changes in importers' stocks.

(1) For further details, see *Statistical Annex*, Table 6.

(2) For further details, see *Statistical Annex*, Table 7.

The breakdown of distribution over the various consumer sectors during the transition period reveals that, although overall coal requirements continue to increase, actual consumption varies according to the specific use to which the coal is put. Coking-plants, whose activity is closely linked to that of the iron and steel industry, took greatly increased tonnages. There was also an appreciable increase in the tonnages supplied to power-stations and to households and small industry. But on the railways coal continued to give way to electricity and fuel oil, and in the shipping and bunkering sector, to heavy fuel oil. Supplies to industries other than iron and steel are increasing in relation to 1952 but declining in relation to 1956.

	1952	1956 (^{000,000} m.t.)	1957	Variation	
				1957/56	1957/52
Coking-plants	82.0	99.1	102.0	+ 2.9%	+24.4%
Railways	20.5	18.8	17.8	- 5.4%	-13.6%
Shipping and bunkering	2.9	1.9	1.6	-17.2%	-45.6%
Power-stations	21.1	24.7	27.8	+12.8%	+32.3%
Gasworks	12.3	12.4	12.8	+ 3.6%	+ 4.6%
Iron and steel industry	5.5	4.8	3.9	+18.7%	-27.9%
Other industries	37.0	41.2	39.3	- 4.5%	+ 6.1%
Households and small industry	37.1	44.8	43.9	- 2.0%	+18.4%
Collieries' own consumption and miners' concessionary coal	30.9	34.2	33.9	- 1.0%	+ 9.8%
Miscellaneous	3.3	3.4	2.9	-14.7%	-12.1%
Total	252.6	285.3	285.9	+ 0.3%	+13.2%

119. Total availabilities of coke in the Community amounted in 1957 to 73 million metric tons, *i.e.* 3% more than in 1956 (70.8 million) and 27% more than in 1952 (57.5 million) (1).

	1952	1956 (^{000,000} m.t.)	1957	Variation	
				1957/56	1957/52
Production	62.8	75.3	77.6	+ 3.1%	+23.7%
Additions to (-) or withdrawals from (+) stocks	-0.2	-0.1	-0.1	—	—
Net exports	-5.1	-4.4	-3.6	-18.4%	-28.6%
Total	57.5	70.8	73.0	+ 3.1%	26.9%

(1) Including low-temperature hard-coal coke.

The greatest relative increase in deliveries of coke during the 1952—1957 period was in respect of households and small industry. Availabilities were distributed as follows:

	1952	1956	1957	Variation	
				1957/56	1957/52
		(⁰ 000,000 m.t.)			
Iron and steel industry	37.3	44.6	46.9	+ 5.2%	+25.8%
Other industries ⁽¹⁾	8.3	10.0	9.6	— 4.5%	+15.5%
Households and small industry	7.0	11.0	11.2	+ 2.1%	+60.9%
Collieries' own consumption and miners' concessionary coal	2.4	3.5	2.9	—15.1%	+21.8%
Miscellaneous	2.5	1.7	2.4	+41.2%	—17.6%
Total	57.5	70.8	73.0	+ 3.1%	+26.9%

(1) Including gasworks, power-stations, railways, shipping and bunkering.

120. *The trend in stocks.* — Pithead stocks of hard coal rose in 1957 for the first time since 1954, when they stood at 15 million metric tons. Between the end of December 1956 and the end of December 1957, they increased from 5.8 million to 7.3 million metric tons. Stocks in Belgium account for more than three-quarters of this increase, having risen from 179,000 metric tons at the end of 1956 to 1.4 million at the end of 1957, and 3 million by the end of March 1958⁽¹⁾.

The present trend in pithead stocks once again raises the question of a rational stockpiling policy. In its memorandum defining the General Objectives, the High Authority expressed the opinion that continuity of employment in the coalfields was one of the most important social desiderata and that, if the objectives laid down in regard to hard-coal production were to be attained, underground personnel and O.M.S. would have to be increased (none of which can be achieved without a definite stockpiling policy)⁽²⁾. Studies carried out by the High Authority reveal that if 8.6 million tons more coal had been stocked between 1953 and 1957, imports from third

(1) For further details, see *Statistical Annex*, Table 8.

(2) See *Fifth General Report of the High Authority*, April 1957, Chapter XII No. 301 and following.

countries could have been lower by 23 million tons. If we estimate the cost of this extra stockpiling at 20 million dollars, the net saving achieved by this reduction in imports would have been something like 120 million dollars.

Stocks of coke at the coking-plants, which had reached their highest level in April 1954 with 4.6 million metric tons, rose from 600,000 metric tons in 1956 to 1.7 million in 1957⁽¹⁾.

121. *The level of coal stocks on industrial consumers' premises* was relatively high at the beginning of the autumn of 1957, being in excess of that of the corresponding period of 1956 by 29% for hard coal and 35% for coke.

	1956 (^{'000,000 m.t.})	1957
Hard coal	17.2	22.1
Coke	2.9	3.9

The tightness which was felt on the coal market in 1956 has gradually eased. Imports of American coal have been abundant and the main Community coalfields have not experienced any serious difficulty in meeting their delivery schedules.

122. *Trade. — Trade in hard coal and hard-coal briquettes among Community countries* amounted to 19.8 million metric tons in 1957, thus remaining practically at the same level as in 1956 (19.7 million metric tons). Although this total was 14.7% below that for 1955 (23.2 million metric tons), it was still 21% above the 1952 figure (16.3 million). German deliveries increased by 3% from 1956 to 1957 and those from the Netherlands by 20%, while there was a decline of 3% in Belgian deliveries and of 5% in the combined deliveries from France and the Saar. As regards destinations, it should be noted that German, Belgian and Dutch deliveries of coal to France increased substantially, by 17% (631,000 tons), 39% (562,000 tons) and 20% (63,000 tons) respectively.

(1) For further details, see *Statistical Annex*, Table 9.

	Outgoing		Variation	Incoming		Variation
	1956	1957		1956	1957	
	('000,000 m.t.)			('000,000 m.t.)		
Germany (Fed. Rep.)	10,205	10,530	+ 3.2%	4,541	4,347	- 4.3%
Belgium	3,926	3,809	- 3.0%	1,896	1,948	+ 2.7%
France/Saar ⁽¹⁾	4,739	4,484	- 5.4%	5,378	6,634	+23.4%
Italy	—	—		3,342	2,958	-11.5%
Luxembourg	—	—		325	301	- 7.4%
Netherlands	837	1,001	+19.6%	4,225	3,636	-13.9%
Community	19,707	19,822	+ 0.6%	19,707	19,824	+ 0.6%

(1) As the customs and economic union between France and the Saar is being temporarily maintained, consolidated figures of outgoing and incoming tonnages continue to be given for these two countries.

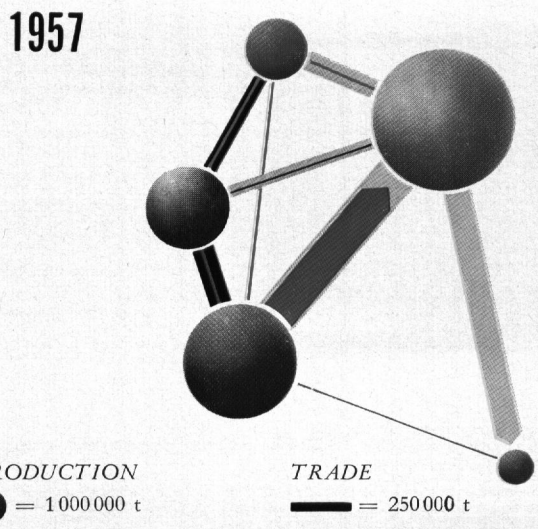
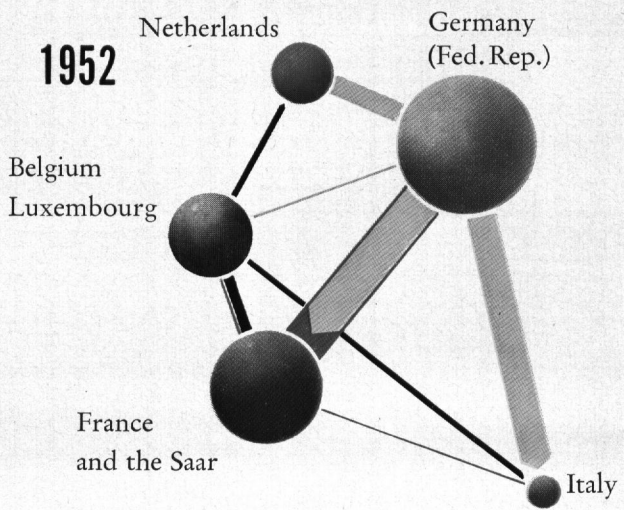
123. The development of trade in hard coal between 1952 and 1957 reveals a definite trend not only towards the consolidation of certain traditional currents of trade, but also towards the re-orientation of trade in a more rational pattern from the geographical point of view. It is true that the total volume of trade had already reached its peak in 1954 and 1955 under the twin stimuli of the newly-established common market and of a trade revival which made it easier to dispose of the stocks accumulated prior to August 1954. The falling-off in trade observed during the following years was thus in the main a consequence of the depletion of pithead stocks and of the necessity to make the fullest use of the new coke-oven batteries installed at the mines. However, new trade currents continued to develop steadily and older ones were intensified, while even those which are in decline are still far from dropping back to the level of 1952⁽¹⁾.

These two aspects of the trend in trade are clearly brought out in the following diagram, which shows how the coal markets are being gradually integrated as a result of the increase in the trade in hard coal and hard-coal briquettes among Community countries⁽²⁾.

(1) For further details, see *Statistical Annex*, Table 10.

(2) In this diagram hard-coal production is represented by spheres varying in size according to the tonnages extracted in each country. The width of the strips linking the spheres represents the volume of deliveries by each country, their colour being that of the country of supply.

INTEGRATION GOES AHEAD
IN TRADE IN COAL



	Outgoing		Variation	Incoming		Variation
	1952	1957		1952	1957	
	('000,000 m.t.)			('000,000 m.t.)		
Germany (Fed. Rep.)	9,262	10,530	+13.7%	3,959	4,347	+ 9.8%
Belgium	2,567	3,809	+48.4%	490	1,948	+297.6%
France/Saar	4,482	4,484	± 0.0%	4,934	6,634	+ 34.5%
Italy	—	—	—	3,888	2,958	— 23.9%
Luxembourg	—	—	—	323	301	— 6.8%
Netherlands	4	1,001	coef. 250	2,721	3,636	+ 33.6%
Community	16,315	19,824	+21.5%	16,315	19,824	+ 21.5%

The biggest Community supplier, *Germany*, greatly increased its deliveries to Belgium (1,297,000 metric tons in 1957, as against 317,000 in 1952), the major part of the extra tonnage coming from the Aachen coalfield. In addition, the traditional flow of coking coal from the Ruhr to Lorraine was intensified (Germany supplied France with 4.3 million metric tons in 1957, as against 3.7 million in 1952). Deliveries to other Community countries remained more or less unchanged.

Belgium, which before the introduction of the Common Market used to ship only very small tonnages to Germany (19,000 tons in 1952), stepped up its sales to that country considerably until 1955 (754,000 metric tons); it did this, however, with the aid of compensation payments under Section 26, c) of the Convention⁽¹⁾. These sales have since fallen off sharply, although, at 260,000 tons in 1957, they were still well above the 1952 level. A similar trend may be observed in Belgian sales to the Netherlands (574,000 tons in 1952, nearly 3 million in 1955, and approximately 1.5 million in 1957). Supplies to France, which reached their first peak in 1953 with 1.8 million metric tons, dropped to 1.4 million in 1956, but in 1957 rose above the 2 million mark. Deliveries to Italy have dropped very steeply, (23,000 tons in 1957, as against 681,000 tons in 1952 and as much as 839,000 tons in 1953). Sales to Luxembourg, which are negligible, have also gone down (44,000 tons in 1957 compared with 65,000 in 1952).

The combined deliveries of *France and the Saar* to Germany and Belgium rose without interruption until 1955, when they reached 5.1 million and 602,000 metric tons respectively, as against 3.9 million and 169,000 in 1952. But whereas deliveries to Germany in 1957 dropped to the 1952 level, sales to Belgium (290,000 metric tons), although slackening off, were still appreciably higher than in 1952. Sales to Italy have followed a similar course, but the peak had already been reached in 1953 with 417,000 tons, and the

⁽¹⁾ See No. 22 above.

1957 figure (158,000 tons) was below that for 1952 (214,000 tons). Deliveries to Luxembourg remained unchanged (between 125,000 and 150,000 tons), while those to the Netherlands have fluctuated very markedly (for the years 1952 to 1957 inclusive they were 4,000, 106,000, 10,000, 455,000, 46,000 and 51,000 metric tons respectively).

The Netherlands provide most striking examples of the development of new trade currents, initiated under the immediate impetus of the introduction of the Common Market and maintained and developed ever since. In 1952, the Netherlands exported hardly any coal to other Community countries, in 1957, it sold them 1 million tons, of which 231,000 to Germany, 401,000 to Belgium, and 372,000 to France and the Saar. The Netherlands have thus effectively entered the Common Market as suppliers. In Italy, a receiving country, on the other hand, hard-coal procurements rose from 3.9 million metric tons in 1952 to 4.7 million in 1953 and then fell again gradually to less than 3 million tons in 1957. Particularly as a result of her growing coking-coal requirements, Italy's imports from third countries have greatly increased — from 5 million tons in 1952 to 8.8 million tons in 1957.

124. Trade in coke increased still further in 1957, when it reached 9.3 million metric tons as against 9.2 million in 1956. Deliveries by Germany, the principal Community supplier, have fallen off somewhat, whilst those from the other countries, in particular the Netherlands, are increasing⁽¹⁾.

	Outgoing		Variation	Incoming		Variation
	1956	1957		1956	1957	
	('000,000 m.t.)			('000,000 m.t.)		
Germany (Fed. Rep.)	7,147	7,054	— 1.3%	353	179	— 49.3%
Belgium	626	686	+ 9.6%	107	120	+ 12.1%
France/Saar	146	157	+ 7.5%	4,726	4,985	+ 5.5%
Italy	106	126	+18.9%	4	16	+300.0%
Luxembourg	—	—	—	3,652	3,731	+ 2.2%
Netherlands	1,167	1,315	+12.7%	350	307	— 12.3%
Community	9,192	9,338	+ 1.6%	9,192	9,338	+ 1.6%

125. The trend of trade in coke is very much dependent on activity in the iron and steel industry: accordingly total sales fell

(1) For further details, see *Statistical Annex*, Table 11.

from 8.2 million metric tons in 1952 to less than 7 million in 1954, but to rise again subsequently in step with the business revival and reached 9.3 million tons in 1957.

	Outgoing			Variation 1957/1954	Incoming			Variation 1957/1954
	1952	1954	1957		1952	1954	1957	
	('000,000 m.t.)				('000,000 m.t.)			
Germany (Fed. Rep.)	6,593	5,402	7,054	+30.6%	321	188	179	- 4.8%
Belgium	543	562	686	+22.1%	2	76	120	+57.9%
France/Saar	120	188	157	-16.5%	4,305	3,228	4,985	+54.4%
Italy	148	—	126	—	2	23	16	-30.4%
Luxembourg	—	—	—	—	3,344	3,121	3,731	+19.5%
Netherlands	754	838	1,315	+56.9%	184	354	307	-13.3%
Community	8,158	6,990	9,338	+33.6%	8,158	6,990	9,338	+33.6%

At the same time, as in the case of hard coal, certain striking new trends have persisted through all the ups and downs of the economic situation. True, deliveries by the principal coke supplier of the Community, Germany, and by Belgium, follow on the whole the general economic trend, but German sales to the Netherlands, which had maintained a steady upward course until 1955, when they reached 386,000 metric tons, as against 179,000 in 1952, began to fall off in 1956 and were down to 271,000 tons by 1957, whereas Belgian deliveries to France and the Saar continued to increase steadily (466,000 metric tons in 1957, compared with 197,000 in 1952). Similarly, sales by the Netherlands have risen continuously, except for a slight setback in 1953 (670,000 metric tons, as against 754,000 in 1952) and reached 1.3 million metric tons in 1957, of which 788,000 (518,000 in 1952) went to France and the Saar, and 451,000 (234,000 in 1952) to Luxembourg.

126. *Price trends.* — The coal year 1957—58 saw further increases in the schedule prices for coal in Germany, France, Belgium and the Netherlands.

Allowing for the reduction of the Belgian compensation levy by the High Authority⁽¹⁾ and the Federal Government's re-introduction of the contribution for miners' housing, the average price increase in the Ruhr, which took effect on October 1, 1957, works out at \$ 1.26 per ton in relation to May 1957 and \$ 1.24 per

⁽¹⁾ See No. 14 above.

ton in relation to October 1956. In the Aachen coalfield, where prices have also been increased, the extra cost is \$ 1.46 per ton compared with April 1957 and \$ 1.43 compared with October 1956.

127. Because of this rise in Ruhr coal prices, the High Authority came to the conclusion that the German collieries were in a position, without increasing current selling prices, to shoulder a part of the financial burden in respect of miners' retirement insurance, hitherto borne by the Federal Government. The High Authority had informed the Federal Government in June 1957 that this subsidy, amounting to 6.5% of total wages, was to be abolished on March 31, 1958, to compensate for the financing of the shift bonus out of public funds, or earlier should the schedule prices of German coal be increased⁽¹⁾. Despite the rise in prices at the end of September 1957, March 31, 1958, was maintained as the time-limit; at the same time, the chairmen of the Ruhr coal-handling agencies volunteered, in view of the slackening in economic activities, to use their influence to prevent any increase in coal prices for some time to come, the abolition of the subsidy notwithstanding.

128. There have been two increases in coal prices in France, the first in May 1957, and the second in November of the same year. Compared with October 1956, the increase is \$ 2.50 per ton for the Nord/Pas-de-Calais coalfield and \$ 2.28 for Lorraine.

The Saar collieries also lodged new schedules embodying price rises on two occasions, in May and November 1957, the average rise per ton being \$ 2.38 by comparison with October 1956.

In the Netherlands, schedules with higher prices were lodged on January 1, 1958. The average overall increase compared with April 1957 is \$ 0.86 per ton.

Finally, in October 1957, the High Authority approved a new price schedule for Belgian coal embodying an average rise of \$ 0.28 per ton to offset increases in wages and social security contri-

⁽¹⁾ See No. 64 above.

butions⁽¹⁾. This rise is applicable only to the coalfields of Southern Belgium, the Campine collieries having expressed their willingness to forgo the benefit of the increase.

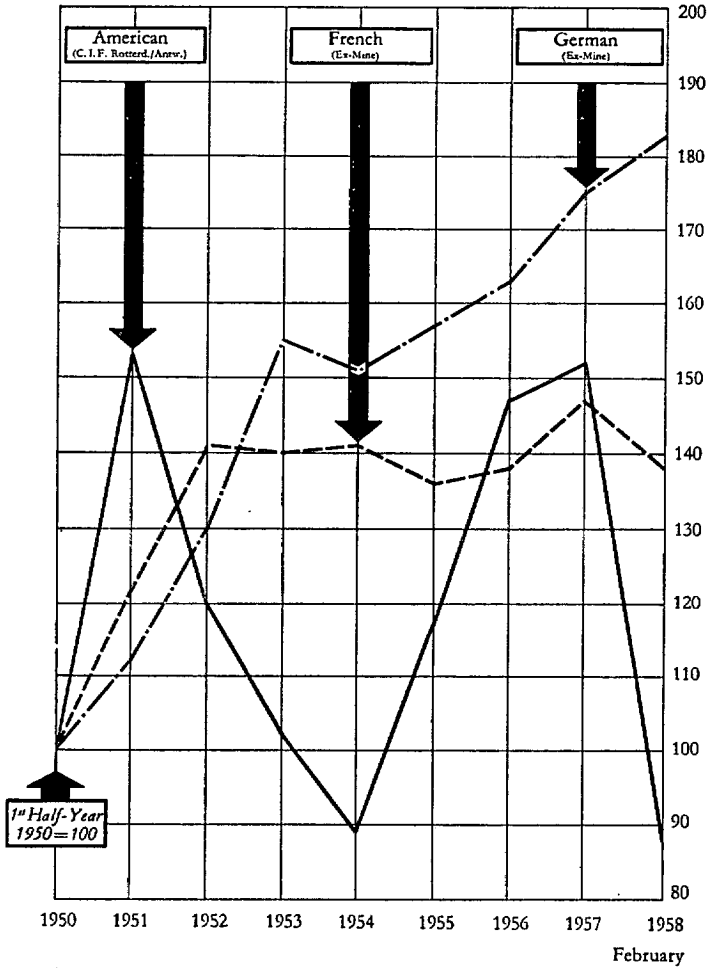
129. In the Community's principal coalfields, the Ruhr, schedule prices expressed in dollars per ton have varied as follows since March 1953⁽²⁾:

	March 1953	April 1957	March 1958	Variation	
				March 1958 March 1953	March 1958 April 1957
Coke	14.63	17.65	18.48	+26%	+4.7%
Anthracite	22.17	24.02	25.21	+13%	+5.0%
Low-volatile	18.74	20.59	21.67	+15%	+5.2%
Semi-bituminous	13.03	15.11	15.84	+21%	+4.8%
Bituminous	12.00	13.39	14.01	+16%	+4.6%
High-volatile bituminous	12.69	14.31	14.93	+17%	+4.3%

⁽¹⁾ See Decision No. 22-57 of October 30, 1957, *Journal Officiel de la Communauté* of November 4, 1957.

⁽²⁾ For further details, see *Statistical Annex*, Tables 12 and 14.

TREND IN COAL PRICES



130. Since September 1956, as a result of the slump in freight-rates for single trips⁽¹⁾, there has been a steady drop in c.i.f. prices for imported American coal. This has made it possible for American coal to compete with Community coal in certain areas, although it must be borne in mind that a considerable proportion of the imported tonnage falls under long-term contracts concluded when freight-charges were higher than they are today. In fact, demand for American coal reached its peak during the winter of 1956/57, at a time when Atlantic freight-rates were higher than ever before. Buyers felt obliged to enter into long-term contracts in order to lower the delivered cost of American coal and avoid having to pay the freight-rates charged for single trips. The High Authority requested the Governments at the same time not to impede this commercial practice by administrative complications. In the context of the general development of Community coal requirements, the High Authority considers it highly desirable to ensure by means of long-term contracts the tonnages from third countries needed to cover that part of the Community's imports which is of a structural nature.

But during this period the consumers were also striving to build up their stocks and the overall commitments in respect of American coal were such as ultimately to work out in excess of real import requirements. It is these extra tonnages contracted for which are at present encumbering the market. Efforts are being made, however, to alleviate this situation by deferring by one year the contractual delivery dates for a part of the tonnage concerned.

131. Throughout the vicissitudes of the economic situation during the transition period, the High Authority has exercised constant vigilance to ensure regular and fair coal supplies to all Community consumers. At no time has it seen reason to consider that the pressure of demand was such as to justify recourse to the system of consumption priorities and allocations provided for by Article 59 of the Treaty. In collaboration with the Council of Ministers, and in close and frequent consultation with the producers, the High Authority has been able to arrive at equitable solutions to supply difficulties,

⁽¹⁾ For further details, see *Statistical Annex*, Table 15.

in particular by keeping a check on the delivery schedules of the three Ruhr coal-handling agencies for the coal years 1956/57 and 1957/58, and by causing the other principal Community producers to draw up delivery schedules for the coal year 1957/58.

In May 1957, the High Authority studied delivery schedules for 1957/58 submitted by the Joint Office of the Ruhr agencies. It was chiefly concerned to obviate discriminations between different classes of consumers and to verify that nothing in the schedules infringed the rules which it had itself drawn up. As it felt that the original draft did contain discriminations, the High Authority requested that it be altered. The Joint Office then informed the High Authority at the beginning of July that the desired changes had been incorporated in the schedules. Their object was to ensure that tonnages available for sale should not be affected by any increase in direct deliveries from the collieries for consumption by industrial enterprises linked to them (*Werkselbstverbrauch*) where such increase resulted from the installation of new plant.

It also proved possible, under the overall delivery schedules drawn up in 1957 for the principal Community coalfields, to satisfy Italian requests for bigger deliveries of Community coal.

Provision was made for these schedules, which are in the nature of a guide, to be constantly reviewed in order to keep them in line with the changing coal supply situation in the Community. As the pressure of demand has eased since the beginning of 1958, it will not be necessary to draw up such schedules for the coal year 1958/59.

Section 2 — The supply situation of the Community as regards iron ore and scrap

IRON ORE

132. *The supply of iron ore to the iron and steel industry presented no difficulty in 1957.*

	1952	1956	1957	1952	1956	1957
	('000,000 m.t. of ore)			('000,000 m.t. Fe content)		
Extraction of crude ore	65.3	80.7	87.4	19.0	23.5	25.1
Production of saleable iron ore	61.8	74.3	80.5	18.6 ⁽¹⁾	22.6	24.3
Imports from third countries	13.8	22.8	24.7 ⁽¹⁾	7.6	12.5	13.5
Export to third countries	0.7	0.9	1.0	0.23	0.3	0.33

⁽¹⁾ Estimate.

The extraction of crude ore thus increased by 8.4% by comparison with 1956 and 33.9% with 1952. From 1956 to 1957, the increase was particularly high in France and Germany — 9.7% and 8.2% respectively⁽¹⁾.

Imports were 11% higher than in 1956 and 79% higher than in 1952. Although their absolute volume remains low, exports showed a steep increase.

The production of sintered ore is growing rapidly — 20 million metric tons in 1957 as against 18.2 million in 1956 and 14.6 million in 1952, i.e. increases of 9%, 8% and 37% respectively. Sintered ores are still mainly produced from imported ore, but large-scale expansion of sintering plant is in process in the Community's ore-consuming works, notably in Lorraine and Belgium.

133. From 1956 to 1957, the consumption of ore in blast-furnaces and sintering plants rose faster than the production of pig-iron (5.6%, as against 3.6%), with a resultant fall in the consumption of scrap by blast-furnaces in 1957.

From 1956 to 1957 pig-iron production grew more slowly than did steel, although, in view of the structural deficiency of internal scrap availabilities, the long-term trend may be expected to go rather the other way. Ore imports, on the other hand, did move in conformity with the foreseeable long-term trend.

⁽¹⁾ For further details, see *Statistical Annex*, Table 16.

134. Stocks of iron ore held by German, Belgian, Italian and Dutch works (consisting mainly of imported ore) have risen by 70% in two years. By contrast, stocks at works in France, the Saar and Luxembourg, which consist chiefly of Lorraine ore, have increased only slightly. The same is true of stocks at the mines.

	End of 1955	End of 1956	End of 1957
	('000,000 m.t. Fe content)		
<i>Stocks at works</i>			
Germany, Belgium, Italy, Netherlands	3.3	4.4	5.5
France, Saar, Luxembourg	1.2	1.2	1.4
<i>Stocks at mines</i>			
	1.3	1.1	1.5
Total Community stocks	5.8	6.7	8.4

135. Finally, the Community's iron-ore *supply position* has varied as follows:

	1952	1956	1957
	('000,000 m.t. Fe content)		
Production	18.6	22.6	24.3
Net imports	7.4	12.2	13.2
<i>Total availabilities</i>	26.0	34.8	37.5
Total consumption	26.1	33.9	35.8
Increase in stocks	—	0.9	1.7

It may therefore be assumed that in the immediate future the iron-ore market will develop normally, without any supply difficulties.

The medium and long-term development however, is viewed with some anxiety by the High Authority, for, if the Community's General Objectives as regards the expansion of steel production are to be attained, imports of iron ore, on the basis of an Fe content of 56%, would need to be of the order of 25 to 30 million metric tons in 1960, 35 to 40 million in 1965, and between 50 and 60 million in 1975. These figures could conceivably rise a good deal higher, should requirements reach the upper limit.

This extremely rapid expansion of imports is necessitated by the fact that, after a decade of rapid growth between 1950 and 1960, the Community's iron-ore production is likely to increase slowly from 1960 onwards. Further expansion will then be possible only if serious efforts are made to conclude long-term contracts and to prospect for and open up new iron-ore mines, particularly in overseas territories⁽¹⁾.

136. *Trade in iron-ore between Community countries totalled 14.3 million metric tons in 1957, i.e. only 1.8% more than in 1956. By comparison with 1952, the increase was 52.2%. The main flow of deliveries, from France to Belgium and Luxembourg, represented 92% of the total, and the strike in the Belgian iron and steel industry resulted in a reduction of shipments. Shipments by France to Western Germany are now above 1 million tons annually, an increase of more than 80% from 1956 to 1957 and of 180% by comparison with 1952*⁽²⁾.

137. *Schedule prices for iron ore were changed in November 1957 and January 1958.*

As a result of the currency measures decreed by the French Government in October 1957⁽³⁾, the prices for iron ore from Lorraine and Western France were in November increased by 20% over those obtaining in January 1957. At the beginning of January 1958, the prices of ore from Eastern France dropped between 7.10 and 8.95%, and of those from Western France between 8.21 and 10.05% in relation to November, as a result of the reduction in c.i.f. prices of imported ores, notably those from Sweden. Maritime freight rates have gone down by 1.16 dollars per ton from 1957 to 1958 although f.o.b. prices have not altered.

Prices of iron ore from the Pyrenees were increased on January 1, 1958, by between 9.96 and 14.52% over the prices in force on January 1, 1957.

⁽¹⁾ See Volume 1 of this Report, Chapter I (No. 25).

⁽²⁾ For further details see *Statistical Annex*, Table 17.

⁽³⁾ See No. 168 below.

The average price ex-mine of Lorraine minette ore has varied as follows since 1953:

	In French francs per ton	Index (February 10 to December 31, 1953 = 100)
April 1954	1,173.33	93.2
April 1955	1,163.04	92.3
July 1955	1,215.16	96.5
January 1956	1,324.64	105.2
April 1956	1,327.48	105.4
July 1956	1,379.06	109.5
October 1956	1,375.74	109.2
January 1957	1,476.99	117.3
November 1957	1,772.39	140.7
January 1958	1,630.15	129.5

SCRAP

138. *The supply of scrap to the iron and steel industry* was still raising serious problems in regard to the expansion of steel production at the beginning of 1957⁽¹⁾. However, the scrap-market situation became appreciably easier in the second half of the year. The Community's structural scrap deficiency was covered by imports, which were 32% higher than in the previous year. Internal scrap recovery, which increased considerably during the first half of the year, fell during the second, but requirements of scrap for blast-furnaces went down correspondingly. It was thus easy to ensure balanced supplies, and at present there exists even some surplus of low-grade scrap. In order to deal with this problem, the Joint Office of scrap dealers and consumers in February 1958 made recommendations calling for an improvement in the make-up of this type of scrap so as to make it again suitable for use in steel works.

139. As pig-iron production had increased less rapidly from 1956 to 1957 than steel-production (3.6%, as against 5.2%), scrap requirements went up more steeply (8.3%). Considered for the whole

(1) See Volume 1, Chapter 1. (Nos. 18 ff).

period 1952—1957, however, they rose rather more slowly. This is due to the fact that a greater proportion of the pig-iron produced has become available for steel production because the Community is no longer a net exporter of pig-iron, and above all because the production of iron castings has expanded at a much slower rate than that of steel.

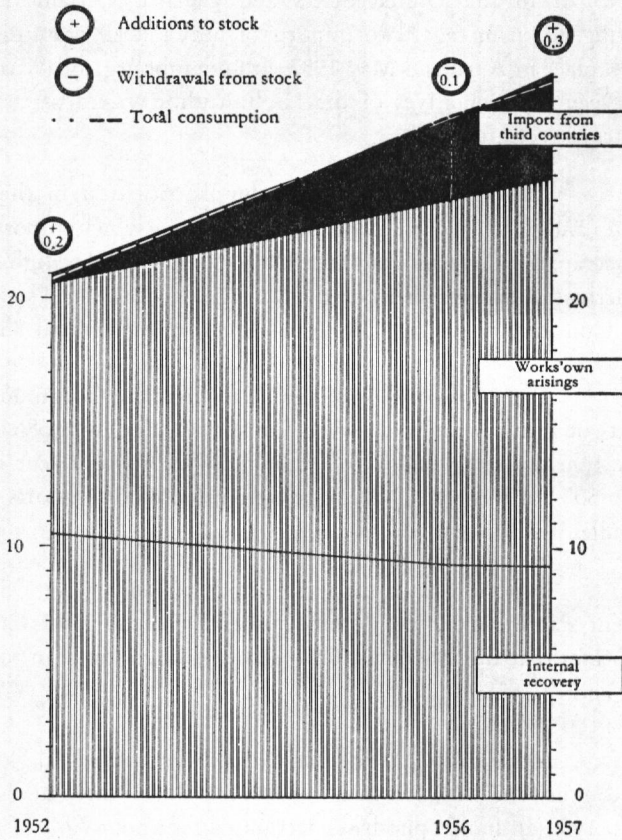
The overall growth of scrap demand is the result of two divergent developments: consumption by steelworks is increasing; consumption by blast-furnaces is declining. True, the latter had reached an exceptionally high level in 1952, when the pressure of demand for steel caused enterprises to step up the output of their furnaces by including a high proportion of scrap in the burden. At that time salvage of war scrap was still providing abundant supplies. By 1953 the input ratio had already dropped back to 98 kg scrap per ton of pig-iron, and it remained more or less stationary at this level until the beginning of 1957. A further reduction was made in the spring of that year and again during the second six months. This was made possible by the easier supply situation in regard to coke and iron ore and by the fact that it was no longer necessary, in view of more stable market conditions, to get the last ounce out of the blast-furnaces. It should also be noted that it was during the second half of 1957 that the measures provided for in Decision No. 2/57 concerning the payment of surcharges by consumers who increase their overall scrap input ratio came into force. Today, at the beginning of 1958, blast-furnace consumption is down to 70 kg per ton of pig-iron, which is well below the forecasts contained in the General Objectives (85 kg in 1960 and 80 kg in 1965).

The savings achieved in scrap consumption by blast-furnaces during the second half of 1957 by comparison with the second half of 1956 more than balance the increase in the scrap input at the steelworks, so that although absolutely the total scrap consumption by the blast-furnaces and steelworks is increasing the rate per ton of steel produced has actually gone down from 484 kg per ton in the second half of 1956 to 474 kg in the corresponding period of 1957.

	1952	1956	1957	Variation 1957/1956	Variation 1957/1952
	('000,000 m.t.)				
Pig-iron production	34.7	43.5	45.1	+ 3.6%	+30.0%
Crude-steel production	41.9	56.8	59.8	+ 5.2%	+42.6%
Consumption of scrap by blast-furnaces	4.7	4.3	3.9	- 9.3%	-17.0%
Consumption of scrap by steelworks	16.1	23.0	24.9	+ 8.3%	+54.7%
Total scrap consumption	20.8	27.3	28.8	+ 5.5%	+38.5%
Works' own arisings	10.1	14.7	15.6	+ 6.1%	+54.5%
Internal recovery	10.5	9.3	9.25	- 0.5%	-11.9%
Imports from third countries	0.4	3.2	4.25	+32.8%	coeff. 10
Total availabilities	21.0	27.2	29.1	+ 7.0%	+38.6%
Stock changes at works	—	-0.1	+0.3	—	—
Specific consumption of scrap:					
— by blast-furnaces (kg per m.t. pig-iron)	135	100	86	-14.0%	-36.3%
— by steelworks (kg per m.t. steel)	384	405	416	+ 2.7%	+ 8.3%

DEVELOPMENT OF SCRAP RESOURCES

('000,000 metric tons)



Thanks to increased imports a certain amount of re-stocking was possible in 1957. At the end of October, consumers' stocks stood at 3 million metric tons. Since that time they have fallen steadily month by month, total withdrawals amounting to approximately 300,000 tons by the end of January 1958.

140. About two-thirds of the Community's scrap imports are drawn from the United States and Canada. Certain difficulties having arisen in regard to imports of heavy steel scrap, discussions took place in April and May 1957, in Luxembourg and Washington, between representatives of the High Authority and of the United States Government.

After close study of the supply situation in the United States and of the requirements of the countries which import American scrap, the Government of the United States and the High Authority arrived at an agreement on the tonnages of heavy steel scrap which the Community will be able to import from the United States.

The High Authority agreed to limit the Community's imports of heavy scrap and No. 1 bundles for 1957 to 1,586,000 tons. No. 1 heavy scrap and No. 1 bundles were to represent no more than 50% of this total. No limits were imposed on imports of No. 2 bundles.

Export restrictions were lifted on January 1, 1958, and a recent statement by the United States Department of Commerce indicates that this liberalization measure will continue in force until the end of 1958.

141. *Trade in scrap within the Community* totalled 1,124,900 metric tons in 1957, 11% less than in 1956, but almost three times as much as in 1952⁽¹⁾. Italian purchases accounted for about 70% of the total.

142. The easier situation in the scrap market has been reflected in *the movements of prices*. Falling prices in some countries have resulted in a certain levelling of scrap prices throughout the Community.

⁽¹⁾ See *Statistical Annex*, Table 18

(in dollars per ton)⁽¹⁾

	January 1957	January 1958	Variation
Germany (Fed. Rep.)	45.24	37.46	-17.2%
Belgium	48.47	38.80	-19.9%
France	48.06 ⁽²⁾	36.44 ⁽³⁾	-24.2%
Italy	56.94	42.94 ⁽⁴⁾	-24.6%
Luxembourg	50.29	43.75	-13.0%
Netherlands	51.32	38.10	-25.8%
Community (weighted average)	49.00	38.66	-21.1%

(1) Price ex-dealer's yard, exclusive of taxes, adjusted to category 11.

(2) Exchange rate Ffrs. 350.

(3) Exchange rate Ffrs. 420.

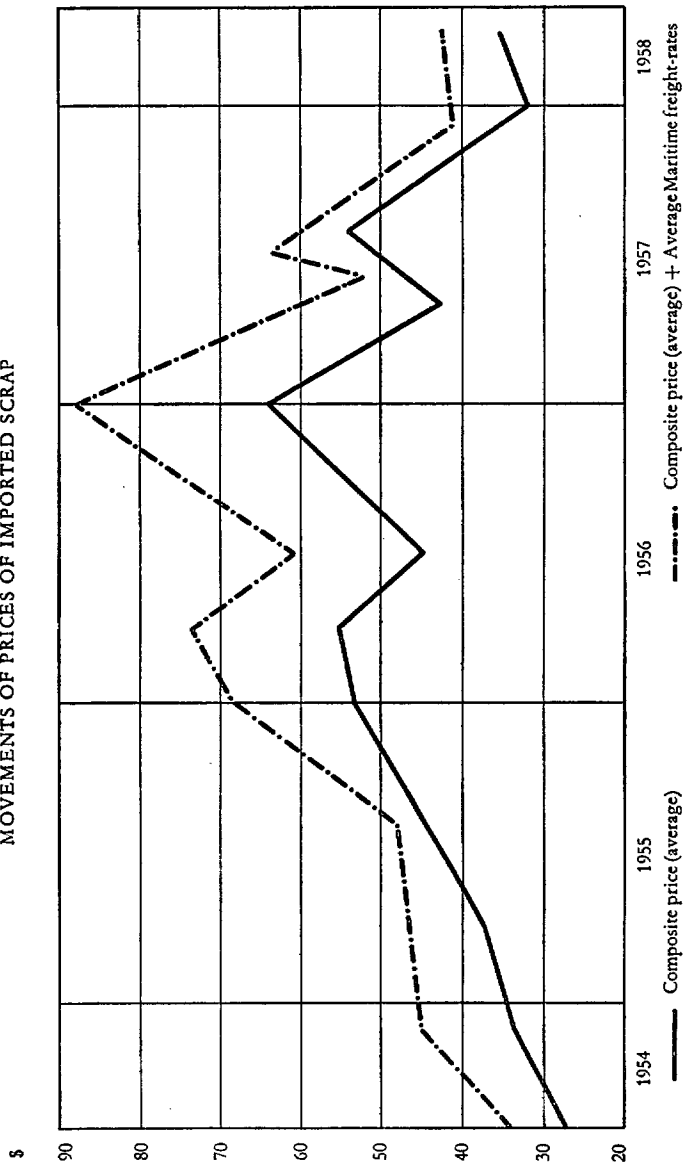
(4) Provisional figure.

143. The cost of imported scrap has also decreased as a result of the substantial drop in American prices and maritime freight-rates.

As a general rule the purchase price of American scrap is computed on the basis of the "composite price", which is the arithmetical mean, published weekly, of prices quoted in Pittsburg, Philadelphia and Chicago. Prices of scrap from other third countries tend to follow the lead of this "composite price" with a certain time-lag.

The "composite price" and the maritime freight-rates, which would seem to have touched their lowest level at the beginning of 1958, have varied as shown below since 1954, when the Community first found itself obliged to have recourse to the American market as the main source of supply to cover its marginal scrap requirements.

MOVEMENTS OF PRICES OF IMPORTED SCRAP



144. The fall in the cost of scrap imports made it possible to reduce the rate of the compensation levy added to internal Community prices from its maximum level of \$ 13 in March-April 1957 to \$ 10.50 for the period May—December 1957 and to \$ 8 for January—March 1958.

145. Although it is true that the scrap-supply situation of the Community's iron and steel industry gives no cause for immediate concern, it must be borne in mind that requirements are at present being covered only by means of very large imports, mainly from the United States. The General Objectives of the Community aim at a reduction of these imports to 1.5 or 2 million metric tons by 1960, but in 1957 they still amounted to 4.2 million.

How close the Community will be able to approach this objective and still achieve the indispensable expansion of steel production will depend essentially on the amounts invested in plants producing pig-iron, sintered ore and coke. Despite the impressive scale of the capital schemes in the Community iron and steel industry, it must be pointed out that the ratio of pig-iron to steel production capacity, which has become steadily more and more unsatisfactory since 1955, will further worsen in 1958. Some improvement is probable in 1959 and 1960, but unless further substantial investments are made it seems unlikely that this will suffice to bring about a reduction of imports to a figure between 1.5 and 2 million tons, at any rate at times when steel production is booming.

Section 3 — Trends in the Common Market for Steel

146. The salient feature of the Common Market for steel in 1957 in all Community countries was a substantial falling-off in orders from third countries. In the Benelux countries, which export a very high proportion of their production, this weakening of external markets was not without repercussions on the internal market. In France, on the other hand, the internal market is still very firm at the beginning of 1958. In Germany, a certain degree of saturation is making itself felt, and in Italy the market weakened during the

concluding months of 1957. All in all, a trend is becoming apparent towards a certain recession in production compared with the record level attained in the fourth quarter of 1957. The very real influence exerted by the Common Market is shown by the volume of orders from other Community countries where business is least active.

Because of the volume of orders on the books, steel production continued to expand rapidly. Although pig-iron production had difficulty in keeping pace, the steelworks experienced no difficulties as regards raw-material supplies. Production capacities expanded in excess of actual production.

147. *New orders for rolled products* booked by Community works amounted to 40.2 million metric tons in 1957, as against 42 tons in 1956, a decrease of 4.2%. The 1956 level was exceptionally high, and the 1957 figures were still above those of 1955 and 1954, which were 39.7 and 37.4 million metric tons respectively⁽¹⁾. The fact remains, however, that with production rising steadily the level of orders on hand took a sharp downward turn even before the end of 1957. By the beginning of 1958 it was below the 1955 mark.

As regards the breakdown of new orders by origin, the trend from 1956 to 1957 was marked by a slight increase of orders from home markets and a somewhat more perceptible one in those from Community countries other than the countries of supply. The proportion of these latter orders in total internal Community orders was 15.5% in 1957, as against 14.4% in 1956 and only 10% in 1952. The 1957 percentage is close to those of 1955 and of 1954, which were 15.7 and 16.3% respectively.

By contrast, orders from third countries have fallen off considerably, the decline being nearly 30% from 1956 to 1957, when they were even slightly below the levels of 1955 and 1954.

Both for export and for the internal market the demand for iron and steel products used in the manufacture of consumer goods, such as sheet, wire-rod, hoop and strip remained firmer than that for products for the capital goods sector, such as ferro-concrete bars and sections. Deliveries of heavy plate exceeded new orders received, but a major backlog still remains from the every substantial orders booked before the decline set in.

⁽¹⁾ See *Statistical Annex*, Table 19.

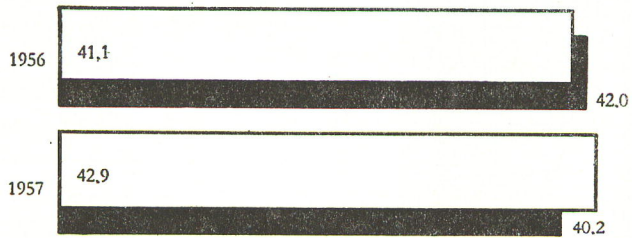
148. Works' deliveries to the internal market continued to grow, outstripping new orders in the second half of the year. Those to external markets exceeded new orders throughout the whole year. They were at a very high level at the beginning of the year but declined appreciably during the second half.

The voluminous order books built up in 1955 and 1956 have thus begun to shrink. In February 1958, they were still well filled on the whole, despite the fact that new orders from third countries had already dropped by more than half. Total orders still represent from two and four months' deliveries according to country, the average for the Community being $3\frac{1}{2}$ months⁽¹⁾.

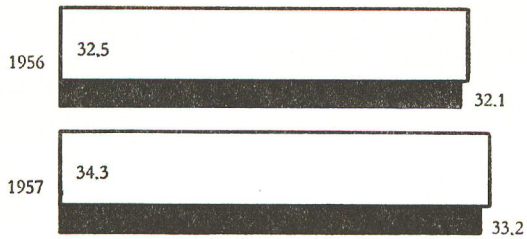
(1) For further details, see *Statistical Annex*, Table 20.

**ORDERS AND DELIVERIES
OF ROLLED PRODUCTS**
(*'000,000 metric tons*)

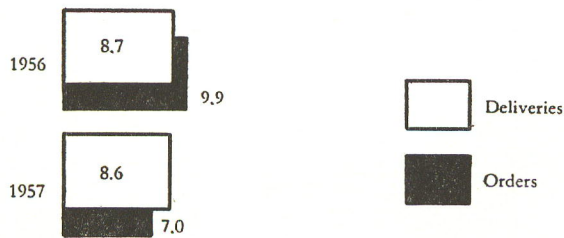
Total



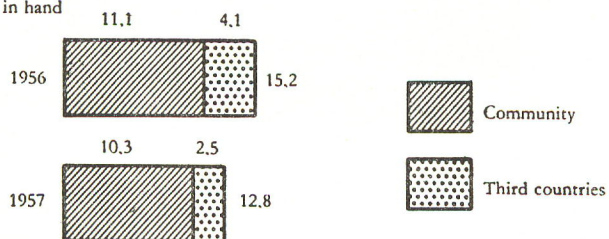
Common Market



Third countries



Orders in hand



149. *The Community's iron and steel production* broke all previous records in 1957, although the increase over 1956 was less marked than that from 1955 to 1956. The exceptionally steep increase from 1954 to 1955 resulted mainly from the fuller utilization of existing capacities following the short recession in 1953, which lasted until the beginning of 1954. By contrast, the progress made in 1956 and 1957 was due almost entirely to the development of new production capacities⁽¹⁾.

Pig-iron production rose to 45.1 million metric tons in 1957, as against 43.5 million in 1956 and 34.7 million in 1952, representing an increase of 3.6 and 30% respectively⁽²⁾. The increase in pig-iron production still lags far behind that in steel. The ratio between pig-iron and steel production declined to 755 kg. pig-iron per ton of steel in 1957, as against 767 in 1956 and 831 in 1952. This is a disturbing trend in view of the need for increasing the input of pig-iron in order to reduce scrap imports. The target for 1960 is 782 to 788 kg. pig-iron production per ton of steel produced.

Crude-steel production reached 59.8 million metric tons in 1957, as against 56.8 million in 1956 and 41.9 million in 1952.⁽³⁾ The increase was thus 5.2% over 1956 and 42.7% over 1952.

	1952	1956 (⁰⁰⁰ m.t.)	1957	Variation	
				1957/1956	1957/1952
Germany (Fed. Rep.)	15,806	23,189	24,507	+ 5.7%	+55.0%
Saar	2,823	3,375	3,463	+ 2.6%	+22.7%
Belgium	5,170	6,376	6,267	- 1.7%	+21.2%
France	10,867	13,441	14,100	+ 4.9%	+29.8%
Italy	3,535	5,911	6,766	+14.5%	+91.4%
Luxembourg	3,002	3,456	3,493	+ 1.1%	+16.4%
Netherlands	693	1,051	1,183	+12.5%	+70.7%
Community	41,896	56,799	59,779	+ 5.2%	+42.7%

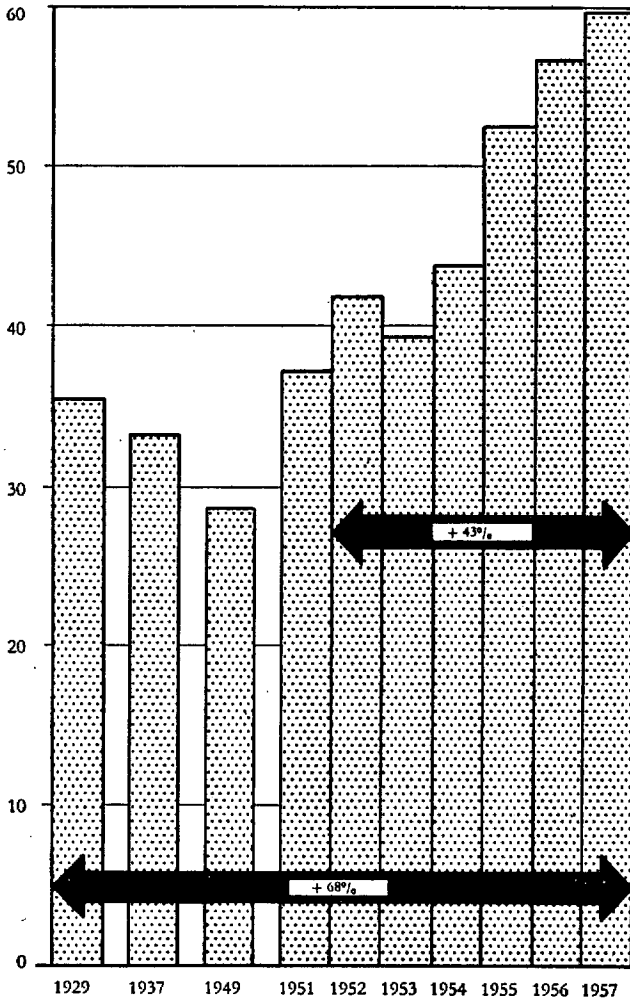
⁽¹⁾ See No. 292 below.

⁽²⁾ For further details, see *Statistical Annex*, Table 21.

⁽³⁾ For further details, see *Statistical Annex*, Tables 22 and 23.

COMMUNITY STEEL PRODUCTION

(*'000,000 metric tons*)



150. With the exception of Belgium, where production fell by about 400,000 tons as a result of a strike during the summer, all Community countries achieved a record level of production in 1957.

The increase since 1952 was, however, less marked in the case of the principal exporting countries (Luxembourg and Belgium) than elsewhere. Italy and the Netherlands, which were formerly very big net importers, have stepped up their own production substantially.

	1952	1957
Germany (Fed. Rep.) ⁽¹⁾	44.5%	46.8%
Belgium	12.3%	10.5%
France	25.9%	23.6%
Italy	8.4%	11.3%
Luxembourg	7.2%	5.8%
Netherlands	1.7%	2.0%
Community	100.0%	100.0%

⁽¹⁾ Includes the Saar.

Italy moved up to third place in the Community as a steel producer, ahead of Belgium. This would have happened even if Belgian production had not been disrupted by strikes.

151. *Maximum possible steel-production* increased more steeply than actual production from 1956 to 1957. As a result, the ratio of actual production to maximum possible production declined from 96 to 95.1% for pig-iron and from 96.1 to 94.3% for steel⁽¹⁾. This decrease in 1957 was due chiefly to the strikes in the Belgian iron and steel industry at the beginning of the summer and to the slight fall in production in Belgium and Luxembourg during the last two months of the year⁽²⁾.

⁽¹⁾ Since all works do not reach their maximum at the same time, the rate of 96% appears to be the maximum which can be achieved in practice by the Community as a whole.

⁽²⁾ For further details, see *Statistical Annex*, Tables 24 and 25. "Maximum possible production" should be distinguished from "technical production capacity". Maximum possible production is the maximum production which it is possible to attain during the year under normal working conditions, with due regard for repairs, maintenance and the usual holidays, with the plant available at the beginning of the year, but also taking into account both extra production from any plant to be installed, and any existing plant to be finally closed down during the year. Production estimates are based on the probable composition of the input of each plant, on the assumption that the raw materials will be available. See "Memorandum on the Definition of the General Objectives", *Official Gazette of the Community*, July 19, 1955.

	1956	1957	Increase
	('000 m.t.)		
Maximum possible pig-iron production	45,380	47,450	+4.5%
Actual pig-iron production	43,547	45,110	+3.6%
Maximum possible crude-steel production	59,090	63,382	+7.2%
Actual crude-steel production	56,800	59,783	+5.2%

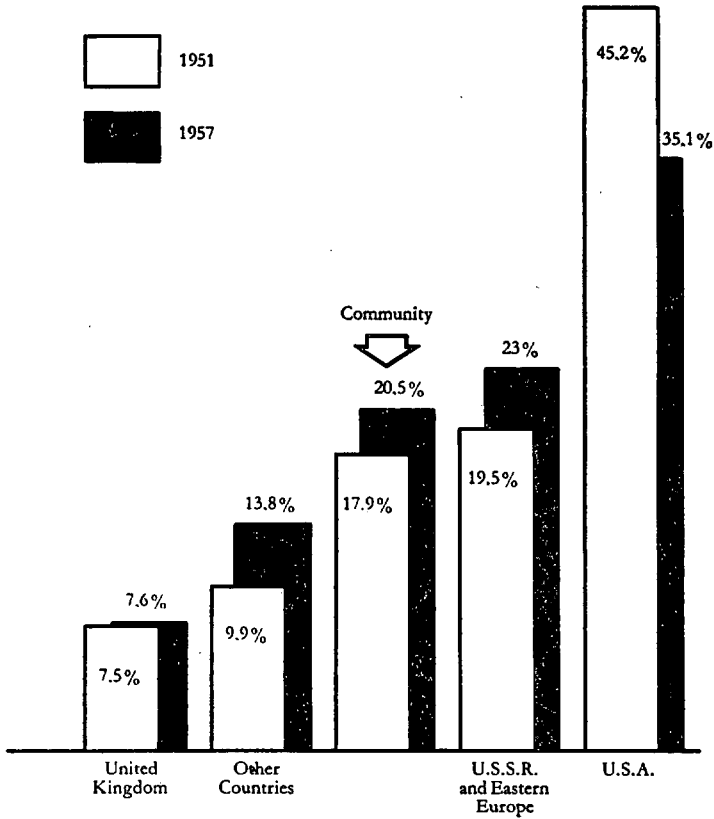
152. *The Community's steel production rose more steeply between 1952 and 1957 than world production, United States production, and United Kingdom production. The rates of increase for the Community and the Soviet Union are very close to each other. Japan and China are making rapid progress, as are Eastern Europe and the "other areas".*

	1952	1956	1957	Variation 1957/1956	Variation 1957/1952
	('000,000 m.t.)				
Community	41.9	56.8	59.8	+ 5.2%	+ 42.7%
United Kingdom	16.7	21.0	22.1	+ 5.3%	+ 32.5%
United States	84.5	104.5	102.5	- 1.9%	+ 21.3%
Soviet Union	34.5	48.6	51.0	+ 4.9%	+ 47.9%
Eastern Europe	10.7	15.2	16.2	+ 6.6%	+ 51.4%
Japan	7.0	11.1	12.6	+13.5%	+ 80.3%
China	1.4	4.5	5.0	+11.1%	+257.1%
Other areas	15.3	21.2	22.8	+ 7.5%	+ 49.0%
World production	212.0	282.9	292.0	+ 3.2%	+ 37.7%

The relative share of the Community in world steel production which had fallen steadily from 1929 to 1951, has risen appreciably since. From 29.4% in 1929 it fell to 17.9% in 1951 and then went up again to 20.5% in 1957. Although this is due in part to the slowing-down of American production in 1957, it is not the least striking of the many signs of the vigorous economic expansion of the Community countries in recent years, the more so as world production itself is developing at an extremely rapid rate and the share of the ever-increasing number of new producers of necessity reduces that of the traditional steelmaking nations⁽¹⁾.

(1) See *Statistical Annex*, Tables 26 and 27.

CRUDE-STEEL WORLD PRODUCTION (%)



(1) 1951 has been selected because conditions in 1952 were distorted by the strike in the United States, and in 1953 by a slack period in the Community. Although it was only in 1952 that the Federal Republic of Germany exceeded its 1937 production figure, the comparable share obtained for the Community as a whole would nevertheless be in the neighbourhood of 18%, if the basis taken were 1952, duly corrected to allow for the effects of the strike in the United States.

153. *Production of high-grade and special steels* totalled 4.6 million metric tons in 1957, as against 4.5 million in 1956. This slight increase is attributable solely to the expansion of production in France, the Saar and Italy, for in Germany and the Benelux countries production fell by 7 and 9% respectively⁽¹⁾. The proportion of high-grade and special steels in overall crude-steel production receded from 8% in 1956 to the 1955 level of 7.7%.

The decline in production of these steels in Germany and Benelux follows upon the very substantial production increases recorded from 1955 to 1956 (17% in Germany and 29% in the Benelux countries). The level is therefore still well above that of 1955.

154. *The trend in crude-steel production according to the different production processes* continues to be in the direction of an increase in the proportion of electric-furnace steels (9.3% in 1956 and 10.1% in 1957), and a corresponding falling off in that of basic Bessemer steel (from 51.7 to 50.4%), in total steel production. The proportion of open-hearth steels rose slightly (39 to 39.5%)⁽²⁾.

This development in the pattern of production does not make it any easier to deal with the scrap-supply problems.

Maximum possible production in all production processes has expanded more rapidly than actual production. However, this expansion is much more considerable for electric-furnace than for open-hearth steel, and that of the latter in its turn a great deal more marked than that of basic Bessemer steel⁽³⁾.

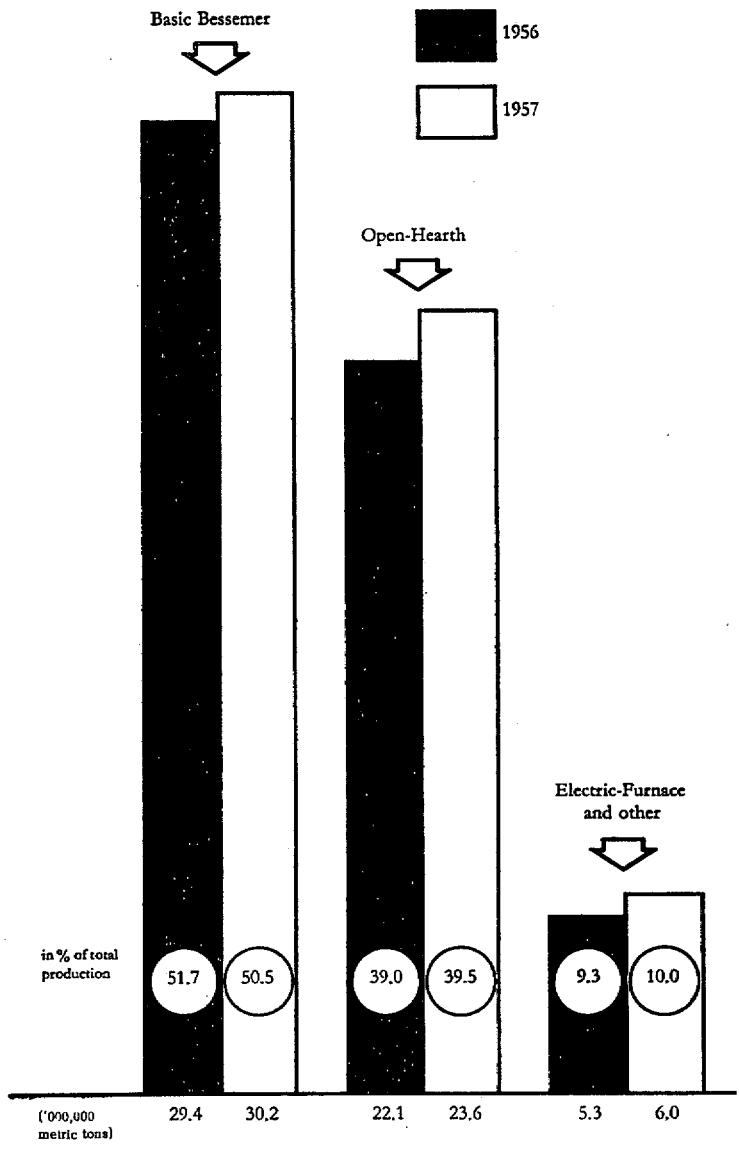
⁽¹⁾ See *Statistical Annex*, Table 28.

⁽²⁾ See *Statistical Annex*, Table 29.

⁽³⁾ For further details, see *Statistical Annex*, Table 30.

	Increase 1956/1957
<i>Maximum possible production</i>	
Basic Bessemer	+ 3.9%
Open-hearth	+ 9.0%
Electric-furnace	+16.5%
<i>Actual production</i>	
Basic Bessemer	+ 2.6%
Open-hearth	+ 6.8%
Electric-furnace	+13.5%

STEEL PRODUCTION BY PRODUCTION PROCESSES

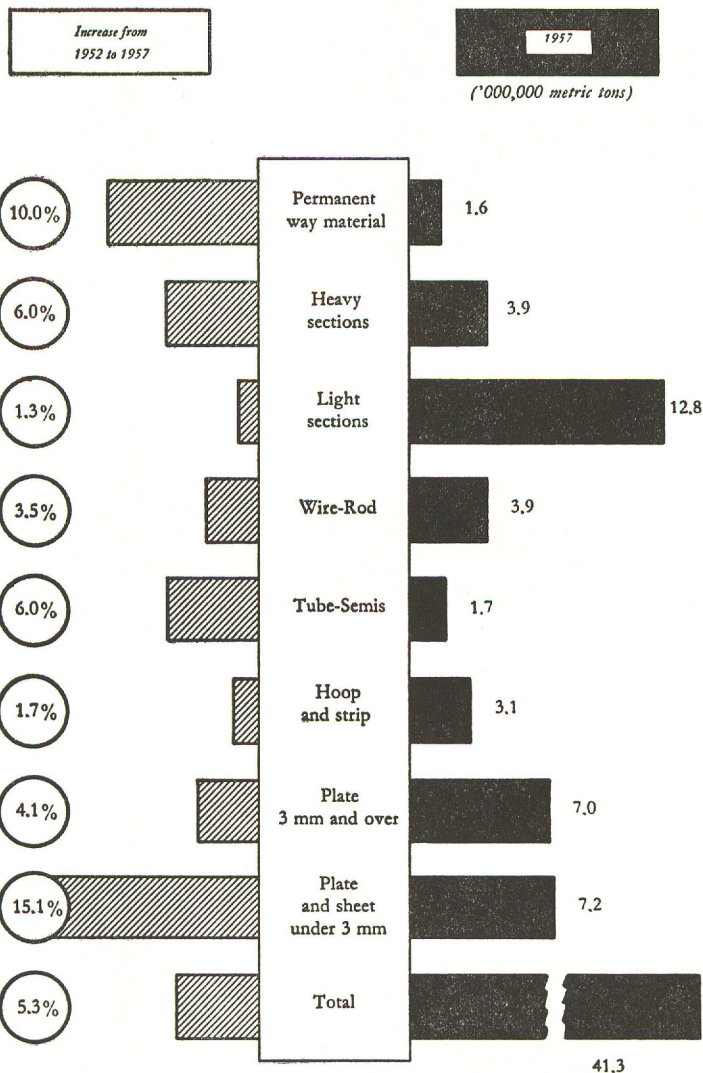


155. *Production of finished rolled products* reached 41.3 million metric tons in 1957, as against 39.2 million in 1956 and 28.6 million in 1952. The increase from 1956 to 1957, 5.3%, was largely the same as that for crude-steel production. For the period 1952—1957, however, progress was more rapid in the case of rolled products (44.4% as against 42.7%).

The trend of production has varied fairly considerably according to types of product. In 1957, the rate of increase was high for sheet and permanent way material. Between 1952 and 1957, production of all types of plate and sheet, increased steeply, as did that of tube-semis⁽¹⁾.

⁽¹⁾ See *Statistical Annex*, Tables 31 and 32.

PRODUCTION OF FINISHED ROLLED PRODUCTS



156. *The Community rerolling enterprises*, which in 1956 accounted for 14% of the Community's finished products, experienced great difficulties in 1957 in regard to their supplies of semis. These difficulties are, moreover, of a structural nature, since they arise from the fact that the steelmakers' rolling capacities generally exceed their maximum possible production of metal, so that when trade is booming, they tend to reserve their semi-products for their own rolling-mills⁽¹⁾.

Two meetings were held in Luxembourg, one on May 27, and the other on June 26, 1957, with representatives of Community rerolling enterprises and steel producers, in the course of which the High Authority endeavoured to hammer out a solution to the rerollers' immediate difficulties. The situation improved appreciably as a result of these meetings, although it continues to be fraught with difficulties in France and Italy. In Germany, the rerolling enterprises and the producers of semi-products have come to an arrangement. In Belgium, on the other hand, supplies are still short in certain cases, and some rerollers have complained that the extra tonnages made available to them by Belgian and Luxembourg producers who are further away than their usual suppliers work out too costly because of the higher transport charges involved. One Belgian rerolling firm had to close down completely during the summer. The decline in general economic activity has since made it easier to obtain semis, and the enterprise in question is now considering resuming operations.

157. The expansion of iron and steel production was not impeded, during the period under review, by any difficulty due to *trends in the manpower situation*, the number of persons employed in the industry having gone up in all Community countries with the single exception of Italy⁽²⁾.

	End of 1956	End of 1957	Increase 1957/1956
Total personnel ⁽¹⁾	522,600	547,100	+4.7%
of which: workers	444,400	465,100	+4.7%

⁽¹⁾ Workers, apprentices, salaried employees, technicians and managerial staff.

⁽¹⁾ See Volume 1, Chapter I (No. 28).

⁽²⁾ See No. 180 below.

Germany shows the greatest increase in the number of people employed. This is the result of the expansion of production plants coupled with a shorter working week.

158. *Imports of iron and steel products from third countries*, which have doubled since 1952, remained stable from 1956 to 1957 around 1.6 million metric tons. There was a sharp increase in imports of ingots and semis and also of finished products. Imports of pig-iron, which reached their peak in 1956, are already falling off again, while those of end-products remain fairly stable⁽¹⁾.

Taken by country of origin, the largest imports were still those from Austria⁽²⁾, which increased by almost 50% from 1956 to 1957, in which year they accounted for 41% of total imports, as against 29% in 1956. Imports from Eastern Europe (mainly semis) and from the Soviet Union (mainly pig-iron), which had increased fivefold from 1954 to 1956, dropped nearly 30% in 1957, but still represented 19% of total imports.

Proportions of types of product imported

	('000 m. t.)			
	1952	1954	1956	1957 ⁽¹⁾
Pig-iron	330	300	576	515
Ingots and semis	56	59	310	307
Finished products	252	403	540	610
End products	144	185	140	160
Total	782	947	1,566	1,592

⁽¹⁾ Estimated on the basis of 10 months for which figures are available.

159. The breakdown of new orders shows that third-country demand declined sharply in 1957⁽³⁾. The slowing-down of economic activity in the United States and in the world in general has brought with it a fall in the prices of coal, ore, oil, etc. and agricultural produce,

⁽¹⁾ See *Statistical Annex*, Table 33.

⁽²⁾ See *Statistical Annex*, Table 34.

⁽³⁾ For further details, see *Statistical Annex*, Table 19.

the main sources of income of the less highly developed steel-importing countries.

Nevertheless, as a result of the large volume of orders booked in recent years, exports of iron and steel products to third countries increased by a further 4.4% from 1956 to 1957, from 9.1 million metric tons to 9.5 million.

Exports of finished products and end-products made up nearly nine-tenths of the total. In 1957, a considerably greater volume of ingots and semis was exported, in particular to Argentina. Exports of pig-iron, which had reached a high level in 1952, have since remained stable⁽¹⁾.

Proportions of types of product exported

	('000 m.t.)			
	1952	1954	1956	1957 ⁽¹⁾
Pig-iron	656	360	410	400
Ingots and semis	532	631	613	831
Finished products	5,081	4,979	7,371	7,551
End-products	374	470	680	740
Total	6,643	6,440	9,074	9,522

⁽¹⁾ Estimated on the basis of ten months for which figures are available.

The trend varied widely according to countries of origin and destination. Germany stepped up deliveries substantially, particularly to South America, the Scandinavian countries and Asia. Exports by Belgium and Luxembourg, France and the Saar, and the Netherlands declined slightly from 1956 to 1957, while those of Italy increased very considerably, even doubling those to South America⁽²⁾.

Among the areas of destination, Asia has become one of the Community's biggest customers. An increase in exports to Eastern Europe and the Soviet Union may also be noted. Shipments to the United Kingdom fell by one-half from 1956 to 1957:

⁽¹⁾ For further details, see *Statistical Annex*, Table 36.

⁽²⁾ For further details, see *Statistical Annex*, Table 35.

	1954	1956	1957
United Kingdom	4.1%	9.2%	4.3%
Sweden	8.6%	4.9%	6.0%
Soviet Union and Eastern Europe	3.3%	7.8%	8.5%
Other European countries	28.5%	24.1%	23.6%
Overseas territories (of member States)	9.1%	6.9%	8.0%
North America	8.2%	12.2%	7.9%
South and Central America	18.1%	9.5%	15.0%
Asia	13.7%	19.7%	21.8%
Africa (exclusive of overseas territories of member States)	5.4%	4.6%	4.4%
Other areas	1.0%	1.1%	0.5%
	100.0%	100.0%	100.0%

160. *The Community's net exports to third countries break down as follows:*

	('000,000 m.t.)			
	1952	1954	1956	1957 ⁽¹⁾
Pig-iron	326	60	-166	-100
Ingots and semis	475	573	304	550
Finished products	4,829	4,581	6,867	6,900
End-products	230	291	555	570
Total	5,860	5,505	7,560	7,920

(1) Estimate based on ten months for which figures are available.

The Community, which used to be a net exporter of pig-iron, has now become a net importer, although the excess of imports is as yet negligible. Net exports of steel, on the other hand, increased by 45% between 1952 and 1957, *i.e.* slightly more than did steel production (42.7%). The figure of 8 million tons of steel exports reached in 1957 was a record: it was equivalent to 10.5 million tons of crude steel and exceeded the upper limit of export requirements laid down in the General Objectives (10 million metric tons). It will be seen that net exports of ingots and semis have again increased after the drop in 1956 — a sign of the change which has come over the general condition of the iron and steel market throughout the world.

161. *Trade in iron and steel products between Community countries, which fell by 10% in 1956 in relation to 1955, rose again by approxi-*

mately 12% in 1957. This is an aspect of the economic phenomenon of immobilization of the market under the pressure of demand in excess of supply. Competition and trade pick up when, as a consequence of the slowing down of general economic activity, supply equals or even exceeds demand. This phenomenon also plays its part in determining the rate of interpenetration of orders⁽¹⁾. Thus orders booked by Benelux producers from other Community countries in recent months have shown a definite increase in relation to those from third countries and even, in certain cases, in absolute value.

Generally speaking, it seems that the setting-up of the Common Market has in fact led to a big increase in trade, since this was 171% higher in 1957 than in 1952, whereas steel production had risen by only 42.7% during that period. But this increase alone is not a criterion of the degree of competition existing in the Common Market. For instance, discounts allowed by an iron and steel enterprise to a consumer in the same country for the purpose of aligning its prices on those offered to the same client by a competing enterprise in another country do not have the effect of increasing the volume of trade. They are, nevertheless, one of the ways in which competition can make its influence felt, particularly when business is showing signs of slackening. Furthermore, present statistics give only the development of trade between countries, whereas one advantage of competition is to set in motion changes in the flow of trade within each individual country, and this it is doing on a considerable scale.

But if increasing trade is not an exact measure of competition, it is certainly one of its manifestations. It is proof that a growing number of buyers are in a position to place orders for larger and larger tonnages with producers in Community countries other than their own. If they do it is because it is to their interest to do so, and the same applies to the producers.

162. Between 1952 and 1957, trade in iron and steel products between Community countries developed as follows⁽²⁾:

⁽¹⁾ See No. 147 above.

⁽²⁾ For further details, see *Statistical Annex*, Table 37.

Deliveries	1952	1956	1957	Variation	Variation
	('000 m.t.)			1957/1956	1957/1952
Germany (Fed. Rep.)	302.4	917.8	1,499.7	+63.4%	+396.0%
Belgium/Luxembourg	1,254.0	2,215.5	2,205.7	- 0.4%	+ 75.9%
France/Saar ⁽¹⁾	481.2	1,608.4	1,552.4	- 3.5%	+222.6%
Italy	2.4	48.9	71.9	+47.0%	Coeff.30
Netherlands	68.4	289.1	381.8	+32.1%	+458.2%
Community	2,108.4	5,079.7	5,711.5	+12.4%	+170.9%

(¹) As the customs and economic union between France and the Saar is being temporarily maintained, consolidated figures continue to be given for the outgoing and incoming tonnages of these two countries.

Incoming	1952	1956	1957	Variation	Variation
	('000 m.t.)			1957/1956	1957/1952
Germany (Fed. Rep.)	786.5	1,998.6	1,872.0	- 6.3%	+138.0%
Belgium/Luxembourg	212.0	529.7	539.8	+ 1.9%	+154.6%
France/Saar	27.7	900.6	1,185.9	+31.7%	Coeff. 43
Italy	322.8	423.9	535.8	+26.4%	+ 66.0%
Netherlands	759.4	1,226.9	1,578.0	+28.6%	+107.8%
Community	2,108.4	5,079.7	5,711.5	+12.4%	+170.9%

The breakdown of trade by countries shows that of 5.7 million metric tons of iron and steel products supplied or purchased by Community countries in 1957,

- almost 1.9 million tons, or 33%, were absorbed by the *German market*. These were supplied by France and the Saar (1 million tons), Belgium and Luxembourg (640,000 tons), and the Netherlands (227,500 tons);
- approximately 1.6 million metric tons, or 27.6%, were absorbed by the *Netherlands market*. These tonnages came from Belgium and Luxembourg (832,000 tons), the Federal Republic of Germany (628,200 tons), and from France and the Saar (117,000 tons);
- approximately 1.2 million metric tons, or 20.8%, were absorbed by the *French/Saar market*. They came from Belgium and Luxembourg (622,200 tons), and the Federal Republic of Germany (425,300 tons);
- the remainder, approximately 1.1 million metric tons, was made up essentially of Belgian incoming deliveries from the Federal Republic of Germany (233,400 tons), and from France and the Saar (245,700 tons), and Italian incoming deliveries from the Federal Republic of Germany (212,800 tons), Belgium and Luxembourg (109,200 tons), and from France and the Saar (186,400 tons).

163. Against the background of these fluctuations in the total volume of trade, due to general economic conditions, permanent trends may be discerned. These are, firstly, the progressive integration into the flow of trade within the Common Market of supplies from certain countries which formerly were exclusively buyers and, secondly, the continuing consolidation of certain old-established currents of trade⁽¹⁾.

These two trends are clearly brought out in the following diagram, which illustrates the progressive integration of the steel markets through increased trade in iron and steel products among the Community countries⁽²⁾.

(1) See also *Statistical Annex*, Table 37.

(2) In this diagram steel production is represented by spheres varying in size according to the volume of production for each country. The width of the strips linking these spheres represents the volume of deliveries by each country, their colour being that of the country of supply.

Deliveries by Italy, which were practically non-existent in 1952, amounted in 1957 to nearly 72,000 tons, almost all of which went to France. The Netherlands, which were already selling iron and steel products to the other member States before the Common Market was introduced (68,400 tons in 1952), have stepped up their sales rapidly (381,800 tons in 1957). The increase was particularly marked in respect of supplies to Germany, which rose from 9,600 tons in 1952 to 227,500 in 1957.

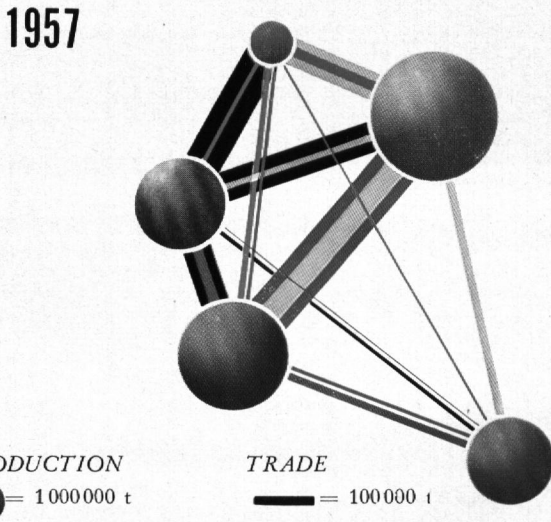
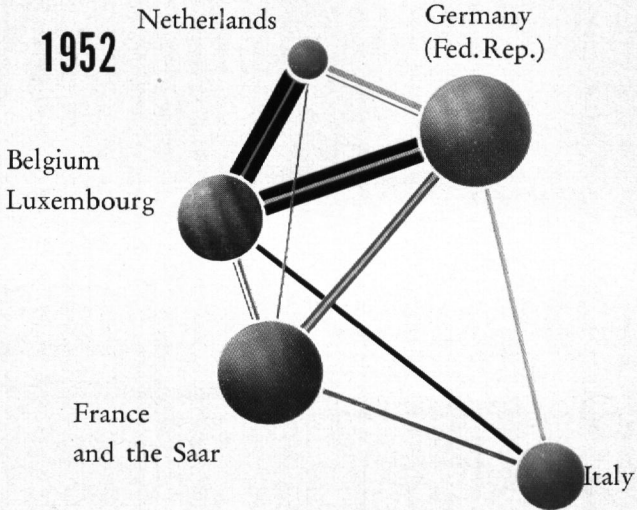
Among old-established currents of trade, *German deliveries* to other member countries of the Community deserve special mention. They have grown steadily and rapidly from 302,400 metric tons in 1952 to nearly 1.5 million in 1957. This increase has been particularly striking in regard to sales to France and the Saar (425,300 tons in 1957, as against a mere 9,600 tons in 1952) and to the Netherlands (628,200 tons in 1957, as against 141,600 tons in 1952). With the exception of a slight drop in 1955, deliveries to Italy and Belgium and Luxembourg have gone up substantially.

Deliveries by Belgium and Luxembourg doubled between 1952 (1.3 million metric tons) and 1955 (2.5 million) and remained stable at 2.2 million tons in 1956 and 1957. However, those to France and the Saar continued to increase without interruption (14,400 metric tons in 1952 and 623,300 in 1957). Sales to Germany topped the one million ton mark in 1955 but dropped back to 640,600 tons in 1957 (532,800 tons in 1952). Deliveries to the Netherlands, after fluctuating slightly, reached, in 1957, a level considerably above that of 1952 (832,600 metric tons in 1957, as against 571,200 in 1952). Sales to Italy have remained more or less unchanged.

Deliveries by France and the Saar reached their peak in 1955 with nearly 2 million metric tons, but dropped to 1.6 million in 1957 (as against only 481,200 tons in 1952). Sales to the majority of the countries of destination followed this same general pattern, *i.e.* they increased up to 1955 and then fell off in 1956 and 1957, when deliveries were nevertheless still very far above the 1952 figures (Germany: 1 million metric tons, as against 243,600; Belgium and Luxembourg: 245,700 tons, as against 70,800; Italy: 186,400, as against 121,200; Netherlands: 117,000, as against 45,600).

164. *The trend of trade in proportions of types of product* has been as follows since 1953:

INTEGRATION GOES AHEAD
IN TRADE IN STEEL



	1952	1954	1955	1956	1957
Pig-iron (and Spiegel-iron) }	9.5%	10.2%	10.3%	10.1%	10.4%
Carburized ferro-manganese }	9.5%	0.9%	1.2%	1.2%	1.1%
Ingots and semis ⁽¹⁾	13.1%	17.9%	16.4%	13.8%	16.9%
Permanent-way material	4.9%	3.7%	4.1%	3.4%	2.5%
Merchant bars	42.4%	19.3%	19.9%	20.3%	18.2%
Sections and sheet-piling }	42.4%	14.2%	13.9%	13.5%	12.8%
Wire-rod	8.5%	7.6%	5.7%	6.5%	6.1%
Hoop and strip	4.6%	6.9%	6.3%	7.8%	8.0%
Heavy plate ⁽²⁾ }	12.9%	8.4%	10.0%	10.4%	11.0%
Sheet ⁽²⁾ }	12.9%	7.7%	8.7%	8.7%	8.4%
End-products ⁽²⁾	4.1%	3.2%	3.0%	4.3%	4.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Including coils.

(2) Plate 3 mm. and over and large flats.

(3) Dynamo sheet, tinplate, other coated and plated sheet.

Thus, the types mostly affected by variations in the respective proportions of the different products of the iron and steel industry in total trade between Community countries were:

merchant steels, which, although still occupying first place in absolute value, have been losing perceptibly in importance while the share of heavy plate has increased roughly in the same proportion;

hoop and strip, which have increased their share while permanent-way material, wire-rod, sections and sheet-piling have lost ground;

ingots and semis, which, after a drop in 1956, moved back in 1957 to the place they held in 1954 and 1955.

There is no closer correlation between this trend in the relative importance of the various products in total exports and variations in the place they occupy in overall production.

165. *The prices of iron and steel products* continued to rise in 1957. At the beginning of 1958, they seemed on the whole to be entering upon a phase of stabilization, and were even falling in certain cases where they had been exceptionally high.

166. *The increase in pig-iron prices* was held in check to some extent by the currency measures introduced by the French Government in October 1957 and by a fall in prices in Italy.

As a result of these price variations, a trend towards a general levelling of prices seems to be becoming apparent⁽¹⁾. Despite the increases in August and November 1957, French prices, thanks to the 20% exchange adjustment — which was responsible, moreover, for the rise in November — are the lowest in the Community except for steelmaking pig-iron and Spiegel-iron. In terms of francs they have risen, but in E.P.U.-units of account they have fallen⁽²⁾.

Great Britain and the United States were able to maintain their price advantage over Community producers in respect of foundry and steelmaking pig-iron, but their competitive position has become less advantageous in respect of Spiegel-iron and ferromanganese.

In relation to the level of May 1953, prices of phosphorous foundry pig-iron have increased by from 2 to 30% in the Community, those of hematite foundry pig by from 9 to 24%, and those of o.h. hematite pig-iron by from 15 to 32%⁽³⁾.

167. *The prices of rolled products in the Common Market*, which had dropped from May 1953 to the end of 1954, have been rising since the beginning of 1955. This trend was intensified in 1956, particularly during the last quarter, and in 1957.

The trend of the weighted average price of rolled products (basic Bessemer and open-hearth) in the Community has been as follows (May 1953 = 100):

⁽¹⁾ See *Statistical Annex*, Table 40.

⁽²⁾ See No. 168 below.

⁽³⁾ For further details, see *Statistical Annex*, Tables 38 and 39.

	July 1954	Jan. 1955	Jan. 1956	Jan. 1957	Dec. 1957	Feb. 1958
Germany (Fed. Rep.)	95	96	100	107	112	112
Belgium	95	96	111	114	118	116
France	96	96	98	104	99 ⁽¹⁾	101 ⁽¹⁾
Italy	94	97	101	114	110	104
Luxembourg	95	95	105	111	117	117
Netherlands	95	100	107	113	117	116
Community	95	96	102	108	110	109
United Kingdom	102	99	106	120	131	131
United States	109	109	116	127	134	134

(1) On the basis of Pfr. 420 = \$ 1. In terms of the national currency the French price index stood at 122 in February 1958.

United Kingdom and United States prices have thus increased three times faster than those of the Community, while French prices are at present the lowest. Although the latter have increased in terms of national currency, particularly in April, August and November 1957, they have fallen in terms of E.P.U.-units of account as a result of the currency measures introduced by the French Government in October 1957.

168. By a decree of August 10, 1957, the French Government first enacted that all settlements between the Franc area and outside countries would be subject to a 20% levy (on imports) or premium (on exports).

A Government order defining the detailed application of this decree to commercial transactions suspended this levy or premium in respect of a number of products, including those covered by the Treaty. However, these provisions were subsequently cancelled by an order of October 28, whereby the 20% levy and premium became payable respectively on all French imports and exports, including those of Treaty products.

In view of these measures, the High Authority felt that it should specify the manner in which selling prices should be calculated in foreign currencies so as to conform with the Treaty and with its own decisions thereunder. Invoicing in a foreign currency must be done in such a way that the seller's actual receipts are the same as he

would have received if the sale had been made under the same conditions to a customer in the same currency area as himself. Specifically, this result is arrived at for sales contracts entered into after October 27, 1957, by calculating the price in French francs at the official French exchange rate and adding the 20% premium.

169. The trend of prices from country to country in 1957 was as follows⁽¹⁾:

Germany: In November 1957 prices were increased by approximately 3 to 5% according to product after having remained unchanged since October 1956. The Salzgitter works was the only which did not apply this increase.

Belgium: Prices remained more or less unchanged from March 1957 to February 1958. In March 1958, there was a general drop of 2 to 14% according to product.

France: A general price increase of approximately 3% took place in April 1957, for all products, both basic Bessemer and open-hearth, followed in August by a further rise of 4.5%. The third increase, in November, was around 7.4% for basic Bessemer, and 5% for open-hearth products.

As a result of the inclusion, on October 20, 1957 of Community products in the measures concerning rates of exchange published in August 1957 (20% premium on exports and 20% levy on imports), the prices of French deliveries to other Community countries are approximately 7% lower on the average than in March 1957, despite the three price increases mentioned above.

Luxembourg: Prices, which had remained unchanged since February 1957, dropped in March 1958 by from 1.9 to 6.8% according to product, under the influence of falling prices in Belgium.

Italy: Prices had remained unchanged since the beginning of 1957, with the exception of a few minor adjustments for merchant steel and sections. Between December 1957 and February 1958, they fell in three stages by from 4.5 to 19.2% according to product, compared with their level at the beginning of 1957.

Netherlands: The prices of merchant steel changed several times both up and down. In relation to the position at the beginning of 1957, basic Bessemer products had fallen 8% and open-hearth 9.4% by March 1958.

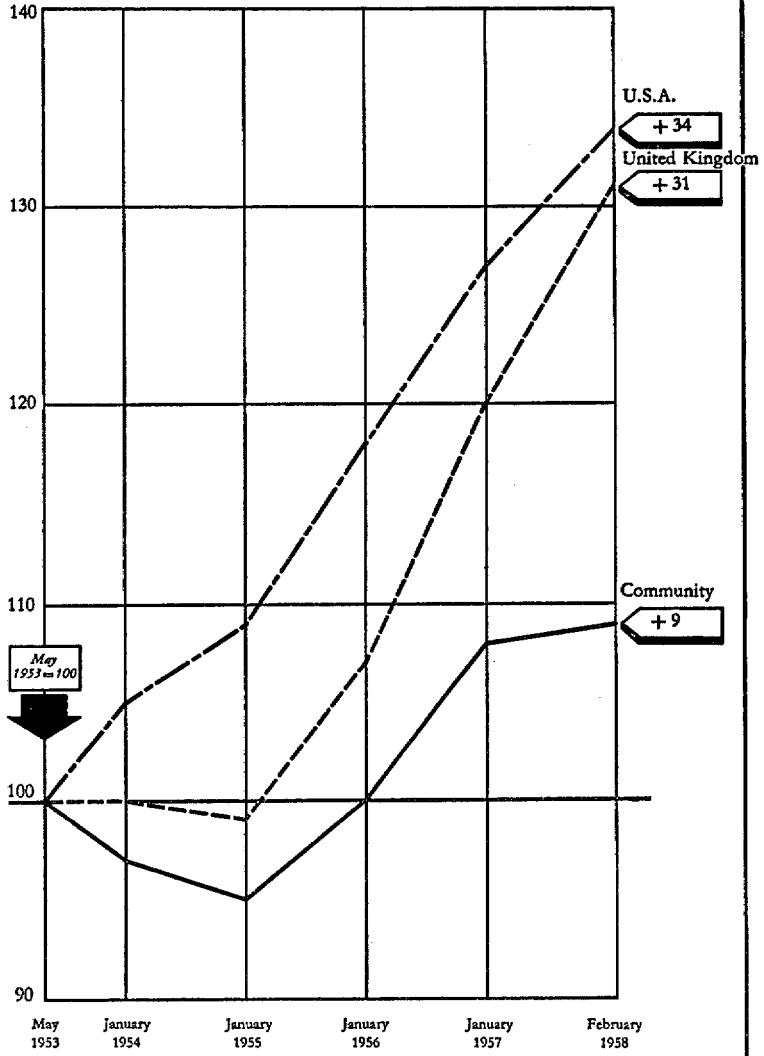
⁽¹⁾ See *Statistical Annex*, Tables 41 and 42.

On the other hand, hoop and strip in open-hearth qualities were 2.5% dearer in December 1957 than in March of the same year, and in November 1957 sheet went up by 3.6% for basic Bessemer grades and 3.5% for open-hearth.

In *Great Britain*, after a slight increase of 1.4% in wire-rod prices, a general rise of from 5 to 15% according to product occurred in June 1957. With effect from April 1, 1958, an average reduction of 1% on all products was applied.

In the *United States*, there has only been one price change. This was in July 1957, when there was a general rise of from 4.2 to 6.9% according to product.

TREND OF INTERNAL PRICES
FOR MERCHANT BARS



170. The agreed export prices of Community producers were raised by 2% in August 1957 for hot and cold-rolled sheet. On the other hand, they went down 6 to 25%, in February 1958, for merchant bars, sections, wire-rod, hoop and strip and heavy and medium plate.

After declining between March 1953 and April 1954, export prices began to increase steadily, and at a faster rate than internal Community prices. Up to the end of 1954 they were lower than the latter, but have now been above them for three years, although, in general, below the level of world prices. At the beginning of 1958, they were again lower than internal prices in respect of several products⁽¹⁾.

Export prices for rolled products have varied as follows in the Community, the United Kingdom and the United States (May 1953 = 100):

	April 1952	January 1955	January 1956	January 1957	February 1958
Community	89.5	94.9	110.3	117.5	106.2
United Kingdom	89.8	93.3	105.2	123.2	128.1
United States	97.2	97.1	104.8	113.8	120.4

⁽¹⁾ For further details, see *Statistical Annex*, Table 43.

PART TWO

**THE SOCIAL SITUATION
IN THE COMMUNITY
AND THE HIGH AUTHORITY'S ACTIVITIES
IN THE SOCIAL FIELD**

CHAPTER FOUR

MANPOWER PROBLEMS IN THE COMMUNITY INDUSTRIES

Section 1 — The General Trend in Employment

171. Although the rate of economic expansion was slowing down, the level of activity in the Community countries continued high throughout 1957, and full employment remained the rule.

Some twenty-six million people in all were employed in industry (including the building trade) in September 1957, 400,000 more than in September 1956. This is, however, an increase of only 1.6%, as against 3.2% in 1956.

Manpower reserves were rather low in all the Community countries except Italy. At the same time offers of employment dropped, particularly during the second half of the year, and the serious tightness which prevailed last year in the labour market gradually eased, though it remained fairly marked with regard to certain classes of workers in various areas.

Except in the Netherlands, applications for employment during the first nine months were well below the 1956 level. During the fourth quarter, however, and more particularly in December, certain countries recorded a larger increase in applications than during the corresponding period the year before.

In general it may be said that there was in the various branches of industry a tendency towards stabilization of employment and an easing of the labour market.

172. In *Germany*, although the rate of expansion in production was lower than in 1956, industrial employment was on the whole high. The end of the year saw a sudden steep rise in unemployment not altogether explained by the major drop in employment in the building trade due to bad weather, and by the regular seasonal fluctuations.

Up to October 1957 manpower reserves continued to shrink steadily, and unemployment fell to about 3% of the total number of men employed. The flow of juveniles to the labour market is diminishing as a result of the wartime drop in the birth-rate. The influx of refugees from the East was rather more erratic than previously; pockets of unemployment persist in certain non-industrial areas owing to the presence of large numbers of refugees and to the effects of rationalization in agriculture.

The level of production in *Belgium* remained unchanged during 1957, and the tightness in the labour market lessened. During the first nine months the level of unemployment was below that for the corresponding period in 1956, but in the fourth quarter there was an increase in applications and a decrease in offers. By the turn of the year the number of wholly unemployed was greater than in December 1956, the effect of the usual seasonal factors being now accentuated in the case of such sectors as the metal-working and textile industries and the building trade by the falling-off in economic activity.

France in 1957 had the highest rate of increase in industrial production in the Community, and employment in industry rose by 3.5%. Notwithstanding, towards the end of the year the manpower shortage, still considerable in the main economic sectors and in the most highly-industrialized areas, was less acutely felt. The drop in offers of employment and the rise in applications for it about that time were probably due, in the building trade and the aircraft and textile industries, to the economic and financial restrictions introduced. Applications for employment were, however, still below the 1956 level.

The rate of increase in industrial production in *Italy* was maintained in 1957. Although there is still a large manpower reserve there, unemployment has decreased by some 10%, more particularly among the younger workers.

In the *Netherlands*, the rate of increase in industrial production has slackened off, and there has been a slight drop in industrial employment (0.5% less than 1956). At the same time, the tightness in the labour market has become very much less marked. Offers of employment have decreased steadily, and unemployment, after rising slowly early in the year, suddenly

gathered momentum until by December it was at its highest level since December 1954. Only in the province of Limburg is there still a certain shortage of manpower, with offers of employment continuing in excess of men available.

173. While in industry as a whole in the Community countries employment rose during 1957 by 1.6% (as against 3.2% in 1956), the total labour force of the coalmining and iron and steel industries increased by some 2.9% (as against 1.3% in 1956), and at the end of the year stood at 1,685,000 workers employed.

The following table shows the changes in the number of workers employed, broken down by industries and main occupational groups.

	1956	1957
<i>Coalmining industry</i>	+ 1,400	+ 21,100
Underground workers	+ 1,500	+ 22,100
Other workers	+ 2,300	+ 2,400
Apprentices	- 4,400	- 6,300
Salaried, technical and managerial staff	+ 2,000	+ 2,900
<i>Iron and steel industry</i>	+ 19,800	+ 25,500
Workers	+ 16,100	+ 20,700
Apprentices	- 500	+ 600
Salaried, technical and managerial staff	+ 4,200	+ 4,200
<i>Iron-ore mines</i>	+ 400	+ 1,400
Workers	+ 600	+ 1,100
Apprentices	- 300	
Salaried, technical and managerial staff	+ 100	+ 300
Community	+ 21,600	+ 48,000

COALMINING INDUSTRY

174. The outstanding problem in all coalfields remains that of manpower recruitment.

The 2% increase in the labour force in 1957 was the result of a major campaign to attract men to the mines and keep them there.

It reflects to some extent the effect of the social advantages accorded to miners in 1956 in a number of countries.

The rate of manpower wastage is, however, still a matter for concern. The table on the preceding page gives an idea of the instability of the underground workers and the exertions this necessitates with regard to recruitment.

A number of labour agreements which have been concluded have opened up new recruitment possibilities in non-Community countries such as Spain and Greece. The effects of these began to be felt in 1957.

The difficulties which arose in 1956 as a result of the suspension of emigration by Italian miners to Community pits have been to some extent overcome. Following the Conference on Safety in Coalmines and investigations by the Italian authorities, emigration to collieries in Germany, France and the Netherlands was allowed to be resumed. Negotiations between the Belgian and Italian Governments finally culminated in an agreement whereby emigration to the Belgian collieries is to start again as from September 1958.

175. In *Germany*, the recruitment campaigns in the non-mining areas and in Berlin continued. In addition improved pay and terms of employment attracted a considerable number of Dutch miners living in the frontier districts into the Aachen coalfield, a movement which appears to have reached its peak in September. It was, however, still found necessary to supplement the labour force by bringing in foreign workers, principally Italians.

Apprentices, now down to 42,900 in number, represented in 1957 only 7.9% of the total personnel employed, as against 9.5% (49,600) in 1954. The collieries did of course at that time make a special drive to attract juveniles of school-leaving age, in order to avoid as far as possible the repercussions in the labour market of the later influx of juveniles born during the war; at the same time, the inducements offered by other industries, particularly appealing to apprentices from the non-mining areas, also have a good deal to do with the drop.

One colliery in Lower Saxony closed down for good in 1957, and the 1,800 workers discharged received assistance in accordance with Section 23 of the Convention⁽¹⁾.

176. In *Belgium*, the collieries succeeded in building their labour force right up to the desired level. This they did by recruiting large numbers of foreign workers, including 15,000 new immigrants. The flow of Greek workers continued; the influx of Spaniards reached appreciable proportions more particularly during the second half of the year, as it was not until September 1957 that an administrative agreement concerning social security came into force to supplement and make fully effective the protocol on recruitment concluded between the Belgian and Spanish Governments. As at December 31, 1957, the Belgian collieries were employing 46,200 Italians, 6,000 Greeks and 3,500 Spaniards.

The improvement in the recruitment and stabilization of manpower is due to the wage increases granted in October 1956, and also to a number of other social measures such as the introduction of shorter working time, the retention of signing-on bonuses for new Belgian entrants, and the provision of vocational training for juveniles and adults, both Belgian and non-Belgian.

The Belgian Parliament in June 1957 passed a law prohibiting the employment of boys under 18 below ground; an exception was made in the case of apprentices between 16 and 18 to the extent to which it might be necessary for their training, but only provided certain safety requirements were fulfilled and the boys were not put on actual productive work.

In accordance with the Borinage reorganization programme, a second pit was closed in July, and the miners concerned given High Authority assistance⁽²⁾.

177. In *France*, with a view to facilitating recruitment, the Government in March 1957 reduced the term of national service for young miners to four months, on condition that they resumed work in the pits for the remainder of the time which they would otherwise have spent in the armed forces. This measure linked up with the decision taken in 1956 to exempt miners from the recall of reservists for the Algerian war. The collieries had nevertheless to have recourse to foreign labour. Something like 3,400 contracts for work in the pits were concluded with new immigrants; 70% of these were Italians, the Italian Government having raised its ban on emigration to the French mines in June.

(1) See Section 4 of this chapter.

(2) See Section 4 below.

The employment situation varied from one coalfield to another. In the Centre/Midi the total number of men employed remained unchanged, and the necessary recruitment was carried out on the spot without difficulty. In the Nord/Pas-de-Calais, on the other hand, where more workers were required in order to step up production, it was difficult to secure them owing to the tightness in the labour market in this area and to the continuous increase in the already undesirably large wastage of personnel. The 12,800 new underground workers recruited effected only a very slight increase in the total number employed (approximately 300).

In Lorraine matters went rather better: the 8,200 new underground workers taken on brought the total labour force up to the level considered necessary for the achievement of the production targets. At the end of the year the easing in the labour market and the falling-off in manpower requirements served to accentuate this state of affairs.

178. In *Italy*, the rationalization of the collieries continues, and the labour force was reduced by several hundred more redundant workers, who thereupon received readaptation assistance⁽¹⁾.

179. In the *Netherlands*, recruitment difficulties were more readily overcome than elsewhere, particularly during the fourth quarter of 1957, thanks to the easier conditions in the labour market and the fresh social concessions made in the course of the year. Notwithstanding a considerable exodus to the Aachen coalfield, the total labour force of the Netherlands coalmining industry was higher at the end of 1957 than in 1956. The resumption of Italian immigration played its part in bringing about this result.

At the same time, recruitment of apprentices is becoming a difficulty: the number had fallen by December 1957 from its December 1954 level of 4,800 to 3,600, which represents only 5.7% of the total labour force.

IRON AND STEEL INDUSTRY

180. The number of workers employed in the iron and steel industry of the Community increased by some 4.7% in the course of 1957. The increase took place chiefly in the Federal Republic of Germany and, to a lesser degree, in France, the trend elsewhere being definitely towards stabilization.

⁽¹⁾ See Section 4 of this chapter.

	1956	1957
Germany (Fed. Rep.)	+ 6,800	+20,000
Saar	+ 1,100	+ 700
Belgium	+ 3,200	+ 500
France	+ 4,700	+ 3,500
Italy	+ 2,500	- 300
Luxembourg	+ 900	+ 600
Netherlands	+ 600	+ 500
Community	+19,800	+25,500

The sharp rise in Germany may be attributed to the installation of more production plant and to the gradual reduction of the working time to a 45-hour week. Very little foreign labour was employed, the figure at the end of 1957 being only 1,300 for the whole of the German iron and steel industry.

In *Belgium*, where the number of steelworkers had been increasing steadily for two years, employment levelled off at the figure needed for the full utilization of existing production capacity. Recruitment was practically limited to keeping the labour force up to strength, and involved no particular difficulty; 2,000 foreign workers were taken on during the year.

A number of rerolling firms, which had been in difficulties since the previous year, were obliged in 1957 to put their men on short time, and some cases even to discontinue certain of their activities. The workers affected were, however, quickly found alternative employment.

In *France*, the labour force in the industry continued to expand, though less markedly than in 1956, and chiefly in the Eastern area, where fairly large numbers of foreign workers had to be taken on. 8,600 contracts in all were concluded in 1957 with new immigrants, the majority of whom were Italians.

In *Italy*, although crude-steel production increased by 15%, the number of workers employed altered scarcely at all: the development of new enterprises coincided with the closing-down of obsolete works, and consequently with a number of discharges. The High Authority was asked to provide financial assistance for the readaptation of the workers concerned⁽¹⁾.

In *Luxembourg*, although some new plant was brought into operation, employment increased more slowly than in 1956, the rate being only 2.5% as against 4.5.

⁽¹⁾ See Section 4 of this chapter.

In the *Netherlands* iron and steel industry, employment rose steadily as a result of expansion in production capacity.

IRON-ORE MINES

181. The number of workers employed in the iron-ore mines of the Community varied very little.

	1956	1957
Germany (Fed. Rep.)	+1,100	+1,400
France	- 400	+ 300
Italy	- 200	- 300
Luxembourg	- 100	-
Community	+ 400	+1,400

In *France*, the steady progress of modernization has enabled production to be increased without undue reliance on extra manpower.

In *Germany*, the increase in the labour force is to some extent explained by the shorter working week.

182. All in all, the level of employment in the three Community industries in 1957 was very largely governed by the level of production. In the coalmining industry, although the number of men employed rose slightly, the collieries were still seriously impeded in their operations by the need to carry out intensive recruitment campaigns.

It seems reasonable to assume that the expected easing of the national labour markets will mean less recourse to foreign labour in 1958. The Community will, however, still be faced with the difficult problem, not so much of finding miners, as of keeping them: to do this it will be necessary to offer them security and continuity of employment, which the fluctuations of the coal market and the inadequacy of present stockpiling facilities have hitherto regularly prevented them from enjoying.

The employment situation in the iron and steel industry and the iron-ore mines has been developing very much more satisfactorily (1).

Section 2 — Regional Employment Surveys

183. To help towards better and more accurate knowledge of the employment situation in the coal and steel-producing areas of the Community, and towards a proper understanding of the problems entailed and the evolving of effective action to deal with them, particularly where readaptation is necessary, the High Authority is having regional employment surveys carried out by experts of the different countries concerned.

The first of these, which was published in December 1957, covers the areas of Aquitaine and Auvergne, in the French Centre/Midi (2).

The expert responsible, M. Jean-François Gravier, of the Comité National d'Orientation Economique, first worked out from a study of population statistics the present and probable future manpower availabilities, and then by means of a local field-survey endeavoured to ascertain the number of new jobs which could reasonably be expected to come into being over the next few years.

The employment position as established by these surveys and analyses indicates that the conditions required to ensure a satisfactory employment balance in the two areas concerned are as follows:

In Auvergne, coalmining operations are confined for the most part to small scattered coalfields in practically entirely rural surroundings in the mountains. The coal reserves are generally of limited extent, and their eventual exhaustion will raise serious long-term and in some cases (e.g. Champagnac) medium-term employment problems, which will be all the more difficult to resolve inasmuch as the scope for re-employment in industry is limited on account of the isolated location of the coalfields.

(1) For further details, see *Statistical Annex*, Table No. 47.

(2) Available (in the official languages of the Community) in the High Authority's series *Studies and Documents*.

In Aquitaine, the present problems and future prospects of the two coalfields at Carmaux, Tarn, and Decazeville, Aveyron, are very different, but both are expecting to lose part of their markets to the natural gas now being developed in South-Western France.

There is not at present any reserve of male labour to speak of in the urban districts of the Houillères du Tarn region, but men are leaving the land all the time in search of non-agricultural employment, so that the collieries have this source of recruitment to draw on. In addition, numbers of women workers would be readily available for industrial employment in the mining area.

The Houillères de l'Aveyron, which are having to make allowance in their future calculations for the development of the gas supplies at Lacq, could theoretically employ 2,950 miners in 1960 and 2,760 in 1965, a reduction of 15% in the ten years from the date of the survey. In actual fact, it is considered in some quarters that it will be necessary by not later than 1961 to transfer 800 miners to other work and find jobs for 300 juveniles (most of them miners' sons), plus 700 agricultural workers leaving the land: the total to be found employment would thus be 1,800 men, together with approximately 800 women, in the industrial area only.

The seriousness of this situation explains why the coalfield has been declared a depressed area. Very little concrete action has, however, so far been taken in the industrial area of Decazeville, whereas the surrounding region is showing a much more enterprising spirit: at Rodez, Villefranche de Rouergue, Capdenac and Figeac, 14 to 26 miles from Decazeville, new industries are being set up and the necessary personnel are being recruited without difficulty from the neighbouring rural and semi-rural areas.

It would therefore seem best to reconsider the question of establishing new industries at Decazeville, to disregard its present activities, and to seek to attract not heavy industries based on a flow of coal which is in process of drying up, but light industries for whose purposes Decazeville would represent primarily a reservoir of manpower. With this end in view, action could be taken to provide sites for light industry in the semi-rural districts of the industrial area, to equip the surrounding rural agglomerations with the same facilities as the industrial area, and to allow the same concessions in respect of the transfer of miners to jobs in the expanding industries at Rodez and the other towns mentioned as in respect of their re-employment on the spot.

184. Two further regional employment surveys have been completed and are to be published shortly.

The first, dealing with Liguria, was carried out by Sig. Orlando d'Alauro, Associate Director of the Instituto di Economia Internazionale, working under Sig. Giuseppe Parenti, Director of the Statistics Seminar of the University of Florence.

Liguria is an area with a large number of iron and steel enterprises of varying sizes, employing a substantial proportion of the working population.

In recent years one of the most up-to-date iron and steel enterprises in Italy has been set up there and a number of works have modernized their plant, but at the same time others have had to close certain of their shops where the plant was obsolete, and some which were technically too poorly equipped have had to shut down altogether.

Despite the fact that, viewed overall, the level of employment in the Ligurian iron and steel industry has risen since the introduction of the Common Market, there have been a number of discharges, necessitating action by the High Authority, at the request of the Italian Government, under Section 23 of the Convention⁽¹⁾.

The employment situation in the area as a whole is rendered uncertain by various factors, including the rapid growth of the population (as a result of a stream of newcomers, mainly from country districts), the fluctuations in activity at the ports, and the difficulties of the changes which had to be made following the aftermath of the pre-war policy of national autarky.

However, unemployment is definitely falling off in Liguria, and the outlook is on the whole satisfactory: the vigorous expansion which the iron and steel enterprises are undergoing will eventually oblige them to take on more personnel. At the same time, the very fact that the industry is making such progress means that it needs skilled workers, who are at present sometimes not to be found in the Ligurian labour market: these unmet manpower requirements, though limited in extent, are indicative of the openings in this area for well-trained, specialized workers.

185. The other survey about to be issued deals with Dutch Limburg, where the bulk of the working population is employed in the coalmining industry.

⁽¹⁾ See Section 4 of this chapter.

The proximity of other coalfields (the Campine and Aachen) employing large numbers of men, in which the labour market is also dominated by the requirements of the collieries, has produced in this area a rather unusual situation of necessity involving special problems in regard to the recruitment and movement of workers.

The officials of the Limburg Province Planning Service who undertook the survey, headed by Dr. J. Winsemius of the Rijksdienst voor het National Plan, directed their efforts to establishing whether the manpower shortage and recruitment difficulties which have been in evidence for some years were to be regarded as temporary or permanent. In other words, ought the Limburg collieries simply to counter for a while as best they could the effects of this situation, with its inevitable results on production, or ought they to contemplate longer-term action and recourse to foreign labour? Should the latter alternative have to be adopted, the necessary arrangements would need to be made to organize immigration as efficiently as possible and to house, train and assimilate the expatriate workers.

The experts' verdict was quite unequivocal: if due allowance is made for the progress of European integration and the expected increase in labour mobility between adjacent coalfields, for a certain disinclination to make mining a career, and for the fact that general economic development is proceeding faster in Limburg than elsewhere in the Netherlands, the estimated increase in the population should be sufficient to meet the requirements of the regional labour market and assure the collieries of an adequate, though perhaps not abundant, flow of new entrants.

Section 3 — Elimination of Impediments to Freedom of Movement for Workers

186. The decision of December 8, 1954, concerning the implementation of Article 69 of the Treaty, was ratified by the Grand Duchy of Luxembourg, and came into force on September 1, 1957⁽¹⁾.

The Technical Commission responsible for supervising its implementation was officially set up on September 10. The Commission appointed as its chairman M. Mansholt, Permanent Under-Secretary at the Netherlands Ministry of Social Affairs, and as its

⁽¹⁾ See *Third General Report of the High Authority*, April 1955, No. 183, and *Official Gazette of the Community*, January 14, 1955.

vice-chairman Sig. Altarelli, Permanent Under-Secretary at the Italian Ministry of Labour. It then worked out the details of the various administrative documents provided for in the decision to facilitate its implementation.

The number of labour cards issued so far is very small, but it is too early to draw any definite conclusions in the matter.

187. The Ministers of Labour of the member States, meeting in Rome, on December 9, 1957, signed the *European Convention on Social Security for Migrant Workers*.

During the summer of 1957, the Ministers had succeeded in reaching agreement on the various contentious problems which their experts responsible for the drafting of the Convention had had to leave unresolved⁽¹⁾.

The Convention presents the following points of note:

it may be acceded to by other European countries not members of the European Coal and Steel Community;

it applies to all classes of wage-earners (apart from special cases);

it covers all branches of social security, including sickness and disablement benefit, old-age pensions, payments to dependents, insurance against industrial accidents and occupational diseases, family allowances and unemployment relief;

it supersedes the bilateral and multilateral conventions which have hitherto governed social-security arrangements for migrant workers⁽²⁾.

The principal provisions may be briefly summarized as follows:

Sickness and maternity

Members of a migrant worker's family not living with him are entitled to a refund of expenses incurred in connection with

⁽¹⁾ See *Fifth General Report of the High Authority*, April 1957, No. 246.

⁽²⁾ With the exception of agreements concerning workers in frontier areas, and of certain special arrangements which have been maintained in the interest of the workers.

sickness or maternity at any time during the three years following the worker's arrival in his country of employment.

The same applies in respect of workers temporarily resident outside their country of employment or transferring their residence to another Community country, and of pensioned-off workers and their families living outside the country paying the pension.

Old-age

Old-age pension rights and rates are henceforth to be based on the aggregate period for which the recipient has been insured in one or more Community countries.

Disablement

In most cases disablement pensions will be treated in the same way as old-age pensions⁽¹⁾.

Industrial accidents and occupational diseases

The worker will continue to draw his cash allowances and benefits in kind even if he leaves the country where the accident or disease was incurred.

Unemployment

Migrant workers will be eligible for unemployment pay on the basis of the aggregate period for which they have been insured and/or employed, irrespective of the length of time for which they have been living in their country of reception.

Should they become unemployed, they may return to their country of origin while continuing for a period of four months to draw the unemployment pay of the country in which they were last employed.

Family allowances

Migrant workers' families remaining in the country of origin will be entitled for three years to family allowances for dependent children at the rates provided for in the legislation of the country of employment, the amount of such allowances not, however, to exceed the amount payable in the country of origin.

188. The implementation of the Convention is to be supervised by an Administrative Commission consisting of representatives of

⁽¹⁾ A different basis will, however, be adopted in respect of France and Belgium, in view of the special legislation in force there.

the Contracting Parties, of the High Authority and of the International Labour Office. This body will be required

- (a) to see that the Convention is identically interpreted by all the signatory countries;
- (b) to settle any difficulties as to its implementation;
- (c) to ensure closer co-operation on health and social matters;
- (d) to be responsible for arrangements, as between such countries as wish to avail themselves of these, for settling claims arising out of the payment of benefits under the Convention.

189. The implementation of the new Convention will appreciably improve the position of migrant workers. The standardization of the rules relating to them is, moreover, a considerable step forward in the direction of European integration.

The concerted efforts of the Governments, the International Labour Office and the High Authority have helped not only to ensure greater freedom of movement for workers within the Community industries, as laid down in Article 69 of the Treaty, but also to prepare the way for the more general freedom of movement which is to be gradually established as part of the European Common Market.

With this latter consideration in mind, a supplementary protocol was appended covering the effect on the Convention of any future implementation of Article 51 of the Treaty establishing the European Economic Community.

Section 4 — Readaptation

190. During the five years following the introduction of the Common Market, all applications by Governments to the High Authority for assistance in “protecting the workers from the burden of readaptation and assuring them productive employment” were submitted under Section 23 of the Convention.

It seems likely that the full effects of the Common Market have not yet been felt, owing to the boom conditions which prevailed in recent years.

The High Authority is still entitled for a further two years to grant assistance under Section 23, though now only with the specific approval of the Council of Ministers.

In accordance with the desire expressed by the Assembly's Social Affairs Committee, the High Authority nevertheless considers this an opportune moment to present a general outline of its activities in connection with the readaptation of workers during the transition period.

191. Since 1953, nineteen applications in all for assistance in this field have been submitted by the German, Belgian, French and Italian Governments⁽¹⁾, sixteen of which the High Authority approved. Some were in respect of single enterprises, others of more than one. Assistance was given to workers of 32 enterprises, including six collieries, twenty-five iron and steel works and one iron-ore mine.

In three cases the Council of Ministers dispensed the Government concerned, under Section 23, 6, from paying its "special contribution at least equal to the High Authority's." The Government had, of course, undertaken either to participate financially in investments aimed at creating new jobs, or to supply such assistance as might be appropriate to ensure the staggering of shut-downs and thus cushion the adverse social effects.

At February 1, 1958, some 18,600 workers had actually received readaptation assistance under Section 23 — 13,200 in Italy, 3,500 in France, 1,800 in Germany, and about 60 in Belgium.

(1) In 1957 the High Authority invoked Section 23 in favour of *Barsinghausen* colliery, in Germany, and of the following iron and steel enterprises: *Ferriere*, *Montanella*, *Morteo*, *Siac* and *Società Metallurgica di Sestri*, in the Genoa area, *Acciaierie e Ferriere Stramezzi*, *Crema*, *La Magona*, *Piombino*, and *Cantieri Metallurgici Italiani*, *Castellamare di Stabia*.

At the same date, the High Authority had granted credits totalling 12,160,000 units of account; actual expenditure as at December 31, 1957, amounted to 4,507,000 units of account⁽¹⁾.

192. Very little High Authority action was called for in the first year or two after the introduction of the Common Market, but as time went on the calls upon the High Authority grew apace, as the member Governments came more and more to rely on the Treaty for assistance to workers becoming or expected to become redundant. This slow start may be attributed in part to the new administrative and budgetary formalities involved for the authorities in the various countries and in part to the inadequacy of the information issued on the scheme to the enterprises and trade unions directly concerned.

The employers' and workers' organizations are now fully conversant with the possibilities offered by the Treaty in connection with readaptation, and the High Authority has found that either they or the individual enterprises concerned now automatically approach it whenever any large-scale discharges are made or contemplated.

The High Authority's information conferences have undoubtedly helped to ensure this result.

193. In order to make their readaptation assistance thoroughly effective, the Government concerned and the High Authority have to work out together such practical forms as will be absolutely appropriate to the individual circumstances and the economic and social position of the enterprise in question. While the measures

(1) The difference between the amounts granted and those actually expended is due to the following considerations:

- (a) Credits are made available on the basis of the number of workers expected to receive allowances out of the joint assistance provided by their Government and by the High Authority. As a result of the boom, workers actually receiving such payments were as a rule fewer in number than had originally been provided for.
- (b) In certain cases the assistance is payable over a number of years, and has not yet been completed.
- (c) The total amount is in the first place paid to the workers by the Governments, which subsequently apply to the High Authority for a refund of their advances.

taken may vary in regard to form or detail, the main object is always the same, to facilitate re-employment and to tide the workers over the waiting period between jobs.

The High Authority has definitely come to the conclusion that the workers should be allowed the choice of a number of alternatives equally suited to their abilities and to their physical and psychological characteristics, which will facilitate their re-employment either in their old occupation or in a new one, on the spot or in another area.

The agreements concluded between the High Authority and the Governments embody this principle. They provide in general for financial assistance along the following lines:

— *for those to be re-employed or to undergo occupational retraining*

an allowance designed to guarantee the discharged worker over a period of 12—15 months, according to circumstances, either the full wage he previously earned, or a substantial percentage thereof (thus enabling him if necessary to take up a new job initially less well paid than his old one);

— *for those to be re-employed in a different area*

a settling-in allowance, varying according to size of family, together with a refund of travel and removal expenses;

— *for those remaining unemployed*

a decreasing tide-over allowance based on the net wage previously earned, payable over a period of 12—15 months, according to circumstances.

In addition, the High Authority contributes to the working expenses of the various vocational retraining centres.

Readaptation requirements are sometimes such as to make other arrangements preferable: this was so, for example, in the case of the *Centre/Midi* miners who agreed to take on new jobs in Lorraine, and of the workers at *Barsinghausen* colliery and at the *Ateliers et Forges de la Loire*, who were given temporary leave of absence.

194. The experience acquired in the course of the transition period has enabled the High Authority to make improvements to the practical details of its readaptation scheme. After the Common Assembly debate on the subject in June 1956, the High Authority proposed to the German, Belgian and Italian Governments, which had submitted further applications for assistance, that the system in regard to the tide-over period should in future be as follows:

— *for those remaining unemployed*

an allowance equalling 100% of the wage previously earned for the first four months of unemployment, falling to 80% for the four subsequent months and to 60% for a final four;

— *for those to be re-employed at a lower wage, or to undergo occupational retraining*

an allowance guaranteeing the net wage previously earned, payable over the twelve months following discharge, in the form of a differential, where appropriate.

The latter arrangement is that at present in force in Belgium.

In Italy, the tide-over allowance in the case of unemployment during the first three months represents only 85% of the wage previously earned, but is payable for fifteen months; in addition the Italian worker when re-employed is guaranteed a wage equal to his old one.

In Germany, the High Authority has not so far needed to have recourse to any such system: on the one occasion when application was made for readaptation assistance, it fell in with the unanimous request of the employers and workers and tailored its action to correspond with the provisions of the agreement concluded between the management and the Trade Union representatives of the personnel.

195. These first experiences with regard to readaptation have demonstrated how important it is that the men concerned should be thoroughly familiar with their rights in the matter and the conditions on which readaptation assistance is given.

In France, in a number of instances information meetings have been organized.

The Belgian and Italian Governments have agreed to set up national commissions consisting of their own representatives and representatives of the employers' and workers' organizations to follow the progress of readaptation operations. They have also agreed to give workers directly concerned details in writing of the assistance to which they are entitled.

In Germany, where the management and workers of the enterprise in question were actually parties to the agreement concluded, it was not considered necessary to set up a special commission.

Finally, the High Authority has been in touch on the spot, in all the countries where readaptation has been necessary, with the employment authorities, managements and union representatives in the different areas affected, in order to follow the implementation of the agreements concluded with the Governments.

196. The discussion of the agreements concluded under Section 23 of the Convention between the Governments and the High Authority has shown clearly how essential it is to be fully cognizant of the regional problems involved in order to obtain an accurate picture of the possible openings for the re-employment of redundant workers and the best ways of facilitating readaptation.

With this end in view, the High Authority at the request of the Belgian Government, under Section 23, 2, co-operated in a survey of conditions in the Borinage by the Institut de Sociologie Solvay, of Brussels.

A number of similar studies are being carried out on the areas in Italy where readaptation has been necessary⁽¹⁾.

197. For the action prescribed in the Treaty regarding readaptation to be effective, it is necessary that there should be some degree of occupational and geographical mobility on the part of the labour force.

In a study published in 1956, the High Authority analyzed the psychological and sociological factors which impede such mobility and give rise to the social problems involved in readaptation. This document served the High Authority as a basis in its endeavours to work out the most appropriate measures for facilitating re-employment.

⁽¹⁾ See also Section 2 of this chapter.

Where existing industries are unable to absorb all the manpower available, the High Authority considers the best solution to be the creation of new activities by the establishment of new or the reconversion of existing enterprises. Some three thousand of the workers who received assistance under the various readaptation schemes owe their continued employment or re-employment to ventures of this kind, launched either by the Government or by the coalmining and iron and steel enterprises themselves.

198. Direct participation by the High Authority in this type of action has been on a modest scale. Indirectly, however, it has played its part in helping to create new activities. In the case of the Italian iron and steel industry it assumed responsibility for the whole of the non-repayable assistance granted to discharged workers, thus enabling the Italian Government to encourage the absorption of former steelworkers into new activities by setting aside for rebates on interest in respect of investment credits an amount equal to that paid out by the High Authority.

In the same way, High Authority assistance to the French Government enabled the *Compagnie des Ateliers et Forges de la Loire* to carry through a programme of modernization and concentration without discharging any of its workers.

It is, of course, the State in each case which is primarily responsible for the development and creation of new activities, and all action by Governments in this connection is closely bound up with their general policy: this being so, the problem as a whole falls outside the Community's jurisdiction and cannot be disposed of by anything which the latter may do.

Although the establishment of new industries in an area can be facilitated by loans and financial guarantees under the Treaty, experience has shown that direct financial action by itself is insufficient to promote such ventures: all kinds of other operations have to be organized too, such as the provision of an appropriate infrastructure, the granting of tax reliefs, and so on and so forth.

In order to familiarize the various circles more particularly concerned with what is being done in this regard by the Governments and the regional and local authorities, the High Authority has decided to arrange for experts in the Community countries and in Britain to assemble a selection of documentary material on the legal and financial measures employed in each country to encourage the establishment of new activities.

199. The transition period enabled the Governments and the High Authority to make use of practically all the means allowed them by the Convention for shielding the workers from the effects of the introduction of the Common Market.

The net result was that the production machinery of the Community was subjected to a thorough overhaul without serious detriment to the workers' interests. At the same time, the true aim of the makers of the Treaty has perhaps not as yet been achieved: it has, for instance, been noted in the course of the past three years that the effect of the boom has been to limit the number of men liable to become redundant following certain reconversions, and to slow down the process of modernization envisaged, since for the time being production from various types of obsolete plant has continued just to pay its way.

It may be that the specially favourable economic climate prevailing during the last year or two of the transition period enabled a number of enterprises to adapt themselves without recourse to the reductions in personnel, temporary or permanent, which would in all probability have been necessary had the market situation developed otherwise.

At all events, during the two years following the expiry of the transition period the provisions of Section 23, 8 will serve as a basis for overcoming whatever employment problems may still arise in consequence of the introduction of the Common Market.

200. The fund of experience which the High Authority assembled during the first five years of the Common Market has already caused it to reconsider the practical scope and implications of Article 56 as regards the protection of the labour force from the effects of the introduction of new technical processes and plant in accordance with the General Objectives. This question, which was raised earlier by the Common Assembly itself, is receiving most careful attention from the High Authority, which will take in due course such action as it deems necessary.

Section 5 — Vocational Training

TREND IN NUMBERS OF JUVENILES UNDERGOING APRENTICESHIP

201. Most of the trades in the coalmining, iron-ore and iron and steel industries are impossible to teach in the normal type of training establishment. For this reason, apprentice training is now very much to the fore in all enterprises keen to have a fully trained labour force.

The number of apprentices trained in Community enterprises, as shown in the employment statistics compiled at regular intervals by the departments of the High Authority, gives some idea of what is being done in this field. It must, however, be emphasized that for the purposes of these statistics the term apprentice is taken as covering not only boys serving an apprenticeship by indenture, but also young workers attending training colleges or courses during normal working hours.

At the end of 1957, the number of apprentices undergoing training in the Community industries was 72,500 (10,300 less than at the end of 1954). This represents only 4.3% of the total number employed, as against 5.2% in 1954⁽¹⁾.

202. *In the coalmining industry*, the number of apprentices, which had been showing signs of falling off since early 1955, declined steadily from June 1956 onwards, and by the end of 1957 was down to 60,200, the lowest level reached during the period under review, representing only 5.6% of the total number employed⁽²⁾, as against 6.6% at the end of December 1954. Apprentices working underground represented 8.3% of the total labour force employed below ground⁽³⁾, as against 9.5% at the end of December 1954.

To appreciate the various aspects of this drop in the number of apprentices, however, it is necessary to take into account the different kinds of training and also the considerable differences in the apprenticeship schemes as between one Community country and another.

Some of the boys concerned are following a three or four-year course of systematic vocational training; others are simply young miners undergoing short-term intensified training. Moreover, as regards the surface trades, apprentices may be trained either by the collieries themselves or by regular technical colleges entirely unconnected with them⁽⁴⁾.

⁽¹⁾ For further details, see *Statistical Annex*, Table No. 48.

⁽²⁾ Workers, apprentices and technical and managerial personnel.

⁽³⁾ Underground workers including apprentices already employed below ground.

⁽⁴⁾ See *Statistical Annex*, Table No. 49, which shows the breakdown of apprentices by types of training, and the trend in each type.

The decline in the number of apprentices is no doubt partly attributable to the unpopularity of mining as an occupation, which is even more marked among juveniles than among older workers; it may also be that the recruitment of juveniles is rendered more difficult by the fact that those now coming into the labour market are the numerically rather smaller age-groups born during the war. If we correlate the age pyramid and the fluctuations in total personnel in the coalmining industry, we find that the number of juveniles under 21 drops more quickly in proportion and rises more slowly in proportion than that of adult workers. Such a trend obviously does not favour the development of systematic apprenticeship. There are, however, certain not inconsiderable positive aspects which should be emphasized.

If we compare the number of workers under 21 and the number of apprentices, we find that in Germany and the Netherlands 45—50% of the former are apprentice miners, and in France and the Saar 30—40%. In Belgium, on the other hand, the percentage is lower, despite the determined efforts which have been made during the last few years to establish a systematic training scheme for young workers.

203. *In the iron and steel industry*, the number of apprentices increased by 200 between the end of 1954 and the end of 1957 (from 10,200 to 10,400), but the proportion of apprentices out of the total number employed fell from 2.1 to 1.9%. The decrease is mainly observable in France (—500 : the other Community countries show either an increase or at worst a levelling-off.

204. *In the iron-ore mines*, there has been a fairly appreciable falling-off in the number of apprentice miners and surface-plant apprentices from 2,400 in December 1954 to 1,900 in December 1957. This development should be taken in conjunction with the vital trend among those strata of the population from which most of the workers in the iron-ore mines of Eastern France are normally recruited. For some years now the sons of ore-miners have been unable to find employment on the spot, and agreements have been concluded with the Lorraine collieries whereby they are taken on there as apprentices after a preliminary two-year course at the training centres attached to the iron-ore mines⁽¹⁾.

⁽¹⁾ These apprentices are not covered by the High Authority's statistics.

DEVELOPMENT OF VOCATIONAL TRAINING

205. The position as regards vocational training does not change as rapidly as do questions of employment and working conditions, so that it is proposed for the purposes of this Report to deal only with those developments in particular countries during 1957 which are deemed to merit special mention.

206. *Coalmining industry.* — Vocational training in the Federal Republic of Germany during 1957 was developed with two main aims in view,

- (a) to prepare miners for certain trades whose importance for underground operations has increased very considerably in the past few years;
- (b) to train instructors.

The mining authorities have amended their general directives on vocational training, in order to bring these abreast of the latest advances in coal-getting methods and work organization. They have also issued a training syllabus for *Zechenlektriker and Elektrohauer* (colliery electricians and electric-plant operators), and directives on the training of *Grubenschlosser and Maschinenhauer* (colliery mechanics and machinemen) employed below ground.

As a result of this action,

- (a) instructional courses have been arranged for training deputies and officers in charge of training workshops;
- (b) quarterly refresher training has been organized for *Knappen* (second-class miners of journeymen) to deal both with operational problems and with safety regulations;
- (c) the rules regarding the reservation of training faces have been revised to enable apprentices in future to familiarize themselves with the plant employed below ground;
- (d) endeavours are being made to work out the most suitable methods of training workers for the new trades of *colliery electrician and colliery mechanic*.

A first instructors' training course was organized in the summer of 1957, and was attended by a number of men intended by their collieries to start work as instructors or training officers in the near future, as well as by heads of vocational-training departments. Similar courses are to be held in 1958. In addition, seventeen *Meisterhauer* (foreman-instructor or supervisor) courses were attended by 224 men in all.

The periodic area meetings of training officers dealt principally with the practical implementation of the new regulations and with problems in regard to the employment of foreign workers⁽¹⁾, such as short-term intensified training, introduction to the job and language instruction.

207. In the coalmining industry in *France*, vocational training made satisfactory process. 900 boys of 14 and 15 attended either the transition classes organized by the State schools or the collieries' own mining preparatory schools established with the object of completing the boys' education before they start at the mining apprenticeship centres. 500 boys attended the electro-mechanic's and mechanic's apprenticeship courses; in addition, 5,500 workers attended short-term intensified training courses for underground work in the Nord and Lorraine coalfields.

The sixteen supervisors' training colleges in the various coalfields recorded a total intake of 810 trainee supervisors, selected from among colliery personnel. 170 candidates attended the preparatory courses for admission to the Ecole Technique des Mines at Douai, and 85 qualified supervisors eligible for promotion to the higher grades received training at the Ecoles Supérieurs de Maîtrise at Sin-le-Noble, Forbach and l'Horme. In the Nord/Pas-de-Calais coalfield, special attention was devoted to the psychological aspects of accident prevention.

The Centre National de Perfectionnement des Cadres at Bergoide organized 23 training and refresher courses for instructors and training officers in the different coalfields, and 48 visits to vocational-training departments for purposes of instruction and inspection.

A new film was produced on the fire hazard from belt conveyors and the best ways of dealing with it.

208. In *Belgium*, special exertions were made during 1957. Since 1954 eight apprenticeship centres have been established, and a ninth is to be opened in 1958. The syllabus was recently supplemented and brought up to date: full-time instruction is henceforth to include two years' preparatory training (from 12 to 14), three years' vocational training proper (14—17), and one year's specialized training (17—18). In addition to the general and mining tuition, the syllabus comprises a high proportion of practical instruction and superintended work, but the minimum age for employment on underground operations has been raised from 16 to 18. As an exception, boys of 16 and over may be allowed to work on specially reserved training faces below ground: all such work must be done under supervision from qualified instructors.

(1) 11,582 in 1957 as against 7,805 in 1956 (figures supplied by Unternehmensverband Ruhrbergbau, the Ruhr coalowners' association).

At the end of 1957, 887 trainees in all were enrolled at the eight centres recently attached to the collieries.

During 1957, 75 engineers attended practical courses to equip them for work as "training engineers", with the job of selecting and training instructors, lecturing to supervisory and managerial personnel, and seeing that the prescribed schedule for the assimilation and training of adult workers is properly complied with.

Bi-monthly conferences at national level enable these engineers to exchange details of their experience, to compare methods and results, and to receive general directives. Similar conferences have been held at regional level, and working parties are to be set up to work out the final details of the training schedules and manuals.

To facilitate the reception, initiation and assimilation of new entrants, the Belgian coalmining industry published an introductory booklet and an illustrated glossary of the most frequently-occurring terms in French, Flemish, German, Greek, Spanish and Italian, as well as three booklets on schedules and methods.

85 colliery training officers attended an instructional conference dealing with audio-visual aids.

209. *Iron and steel industry.* — In Germany, the proposed reorganization of vocational training for trades on the production side has not yet been begun, but a number of enterprises have extended the training period for these trades from two to three years.

In view of the continuing technical progress on plant design, attention is being given to the need to institute new skilled trades such as those of "electronics engineer" and "control engineer": these would be special skills to be acquired by young miners already trained as heavy-current electricians, electro-mechanics or telecommunications fitters.

Regular and follow-up training for adult process workers was stepped up during 1957: more enterprises arranged basic courses, and eight works organized courses to last up to three years for first-hand rollers, first-hand melters and so on.

The general rules regarding supplementary training for commercial apprentices are being revised. Eight follow-up courses arranged by the Wirtschaftsvereinigung Eisen- und Stahlindustrie during 1957 were attended

by 230 supervisors and prospective supervisors. In addition to a follow-up course for instructors in training workshops, two further conferences were held inside works to familiarize training officers and instructors with new types of steelworks and rolling-mill plant.

The *Wirtschaftsvereinigung Eisen- und Stahlindustrie*, which published monthly bulletins for the information of works training officers, has also brought out six special leaflets containing practical hints on vocational training, and in co-operation with the British authorities and the British Iron and Steel Federation organized a five-week training course for young office employees at the Birmingham College of Commerce.

210. In *Belgium*, the *Groupement des Hauts-Fourneaux et des Acières Belges* in May 1957 organized a symposium on the training of iron and steel process workers. For the first time, this question was debated in the presence of representatives of managements and of specialists on training at the works. Following the discussion, a vocational training committee was directed to work out, in consultation with the production departments of the enterprises, the basis for a general code of usage appropriate to the vocational-training requirements of the Belgian iron and steel industry.

In November 1957, the vocational training committee of the *Conseil Professionnel du Métal*, an equirepresentative employers' and workers' organization, embarked on a study of training problems in the iron and steel industry generally.

211. In *Luxembourg*, the arrangements initiated two years ago by the *Groupement des Industries Sidérurgiques* for the steelworkers and supervisory and managerial personnel had to be discontinued following the introduction of the 44-hour week, as this reduction in working hours entailed engaging and training on the job a considerable number of new workers, few of whom were adequately conversant with their duties. This fully occupied all the instructors available at the works.

212. In the *Netherlands*, a chemists' training college has just been officially inaugurated, the object of which is to provide a two-year course for process workers operating plant in the chemical and metallurgical industries.

The *Koninklijke Nederlandsche Hoogovens en Staalfabrieken N.V.* is experimenting with a method of eliminating the disadvantages involved by putting boys of 18 direct on to process work as soon as they have passed their final examination. Following two years of basic training, which in its theoretical part is very similar to the chemist's course but on the practical side

concentrates mainly on manual dexterity and maintenance work, the young worker is assigned to a production department of his own choice, as a maintenance fitter on the day shift. He stays in this job until he is 25: if he then expresses a desire to become a melter or rollerman, he is given six months' specialized training at the technical college.

Information courses have been arranged for newly-engaged engineers and university graduates at the IJmuiden works, to make them acquainted with the administrative problems of the various departments and improve liaison between one department and another. Members of the teaching staff of the engineering colleges have been invited to take part in three-day symposia at selected works, as a result of which it is hoped that the up-to-date training methods worked out in the industry will be progressively incorporated into the teaching curricula.

HIGH AUTHORITY ACTION

213. The High Authority has encouraged the systematic exchange of experience acquired in the different parts of the Community.

A study meeting was held in Luxembourg in March 1957 to discuss "The Implications of Technical Rolling-Mill Development for the Training of Personnel". One hundred and ten experts from the Community countries and the United Kingdom, together with representatives of the Common Assembly and of the International Labour Office, attended the lectures and debates.

The Sub-Committee on Vocational Training (Iron-Ore Mines) held its first meeting in September 1957, and began its work by making a comprehensive and systematic collection of documentary material on training methods and facilities in the iron-ore industry.

At the end of November 1957, at the suggestion of and in co-operation with the National Coal Board, the High Authority arranged for the Sub-Committee on Vocational Training (Coal) to study on the spot the organization of vocational training for mine-workers and supervisory personnel in the British coalmining industry and the methods employed.

In October 1957, in the course of a discussion held at its request the High Authority submitted to the Council of Ministers a number of proposals as to ways in which the Governments might intensify their activities in fields where it had been found that concerted action by the national authorities of the different countries was essential to the successful development of co-operation on vocational training in the Community.

214. A plan of operations has since been worked out with experts from the various Governments. It has been agreed that the High Authority should make investigations with a view to establishing the best methods of adapting and training the migrant workers coming into the Community industries, and more particularly into the collieries.

Consideration is to be given to the possibility of setting up pilot centres both in the sending and in the receiving country. In the sending country the focus would be mainly on providing the intending emigrant with a general preparation for his prospective job, introducing him to the foreign language, and instructing him as to elementary safety requirements; in the receiving country the aim would be to work out the best methods of providing intensified vocational training and inculcating the essential technical terms together with sufficient knowledge to ensure a proper standard of safety on the job.

It was agreed that arrangements should be made to hold special information meetings for high officials and representatives of the authorities dealing with vocational training in the Community countries, and for leading representatives of the enterprises and the employers' and workers' organizations. The object of such meetings would be to promote co-operation and understanding between the Community industries and the various training establishments which are helping to turn out the skilled personnel needed at the different operating levels.

It has been recognized that there must be progressive harmonization of the knowledge and abilities of the workers engaged

on skilled trades: this is one of the fundamental prerequisites to any true common market for labour. Now the first step is being taken in this direction, though initially it is to be confined to one basic occupation in the coalmining industry and one in the iron and steel industry. If the results are encouraging and arouse general interest, the process will be extended to all the trades on the list annexed to the decision concerning the implementation of Article 69 of the Treaty.

Finally, Customs experts and vocational-training specialists are to discuss ways of eliminating the Customs and administrative impediments to the exchange of teaching aids within the Community.

CHAPTER FIVE

LIVING AND WORKING CONDITIONS

Section 1 — Wages, Terms of Employment and Social Security

215. The continuing good business done by the enterprises of the Community during 1957 made it possible to bring into force certain major agreements concluded in 1956, more particularly with regard to the introduction of shorter working hours.

Rising prices caused the sliding-scale clauses to be invoked in some countries, and made the trade unions more than usually vigilant to see that the purchasing power of their members' earnings was not reduced. Moreover, the price trend gave the employers' and workers' organizations an opportunity to express sharper criticism of the existing sliding-scale arrangements and to have these revised.

As in 1956, the workers pointed to the vigorous expansion in production and the considerable rise in productivity, and demanded a share in the results of the flourishing state of their industries and enterprises. Some changes were also made in wage regulations with the object of protecting the workers from fluctuations in income as a result of any future falling-off in economic activity or of production stoppages for technical reasons.

In the coalmining industry, joint efforts made by the Governments, the employers and the workers to improve the status of mining as an occupation included the institution of bonuses, in recognition of the special nature of the work. These endeavours to

give the miners a privileged position in relation to workers in other industries have, however, raised the awkward problem of differentiation, firstly, between underground and surface workers, and secondly, between surface colliery workers and workers in other industries.

In the social-security field one notable reform was carried through, that of the old-age pensions scheme in Germany; in addition, there would appear to be an increasing tendency to tie benefit rates generally to the cost of living.

Since 1952 direct hourly wages and total wage costs per hour have risen steadily in all the industries of the Community. The accompanying tables give comparative details of the trend in the wage rates in the different countries and of the increase in the enterprises' wage costs. They do not, however, indicate the actual wage levels, and cannot be used as a basis for assessing standards of living in the Community.

Trend in Direct Hourly Wages and Total Hourly Wage Costs in the Coalmining Industry⁽¹⁾
(underground and surface)

	(1953 = 100) ⁽²⁾												
	1952		1953		1954		1955		1956		1957		
	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage ⁽³⁾	Total cost	1st quarter	2nd quarter	3rd quarter
Germany (Fed. Rep.)	93.0	94.0	100	100	103.0	103.9	112.5	113.2	124.5/131.5 ⁽⁴⁾	120.4 ⁽⁵⁾	135.1/142.9 ⁽⁶⁾	129.0 ⁽⁴⁾	137.1/146.0 ⁽⁴⁾
Saar	98.7	97.9	100	100	101.3	102.1	110.1	110.6	118.5	123.7	130.0	129.0	132.4
Belgium	99.2	99.1	100	100	100.8	101.2	103.6	105.0	113.9	111.8 ⁽⁶⁾	130.2	127.6	125.9
France	99.6	97.1	100	100	102.2	102.0	111.9	112.6	121.6	125.9	136.2	135.2	140.1
Italy	—	—	100	100	102.7	106.0	109.4	115.2	121.3	126.3	139.0	141.0	142.9
Netherlands	98.8	98.9	100	100	109.0	110.2	116.8	122.2	125.7	134.5	138.0	138.0	141.7

(1) For definition see *Les Salaires et les Charges Sociales dans les Industries de la Communauté*, May 1956, Vol. I, section on wage costs and employers' labour charges (pp. 10-14).
(2) For wages in absolute figures, see *Les Salaires et les Charges Sociales dans les Industries de la Communauté*, May 1956, and *Informations Statistiques*, Nos. 4 and 6, 1956, and No. 5, 1957.

(3) Indices for hourly wages in 1956 and 1957 allow for pay in respect of off-days granted in lieu of a general reduction in working time.

(4) First figure exclusive of shift bonus; second figure inclusive of shift bonus.

(5) Exclusive of shift bonus.

(6) Exclusive of incidence of payments in respect of off-days in lieu of general reduction, the Belgian Government having temporarily made itself responsible for these.

Trend in Direct Hourly Wages and Total Hourly Wage Costs in the Iron-Ore Mines⁽¹⁾
(underground and surface)

	(1953 = 100) ⁽²⁾										
	1953		1954		1955		1956		1957		
	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	February	May August	
Germany (Fed. Rep.)	100	100	105.1	108.2	115.2	118.9	125.9	128.7	132.2	134.1	135.3
France (East)	100	100	103.0	103.9	116.4	118.3	130.4	137.9	143.0	146.6	150.6
Italy	100	100	105.6	105.3	110.6	109.2	114.6	113.6	118.0	120.7	121.8
Luxembourg	100	100	101.1	100.1	104.7	104.5	112.5	117.4	119.5	119.9	120.9

(1) For definition see *Les Salaires et les Charges Sociales dans les Industries de la Communauté*, May 1956, Vol. I, section on wage costs and employers' labour charges (pp. 10-14), ^k

(2) For wages in absolute figures, see *Les Salaires et les Charges Sociales dans les Industries de la Communauté*, May 1956, and *Informations Statistiques*, Nos. 4 and 6, 1956, and No. 5, 1957.

Trend in Direct Hourly Wages and Total Hourly Wage Costs in the Iron and Steel Industry⁽¹⁾

	1953 = 100 ⁽²⁾													
	1952		1953		1954		1955		1956		1957			
	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Direct hourly wage	Total cost	Jan.	March	June	Sept.
Germany (Fed. Rep.)	96.1	95.4	100	100	104.4	103.3	113.6	113.7	123.8	124.2	129.6	132.1	146.8	142.4
Saar	99.8	100.1	100	100	100.7	100.2	115.5	115.2	129.3	132.0	133.8	140.5	147.4	149.3
Belgium	102.7	102.1	100	100	103.9	102.9	110.4	110.1	120.9	122.0	125.5	126.1	126.9	127.5
France	100.4	98.0	100	100	104.4	102.7	117.6	115.9	130.0	131.4	131.3	134.9	142.2	143.1
Italy	102.0	97.9	100	100	106.4	104.6	110.5	106.9	119.8	120.6	125.0	124.8	127.8	126.0
Luxembourg	102.1	102.9	100	100	101.6	99.3	109.9	106.9	119.7	120.7	—	130.6	129.3	138.1
Netherlands	88.7	92.2	100	100	107.3	110.6	119.3	129.8	124.0	143.1	138.6	132.7	137.3	141.9

(1) For definition see *Les Salaires et les Charges Sociales dans les Industries de la Communauté*, May 1956, Vol. 1, section on wage costs and employers' labour charges (pp. 10-14).

(2) For wages in absolute figures, see *Les Salaires et les Charges Sociales dans les Industries de la Communauté*, May 1956, and *Informations Statistiques*, Nos. 4 and 6, 1956, and No. 5, 1957.

216. *Germany.* — The main features of 1957 were the full implementation of the 1956 agreements on shorter working time, the difficulties encountered, as a result of the difference in the rate of increase in productivity between the coalmining and the iron and steel industry, in keeping the miners their privileged place in the wage scale, and the reform of the pensions scheme.

217. Working time at the iron-ore mines was shortened as from January 1, 1957, by the granting of two additional paid off-days in the month⁽¹⁾.

A number of agreements on working time signed in the last quarter of 1956 came into full operation on April 1, 1957.

(1) The transition period laid down for the implementation in the Ruhr, Aachen and Lower Saxony coalfields of the agreements concluded in October and November 1956 is now expiring. The agreements provided for two paid off-days per month in lieu of a general reduction: henceforth these are to be allowed as regular off-days.

(2) Workers employed in the continuously-operating departments of the coalmining industry (coking and by-product plants, pithead power-stations) must be allowed one effective off-day per month in lieu of the reduction of the working week to 48 hours which has been decided upon in the second quarter of 1956.

(3) In the iron and steel industry, in accordance with the agreement of December 21, 1956, the regular working week, which had already been shortened to 48 hours for the first quarter of 1957, was to be further reduced to 45 hours. At the same time the hourly wages were increased by approximately 10%. This included the wage adjustment promised to make good the drop in earnings which would otherwise have resulted from the reduction in working time.

(4) Open-hearth and electric-furnace steelworks and roughing-mills integrated with them were from April 1, 1957, onwards to work a 42-hour week.

By the terms of an agreement concluded in April 16, 1957, the 42-hour week was also adopted for the blast-furnaces, though the date on which this was to come into force was put back until February 1, 1958.

⁽¹⁾ By the terms of an agreement concluded on January 9, 1957, Miners in the Upper Palatinate, however, are to have only twelve off-days a year in lieu.

Only in January were the details of the wage adjustment finally settled. These were such as to ensure that the previous wage level would be fully maintained.

The improvements in the working hours of the iron and steel industry served, however, to weaken the privileged position secured for the miners by the agreement of October 1956. This is likely to have an adverse effect on the recruitment and stabilization of the collieries' labour force. Moreover, IG Bergbau, the miners' union, expressed concern as to the effects of the measures taken in February 1956 with regard to the shift bonus and the bonus for pieceworkers, which it considered had unduly increased the disparity between the wages of underground and the surface workers.

IG Bergbau accordingly submitted a series of claims for the payment of housing allowances and for a wage increase for surface workers. The employers, though opposed in principle to IG Bergbau's suggestion of rent-free accommodation, agreed to pay a monthly housing allowance and to grant a graded wage increase of approximately 5.5% to the surface workers with effect from July 1, 1957.

Workers in the iron-ore industry obtained similar concessions, *viz.* a housing allowance and wage increases for surface workers (4% in Lower Saxony and 5% in the Siegerland), with effect from July 1 or September 1 according to area.

The effects of the wage increases in the coalmining industry are a good illustration of the difficulty of raising rates of pay in an industry where wage costs decisively affect production costs, and technical progress cannot assist the stepping-up of productivity to the same extent as in other industries.

218. On October 1, 1957, coal prices were increased in accordance with a decision by the producers. This step was greeted with protests from IG Bergbau; at the same time it was not without its effects on the claims of the workers in other industries. In the iron and steel industry negotiations were opened on December 12, 1957, in which the unions backed up their wage claims by pointing out that the iron and steel enterprises were doing extremely well and that the proportion on wage costs to turnover was falling.

No agreement had been reached by the beginning of 1958. The employers then proposed joint discussions with the workers of the iron and steel and coalmining industries, emphasizing that any wage increase in the former was bound to be followed almost at once by one in the latter, which in turn would send up coal prices and consequently iron and steel production costs.

219. The general remodelling of the social-security system carried by the Federal Republic in 1957 duly benefited the workers in the coalmining and iron and steel industries. The new pensions regulations instituted by the law of February 23, 1957, in respect of the general insurance system, and by the law of May 21, 1957, in respect of the mineworkers' insurance fund, embody the principle of the "developing pension" — so called because it is based at once on the wage earned during the last three years of employment and on the ratio of the claimant's wage throughout his career to the average wage of all insured persons. Under this system, workers' pensions will in future be so fixed as to give them the benefit of all-round wage increases resulting from improvements in productivity, and will be in a definite proportion to their own wages; furthermore, when the pensions become payable, they will be regularly adjusted to variations in the cost of living. Wage-earners disabled before the normal pensionable age will receive the same retirement as if they had continued working up to the age of 55. For pension purpose periods of apprenticeship and of unemployment will be treated as normal working years.

Further improvements in the social-insurance regulations for wage-earners include

- (a) reduction of the waiting period in case of illness from three days to two;
- (b) abolition of the waiting period in case of accident or where the illness involves more than 14 days off work;
- (c) introduction of supplementary sickness benefit payable by the employer, making the total up to 90% of the real wage earned;
- (d) increased family allowances: DM 25—30 per month per dependent child;
- (e) reassessment of disability pensions paid in respect of accidents dating from before January 1, 1957.

220. *Belgium.* — Developments in 1957 were dominated by the Belgian Government's anxiety to prevent a wage-price spiral liable to produce inflation and to hamper exports.

Trade-union claims were concentrated mainly on items in workers' incomes other than direct wages, and on participation in the results of the enterprises' productivity drive.

Apart from certain improvements in the benefits payable, the main development in regard to social security was the decision to the family allowances and disability benefits to the retail-price index.

221. The Government has already been impelled in 1956 by the inflationary trend to take precautionary action on prices and wages. An official announcement on December 18 was the signal for a more determined pursuit of this policy.

Notwithstanding, rising retail prices brought the sliding-scale clauses into operation in January, and standard wages in the coalmining and iron and steel industries were raised by 2.5%.

Following the Government's statement of its intentions on December 18, 1956, a law was passed on March 12, 1957, authorizing it to peg wages and prices should it see fit, and if necessary to supplement such action by blocking certain profits.

On March 26, 1957, the maximum wage for social-security contribution purposes was raised from Bfr. 5,000 to Bfr. 6,000, while the recent adjustments of wages to the cost of living brought some workers' incomes into higher income-tax groups. This gave rise to discontent, fresh claims and sporadic strikes in various industries all over Belgium. The claims were not for all-round increases outside wage-agreements (*i.e.* not automatically resulting from the operation of the sliding scale), but for higher minimum wages, equal pay for women workers and double holiday gratuity: the main point was made that there ought to be a genuine productivity policy and that the workers should be allowed to share the benefits of economic prosperity.

In May, the Commission Nationale Mixte des Mines approved a new agreement on the sliding wage scale whereby the system was to become much the same as that of the iron and steel industry: wages would go up or down by 2.5% each time the arithmetical mean of the retail prices for two consecutive months changed by the specified amount. All wage changes would take effect from the first of the following month.

The metal-workers pressed their two main claims, for the double holiday gratuity and the abolition of the three-day waiting period before sickness benefit, became payable.

The employers took their stand on the law of March 12, 1957, and the Government's undertaking not to impose further burdens on industrial enterprises; the unions retorted that they were entitled to claim wage increases under the Protocol on productivity of May 5, 1954. On June 3, notice of strike action was given, and shortly afterwards 200,000 metal-workers came out. The negotiations subsequently begun at the instance of the Government ended in agreement on July 12: in accordance with terms to be settled by special jointly-appointed committees, the workers were to

receive a 2—3% increase as their share in higher productivity as from January 1, 1958. The Government stated its willingness to consider adjusting income-tax rates in accordance with the movement of retail prices and rates of pay.

Disagreement ensued, however, as to the interpretation of the July compromise, and the matter was not finally settled until December, when the workers agreed to drop certain claims for 1958 but were granted a 2% increase, independent of the sliding scale, with effect from January 1, 1958, a further 1% to be added from July 1 if the economic situation improved.

In the fourth quarter the economic position worsened: although the wholesale-price index continued to fall the retail-price index rose, until in September and October it was above the warning point and wages had accordingly to be increased by 2.5% from November 1.

222. Two improvements were made in 1957 in respect of holidays and working hours in the coalmining industry.

By an agreement concluded on February 1, all workers were allowed a further three off-days a year (to be taken at their convenience) over and above the fifteen granted them in January 1956 in lieu of a general reduction in working time. The minimum attendance laid down in 1956 as entitling workers to off-days in lieu was revised.

In November, the Government decided in principle that underground mineworkers' regular paid holidays should be increased from six to twelve days a year: although this decision has not yet been embodied in a Royal decree, the employers have complied. Underground workers are thus from now on entitled to twelve days' paid holiday in the year, with a double holiday gratuity for six of these, and to twelve extra days if they fulfil certain attendance requirements.

223. 1957 saw a number of improvements to the Belgian social-security system which, although they cannot be described as a structural reform, are nevertheless of some importance and introduced a number of new principles into the existing legislation.

As from April 1957, family and maternity allowances have been tied to the retail-price index; in addition, a number of increases have been made. Unfitness and disability benefits from the seventh month onwards now also move with the retail-price index. The pensions scheme for salaried employees has been remodelled along the lines of that in force for wage-earning workers since May 1955.

224. *France.* — The wage trend in 1957 was influenced on the one hand by the marked increase in industrial production, the rise in home consumption and a rate of expansion well above that of the other countries, and on the other by budget difficulties and the balance-of-payments deficit.

The Government strove to check the rise in prices: the trade unions maintained unremitting pressure to ensure that the workers' purchasing power was not reduced.

The introduction of new price indices and a new sliding scale brought wages better in line with the cost of living. The improvements obtained also maintained a correlation between wages and productivity increases.

Negotiations for a shorter working week made headway in both the coalmining and the iron and steel industry.

As regards social security, apart from certain changes on points of detail, 1957 saw a great deal of preparatory work put in on the projected reform of the health-insurance system.

225. In the coalmining industry, the employers and workers met early in January, in accordance with the agreement of December 27, 1955, to discuss what wage increases would have to be granted in the course of the year, having due regard for the enterprises' position: the 1955 agreement specified that they must not be less than 3%. The trade unions had announced in October 1956 that they considered this figure too low in view of the rise in prices and the continuing boom conditions. In 1957 the claim, aimed at combating the fall in purchasing power and ensuring the workers a share in the results of the increase in productivity, linked up appropriately with the desire of all concerned to secure a new deal for mining as an occupation.

The agreement of April 3, 1957, which took effect retrospectively as from January 1, met the unions' claims as follows:

- (a) improved purchasing power and share in results of increased productivity: the basic wage was raised to Ffr. 108.50 for surface workers and Ffr. 128 for underground workers (an increase of 7.4% and 8% respectively over the December 1955 rates), while the monthly share in the productivity bonus was henceforth to be paid at a flat rate of Ffr. 80 per shift at all collieries;
- (b) new deal for mining: a "coal bonus" was instituted, amounting to 3% of the basic wage plus bonuses and allowances.

The overall increase thus obtained works out at between 9.5% for Group I, surface, and 11.02% for Group VI, underground.

Similar increases were granted to the workers at the iron-ore mines, also with effect from January 1, 1957.

226. In the iron and steel industry, various wage claims were submitted during the first quarter, mainly aimed at securing for the workers a share in the advantages of increased production. Claims for the preservation of purchasing power began to come in somewhat later, increasing steadily as the year advanced.

A number of strikes occurred in April: in the departments of Moselle and Meurthe-et-Moselle an agreement concluded on May 22 raised salary and wage schedules by 6% over the 1955 schedules with effect from May 1, the minimum hourly rate for unskilled workers being fixed at Ffr. 106 and the guaranteed hourly earnings at Ffr. 135.

227. By the end of the second quarter the slow but steady rise in retail prices was eating more and more into the purchasing power of the wage-earners. The official price-index for 213 items was still unchanged, in contrast to that shown in the specimen budgets worked out by the trade unions and other economic observers: this fixity gave rise to much criticism of the price-index structure and of action by the Government in respect of the prices of certain commodities from which the index was computed.

Even so, in May and June the movement of the index for the 213 commodities made it apparent that the sliding scale would shortly have to come into operation once more. The new Government thereupon adopted a policy of progressively eliminating existing subsidies, one of the results of which was a rise in the prices of all the foodstuffs among the 213 commodities.

The level at which the sliding scale became operative having been reached at the end of July, the guaranteed minimum wage for all industrial workers was increased by 5.9%, and on September 10 the Government decreed the abolition of the 213-item index and the introduction of two new indices,

- (a) the 179-item index based on the expenditure of the unmarried unskilled worker, applicable throughout France, to serve as the basis for the computation of the guaranteed minimum wage for all industrial workers;
- (b) the 250-item index, to record variations in the cost of goods and/or services to wage-earning workers' and salaried employees' households in the Paris area.

Under the old system, a change of 5% or over in the monthly index entailed a proportionate change in the minimum wage: the new scheme provided that a change of 2% in two consecutive months was to entail a readjustment in proportion to the mean increase recorded. The latter arrangement will thus be more flexible, and the minimum wage will change less steeply though more frequently. Moreover, the development of the national income is now treated by the law for the first time as one of the factors which may be taken into account by the Cabinet which has to fix the guaranteed minimum wage. This concession to the trade unions is a step towards the introduction of a dual sliding scale, *i.e.* wages/production and wages/prices.

228. While the discussions which ultimately culminated in the amended sliding-scale and price-index system were in progress, the Government was involved in a dispute with the mineworkers' unions. Under Article 12 of the Miner's Code, all miners' wages were tied to the 213-item index. In actual fact, mineworkers' wages were governed by two variables: the first, based on productivity, had resulted in a fairly steady increase, settled in the course of annual discussions, while the second, which had been instituted on December 16, 1954, and was based on the cost of living, guaranteed their purchasing power against future price increases. It was, incidentally, the movement of the second variable which brought about the 5.9% increase in all miners' wages as from August 1, 1957.

The Government was anxious, however, that in future, whenever wage increases were granted on grounds of productivity, the cost-of-living index as at the date of such increase should constitute the reference index for calculating subsequent increases on grounds of rising prices.

In order to preserve the dual system in force, the unions proposed that all productivity wage increases should be accompanied by appropriate cost-of-living increases, forthwith, without waiting for the level specified in Article 12 of the Miner's Code to be reached (5% of the increment in the index).

Although this arrangement was approved by the Government for the collieries on August 2, it was not extended to other types of mine (including the iron-ore mines) until December 16, 1957.

229. During the second half of the year the new Government strove to check the rise in prices while at the same time abolishing the tax reliefs and subsidies granted by its predecessors, with the object of stabilizing the cost-of-living index. In September, finding the wage-price balance in jeopardy, the Government proposed regular discussions between the employers' and workers' organizations, and the conclusion of a "social pact" to run up to March 15, 1958. The idea of a pact was not taken up; the organizations did, however, agree to hold regular meetings.

In the iron and steel industry of Eastern France, the minimum rate for each grade and the guaranteed minimum earnings were adjusted in November, the average increase being in the region of 5%.

In the coal and iron-ore mines the operation of the sliding-scale clauses resulted in wage increases of 5.44% from December 15, 1957. In the case of the coalmines this brought the average total increase for the year in standard wages and direct supplementary bonuses and allowances to nearly 20%, a demonstration of the determination to upgrade mining which was expressed as long ago as the reorganization of the wage structure in 1945.

230. A number of noteworthy advances were made during 1957 in the field of French labour legislation.

In May, the iron and steel industry in Eastern France concluded agreements providing for the reduction, in principle, of the working week in the continuously-operating departments from 56 hours to 48; the details of their implementation were embodied in a further agreement of December 13, which, *inter alia*, fixes the compensation for the resultant wage losses at 65%. Some of the measures designed to provide this wage adjustment came into force as early as January 1, 1958; the remainder will be initiated as and when the works actually introduce the 48-hour week in their continuously-operating departments. By May 1, 1958, all the round-the-clock services of the industry will be working a 48-hour week.

The number of paid official holidays in the year was increased in November 1957 from four to five in the iron and steel industry of the Loire area, and in December 1957 from five to six in that of Valenciennes.

To enable workers and apprentices to attend courses and lectures in connection with workers' educational schemes and trade-union training, a law was passed on July 23 entitling one worker a year out of twenty on the books to twelve working days' unpaid "education leave".

Wage-earning workers with not less than six months' service in their enterprise are henceforth entitled to a minimum notice of one month prior to discharge (except in cases of dismissal for serious misdemeanour), without prejudice to any more favourable existing arrangements established by custom or under collective-bargaining agreements⁽¹⁾.

231. No major reforms were introduced in 1957 in the field of social security. There were a number of improvements worth recording:

⁽¹⁾ Law of February 19, 1958.

- (a) the annual re-assessment of disability, old-age and industrial-injuries pensions brought an 11.2% increase in all these benefits;
- (b) the concept of *accident en route* (accident on the way to and from work) was defined and extended;
- (c) eligibility for benefit in cases of temporary incapacity of sufferers from occupational silicosis was extended;
- (d) family allowances were increased by 5% at the end of 1957, while the maximum yearly wage on which contributions are payable was fixed at Ffr. 600,000, both for general insurance purposes and under the miners' special scheme.

Changes introduced under the miners' scheme included

- (a) an increase in the employer's contribution from 8% of the wages to 12%, with effect from January 8, 1957, owing to the increase in the proportion of pensioned-off to contributing workers;
- (b) an increase in pension rates due to the operation of the sliding scale introduced into the miners' social-security scheme by the law of December 15, 1956: the regular pension for 30 years' service went up from Ffr. 204,840 in January 1957 to Ffr. 233,400 in September 1957.

232. One further highly characteristic feature of the trend in the social-security field in France has been the development of supplementary schemes instituted on a collective-bargaining basis.

At the end of 1956, the collective-bargaining agreements in force in the iron and steel industry in Eastern France were supplemented by provisions guaranteeing, in the event of sickness or an accident, benefits amounting to 75% of the wage last earned, over and above the statutory payments: these additional benefits, which are borne exclusively by the employer, are payable over a period of six months, subject to a waiting period of one fortnight or one month according to duration of disability, to all workers with not less than one year's service in an iron and steel enterprise.

A general agreement was concluded on May 15, 1957, between the Conseil National du Patronat Français on the one hand and the Confédération Française des Travailleurs Chrétiens and Confédération Générale du Travail Force Ouvrière on the other concerning supplementary retirement schemes, which had been coming in more and more for managerial personnel but to a lesser extent only for workers. A large number of enterprises have already subscribed to this agreement, and the system would appear to be destined for introduction on a considerable scale.

233. *Italy.* — The employers' and workers' organizations go carefully into expected economic and social developments at the beginning of each year. In 1957, the two matters most to the fore were the introduction of shorter working hours without loss of pay, and the granting of wage increases in line with the major industrial expansion recorded in 1956, particularly in the iron and steel industry.

The trade unions on this occasion made the point that in 1956 the 4—6% increase in standard wages had only just offset the 5% rise in the cost of living, and that indeed if family allowances were taken into account the situation had even slightly deteriorated.

The Confederazione Italiana Sindacati Lavoratori (C.I.S.L.) urged more vigorous union action at enterprise level, with special emphasis on a shorter working week without reduction in wages. The Unione Italiana del Lavoro for its part contended that a review of working hours was essential to cope effectively with the risk of increased unemployment through technological changes.

The employers pointed out that the real charges on industry had doubled since 1938, and that the trend in real wages had been parallel with the general economic development. They held that the unemployment problem was best dealt with by the creation of new openings for employment, rather than by the shortening of working hours.

234. The outstanding event of 1957 with regard to wages was the inter-federation agreement of January 15 on the sliding scale. The two wage increases recorded during the year were due to the operation of the scheme as amended in accordance with this agreement.

The unions, particularly in the iron and steel and metallurgical sector, also pressed claims for a shorter working week. They pointed to the improvements made in this respect in the other iron and steel industries in the Community, and urged the need for a progressive adjustment of Italian working conditions to those in the other countries.

Strikes broke out on May 23 and June 12, 1957, in support of these claims. Negotiations had been going on since the previous November, and culminated on March 7, 1958, in an agreement providing for the reduction of the working week from 48 to 46½ hours without loss of pay, or alternatively the granting of a number of additional off-days during the year.

235. On the whole the sliding-scale system, as amended in 1951, maintained the purchasing power of the wages paid: it was, however,

subjected to a good deal of criticism, both from the employers and workers and from outside economists. It was held to be unduly sensitive to upward trends, unnecessarily rigid and too slow in following downward trends. In addition, the prescribed time-limits for its implementation were too long, so that when prices rose sharply increases in the cost-of-living allowances barely sufficed to cover them.

The 1951 agreement provided that the contracting parties should be entitled to ask for a revision when the cost-of-living index had risen by 25%. This it did in 1956, whereupon the employers and workers met to examine the trade unions' proposals for revision.

The main changes in the operation of the sliding scale under the new agreement were as follows:

To offset the effects of temporary or seasonal price fluctuations, the cost-of-living allowance was in future to be revised quarterly in accordance with the movement of the cost-of-living index, remaining unchanged in the interval. On the other hand, the new rates for the allowance were to come into force forthwith, as from the first of the month following the quarter concerned. In principle, fluctuations in the cost-of-living work in much the same manner whether they are upward or downward: notwithstanding, in the event of a drop the reduction in the cost-of-living allowance was to become operative only three months later, and only if the lower cost of living persisted; should this not be so, the reduction was to apply only to the extent that the drop was not offset by a subsequent rise.

New criteria were adopted for the composition of the price-index, in order to correct as far as possible all purely seasonal price variations; to ensure more accurate weighting of the cost-of-living indices for the sixteen cities used for the computation of the national index, the working population of the different provinces was in future to be taken into account.

The value of one point in the cost-of-living allowance was increased by 43% for territorial group A and by 53.75% for group B, which reduces the discrepancy between the two (which represent approximately the southern and northern halves of the country respectively) from 20% to 14%. Cost-of-living allowances for women were raised 1% more than those for men, while differences between grades remained unchanged. When the cost-of-living allowance had risen by 10 points in accordance with the system, the contracting parties were to meet to discuss transferring a proportion of the allowance to the basic wage.

236. During 1957, the sliding scale as thus amended came into operation on two occasions, on May 1 and November 1, each time increasing the cost-of-living allowance by one point. The stability of the purchasing power was thus assured.

The disparity between standard wages and average earnings remained in the region of 29%, and was relatively unaffected by changes in hours worked. The year 1957 saw further signs of simplification of the wage structure, as for instance by the clause providing for integration of the cost-of-living allowance after a rise by 10 points.

Many enterprises adopted measures designed to rationalize their arrangements in regard to such matters as bonuses, piece or task rates and job evaluation.

237. Few changes of note took place in regard to social security. Developments in this field did, however, include the raising of the maximum wage liable for contribution, and increases in tuberculosis and sickness benefit for old-age pensioners.

238. *Luxembourg.* — A certain falling-off in industrial production from the 1956 level, particularly in the iron and steel industry, together with the rise in retail prices, caused workers in 1957 to feel the need for greater security in regard to wages. The lengthening of the statutory period of notice prior to discharge is indicative of similar anxiety as to security of employment.

On January 1, 1957, the sliding scale came into operation for the first time since 1951, the retail-price index having risen by five points over the past six months: wages in the iron-ore and iron and steel industries, which are tied under a collective-bargaining agreement to the price index, were accordingly increased by five points, representing a wage increase of 4.16%.

239. By a decree of December 31, 1956, the guaranteed minimum hourly wage had been raised from Lfr. 21 to Lfr. 22, and the guaranteed minimum emoluments of salaried employees and workers paid by the month from Lfr. 4,200 to Lfr. 4,400. Criticism began to be levelled during the first quarter at the rate fixed for the minimum wage and at the operation of the sliding scale. The unions demanded that the minimum wage for unskilled workers be raised to Lfr. 25, and that a second minimum, 20% higher, be reintroduced for skilled workers (this latter arrangement had been instituted immediately after the war, and discontinued in 1948).

It was further contended that the sliding-scale system was not sufficiently flexible, the method of calculating the average index for the past six months serving to delay unduly the adjustment of wages to the cost of living. Finally, in the iron and steel industry in particular, the unions urged the

remodelling of the wage structure, as the variable element was considered to be too high, and thus to make the worker's income too much dependent upon unforeseeable circumstances.

A fresh collective-bargaining agreement signed for the whole iron and steel industry on April 24, 1957, raised the guaranteed wage, which must in future not fall below 60%⁽¹⁾ of the hourly wage for the reference period⁽²⁾, or below 115% of the basic wage.

A similar guarantee was given to the iron-ore miners by a collective-bargaining agreement of June 5, 1957.

The arrangement in regard to the payment of the annual gratuity were also amended, the gratuity to be henceforth payable in a single lump sum in May of each year, and to comprise one fixed amount of Lfr. 1,800, one variable amount according to seniority (Lfr. 300 per year of service), and one variable amount according to size of family (Lfr. 600 per member).

240. On November 1, 1957, the cost-of-living index having gone up a further five points, all wages and salaries in industry and the public services were raised by 4%, the minimum hourly wage and minimum salaries being increased to Lfr. 22.90 and Lfr. 4,580 respectively.

In the iron and steel industry direct hourly wages went up by more than 12% between December 1956 and September 1957, as against 9% in 1956. The difference would seem to be very largely due to the operation of the sliding scale.

241. The collective-bargaining agreements concluded in April and June in the iron and steel and the iron-ore industry respectively provided, for the first time in either of these sectors, for periods of notice in the event of large-scale discharges in proportion to the workers' seniority in the enterprise, *viz.* four weeks for workers with less than five years' service, six weeks for those with five to ten years', and eight weeks for those with more than ten years' service.

Moreover, all discharges must be justified by a reduction or discontinuation of operations or by lack of work, and the employer must inform and consult in good time the appropriate body of workers' representatives within the enterprise and the unions which signed the agreement.

(1) 70% for certain jobs.

(2) Basic wage plus production bonuses paid during the fourth quarter of 1956.

Adult steelworkers and iron-ore miners were granted from two to six extra days annual holiday, according to seniority, and the annual holiday for juveniles was increased from 12 days to 18.

242. No major reforms were introduced in the social-security field, but improvements were made in the miners' and steelworkers' old-age pensions scheme, whereby miners with 35 years in the industry behind them were to be entitled to pensions at 55, and steelworkers at 60, instead of at 58 and 62 as previously.

Old-age, disability and industrial-injuries pensions moved with the cost-of-living index in the same way as wages. In addition, the list of occupational diseases entitling to compensation was amended and extended by a Grand Ducal decree of November 11, 1957.

243. *Netherlands.* — The movement of wages in the coalmining and iron and steel industries is more closely linked in the Netherlands than in some other countries with the general wage trend. The wage level in all industries is regulated to a great extent by Government decisions relating to all aspects of the country's economic and social policy.

The collieries have, however, a special problem of their own, connected with the need to upgrade mining as an occupation in order to cope with recruitment difficulties and falling production, and accordingly special decisions have had to be taken in regard to them.

244. In view of the economic trend during 1956, the Netherlands Government was obliged in that year to consult the Economic and Social Council as to what action it should take to correct the relation of national expenditure to national income, and to what extent the further burdens on the workers resulting from the remodelling of the old-age pensions scheme should be offset by means of a wage increase.

It was the Government's intention to replace the 4% pay-roll tax payable by the employers, out of which old-age pensions were partly financed, by a 6.75% contribution payable by the workers only, which would finance the new pensions scheme. It had been decided in principle to offset this deduction from real wages by an all-round wage increase. The Government also wished during 1957 to authorize an increase in rents, which was to be offset for the workers in the same way.

The Economic and Social Council gave its reply on November 28, 1956, to the effect that national expenditure should be reduced by Hfl. 700 million in 1957. Of this total, Hfl. 275 million would have to come from the

amounts available to households for consumer-goods. This curtailment of consumption would have to be obtained more particularly by

- (a) raising the cost of living by the abolition of consumer-goods subsidies and by an increase in the charges for public utility services;
- (b) allowing only limited compensation to the workers in respect of the new old-age pensions contributions.

The Council further recommended a policy of stabilizing prices and wages.

The Government thereupon decided that there could be no general wage increase in 1957 except such as would be necessary to offset the higher rents and the contribution to the old-age pensions scheme: no increases would be granted in individual sectors unless the sector in question could be shown to be definitely lagging behind the rest.

In accordance with the findings of the Labour Foundation (Stichting van de Arbeid), the Board of Arbitration (Rijksbemiddelaars) approved a 5.6% increase in standard wages for all workers under 65, with effect from January 1, 1957.

With the new 6.75% old-age pensions contribution, therefore, the workers' net wages were down by 1.15% and the employers' charges up by 1.6%.

245. Shortly afterwards, the farmers asked the Government to take steps to increase the proportion of the national income allocated to the agricultural sector. It was clearly impossible to accede to this request without sending the cost of living higher than had been allowed for in the Economic and Social Council's pronouncement of November 1956. The Labour Foundation, asked by the Government whether this further increase in the cost of living would be tenable, was unable to express an opinion. The employers', workers', farmers' and middle-class representatives' organizations gave their views separately. The workers stated that they were prepared to accept a further rise in the cost of living in order to ensure higher wages for agricultural workers, but that the increase must not be so great as to bring the index above 112 for 1957 as a whole or above 114.5 for the end of the year. Should these figures be exceeded, the union executives reserved the right to submit fresh wage claims.

246. A further wage increase had been promised by way of compensation for the fact that rents were to go up by 25% from July 1, 1957. The general percentage increase to be granted was estimated by the Labour

Foundation at 2%. The employers and the workers failed to agree, however, on the minimum amounts to be adopted for the different categories of urban or rural district of locality. Provision had been made for maximum and minimum compensation rates, inasmuch as rent items represent a larger proportion of low wages.

The increase in rents and the wage adjustments became operative on August 1, 1957: the maximum compensation rate had been fixed at Hfl. 4 per week, while the minimum varied according to locality from Hfl. 2.10 to Hfl. 3.10 per week.

The wage increases were to be paid in the form of supplements, and were not be incorporated into the national standard wage rates until July 1, 1958. In point of fact, the increase in standard wages from July to August 1957 was 4%, which confirmed that the great majority of the workers had been paid the guaranteed minimum compensation.

It should be noted that in the coalmining industry neither the wage adjustment in respect of the new old-age pensions contribution nor that in respect of the higher rents was embodied in the wage schedules, while in the iron and steel industry the first of the two increases was so embodied with effect from April 1, 1957.

247. By June 1957, the cost-of-living index had risen above 114.5, the level which the unions had fixed as the end-of-the-year limit beyond which they had reserved the right to submit fresh wage claims. Accordingly, during the second half of the year, the trade-union federations asked that the problems arising out of this development should be examined.

The Government was thus faced with a union request made in the realization that no advantage was to be gained from a general wage increase, and aimed solely at securing a wage adjustment for the workers in the lower income-groups.

The employers announced that they were in favour of measures designed to ease the situation of families living on very small incomes with dependent children.

Upon the proposal of the Labour Foundation, therefore, a bill was introduced by the Government at the end of 1957 providing for a temporary increase in family allowances of ten cents per day per child for families with a weekly income of Hfl. 96 or less.

248. In the coalmining industry a special problem made itself felt in the course of 1957. Since the end of 1956 it had been apparent that the privileged position which it is essential the miner should enjoy with regard to wages had been almost entirely nullified, that the manpower shortage had consequently appreciably worsened, that more and more miners were being attracted away to Germany and Belgium by the higher wages and better terms of employment, and that the position was likely to become still more serious as a result of the Government's efforts to restrict consumption.

The Catholic mineworkers' union proposed the institution of a shift bonus, higher annual seniority bonuses, holiday gratuities of 4% of the wage instead of 3%, payment for official holidays falling on a Sunday, and better holiday pay.

The employers' reaction was favourable, and the Board of Mines was consequently able to approve a wage increase for the underground workers. In the case of the surface workers, on the other hand, it was felt that a comparison must first be made between their wages and those paid in other branches of industry.

A go-slow strike lasting some days began on April 1 in support of the union's advocacy of a simultaneous increase for underground and for surface workers.

The Board of Mines on July 31 issued decisions meeting the union's demands on all points, and these were duly ratified by the Government with the exception of that concerning the shift bonus, which provided for the payment of Hfl. 1.50 per shift worked below ground, Hfl. 1.00 per shift worked above ground, and Hfl. 0.50 per shift worked above ground by juveniles under 18.

In October, the Government announced that it was not in favour of instituting a shift bonus for all miners, as it considered this to be a new and undesirable element in the wage structure. It did, however, agree to the payment of a bonus to underground workers for one year; as regards the surface workers' wages, it recommended that job evaluations be carried out to enable any anomalies in respect of particular duties to be corrected. It was convinced that the needs of wage policy in the country as a whole took priority over the arguments for closer co-ordination of underground and surface workers' pay.

The Board of Mines then issued two further decisions which the Government accepted, instituting a bonus of Hfl. 1.00 per shift for underground workers with retrospective effect from August 1, 1957, and a wage increase for certain grades of surface workers.

249. A number of changes were made in 1957 in regard to terms of employment.

After a careful study of the question of shorter working hours and of the five-day week, the Board of Mines decided in April to allow miners 12 extra paid off-days which must be taken on Saturdays. In addition, the annual holiday due to juveniles under 18 was increased from 12—14 days to 18.

250. Fairly considerable changes were made in the social-security schemes.

On January 1, 1957, the law on general old-age pensions came into force — the first instance in the history of the Netherlands of an insurance system covering the entire population.

Two successive increases in the maximum pension rate brought this up from Hfl. 1,404 per annum for insured married persons and Hfl. 846 for unmarried to Hfl. 1,524 and Hfl. 936 respectively, with effect from August 1, 1957.

Disability insurance benefits and family allowances were raised in step with the rise in rents. Contributions in respect of family allowances were reduced from 5% to 4.6% from January 1, 1957, and unemployment-insurance contributions from 2.4% to 1.6% from the same date. The maximum income entailing contribution to disability, sickness and unemployment insurance was raised from Hfl. 6,000 to Hfl. 6,900, also from January 1.

251. *High Authority activities.* — Side by side with its various statistical studies designed to provide information on the level and movements of workers' earnings and incomes, purchasing power and labour costs, the High Authority continued to make investigations into wage policy and wage systems in the Community industries, and to pinpoint as far as possible all new developments in these arising out of the modernization of enterprises.

A study entitled *L'Evolution des Salaires et la Politique Salariale dans les Industries de la Communauté*, published in April 1957, traced trends and often factors affecting and/or determining wages from the immediate post-war period (1945—46) down to 1956. Similar studies are in future to be carried out annually: the 1957 study is due to be published in June of this year.

The results of enquiries into job evaluation methods as practised in the iron and steel industry in the Community were published in September 1957. These reports, one for each country, describe the wage position as reflected in the collective-bargaining agreements in force in the country concerned, and the extent to which job evaluation methods are employed in the country's iron and steel industry and the effects of their introduction on the wage structure. A composite survey is now in preparation which will bring out the aspects most valuable and instructive for the employers' and workers' organizations from among the various experiments which have been made in the different countries.

252. Studies on wages and social security have advanced considerably in recent months. Any examination of these problems calls for close co-operation between the High Authority and the experts of the employers' and workers' organizations, in view of the complexity of the methods studied and the difficulty of recording objectively the attitudes of the employers and workers directly concerned.

At the same time, information and documentation work is not the High Authority's only job in this field: it is also required to promote exchanges of experience at Community level. In pursuance of this double objective, it is planning to set up a Wages and Social Security Commission, to consist of experts from the employers' and workers' organizations.

A number of studies are currently in preparation on behalf of the Consultative Committee, which is anxious to complete its documentary material in order to be able to answer a question on wages submitted to it by the High Authority. The object of one of these, which is being carried out by specialized research centres, is to assemble observations on the influence of the worker on his work in the light of the extension of mechanization and the new methods of works organization.

The other surveys are compiled separately for each of the Community industries and deal with the systems most usually adopted

by enterprises for relating wages to production, output and productivity. The results should be forthcoming towards the end of 1958.

253. Having published monographs on each country describing in readily comparable summary-style the social-security schemes applying to workers in the coalmining and iron and steel industries, the High Authority then turned to the work of bringing this material up to date and studying the trends observable in the development of these schemes over the past few years.

It is also, in co-operation with experts from the employers' and workers' organizations, assembling material designed to bring out the most important features of agreements and contracts, either at industry or at enterprise level, granting workers additional social-security benefits.

254. As a logical follow-up to the studies on the trends in wages and social security, monographs are now in preparation covering the trend in terms of employment in the Community industries, and picking out major milestones to date and sign-posts for the future.

The results of these investigations into the lines along which the principal components of social policy — wages, social security and terms of employment — have been and are evolving will serve as a basis for regular and thorough examination of social development in the industries of the Community.

The work of the group of lawyers specializing in labour law has been proceeding satisfactorily. A first volume embodying their conclusions on the sources of labour law (*Les Sources du Droit de Travail dans la Communauté*) was published in December 1957; another, on stability of employment (*La Stabilité de l'Emploi*), is printing, and a third, on workers' representation within the enterprises (*La Représentation des Travailleurs au sein des Entreprises*), is scheduled for completion in June 1958. The working party is now preparing reports on strikes and lockouts.

255. The High Authority continued to arrange regular discussions at Community level between employers' and workers' representatives with the object of discovering the most appropriate ways and means of introducing progressive and parallel improvements in regard to certain terms of employment. In the case of the iron and steel industry it was felt necessary to go thoroughly into the problem of working hours in the continuously operating departments: the experts asked to do this duly completed their enquiries, and their findings were forwarded for study to the Joint Committee of Producers and Workers, which was to meet at the end of April.

High Authority endeavours along the same lines with regard to the coalmining industry have not yet produced comparable results. A number of separate employers' and workers' meetings were held in preparation for a joint meeting, but differences of opinion arose as to the agenda for such a meeting and the proposed presence of Government representatives. The employers considered that, in view of the important part played by the Governments in regulating working conditions in the coalmining industry, it was essential that Government representatives should sit in at the meeting. Ultimately, the workers' representatives concurred.

The High Authority passed this request on to the Governments and invited them to appoint representatives to the new tripartite Committee. Although certain reservations were expressed as to the form of co-operation thus proposed, four of the five Governments concerned have already replied accepting the High Authority's invitation.

Section 2 — Industrial Medicine, Accident Prevention and Industrial Safety

256. During 1957, the first research programme in connection with occupational diseases went ahead most successfully, and produced a number of important results. Exchanges of information for the benefit of research centres and industrial medical officers continued, through meetings and through the work done by the Medical

Documentation Pool. The High Authority, after hearing the views of the Consultative Committee and obtaining the agreement of the Council of Ministers, on December 5, 1957, decided to set aside the sum of three million units of account for a further four-year study and research programme on dust suppression in industry, the rehabilitation of persons who have been injured at work or developed occupational diseases, and accident prevention.

The collaboration between the Research Committee and the Committee of Producers and Workers was outstandingly effective: the latter body co-operated closely with the departments of the High Authority not only in the discussion of research projects, but also in the preparation of the study and action programme in regard to industrial safety.

257. *Industrial medicine.* — The organization of more regular contact between research workers set the stage for scientific collaboration. Thanks to the frequent exchanges of experience and the rational allocation of responsibilities which has sprung up of itself, the actual research work has been enabled to go forward more rapidly. Some of the results achieved are already being applied in the practical field; others represent a decisive step forward in scientific research, enabling the research workers to turn their attention to a more definite objective.

On the basis of the progress made it was possible to draw up a schedule of study and research work up for the utilization during 1958 and 1959 of the balance remaining from the original appropriation of 1.2 million units of account⁽¹⁾.

At the beginning of 1958 the High Authority granted a total of 656,214 units of account to 35 research centres for 76 projects in all.

258. Study and research work was carried on in all five of the main sectors of the programme, silicosis, carbon-monoxide poison-

⁽¹⁾ See *Fifth General Report of the High Authority*, April 1957, No. 256.

ing, high temperatures, noise abatement, and rehabilitation. In each of these fields work went ahead on problems of standardization with the object of ensuring comparability between the results achieved in the research itself. This could not have been done without extensive reliance on the facilities provided by the departments of the High Authority for the centralized co-ordination, translation, statistical evaluation and distribution of the documentary material involved. The first results have not yet been published, as the research centres had first to test them out during 1957.

The contact established among research workers in different countries enabled the centres to exchange much highly detailed information as to the best methods and equipment for certain new lines of investigation, including quantitative analysis of gases in the blood in the diagnosis of emphysema, detection of chronic carbon-monoxide poisoning by means of biological tests, better X-ray detection of early forms of silicosis, accurate assessment of the atmosphere below ground by new methods, more efficient recording of injurious noise vibrations, and the usefulness of certain processes such as weaving in the rehabilitation of the motory functions. The considerable volume of technical data forthcoming to date is proving of the greatest value to the research workers.

While not going into the problems concerned in any great detail, the following section provides a brief general outline of the manner in which the work is developing in each of the fields covered.

259. *Silicosis.* — Silicosis is receiving concentrated attention at 35 research centres in the different Community countries.

(a) *The harmfulness of dust* is being studied with particular care. Various types of experiment with animals were carried out to determine the degree of harmfulness of the dust encountered in the iron and steel industry and in the coal and iron-ore mines.

It is now recognized that the smaller ramifications of the bronchioles cannot obstruct the fine particles of noxious dust which penetrate to the lung and remain there over considerable periods. Work on methods ensuring a better elimination from the lungs is not, however, at present sufficiently advanced to allow of practical conclusions.

More details have, on the other hand, been brought to light as to the manner in which dust becomes injurious within the lung. In particular, it has been possible to define certain physical and chemical properties pertaining to quartz which are liable to induce major disturbances in the cellular structure of the pulmonary tissue. The tissue thus affected undergoes a process of fibrous transformation which seriously interferes with the lung's ability to function at all. The re-formed fibrous tissue is ascribed by some research workers to a special sensitization of the organism similar to that observed in diseases of the blood and in infectious complaints (production of antibodies). Following research carried out with High Authority assistance, the Clinica del Lavoro in Milan and the Istituto di Anatomia Patologica in Turin were able to adduce in support of this view of silicosis as an immunization certain important facts which were subsequently discussed at the International Pneumoconiosis Congress at Münster in October 1957. The process would not, however, according to the originators of the theory themselves, exclude the operation of other factors such as tuberculosis and the viruses liable to accentuate the fibrosis of the lung.

(b) *Functional exploration* is of value both to the doctor and to the expert assessing the extent of the injury to the worker, not only in cases of silicosis, but also in those of emphysema and other common workers' complaints.

Recent investigations have indicated that in order to gain a really accurate idea of the nature and seriousness of respiratory disorders observed it is necessary to employ more sensitive functional tests over and above the usual ones (now well on the way to full standardization).

The study of respiratory and circulatory phenomena in effort (exertion) tests, and the study of gas distribution in the depth of the lung in conjunction with analysis of blood gases, have been acknowledged to be particularly satisfactory in this respect. Endeavours have, however, also been made to obtain equal precision without sampling arterial blood: work is now in progress on a method of immediate quantitative analysis of the gases exhaled by means of infra-red rays, which will indicate the composition of the gases in the depth of the lung.

(c) Respiratory disorders due to silicosis develop quite insidiously, and cannot serve as test symptoms. Only *radiological examination* can establish whether the lung is affected or not. As a contribution to the interpretation of shadows on X-ray films, the European Institute of Radio-Histology in Bochum has been engaged in basic studies to determine the degree of impermeability to X-rays of small fragments of silicotic fibrous tissue at varying stages. A first very instructive demonstration was given to a group of European experts in September 1957.

Finally, a comparative study carried out by a group of Community experts produced a valuable contribution to the work of improving the international classification of pneumoconioses.

(d) The new facts established as a result of the research on silicosis will also be of assistance in the study of *pneumoconiosis in the iron-ore mines*. A large-scale investigation is currently in progress with the aid of a considerable array of radiological equipment, in the French iron-ore mines: the findings should show why and in what way the clinical forms taken by the complaint vary from one orefield to another, and also what its characteristics are for the workers in this industry, more particularly its prognosis and diagnosis.

One point which may be noted here is that experiments on animals have not established any fibrogenous capacity on the part of the pure iron-ore particles examined.

(e) Two other problems calling for elucidation were

- silicosis in furnace bricklayers,
- silicosis and pneumoconiosis in other sectors of the iron and steel industry.

As regards bricklayer's pneumoconiosis, it is now recognized that workers employed on demolition work and bricklaying are exposed to exceptionally injurious types of dust owing to the production in the heated bricks of varieties of silica (tridymite and cristobalite) which have been shown by experiments to be highly fibrogenous. This confirms how important it is that men employed on such work should be properly protected.

Jobs in other production departments, particularly those connected with blast-furnace sintering (pneumoconiosis in which had been noted from time to time in medical literature), were also studied from this point of view. It was found that dust concentrations varied considerably, both in type and in degree, from one works to another, according to the age of the plant and the technical dust-suppression arrangements observed.

A study of dust taken from a rolling-mill showed that no silicosis resulted in the animal, only relatively harmless symptoms of siderosis (accumulation of iron in the tissues).

(f) The progress made in the *diagnosis of silicosis and pneumoconiosis* has not caused research workers to disregard the promising new developments in regard to the treatment of *silicosis and silico-tuberculosis*.

A special team of research workers was formed to deal with new forms of medical treatment being developed to relieve the difficulty experienced by subjects in breathing and combat infections liable to set in as a complication to silicosis. Having first reviewed all types of treatment now known, this team decided to study, develop and improve methods of preventing or nipping in the bud tuberculous complications of silicosis, each member to devote himself to a particular aspect of the subject.

(g) Research in recent years has confirmed that *emphysema* can develop as a separate complaint in workers not suffering from silicosis. In 1956, a working party of emphysema specialists studied a paper by a German expert whose investigations seemed to indicate that emphysema tended to occur more frequently in coalminers. In view of the importance of the problem, the High Authority initiated research in two directions:

- detailed clinical survey was made covering 900 miners; the results are now in process of statistical analysis, and should yield important elements for a comparative study of the incidence of emphysema in the various types of industrial population;
- three pneumological centres defined the most effective tests for the diagnosis and prognosis of emphysema.

260. *Carbon-monoxide poisoning.* — The group of experts concerned continued its work for the improvement of methods employed to measure the carbon-monoxide content of the blood. A survey to determine the incidence of carbon-monoxide poisoning among workers at a coking-plant revealed that some men did have an abnormally high content, though this was due in part to extraneous factors, such as the inhalation of exhaust fumes on the way to and from work.

Mention should be made of the study carried out by the Institute of Industrial Medicine at Florence, which emphasizes the value of quantitative analysis of the so-called "liable iron" in the red corpuscles as a confirmatory test for chronic carbon-monoxide poisoning.

261. *High temperatures.* — The group of specialists on work at high temperatures and air-conditioning of workplaces continued its activities in connection with standardization by supplying detailed directions for the use of the various types of apparatus employed.

Research by the Institut d'Hygiène des Mines in Hasselt on the physiological behaviour of men working in hot environments enabled it to determine the optimum conditions for training rescue workers for the

most arduous rescue operations: it was established that habituation to the exertions obtained by systematic physical exercises in a specific climatic environment lasts for approximately one month.

Another research project ascertained the physiological effects of work at high temperatures during the three shifts of a full working day.

A study of salt absorption and elimination in Italian workers on jobs at high temperatures revealed that the intake of salt from the usual diet as supplied in certain canteens, for example, was insufficient, particularly during the summer months.

262. *Noise abatement.* — The study undertaken in preparation for the standardization of noise gauges at workplaces has already established that to determine with accuracy the deleterious effect of the noise in question it is necessary to analyze its frequency as well as its intensity.

Comparative clinical examination brought to light significant differences in physiological condition between men working amid a great deal of noise and those working in a quiet atmosphere. Research by the Dortmund Institute of Physiology, which carried out the examination, confirmed the development of neuro-circulatory disturbances in subjects exposed to intense noise.

263. *Rehabilitation of accident victims and persons suffering from occupational diseases.* — An inventory was made of methods employed in the rehabilitation of men injured in industrial accidents, with the focus on the handicrafts type of treatment, which combines repeated muscular exercises for resupplying purposes with the stimulus of performing productive work.

Research was concentrated principally on the early stages of rehabilitation, and in particular on the treatment of major injuries and burns. Risks studied in connection with burns included the formation of fibrous scars which impede movement and diminish tactile sensitivity. The University Surgical Clinic in Amsterdam is doing valuable work by grafting embryonary skin in accordance with a special method which helps to prevent these developments so detrimental to the patient in his future working life.

Another study in connection with the early stages of rehabilitation is designed to determine the part played by psychotherapy in hospital treatment.

These investigations have, however, made it clear that action with regard to rehabilitation really needs to be on a broader scale altogether, and

must in particular take into account the relationship existing between rehabilitation and accident prevention. For this reason, a substantial proportion of the new appropriation of three million units of account has been reserved for rehabilitation purposes.

264. This brief outline of the research projects promoted by the High Authority in the field of industrial health and medicine will be quite inadequate for specialists in these matters. Papers by the research workers concerned appearing in specialized periodicals do, of course, keep regular readers of such publications abreast of developments, but they are likely to be missed by most of those engaged in putting the results of research into practice. For the benefit of these latter, the High Authority has made arrangements with the authors concerning the reproduction and distribution of these articles in the form of reprints.

In addition, the regular reports submitted by the research centres to the High Authority are made available to the representatives of employers' and workers' organizations in the Community, and to Government experts.

The working party on Practical Information for Works Medical Officers is also kept up to date on research developments.

The Medical Documentation Pool considerably extended its activities during 1957, and a British centre which recently began to work in co-operation with it made a substantial contribution. Articles abstracted to date total over a thousand and the abstracts are now printed and distributed by three of the centres associated with the Pool.

265. *Planning for 1958 and 1959.* — The High Authority in 1955 adopted a two-year research programme, delimiting the fields on which it intended to concentrate, but not fixing definitely any problems calling for special study.

The preliminary findings of the research carried out since then with High Authority assistance have enabled a fresh programme

to be drawn up listing a number of specific problems for the research workers' attention. This ensures the concentration and co-ordination of the work without in any way infringing the freedom of research.

266. *Dust control.* — The work already being done in the medical field to further knowledge of the aetiology and treatment of occupational diseases due to dust is undoubtedly of vital importance, but it was recognized that at least as much attention must be given to suitable technical means designed to prevent these diseases. The High Authority is therefore in future to assist research in connection with technical methods of dust prevention and suppression in the mines and in the iron and steel industry.

267. *Human factors in accident prevention.* — In line with a number of earlier projects and with suggestions both from the employers' and workers' organizations and from the Community institutions, the High Authority embarked on activities to further and assist the already considerable efforts being made in the different countries in regard to accident prevention.

a) *Study and research*

Those directly concerned with safety are agreed that notwithstanding the excellence and variety of existing technical accident-prevention arrangements — which are of course all-important — it is most essential to deal more effectively with a number of human factors, both individual and general, which can easily bring about dangerous situations, and either increase or lessen the risk of accidents in such situations.

The concept of human factors has been more accurately defined of late, and it is generally agreed that these are not confined to the conduct of the single individual who is the actual victim or immediate cause of the accident: many other, non-material, factors which go to make up a dangerous situation and may involve persons at considerable distances from the scene of the accident, must be taken into account.

Accordingly, while individual physical and mental factors must be given all due attention, it is important not to overlook all the other more general factors conditioning the material and psychological background of the work. Moreover, although individual measures are essential, for instance in regard to certain jobs involving special responsibilities or dangers, it

would appear that preventive action within an enterprise in regard to general factors influences a larger number of individuals and has a broader and more lasting effect on existing elements of danger.

This has induced the High Authority to plan a number of schemes which can be financed under Article 55 of the Treaty. These will include:

- the promotion of research to elucidate doubtful points in regard to various human factors, including in particular the problem of accident-proneness and the problem of adjustment to environment both at work and away from it;
- the promotion of technical and sociological studies to ascertain the influence of human factors coming within the sphere of industrial and social psychology and of work organization;
- the promotion of experiments to enable a check to be kept on the true effectiveness of the preventive methods employed, and in particular of those employed in safety campaigns and in the selection and training of personnel.

b) *Safety in the iron and steel industry and the iron-ore mines*

The High Authority had for some time been endeavouring to discover the best means of improving accident-prevention arrangements, and has invited suggestions from the employers' and workers' organizations and the institutions of the Community, which on several occasions asked that it take appropriate action in the iron and steel and iron-ore industries.

The Common Assembly meeting in Strasbourg, various trade unions, and then once again the Common Assembly meeting in Rome were among those in favour of a "safety conference". The High Authority did not, however, consider this the best solution to the problem: experience in other fields, such as vocational training, had shown exchanges of information, organized with the help of committees of experts from the employers' and workers' organizations, to be extremely fruitful and much appreciated in the different countries.

The High Authority was, however, encouraged by the concrete suggestions put forward to go ahead with its plans for the development of such exchanges of experience and information, particularly in the iron and steel and iron-ore industries, between experts from the employers' and workers' organizations and between bodies and individuals concerned with safety matters. The fact that ideas and experiences are changing all the time makes exchanges of this kind particularly necessary and valuable, inasmuch as by this means the instructive points noted can be properly formulated and passed on as quickly as possible to those directly concerned.

The most important problems and measures were felt to be

- (a) publication of monographs on the organization of safety arrangements;
- (b) regulations on accident prevention;
- (c) the organization of the safety departments in the enterprises;
- (d) statistics on accidents and specific hazards in the different departments of the enterprise;
- (e) publicity and training in connection with safety;
- (f) adaptation to suit the workers of protective devices on machinery and plant, and of individual protective equipment;
- (g) operation of a Safety Documentation Pool.

To assist it in establishing which points should take priority and in the ensuing examination of them, the High Authority called in those representatives of the employers' and workers' organizations in the iron and steel and iron-ore industries who belong to the Producers' and Workers' Committee on Industrial Safety and Medicine. The newly appointed committees are to meet from May onwards.

268. *Mines Safety Commission.* — The Conference on Safety in Coalmines, which met for the first time on September 24, 1956, ended on February 7, 1957⁽¹⁾.

On March 15, 1957, the Chairmen of the Conference submitted to the President of the Council of Ministers and to the High Authority the Conference's final Report. A month later, on April 15, the High Authority completed proposals, based on the findings of the Report, concerning the action it considered should be taken to implement the recommendations of the Conference.

On October 9 and December 17, after a careful study of the Conference's proceedings, the Council passed resolutions defining the position adopted by each Government regarding the Conference's recommendations and the High Authority's proposals.

⁽¹⁾ See *Fifth General Report of the High Authority*, April 1957, Nos. 225 ff.

Some time previously, on May 9, 1957, the Council had decided to set up a permanent Commission whose task would be to follow all developments with regard to safety in the coalmines and to check up on action taken in the different countries in compliance both with the recommendations of the Conference and with such proposals as it might itself put forward in the future.

269. The Mines Safety Commission, consisting of 24 members appointing by the six Governments (two Government representatives, one employers' representative and one workers' representative for each country), in addition to whom the International Labour Organization and the Government of the United Kingdom have also been invited to send delegates, received its terms of reference and rules of procedure from the Council of Ministers on July 9, 1957⁽¹⁾. A small committee of Government representatives maintains liaison between the Governments and the Commission in regard to the exchange of information and the preparation of the Commission's proceedings.

The High Authority is required to provide the permanent secretariat for the Commission, and the chairman for each meeting.

270. At its first meeting, on September 26, 1957, the Commission listed the following points for discussion:

- (a) co-ordination of rescue services;
- (b) accident statistics;
- (c) accident reports;
- (d) action taken in compliance with the resolutions of the Conference, and procedure for keeping the Commission regularly informed as to such action in the member countries;
- (e) incidence of methods of payment on safety.

⁽¹⁾ See *Journal Officiel de la Communauté*, August 31, 1957.

271. With regard to rescue arrangements, a working party of heads of central rescue stations was set up with two separate objectives,

- (a) to take practical action to ensure, with the facilities at present available, the quickest and most effective co-operation possible between the rescue services in the different countries;
- (b) to promote, by means of contact between rescue-station officers and of studies and tours of inspection, the improvement and co-ordination of the methods and equipment employed.

The personnel and equipment resources available in the different coalfields are being catalogued, in order that those in charge at each point may know exactly what assistance they can obtain from neighbouring central rescue stations. A programme of tours of inspection of various rescue stations has been drawn up, the tours to coincide with training exercises or tests of new apparatus or equipment.

272. The problem of accident statistics was assigned to a working party of Government representatives. It is not intended to remodel the systems in force in the different countries, but to extract from the national statistics and from the material from which these are compiled, homogeneous data to serve as a basis for working out statistics comparable between one country and another.

The working party concentrated on fatal and serious accidents below ground, an accident ranking as fatal if it resulted in the death of the victim within eight weeks, and as serious if the victim was unable to resume work below ground for eight weeks. Such accidents are to be divided into twelve categories according to their cause. The Governments have approved these definitions and classification.

The first common statistics to be issued will be in respect of accidents reported during 1958.

273. In accordance with the recommendations of the Conference, the Commission began its work of sending out reports on accidents presenting instructive points for future guidance. No change is at

present planned in the procedure employed in the individual countries for the drafting and distribution of accident reports: the secretariat of the Commission will be responsible only for distributing these in the other countries of the Community. Not until a certain fund of experience has been acquired may the forwarding and distribution arrangements perhaps be overhauled.

Each Government further undertook to notify the Commission forthwith of any major decision taken in compliance with one of the Conference's proposals. So far, two Belgian Royal decrees have been so notified, one tightening up fire-fighting arrangements, the other concerning the wearing of carbon-monoxide masks.

On May 1, 1958, the Commission will receive from the Governments the first of the reports they agreed to supply at six-monthly intervals, giving details of all decisions taken in connection with safety in the mines.

As regards the influence of methods of payment on safety, the Commission noted that the departments of the High Authority were engaged on a survey of the various systems linking rates of pay to output and productivity, and decided to leave this problem in abeyance until the completion of the survey.

274. By way of defining their attitudes to the Conference's recommendations and the High Authority's proposals, the Governments stated in respect of each one that they were prepared to implement it immediately and in full, or subject to certain intervals and/or amendments, or following detailed study by their own departments, as the case might be. Reservations expressed related in the main to provisions likely to affect the internal organization of the inspection services and the responsibilities of the competent authority in each country.

The High Authority arranged with the Council of Ministers that on the presentation of the Commission's first annual report there should be a discussion to assess the results obtained and the value of

the methods adopted by the Governments. This should give some idea of the importance of what is being done and what has been achieved so far thanks to the practical co-ordination instituted by this Permanent Commission which was set up with the agreement of the Governments.

Section 3 — Assistance for the Building of Workers' Houses

275. By April 1, 1958, 29,568 housing units, to a total cost of 155 million units of account, were completed or building under the first and second schemes for assisting building with the aid of loans. Of these, 18,043 are to be let while the other 11,525 may be acquired as their own property by the Community workers occupying them⁽¹⁾.

The High Authority provided 46.3 million units of account, out of its own resources and from capital raised by it on the strength of its credit standing in the money markets.

In this way, thanks to the High Authority's initiative, it has been possible to mobilize for housing purposes funds amounting in all to three times its own contribution.

At the same date, the High Authority had made available five million units of account, (two million in the form of non-repayable grants) to assist the building of experimental housing units.

On December 4, 1957, the ten thousandth housing unit built with Community assistance, at Oberaden, in the Ruhr, was ceremonially handed over to the family who were to live in it, and on that occasion the High Authority launched a competition for architects in the six countries to design a model worker's house suitable for erection anywhere in the Community.

These figures illustrate the continuity of the High Authority's efforts to help relieve a social problem with all-important im-

(1) The figures in this section relate solely to those houses the financing of which was approved by a formal decision taken on April 1, 1958.

plications for the well-being of the workers and their families and for the activities of the enterprises.

276. The High Authority is working along two different lines,

- (a) experimental schemes encouraging building research, with a view to promoting technical developments likely to result in a reduction of building costs, and in the employment of larger quantities of steel where this is economically justified;
- (b) programmes of financial assistance making capital available at low rates of interest to certain organizations which are thereby enabled to build additional accommodation for Community workers.

Two criteria have been adopted in regard to the allocation of such assistance to each country and each industry,

- (a) the number of workers employed in the country or industry concerned;
- (b) the housing requirements as indicated not only by the present situation but also by the outlook as regards increases in production.

To ensure that the second criterion shall be thoroughly realistic, the High Authority recently asked the official statistics departments of the member countries to carry out a sample survey on the position. This survey, prepared in co-operation with experts from the employers' and workers' organizations, is being carried out among a sample group of 40,000 workers.

277. The form taken by the High Authority's financial assistance varies from one country to another, as it has to dovetail with the traditional methods of financing housing programmes and with the existing banking and administrative machinery.

The bodies financing housing programmes differ markedly in structure in the different countries; similarly, the standards of accommodation and equipment of houses (floor space, number of rooms, plumbing, etc.) vary from area to area according to climate and habits, and have a very considerable incidence on building costs. Consequently, the number of houses built with High Authority assistance is not in exact proportion to the amount of the

credits extended to each country. The disparities are indicated in the table following, which is based on financing operations up to April 1, 1958, under the first loan programme (exclusive of hostels for unmarried workers).

The average cost of a house thus varies widely from one country to another, from \$ 4,514 in Germany to \$ 9,300 in Luxembourg and \$ 9,754 in France. This means that the numbers of houses built for the same outlay under the first loan programme will be

Germany	100
Saar	60
Belgium	80
Luxembourg	48
France	46

These disparities are due to the numerous differentiating factors already referred to. Thus it has been found that while the miners' dwellings built in the Ruhr under the first scheme had on the average four rooms with an average overall floor-space of 58 square metres, the corresponding figures in Lorraine were six rooms and 85 square metres.

The considerable variation in accommodation requirements and habits, the technical, administrative and financial arrangements prevailing in the individual Community countries and the diversity of the capital markets combined to produce major differences in the scale and effects of the High Authority's assistance. In Germany, it works out at \$ 1,175 per housing unit, or 26% of the total building costs, in the other countries at from 38 to 47%. Thus under the first loan programme the numbers of houses built for the same amount of High Authority assistance will be

France	100
Saar	102
Belgium	156
Germany	316

High Authority Financial Contribution per Housing unit and per Country
First Loan Programme
 (as at April 1, 1958)

	Distribution of High Authority credits (in \$)	No. of housing units	Total cost of units constructed (in \$)	High Authority contribution (in \$)	Average cost per unit (in \$)	High Authority contribution per unit (in \$)	High Authority contribution per unit (in %)
Germany (Fed. Rep.)	11,900,000	9,785	44,172,500	11,515,500	4,514	1,175	26
Saar	1,000,000	278	2,103,500	1,000,000	7,566	3,661	47
Belgium	4,400,000	1,770	9,995,500	4,200,000	5,647	2,373	42
France	7,150,000	1,823	17,781,500	6,769,670	9,754	3,713	38
Italy	800,000	—	—	—	—	—	—
Luxembourg	100,000	25	232,500	100,000	9,300	4,000	43
Community	25,350,000	13,681	74,285,500	23,585,170	5,424	1,724	32

278. *Technical and economic research.* — The 1,022 housing units provided for under the first experimental scheme were completed, some time ago, and the studies on comparative building costs carried out by various research centres under the auspices of the International Council for Building Research Studies and Documentation have now been concluded.

The expert committee submitted its report to the High Authority, which has published the document in the four official languages of the Community. The findings provide a great deal of comparative information on the structure of building costs in the six countries. Differences in the costs of houses of the same standard of accommodation and equipment were found to be not nearly as large as had originally been assumed; at the same time, the price structure varies very much from country to country, and the research brought out clearly the disparities between cost elements, such as wages and social charges, materials, building equipment and overheads.

279. Having secured the unanimous approval of the Consultative Committee and the agreement of the Council of Ministers, the High Authority, on September 12, 1956, decided to set aside, in accordance with Article 55,2, c) of the Treaty, the sum of four million units of account, derived from the levy, for a second experimental scheme for building workers' housing in the form of blocks of flats. Of this amount, one million units were to be made available in the form of non-repayable grants and the remaining three million as loans at 3% over a period not to exceed 35 years. The breakdown by countries is as follows:

	Housing units	Loans (in \$)	Grants
Germany (Fed. Rep.)	825	1,237,500	412,500
Belgium	300	450,000	150,000
France	525	787,500	262,500
Italy	150	225,000	75,000
Luxembourg	50	75,000	25,000
Netherlands	150	225,000	75,000
Total	2,000	3,000,000	1,000,000

Research is being directed to standardization and modular co-ordination in the utilization of building elements of traditional and non-traditional type. Particular attention is given to elements made of steel

(sections and sheet). By agreement with the study section of the International Council for Building Research Studies and Documentation, a working party has prepared the technical directives for this programme and is following its implementation. The housing associations and estate development companies designated by the High Authority, after consultation with the regional committees have drawn up the building plans, and on some of the sites work has already begun.

280. *Financing of housing schemes.* — For its first housing scheme, the High Authority raised loans totalling 17.2 million units of account, in line with its general operations for assisting investment projects.

In addition, the High Authority will make itself indirectly responsible for low-interest loans of Ffr. 2,500 million (\$ 7,150,000) and Lit. 500 million (\$ 800,000) for workers' housing schemes in France and Italy respectively.

Position of E.C.S.C.-Sponsored Building Operations at April 1, 1958
(First loan programme)

	Ger- many	Saar	Bel- gium	France	Italy	Luxem- bourg	Total
Units planned	10,000	350	1,600	2,500	400	25	14,875
Units financed	9,785	278	1,770	1,823	—	25	13,681
of which: to be let	4,852	142	1,270	362	—	—	6,626
to be available							
for ownership by							
occupiers	4,933	136	500	1,461	—	25	7,055
Units in preparation	113	—	161	684	—	—	958
of which: to be let	29	—	112	85	—	—	226
to be available							
for ownership by							
occupiers	84	—	49	599	—	—	732
Units building	1,149	278	818	985	—	25	3,255
of which: to be let	264	142	668	257	—	—	1,331
to be available							
for ownership by							
occupiers	885	136	150	728	—	25	1,924
Units completed	8,523	—	791	154	—	—	9,468
of which: to be let	4,599	—	490	20	—	—	5,069
to be available							
for ownership by							
occupiers	3,964	—	301	134	—	—	4,399

In all some \$ 25 million will be made available, which will finance the building of approximately 14,875 housing units.

In the *Federal Republic of Germany* (exclusive of the Saar), High Authority assistance was provided in the form of loans secured by first mortgages. 9,785 housing units are to be built, of which 4,933 will ultimately be owned by the occupiers and 4,852 will be let on a rental basis; in addition, there are to be 16 hostels for unmarried workers, with 381 beds in all, and four Pestalozzi-type settlements for boy miners.

The total cost of the housing units, now fully covered, amounts to DM 194,073,264, or \$ 46, 207, 920. The capital was furnished as shown below:

High Authority	DM 50,000,000 = 25.9%
Länder Governments	DM 78,353,579 = 40.3%
Enterprises	DM 44,628,383 = 22.9%
Other sources	DM 21,091,302 = 10.9%
Total	DM 194,073,264 = 100 %

The 9,785 housing units have been allocated to the different industrial areas as follows:

	To be available for ownership	To be let	Total
Ruhr	3,443	4,223	7,666
Aachen	884	320	1,204
Iron-ore mines	606	309	915
Total	4,933	4,852	9,785

The hostels and boys' settlements are all in the Ruhr.

In the *Saar*, High Authority assistance was provided by way of a loan to the Saarbergwerke. 278 housing units have been built to date, 136 of them for ownership and 142 to be let. The scheme was financed as follows:

High Authority	Ffr. 350,000,000 = 47%
Saarbergwerke	200,080,000 = 27%
Government	85,900,000 = 12%
Other sources	100,190,000 = 14%
Total	Ffr. 736,170,000 = 100%

In *Belgium*, High Authority participation took the form of loans to two State-controlled building societies which acted as estate development companies and supplied the remainder of the capital required. The scheme provided for 1,770 housing units (500 to be available for ownership, 1,270 to be let), at a total cost of Bfr. 499,772,500, or \$ 9,995,450.

The funds were contributed as shown here:

High Authority	Bfr. 210,000,000 =	42%
Estate development companies	281,026,200 =	56%
Other sources	8,746,300 =	2%
Total	Bfr. 499,772,500 =	100%

The 1,770 housing units were allocated as follows:

	To be available for ownership	To be let	Total
Campine	400	114	514
Hainault	100	716	816
Liège	—	440	440
Total	500	1,270	1,770

In addition, 10 million Belgian francs were lent by the High Authority to help build four hostels for unmarried foreign miners, two of them in the Liège coalfield and two in the Hainault area. The loans, representing 50% of the building costs, were granted to the collieries which had raised the rest of the capital required.

In *France*, under an agreement with the High Authority, the Crédit Foncier de France undertook to grant credits covering up to 50% of the building costs at the reduced rate of 4.25%, instead of at its regular rate of 6.8%.

At April 1, 1958, a total of Ffr. 2,367,018,150 or 6,769,670 units of account, had been lent on these terms for the building of 1,823 housing units, of which 1,461 will ultimately be owned by their occupiers and 362 will be let⁽¹⁾.

⁽¹⁾ As the financial agreements between the Crédit Foncier and the High Authority were concluded before the French Government's monetary operation of August 1957, the figures in respect of the first scheme were converted at the rate of Ffr. 350 to the dollar.

The total cost of the scheme comes to Ffr. 6,223,517,779, or \$ 17,781,479.

The funds for this scheme were furnished as shown here:

High Authority	Ffr. 2,367,018,150 =	38%
Crédit Foncier de France	1,824,703,743 =	29%
Other sources	2,031,795,886 =	33%
Total	Ffr. 6,223,517,779 =	100%

The 1,823 housing units were allocated as follows:

	To be available for ownership	To be let	Total
<i>Coalmining industry</i>			
Nord/Pas-de-Calais	24	—	24
Lorraine	332	—	332
Centre/Midi	141	20	161
<i>Iron-ore mines</i>			
Lorraine	145	54	199
Western France	—	13	13
<i>Iron and steel industry</i>			
Northern France	34	56	90
Lorraine	595	77	672
Centre/Midi	190	142	332
Total	1,461	362	1,823

In *Luxembourg*, 25 housing units of a total cost of Lfr. 16,500,000, for occupation and eventual ownership by workers employed at the iron-ore mines, were financed in part out of a credit of Lfr. 5 million granted by the High Authority. The remainder of the capital was supplied by the company to which the loan was made.

In *Italy*, a scheme providing for 400 housing units is at present in preparation.

281. Under the second housing scheme, the High Authority's contributions total 37.4 million units of account, of which one-half comes from its own funds and one-half has been raised by it on the national capital markets.

Position of E.C.S.C.-Sponsored Building Operations at April 1, 1958
(Second loan programme)

	Germany	Saar	Italy	Nether-lands	Total
Units planned ⁽¹⁾	12,300	700	500	1,250	16,750
Units financed	12,870		2,000 ⁽²⁾	1,017	15,887
of which: to be let	9,388		—	1,017	11,417
to be available for ownership by occupiers	3,482		988 ⁽²⁾		4,470
Units in preparation	3,419		2,000 ⁽²⁾	501	5,920
of which: to be let	2,228		—	501	3,741
to be available for ownership by occupiers	1,191		988 ⁽²⁾		2,179
Units building	7,302		—	516	7,818
of which: to be let	5,467			516	5,983
to be available for ownership by occupiers	1,835				1,835
Units completed	2,149				2,149
of which: to be let	1,693				1,693
to be available for ownership by occupiers	456				456

(1) Schemes for Belgium, France and Luxembourg in preparation.

(2) Ina Casa scheme.

Operations under this scheme, planned to extend over 1957 and 1958, are already under way in the Federal Republic of Germany, the Saar, in the Netherlands and in Italy. In Belgium, France and Luxembourg the scheme is still in the preparatory stage.

In Germany, agreements have been concluded

- (a) with the Bank für Gemeinwirtschaft in Düsseldorf, which is contributing DM 18 million while the High Authority furnishes DM 12 million out of its own funds;
- (b) with the Kreditanstalt für Wiederaufbau, which is contributing DM 27 million to the High Authority's DM 18 million.

The two banks between them will thus, in agreement with the High Authority, grant to the estate development companies concerned mortgage loans totalling DM 75 million, to run for approximately 32 years at a redemption rate of 6.5% (interest 5%).

As under the first scheme, the High Authority's financial contribution is to take the form of loans secured by first mortgages.

At April 1, 1958, the credits made available by the instrumentality of the High Authority totalled DM 72,936,905, or \$ 17,366,000, covering 12,870 housings units, of which 3,482 are to be made available for ownership by their occupiers and 9,388 to be let.

The total cost of the scheme is DM 282,546,572, or \$ 67,273,000, financed as follows:

High Authority	DM 72,936,905 = 26%
Länder Governments	105,559,509 = 37%
Enterprises	75,789,353 = 27%
Other sources	28,250,805 = 10%
Total	DM 282,536,572 = 100%

In the *Saar*, the High Authority granted to the Landesbank und Girozentrale Saar in Saarbrücken a loan of Ffr. 280 million out of its own funds, against an undertaking by the Landesbank to contribute Ffr. 560 million to the building of workers' houses.

The Ffr. 840 million thus available will be lent by the Landesbank, in agreement with the High Authority, to the building societies concerned for a period of some 27 years at 5%. Ffr. 600 million is to go on housing for miners, and Ffr. 240 million on housing for steelworkers.

In *Italy*, the High Authority has engaged in two separate operations.

- (a) The Banca Nazionale del Lavoro and the High Authority are to lend Lit. 350 million (\$ 1,200,000) each to the Istituti Autonomi per le Case Popolari. This represents approximately 50% of the building costs of 500 dwellings. The rest of the capital required will be furnished by the enterprises employing the workers who are to occupy the houses when completed. In respect of these 500 dwellings the Istituti Autonomi will have the benefit of the Government assistance provided for by the legislation in force, which includes rebates of interest that will considerably reduce the financial charges and hence help to keep the rents low.

- (b) In a second operation covering 2,000 dwellings, the High Authority is to arrange for medium-term credits totalling Lit. 1,000 million, raised from various sources, to be made available to the Italian, iron and steel enterprises and iron-ore mines.

The legislation now governing the Ina Casa building programmes enables these enterprises

- (i) to have housing for their personnel under the programme now in hand completed ahead of the scheduled date, in return for the payment in advance of several years' contributions to the Ina Casa Fund;
- (ii) to have a number of additional housing units made available for their personnel, on payment of a contribution amounting to approximately 30% of the building costs.

The High Authority's assistance in the financial operations will also make it possible to build a hostel at Sesto S. Giovanni for workers employed too far from their homes to join their families more than once a week.

In the *Netherlands*, Hfl. 20 million, or \$ 5,263,000, has been lent through the Bank voor Neederlandsche Gemeenten for a period of 30 years at 4% to local authorities designated by the High Authority. The local authorities, acting as estate development companies, will build 1,017 housing units, all to be let of which 897 are to be allocated to miners and 120 to steelworkers.

The loan, of which Hfl. 16 million came from the Algemeen Mijnwerkersfonds van de Steenkolenmijnen in Limburg and Hfl. 4 million from the High Authority, covers practically the whole of the building costs involved.

PART THREE

**THE LONG-TERM DEVELOPMENT
OF THE COMMON MARKET**

CHAPTER SIX

INVESTMENT IN THE INDUSTRIES OF THE COMMUNITY

282. The High Authority is working to direct the enterprises' operations towards the type of investment which will most effectively contribute to the achievement of the General Objectives of the Community⁽¹⁾. The Treaty affords it quite considerable scope for investigation and action.

One of the main sources of information is the annual investment survey, from which special studies are made periodically. In addition, detailed examinations are carried out, in co-operation with the enterprises, in connection with certain technical problems.

The High Authority can influence investment more directly by means of suggestions to the Governments, opinions on specific capital schemes, and loans and guarantees to individual enterprises.

Section 1 — The Trend in Investment

283. At the beginning of each year the High Authority makes a survey of all investments completed, in hand and planned by Community enterprises. The results are widely publicized, to enable each firm to see its own projects in the context of all activity in this field by enterprises in the Common Market. The High Authority itself is able to note where investment policy is likely to fall short of or overshoot the requirements of the General Objectives.

⁽¹⁾ See *Fifth General Report of the High Authority*, April 1957, Chapter XII.

The results of the 1957 survey have been published in a report tracing the trend in capital expenditure since 1952, and giving estimates of expenditure and production potential for the next few years⁽¹⁾; a brief retrospective summary of the years up to 1956 was needed to explain various corrections made by enterprises to amounts previously declared. The 1958 report, giving the situation as at January 1, 1958, will be issued in the course of the year; the first indications derived from it have, however, been used as the basis for the analysis following.

Also in 1957 the High Authority carried out two special studies on investment. The first, based direct on the 1957 results, dealt with the amount of capital expenditure in relation to production in each region, in each of the main sectors of Community activity. It yields a number of indications as to what will have to be done to bring production capacity up towards the level provided for in the General Objectives. The second related to plate and sheet mills, the aim being to ascertain whether investment is being planned in a manner appropriate to foreseeable demand, having regard in particular to experience to date in the Anglo-Saxon world.

INVESTMENT SURVEY

284. The investment surveys conducted by the High Authority at the beginning of each year furnish much valuable material on what the enterprises have done in the course of the preceding year to modernize and expand their plant. They also give useful indications as to the views taken by heads of enterprises on general economic trends, and their corresponding inclination or otherwise to embark on further investment.

The final results of the 1958 survey are not yet available. Provisional and incomplete though present figures are, however, they do afford two indications of interest:

⁽¹⁾ See *Les Investissements dans les Industries du Charbon et de l'Acier de la Communauté: Rapport sur l'enquête 1957*, E.C.S.C. Publications Department, September 1957.

- (a) during 1957, investment increased very markedly, in general reaching record levels: whereas total capital expenditure remained in the neighbourhood of 1,000 million dollars for each of the years from 1952 to 1956, in 1957 it amounted to between 1.2 and 1.3 million;
- (b) at the beginning of 1958, investment forecasts submitted for the coming year suggested some caution on the part of heads of enterprises, particularly in the iron and steel industry: the latest estimates for 1958 work out nearly one-tenth below the corresponding forecasts made at the beginning of 1957.

285. In spite of the boom, capital expenditure in the coalmining industry in 1956 was not up to the level recorded for the years preceding 1955, although in the iron and steel industry and the iron-ore mines it was well above. The figures in the 1957 report are as follows:

('000,000 dollars)

	Actual expenditure as per accounts at January 1, 1957					Estimated expenditure as at January 1, 1957	
	1952	1953	1954	1955	1956	1957	1958
Coalmining industry	505	461	450	416	426	620	597
Iron and steel industry	545	542	453	524	572	797 ⁽¹⁾	544
Iron-ore industry	29	28	30	31	48	65	49 ⁽¹⁾
Total	1,079	1,031	933	971	1,046	1,482	1,190

(¹) Expenditure on capital schemes in hand and planned as at January 1, 1957, only.

A first evaluation of the 1958 survey suggests that investment in the extractive industries (coal and iron ore) during 1957 was approximately 80% of that forecast at the beginning of the year, and in the iron and steel industry 90%. This would mean that the level of investment for 1957 was higher in all the industries concerned than that for any of the years 1952-56, except 1952 in the coalmining industry. The increase from 1956 to 1957 would amount to 15% for the coalmining industry, 10% for the iron-ore mines and 25% for the iron and steel industry.

The forecasts made on January 1 for the coming year are never entirely fulfilled; the forecasts for the year after, on the other hand, are always incomplete, since they allow neither for the operations which will have to be carried over from one year to the next, nor for those which cannot be planned until a few months before their inception. Thus forecasts for

1958 made on January 1, 1958, are higher than forecasts for the same year made on January 1, 1957.

In this connection, it may be of interest to compare the movement of the relation between the expenditure estimated each January 1 for the coming year and actual expenditure during the year just ended: as has been mentioned, this relation is sufficiently representative of the view taken by heads of enterprises on the medium-term economic trend generally. From this angle, the table following suggests a somewhat guarded approach on the part of the iron and steel enterprises.

**Relation between estimated capital expenditure
for the coming year and actual capital expenditure
during the past year**

Sector	1. 1. 1955	1. 1. 1956	1. 1. 1957	1. 1. 1958 (1)
Coalmining industry	105%	117%	146%	120%
Iron-ore mines	159%	167%	135%	130%
Iron and steel industry	148%	125%	139%	100%
Total	126%	123%	142%	110%

(1) Provisional figures.

286. *Coalmining industry.* — The report on the 1957 survey gives the following breakdown by sectors of the capital expenditure effected and forecast.

	('000,000 dollars)							
	Actual expenditure as per accounts at January 1, 1957.					Estimated expenditure as at January 1, 1957		
	1952	1953	1954	1955	1956	1957	1958	
Collieries	261	241	242	257	249	364	330	
Coking-plants, mine-owned and independent	97	102	87	64	64	91	98	
Hard-coal briquetting-works	3.2	4	3.8	7.3	4.5	9.4	7.2	
Pithead power-stations	135	107	112	80	104	152	159	
Brown-coal briquetting-works	8.8	6.8	5.3	8.1	4.7	3.5	2.9	
Total	505	460.8	450.1	416.4	426.2	619.9	597.1	

According to the first evaluation of the 1958 survey, actual expenditure amounted to approximately 80% of the 1957 forecasts, in all the sectors mentioned except the briquetting-works, where no substantial investment was made. With this exception, expenditure in 1957 thus exceeded expenditure in 1956 by something like 15% in each sector, and in the case of the collieries reached a level above that for any of the preceding five years.

287. In the *collieries*, capital expenditure between 1952 and 1956 averaged 250 million dollars annually; for 1957 it is expected to amount to close on 290 million.

In spite of this increase in investment activity, coal production is expected to rise less steeply than requirements. Theoretical extraction potential based on capital schemes declared by January 1, 1957, will go up from 264.5 million metric tons in 1956 to only 281 million in 1960, including the potential output of small pits: these figures, like those following, take into account the potential of the various parts of the pits (underground, surface, washeries) and foreseeable manpower resources in the years concerned.

Actual production will depend on availabilities of underground workers and on working hours, as well as on the level of utilization achieved allowing for technical incidents. In the longer term, it will not be possible to increase production potential any further except by sinking new pits, a prerequisite on which the producers should concentrate their attention.

288. In the *coking-plants (mine-owned and independent)* of the Community capital expenditure during 1955 and 1956 stabilized at 64 million dollars, well below the figures for the years 1952—54. For 1957 it is estimated as coming somewhere between the two levels. The same conclusion holds if, for the sake of giving a full account of the carbonization sector, we compare expenditure on steelworks-owned coking-plants with previous figures.

If the capital schemes declared are all carried through, theoretical coke production potential should rise from 78 million metric tons in 1956 to 92 million in 1960. Even if, as experience shows is likely, the actual production potential does not go above 96% of the theoretical requirements, which the General Objectives put at 87 million metric tons in 1960, should be pretty well covered by that date.

289. Capital expenditure on *pithead power-stations and other generating plant* in 1956 was high in relation to 1955. The provisional figures for 1957 are higher than those for any year since 1952.

In 1956, the pithead power-stations (exclusive of those run on brown coal) accounted for 13.4% of the electric current produced in the Community. In 1960, the proportion should be more than 15%, despite the considerable increase in electricity production scheduled for that date. This expansion by the pithead power-stations mainly consuming secondary fuels is in line with the desiderata contained in the General Objectives as regards valorization of coal⁽¹⁾.

290. *Iron-ore mines.* — Capital expenditure on the iron-ore mines, which averaged a steady 30 million dollars per annum between 1952 and 1955, is now rising steeply.

('000,000 dollars)

	Actual expenditure as per accounts at January 1, 1957					Estimated expenditure as at January 1, 1957	
	1952	1953	1954	1955	1956	1957	1958
	Mining of ore	..	14.2	14.8	16.3	25.0	35.9	24.6
Preparation of ore at mine	..	5.7	7.3	5.9	9.9	15.4	14.5
Various surface installations	..	7.8	7.4	8.5	13.4	13.4	9.8
Total	29.4	27.7	29.5	30.7	48.3	64.7	48.9

The information so far received by the High Authority suggests that the volume of expenditure in 1957 amounted to approximately 80% of that forecast in all the sectors under review. This would mean that it was greater in all sectors than in any previous year, except in the case of expenditure on surface installations, which would be less than in 1956.

In spite of this vigorous investment drive, Community production is expected to increase much less rapidly than demand. Theoretical production potential as indicated by the capital schemes declared up to January 1, 1957, may rise from the 1956 figure of 84.8 million metric tons to 105.5 million by 1960, with actual production almost certainly not in excess of 100 million; according to a direct enterprise-by-enterprise survey, production may reach 110 million metric tons by 1965 and, if we adopt an optimistic hypo-

⁽¹⁾ See *Fifth General Report of the High Authority*, April 1957, Nos. 305—307.

thesis as to the development of reserves in Germany, 120 million by 1975. These figures make it clear that in the future iron ore will need to be imported on an increasing scale⁽¹⁾.

291. *Iron and steel industry.* — Capital expenditure, since touching its lowest point in 1954, has been rising steadily.

(^{000,000} dollars)

	Actual expenditure as per accounts at January 1, 1957					Estimated expenditure (projects started and approved as at January 1, 1957)	
	1952	1953	1954	1955	1956	1957	1958
Plant for production of pig-iron ⁽¹⁾	83	91	70	83	130	233	185
steel	91	82	44	63	99	127	85
rolled products	282	266	265	301	247	294	171
General services	89	103	75	77	97	144	103
Total	545	542	454	524	573	798	544

⁽¹⁾ Including steelworks-owned coking-plants and burden-preparation installations (crushing, screening, sintering).

The first replies to the 1958 questionnaire suggest that expenditure in 1957 on pig-iron production capacity has worked out at about 80% of the forecast, that on rolled products and general services at 90%, and that on crude steel at 100%. This would mean that 1957 was a record year for expenditure in practically all sectors, particularly pig-iron and, in a lesser degree, crude steel. As regards rolled products, on the other hand, it barely equalled the average for the years 1952—56.

The forecasts made on January 1, 1958, for the coming year are on the average appreciably below those made on January 1, 1957, for 1957: the drop is fairly considerable in the case of crude steel and rolled products, though there would appear to be prospects of a slight increase as regards pig-iron production and general services.

292. Expenditure on *pig-iron production* rose from 81 million dollars per annum between 1952 and 1955 to 130 million in 1956, and may have reached 200 million in 1957. The increase is particularly marked in regard to burden preparation and sintering.

⁽¹⁾ See Volume One, Chapter I, No. 25.

The effects of the new investments in pig-iron production capacity will be felt shortly. Thus for example the increase in theoretical production potential from 1958 to 1959 should be more than 4 million metric tons, as against an annual average of 2.5 million from 1955 to 1958. When the replies to the 1958 questionnaire on investment have been fully evaluated it will be possible to tell whether the considerable expenditure on pig-iron production in 1957 is improving the situation, to which the High Authority has so frequently drawn attention, regarding the relation between pig-iron and steel production potential⁽¹⁾.

293. After a temporary decline in 1954, capital expenditure on *steelworks* amounted in 1956 to 99 million dollars, thus exceeding even the high level of 86.5 million recorded for 1952 and 1953. The figure for 1957 is expected to be something like 130 million.

The increase is accounted for by the rapid growth in the number of basic Bessemer and, more particularly, of L/D, Rotor and similar steel-making plants. The latter, which were only developed fairly recently, in 1957 represented nearly 15% of total capital expenditure on crude-steel production.

As was noted in the report on the 1957 survey, the expenditure planned should bring Community iron and steel production up to, if not above the "upper limit" of the requirements stated in the General Objectives, *viz.* 73.5 million metric tons of crude steel in 1960. Capital schemes so far declared already indicate a theoretical production potential by that date of 74.5 million metric tons, and actual production amounting to 96% of this figure, *i.e.* 71.5 million⁽²⁾.

294. Capital expenditure on *rolling-mills* did not vary to any marked extent between 1952 and 1955. Since 1956, on the other hand, it would appear to have been falling off and at the same time undergoing a certain reorientation: there has been a sharp drop in the flat-products sector, with the exception of the heavy-plate mills and an upturn on the sections side, particularly as regards heavy and medium sections.

⁽¹⁾ See in particular *Les Investissements dans les Industries du Charbon et de l'Acier: Rapport sur l'Enquête 1957*, p. 37: the pig-iron/steel ratio then forecast for 1960 was 76.4%, whereas the General Objectives specify a minimum of 78.1%.

⁽²⁾ See *Fifth General Report of the High Authority*, April 1957, Nos. 311—314.

The effects on production potential of this increasing concentration of investment on section mills will become apparent only gradually. The share of flat products in total production potential for rolled products will continue to increase, although more slowly, and will reach at least 43% in 1960 as against 41% in 1956. A preliminary examination of the replies to the 1958 questionnaire appears to confirm this trend, to which attention was already drawn in the report on the 1957 survey.

295. The table following compares the production figures considered attainable in 1960 in the different sectors, allowing for foreseeable manpower resources at that date, with the requirements stated in the General Objectives. Production is calculated at 96% utilization of production capacity, which comes close to the rates recorded in 1955-56 in the sectors concerned.

(*'000,000 metric tons*)

Product	Production considered possible in 1960 on the basis of capital schemes declared by January 1, 1957	Requirements stated in the General Objectives (incl. exports)
Hard coal	270 ⁽¹⁾	306
Coke	88 ⁽¹⁾	87
Ore (Fe content)	30 ⁽¹⁾	47
Pig-iron	55 ⁽²⁾	58
Crude steel	71.5 ⁽²⁾	73.5

(1) As indicated by projects completed, in hand and planned as at January 1, 1957.

(2) As indicated by projects completed and in hand as at January 1, 1957, only.

296. The increase in actual production potential between 1957 and 1960 would therefore appear to be substantial in all the Community industries. It is not irrelevant to compare these figures with the increases forecast by the other larger producer countries in their own official publications.

	Community	U. K. (1)	U.S.A. (2)	U.S.S.R. (3)
Hard coal	9%	2%	—	28%
Crude ore	15%	13%	—	43%
Pig-iron	22%	21%	13%	43%
Crude steel	20%	16%	14%	32%

(1) Based on National Coal Board and Iron and Steel Board figures.

(2) Based on Figures supplied by the principal American iron and steel corporations. Percentage increases for the extractive industries are not given, the structure of these industries being entirely different in the United States and in Europe.

(3) Based on figures from the Sixth Five-Year Plan and the Soviet Ministry of Iron and Steel.

SPECIFIC CAPITAL EXPENDITURE

297. The High Authority has drawn up a comparison between specific capital expenditure in the main Community industries and actual production by those industries. The figures for specific capital expenditure were taken from annual investment surveys.

Specific capital expenditure was calculated in relation to tonnage produced. For this purpose, the industries had to be broken down into a number of more or less homogeneous sectors as follows:

<i>coalmining industry</i>	collieries (as defined for the purposes of the annual investment survey)
<i>coking-plants</i>	mine-owned, steelworks-owned and independent coking-plants
<i>iron-ore industry</i>	ore-extraction and preparation at the mines
<i>pig-iron production</i>	blast-furnaces and preparation of burden
<i>crude-steel production</i>	steelworks proper
<i>production of rolled products</i>	rolling-mills and ancillary plant

This was necessary by reason of the varying degree of integration reached in the different production sectors, particularly in the iron and steel industry. The results are nevertheless overall ones only, since the individual sectors were not in their turn broken down to allow for the different qualities of production.

298. Any examination of specific capital expenditure in heavy industries such as the coalmining and iron and steel industries must relate to a considerable number of years. As this study covers only the four years 1953—56, it was not possible to eliminate the effects of certain transient factors: for example reconstruction was not yet complete in some Community countries at the beginning of the period under review.

Specific expenditure per ton produced for each Community country may be tabulated as follows⁽¹⁾:

⁽¹⁾ For further details see *Statistical Annex*, Tables Nos. 50—55.

(in dollars per metric ton produced indices at 100 = Community)

Average 1953-1956	Germany (Fed. Rep.)	Saar	France	Bel- gium	Italy	Luxem- bourg	Nether- lands	Com- munity
1. <i>Coal</i> \$ per m.t. index	0.76 75	0.81 80	1.51 145	1.26 123	1.88 185	— —	1.10 108	1.01 100
2. <i>Coke</i> (all types of coking-plant) \$ per m.t. index	0.88 58	1.51 100	4.32 286	1.34 ⁽¹⁾ 89 ⁽¹⁾	0.80 53	— —	— ⁽¹⁾ — ⁽¹⁾	1.51 100
3. <i>Iron ore</i> \$ per m.t. index	0.49 104	— —	0.44 94	— —	2.47 526	0.13 28	— —	0.47 100
4. <i>Pig-iron</i> \$ per m.t. index	1.98 102	0.71 36	2.16 111	1.78 92	1.26 65	2.68 138	2.68 138	1.95 100
5. <i>Crude steel</i> \$ per m.t. index	1.88 125	0.70 47	1.43 96	0.83 56	1.42 95	1.03 69	2.70 181	1.50 100
6. <i>Rolled products</i> \$ per m.t. index	10.85 133	5.66 69	7.74 95	3.69 45	9.87 121	3.83 47	5.23 64	8.18 100

⁽¹⁾ Coke figures for Belgium and the Netherlands have been amalgamated.

Specific expenditure varies considerably from one Community country to another. In analyzing the figures arrived at, the following potential sources of error must be borne in mind:

- (a) the shortness of the period covered;
- (b) the sometimes unrealistic nature of the official rates of exchange;
- (c) the differences in the cost of plant and equipment between one country and another;
- (d) the impossibility of drawing a distinction between modernization and reconstruction operations on the one hand and extensions on the other.

299. *Coalmining industry (pits only)*. — If we disregard Italy, where coal production is comparatively small, we find that investment per metric ton was exceptionally high in France and Belgium. In France, expenditure was concentrated in the main in the Lorraine coalfield, where expansion is in full swing; the Nord/Pas-de-Calais and Centre/Midi figures show a

steady decline following the completion of the concentration and modernization programmes. In Belgium, expansion is in progress in the Campine coalfield only.

In the Ruhr and the Saar, the relatively small capital expenditure observable to date may be expected to rise sharply later on, particularly in the Ruhr if the plans for stepping up production are carried through.

The mean capital expenditure for the Community countries is approximately the same as that for the United Kingdom (0.96 dollar per ton mined between 1953 and 1956 for the National Coal Board pits, as against 1.01 for the Community). In the United States, the latest reports by the principal coalmining companies indicate that expenditure per ton works out at rather more than one-quarter of the European average, which corresponds to the regular ratio of American average annual investment costs per ton (\$ 7—8) to European (approximately \$ 30).

300. *Coking plants (mine-owned, steelworks-owned and independent).* — In almost all the Community countries capital expenditure on the coking-plants per metric ton of annual coke production showed a steady decrease between 1953 and 1956, the sole exception being the Saar. This drop was due firstly to the completion of the post-war reconstruction operations, and secondly to the rapid rise in coke production, amounting to something like 21% over the period as a whole, or an average of 7% a year. The decline in investment would now, however, appear to have ceased.

France, particularly at the beginning of the period, made an especially vigorous effort, focused principally on the installation of new plants. This resulted in an increase in production of close on 30% between 1953 and 1956.

301. *Iron-ore industry (extraction and preparation at the mines).* — In the main orefields of the Community capital expenditure on iron-ore production between 1953 and 1956 remained in the neighbourhood of 0.5 dollar per metric ton mined. The Siegerland area, and still more Italy — minor producers, it is true — come out well above the average; the Luxembourg figure is small, but there the ore is often prepared at the works and the expenditure concerned is recorded under the iron and steel industry (pig-iron production).

302. *Pig-iron production (blast-furnaces and preparation of burden).* — Luxembourg, the Netherlands and the industry in Northern and Eastern France spent considerable amounts in connection with pig-iron production. Expenditure was, on the other hand, small in Italy, despite the increase in production, and in the Saar. In Germany, it remained average, notwithstanding major investments in the north and south of the country.

303. *Crude-steel production (steelworks proper).* — The largest investments per metric ton of steel produced were made in the Netherlands and in Germany (Northern Germany and North Rhine/Westphalia). In the Saar, Belgium and Luxembourg, which concentrate chiefly on basic Bessemer steel, expenditure was some way below the Community average.

304. *Production of rolled products (rolling-mills and ancillary plant).*— Expenditure on the rolling-mills per metric ton produced was very much higher than on the blast-furnaces and steelworks. Rapid technical progress demands frequent revamping and modernization of plant, while the mills themselves are so complex in structure that much long and costly repair work is necessary.

Investment in this sector was particularly high in Germany and Italy.

305. The countries recording the highest specific capital-expenditure rates are therefore Germany for steelworks and rolling-mills (in completion of the industrial reconstruction programme), France for coal, coke and pig-iron production, Italy for the iron-ore mines and the rolling-mills, and the Netherlands for pig-iron and crude-steel production. Belgium and the Saar have spent less than the average on most of the industries concerned.

The capital schemes declared to the High Authority suggest that during the next few years expenditure per metric ton on the mines will increase in all the coal- and orefields where expansion is still possible (the Ruhr, Lorraine, the Campine and the Saar for coal, Lorraine and the Salzgitter for ore). The marked decline in expenditure on coke production may be confidently expected to be followed by a slight revival of investment activity in the near future. The trend will be probably continue as heretofore in the various sectors of the iron and steel industry, *i. e.* a slight increase in expenditure per metric ton on pig-iron and crude-steel production, and a substantial decrease in the extension of rolling-mill capacity.

PLATE AND SHEET PRODUCTION

306. Noting the steep rise in the consumption of plate and sheet in the Community, the High Authority made a special study of the

trend in the corresponding production capacity⁽¹⁾. Comparison with the development in the Anglo-Saxon countries indicates a number of structural differences.

The results of these studies are contained in three documents dealing respectively with the production of heavy and medium plate, hot wide-strip mills and cold wide-strip mills in the Community, which have been sent out to the producers' associations of each country and to works likely to be interested⁽²⁾.

307. *Heavy and medium plate (3mm. and over)*. — The main item of the modern, wide heavy-plate mill is the *four-high stand*. Eleven mills of this type were brought into operation between 1951 and 1957. Modernization is now well advanced and the rate of investment is falling off considerably.

The second up-to-date type of production plant is the *hot wide-strip mill*. This can also produce heavy and medium plate, but only up to certain width (1.8 metres on the mills now in operation) and certain thicknesses. As more and more improvements are made to the finishing-line equipment, however, the maximum thickness is becoming greater and greater, and some works are already developing cutting and shearing equipment capable of handling coils of material up to 10mm. thick.

The scale and effect of the modernization drive in the heavy and medium-plate sector may be judged by comparing the production achieved with modern mills in 1955, which amounted to 2.4 million metric tons, or 45% of total production, with the actual production potential estimated for 1960, which works out at 6.8 million metric tons, or 75% of the increased total of 9.1 million.

The pattern of production methods used in platemaking is at present roughly similar to that in Britain. In the United States, on the other hand, a much larger proportion of heavy and medium plate is rolled down to very long wide strip, the American industry having the advantage of possessing a number of very wide finishing trains. In the Community some trains of this type may in the near future be set up behind four-high heavy-plate roughing trains⁽³⁾.

(1) See *Fifth General Report of the High Authority*, April 1957, No. 362.

(2) Persons and organizations interested in these documents may obtain them from the Industrial Problems Division of the High Authority.

(3) For further details see *Statistical Annex*, Table No. 56.

308. *Sheet (less than 3 mm. thick).* — In no other sector of the industry have production methods undergone more drastic changes in recent years. The rolling of sheet from sheet-bars is gradually being discontinued in favour of the production of sheet from wide strip.

To all intents and purposes wide strip (hot-rolled and cold-rolled) only began to be produced in the Community countries about 1950. By 1960 there will be 13 hot wide-strip mills in the Community (three continuous, six semi-continuous, three Steckel and one planetary), producing strip up to approximately 1.8 metres wide. Cold wide-strip mills will comprise nine tandem and 44 reversing mills. The production potential will thus be split up equally between cold and hot wide-strip mills. Allowing for mill losses, the theoretical cold-mill potential (8 million tons) will represent three-quarters of the theoretical hot-rolling potential (12.4 million metric tons), the remaining one-quarter to be delivered in the form of heavy and medium plate and of sheet, either cut up or coiled⁽¹⁾.

Although it will probably not be possible to make use of this theoretical rolling capacity by 1960, there will be a considerable increase in the production of sheet on wide-strip mills between now and then. In 1954 and 1956 this production amounted to 2.3 and 3.7 million metric tons respectively (46% and 58% of total sheet production): by 1960 it may be up to some 7 million (75% of the actual production potential, which is estimated at 9.4 million)⁽²⁾.

309. Parallel with the expansion in wide-strip production, *coating* is being done more and more by continuous processes. In 1954, the output of continuous galvanizing and electrolytic tinning lines was 20,000 and 60,000 metric tons respectively: by 1956 it was already up to 180,000 and 230,000, and capacity in 1960 will be 500,000 and 1,000,000⁽²⁾.

The proportion represented by galvanized sheet in the total output of rolled products (2%), is approximately the same as in the Anglo-Saxon countries. Tinplate production there, on the other hand, is in the region of 6%, whereas in the Community it is barely above 2%.

310. A more general comparison between wide-strip production patterns in the Community and in the United States and the United Kingdom reveals certain fundamental differences.

⁽¹⁾ "Theoretical rolling potential" is the production which could be achieved if no bottlenecks whatever occurred either before or after the actual rolling to impair the full utilization of the mills. In the long term, the development of the new mills alone should bring this theoretical production potential up from 12.4 to 16 million metric tons per annum.

⁽²⁾ For further details, see *Statistical Annex*, Table No. 56.

In the Anglo-Saxon countries practically all cold-rolled wide strip is produced by integrated works which all have hot wide-strip mills. In the Community, on the other hand, works possessing hot mills will in 1960 be producing only some 60% of the total of cold-rolled strip, while the remaining 40% will come from pure rolling mills obtaining their coils from outside sources. There are, admittedly, certain link-ups between some of these rolling mills and the hot-strip producers, such as financial participation arrangements, long and medium-term supply and processing contracts.

Another structural difference lies in the breakdown of cold-rolling potential as between tandem and reversing mills, the latter representing only 5% in the United States and 10% in Britain, as against 46% in the Community. (This last percentage is perhaps too high.) Some non-specialized works, whose financial position is at times precarious owing to insufficient utilization of their capacity, could find themselves in difficulties in the event of a recession: these are, generally speaking, problems most pure rolling mills have to face.

The percentage of sheet rolled in continuous mills in the Anglo-Saxon countries is also greater than that in the Community: it is over 95% in the United States and will be 85% in Britain by 1962, as against 75% in the Community by 1960. The extent to which the conventional type of mill rolling from sheet-bars goes out of use will depend on the economic situation, the availability of semis, the comparative trends in the prices of semis, sheet-bars and coils, and the relative prices of sheet rolled by the old and new processes. For certain qualities of steel (which in 1956 represented 0.5 million metric tons) the old process comprising final hot-rolling will still be necessary, or at any rate remain competitive, for some time to come, as the depreciation allowances are comparatively small.

311. *Requirements and production potential.* — Assuming an average level of activity in 1960 (67 million metric ingot tons), the General Objectives Committee put requirements of heavy and medium plate at 7.5 million metric tons and requirements of sheet at 8.6 million. Actual production potential by that date will be 9.1 million metric tons and 9.4 million respectively (including 6.2 million from cold-rolling mills). This capacity would thus be adequate, even if the level of activity were to reach the "upper limit" allowed for in the General Objectives, (73.5 million metric tons of ingot, representing an in-

crease of 10%)(¹). The main problem would be to see that the rolling-mills were kept properly supplied with steel.

A major investment drive is in progress in the pig-iron and crude-steel sectors to ensure a steady flow of steel to the modern platemaking four-high plate mills and hot wide-strip mills, which are very costly but at the same time very efficient: between 1956 and 1960 conventional heavy-plate mills and hot wide-strip mills will require respectively 15% and 25% more steel to keep them working to capacity. To expand their crude-steel production, some works making plate and sheet are turning to conversion processes based entirely on oxygen; in this way steel obtained from pig-iron will replace some of the conventional hearth steel, thereby reducing the amount of scrap needed.

312. In co-operation with the producers and consumers, the High Authority is now endeavouring to work out the exact breakdown of plate and sheet requirements by types of product.

With regard to heavy plate, it will simultaneously determine the requirements and the production potential for each thickness and width. This will enable it to calculate the share of conventional and strip mills in total production, which will make it easier to direct new investments into the right channels.

As regards sheet, a careful study must also be made of trends in demand: from the date a hot wide-strip mill project is approved, a period of four to five years normally elapses before the plant is erected, an adequate supply of steel is ensured and the mill is finally brought into operation, whereas cold wide-strip mills are considerably cheaper and quicker to construct and can therefore be developed more in line with market requirements.

313. If up-to-date high-capacity rolling-mills are to operate economically, it is necessary first to establish the commercial basis which will ensure adequate utilization. Comprehensive co-operation is therefore being organized between consumers and producers with a view to

(¹) See *Fifth General Report of the High Authority*, April 1957. Chapter XII, 3.

- (a) maximum standardization of sizes;
- (b) standardization of qualities and specifications to simplify inspection procedure, which is at present, particularly in the case of heavy plate, so involved as to necessitate lengthy storage;
- (c) satisfactory execution of small order, especially those for unusual sizes.

It is also felt to be desirable that the processing industries should be so equipped as to enable them to derive the maximum advantage from products made on the latest mills, especially as regards wide strip.

Section 2 — The Work of the High Authority

314. The information issued by the High Authority on the foreseeable trend in requirements and the orientation of capital schemes completed, in hand and planned furnishes basic guidance for decisions by the enterprises.

The High Authority embarked on an examination of the measures taken by the various Governments to promote particular types of activity and of investment, and this study is proceeding, in close co-operation with the Governments concerned. The High Authority also studied the repercussions liable to be produced on the trend in investment by certain indirect Government price-pegging measures and certain compensation schemes. It found itself obliged to amend the old compensation scheme for imported scrap in such a way as to reduce to a minimum all artificial encouragement to install furnaces mainly using scrap⁽¹⁾.

Although decisions by enterprises in regard to investment are governed by market trends and by certain artificial incentives, the influence which the High Authority brings to bear on them is none the less essential to ensure that the general interest and individual interests in the long term coincide. Since the Treaty came into force its activities have included spot-checks, discussions and the provision of expert advice. It has steadily extended these by recourse to the means provided for in Article 54 of the Treaty, which empowers it to

⁽¹⁾ See No. 70 above.

“issue reasoned opinions” on capital schemes (now compulsorily declarable), and to “facilitate the carrying-out of investment programmes by granting loans to enterprises or by giving its guarantee to other loans which they obtain”.

DECLARATION OF CAPITAL SCHEMES

315. Article 54 provides that the High Authority may, to encourage the co-ordinated development of investment, require enterprises to submit individual projects in advance, either by addressing a special request to that effect to the enterprise concerned or by laying down in a decision the nature and scale of projects to rank as declarable. Having first given those concerned all facilities for submitting their comments, it may then issue a reasoned opinion on the project or projects, in line with the General Objectives.

A High Authority decision of July 1955 makes it compulsory to declare certain investment projects not less than three months prior to the conclusion of the first contracts or the commencement of operations⁽¹⁾. Projects so declarable are those in respect of

- (a) entirely new plant where the total estimated expenditure exceeds 500,000 dollar units of account;
- (b) replacement or conversion of existing plant where the total estimated expenditure exceeds 1,000,000 dollar units of account.

Under a later supplementary decision, projects relating to steel-making furnaces and hot-blast cupolas used in steel production must be submitted in advance irrespective of the estimated expenditure⁽²⁾.

The projects declared to the High Authority under these decisions are a further source of information supplementing the details supplied for the annual investment survey. The opinions thereupon issued give the enterprises declaring them a clear picture

⁽¹⁾ Decision No. 27/55, of July 20, 1955, *Official Gazette of the Community*, July 26, 1955.

⁽²⁾ Decision No. 26/56, of July 11, 1956, *Official Gazette of the Community*, July 19, 1956.

of how their own projects fit into the broader pattern of the General Objectives.

316. Between September 1, 1955, when Decision No. 27/55 came into force, and December 31, 1957, 264 declarations in all, relating to 392 capital schemes, were submitted to the High Authority.

	Declarations	Projects
September—December 1955	40	52
1st six months, 1956	73	109
2nd six months, 1956	50	100
1st six months, 1957	57	82
2nd six months, 1957	44	49
Total	264	392

It would, however, be unwise to draw cut-and-dried conclusions from these figures as to the trend in investment over the next few years. Quite a sizeable proportion of the capital schemes planned are not declarable, while some which are declared may subsequently be dropped. However, inasmuch as they represent considered decisions by heads of enterprises, the declarations do give a pointer as to the accuracy or otherwise of the conclusions suggested by the replies to the annual investment survey questionnaire.

The overall value of the projects declared in 1956 reached the exceptionally high level of 852 million dollars. The 1957 figure is only 448 million.

(*'000,000 dollars*)

	Actual expenditure 1956	Amounts involved in projects declared					
		1st six months, 1956	2nd six months, 1956	1st six months, 1957	2nd six months, 1957	1956	1957
Coalmining industry, incl. mine-owned coking and briquetting plants	426 ⁽¹⁾	153	72	98	79	205	177
Iron-ore mines	48	7	2	2	17	9	19
Iron and steel industry	572	243	395	165	87 ⁽²⁾	638	252
Total	1,045⁽²⁾	383	469	265	183	852	448

(¹) Including 5 million dollars in respect of brown-coal briquetting-plants and plants producing low-temperature brown-coal coke, not declared.

(²) Allowing for certain changes to projects previously declared (—11 million dollars).

The steady fall from one six months to another would appear to indicate that the rate of investment in the Community industries, at all events in the iron and steel industry, is due to drop sharply. In view, however, of the length of time which such schemes take to be completed, particularly in the coalmining industry, it will probably be some years before the effect of the decline is reflected in the actual expenditure and the rate of increase in production capacity.

317. In the *coalmining industry* no appreciable diminution is observable in the already comparatively low rate of capital expenditure. Some schemes coming under the head of "pits" are not declarable: at the same time, expenditure declared indicates a sufficient upturn to suggest an all-round rise later on. Expenditure on coking-plants and power-stations is falling off, but works out relatively higher in the declarations for 1956 and 1957 together than it did in the actual figures for 1956.

(000,000 dollars)

	Actual expenditure 1956	Amounts involved in projects declared					
		1st six months, 1956	2nd six months, 1956	1st six months, 1957	2nd six months, 1957	1956	1957
Collieries	249	35	14	64	54	49	118
Mine-owned coking-plants	54	24	42	12	5	66	17
Independent coking-plants	10	3	2	5	4	5	9
Pithead power-stations	104	71	14	16	16	85	32
Hard-coal briquetting-plants	4.5	—	—	0.5	—	—	0.5
Total	421.5	133	72	97.5	79	205	176.5

In relation to 1956 production, the projects declared represent a potential increase of 3.4% for coal-getting, 8% for the coking-plants and 18% for the pithead power-stations. The relatively small increase envisaged for coal-getting is due almost entirely to the nature of the projects declared in 1957, while the biggest projects in respect of coking-plants and power-stations were declared in 1956⁽¹⁾.

318. In the *iron-ore mines*, expenditure declared is on the increase, but still amounts, as against actual expenditure in 1956 of 48 million dollars, to only:

(1) For further details, see *Statistical Annex*, Table No. 57.

1956

1st six months	6.89 million dollars
2nd six months	2.19 million dollars

1957

1st six months	2.17 million dollars
2nd six months	23.16 million dollars

The improvement indicated for 1957 seems not to be entirely fortuitous: a considerable number of modernization schemes were planned over and above the few extension projects declared. It should also be noted that the increase of approximately 1,725,000 metric tons estimated in production potential represents an increase of only 2.3% over actual production 1956⁽¹⁾.

319. The biggest drop in projects declared during 1957 in relation to previous years was in the *iron and steel industry*. The trend is not uniform, however, and the primary production stages would appear to be expanding faster than the processing stages.

(¹000,000 dollars)

	Actual expenditure 1956	Amounts involved in projects declared					
		1st six months, 1956	2nd six months, 1956	1st six months, 1957	2nd six months, 1957	1956	1957
		Preparation of burden	29.8	9.1	49.4	20.8	16.1	58.5	36.9
Blast-furnaces	77.6	55.4	84.0	38.1	15.3	139.4	53.4
Basic Bessemer steelworks	22.4	34.5	17.1	12.7	0.9	51.6	13.6
Open-hearth steelworks	53.6	22.2	35.6	0.9	-7.4 ⁽¹⁾	57.8	6.5
L/D and similar processes	8.0	—	—	9.0	2.9	—	11.9
Electric-furnace and other steelworks	15.2	6.0	19.4	3.1	3.3	25.4	6.4
Rolling-mills, galvanizing, tinning, etc. }	245.6	78.2	95.9	37.9	45.9	174.1	82.9
Steelworks-owned coking-plants	22.3	4.8	9.9	6.5	-3.8 ⁽¹⁾	14.7	2.7
Steelworks-owned power-stations	32.2	19.7	21.7	9.7	9.7	41.4	19.4
Miscellaneous	64.3	7.3	15.9	15.0	1.6	23.2	16.6
		5.4	46.1	12.2	2.0	51.5	14.2
Total	571.0	242.6	395.0	165.0	86.5	637.6	251.5

(¹) Corrections to projects previously declared.

(¹) For further details, see *Statistical Annex*, Table No. 57.

HIGH AUTHORITY OPINIONS ON CAPITAL SCHEMES

320. During 1957 the High Authority issued 44 opinions on capital schemes submitted by enterprises, bringing the total of such opinions to 77. Thirty-one of the 44 opinions were explicitly favourable, approving schemes likely to result in increased production or a saving in raw materials in the sectors which could impede the expansion of the Community economy, *viz.* coal, coke, pig-iron, ore and scrap.

Many of the projects approved relate to coking-plants (principally the extension of the plants themselves and improvements in coal preparation), and there is consequently less cause for apprehension as to a possible coke shortage in the Community. A number of other favourable opinions approved schemes for the construction or enlargement of blast-furnaces and the sinking or extension of colliery pits. The remainder were in connection with ore-sintering plant and pithead power-stations using low-grade fuels.

Some of the projects approved provide for the use of processes which will result in a saving of raw materials, *e.g.* by using smaller amounts of the usual grades of coking fines in the preparation of the coking blends, improving blast-furnace burdens, and carrying out more intensive dressing of the ore.

A similar class of projects are those for the development of the Rotor process, which produces steels comparable to the open-hearth quality without consuming much scrap.

The High Authority was duly appreciative of the efforts made by enterprises to step up their steel production without recourse to additional purchases in the scrap market. It was, however, obliged to examine with particular attention 13 schemes for the installation of new open-hearth and electric-furnace capacity.

Following its representations most of the promoters of these projects decided to take action to offset their increased scrap requirements, either by stepping up pig-iron production, by saving on

scrap consumption in certain of their steelworks or blast-furnaces, or by curtailing production in their other electric-furnace steelworks.

Only in a very few cases did the High Authority feel compelled to issue unfavourable opinions, to discourage projects likely to result in further serious pressure on the scrap market.

321. The implications of the opinions issued by the High Authority under Article 54,4 of the Treaty were defined in a judgment delivered by the Court of Justice on December 10, 1957⁽¹⁾.

The judgment declared on appeal against an unfavourable High Authority opinion in respect of a project inadmissible pointing out that Article 33 of the Treaty provided for appeals for the reversal of High Authority decisions and recommendations only. The Court found that the intimation complained of was in fact an opinion and not a decision: it imposed no obligation and therefore contained no rule to be applied. At the same time, there was nothing in the documents submitted to suggest that the High Authority had indicated clearly the attitude it would adopt towards the enterprise in question should the latter disregard the unfavourable opinion.

Nevertheless, the Court declined to give the appellants an assurance that the High Authority's opinion could not entail for them any consequences, direct or indirect. Alongside its "power to direct" by means of decisions and recommendations, the Treaty invested the High Authority with "responsibility for providing guidance", by means of, *inter alia*, opinions. The implications of such opinions might be defined as follows:

- (a) opinions represented no more than *advice* to the enterprises;
- (b) the enterprises retained complete freedom of decision and full responsibility as did the High Authority;
- (c) accordingly, the enterprises were free to accept or reject the opinions issued, but "they must recognize that in disregarding an unfavourable opinion *they accept any risks to themselves emanating indirectly from a situation which they have themselves helped to create*".

⁽¹⁾ See *Journal Officiel de la Communauté*, January 13, 1958.

FINANCING OF INVESTMENT

322. Article 54 of the Treaty empowers the High Authority to "facilitate the carrying-out of investment programmes by granting loans to enterprises or by giving its guarantee to other loans which they obtain".

In order to raise the funds needed to grant loans of its own, the High Authority contracted nine long-term loans to a total amount of 165.9 million dollars⁽¹⁾.

323. On April 8, 1957 the High Authority signed a purchase contract in New York with Messrs. Kuhn Loeb & Co., The First Boston Corporation and Lazard Frères & Co., these firms agreeing to purchase from the High Authority bonds and serial notes totalling \$ 35,000,000, which are quoted on the New York, Amsterdam and, more recently, Paris Stock Exchanges.

A first *tranche* of this loan, amounting to \$ 25,000,000, took the form of secured Bonds issued at par for 18 years at $5\frac{1}{2}\%$. Redemption is to be by twelve yearly instalments of \$ 1.9 million payable from 1963 onwards followed by a final instalment of \$ 2.2 million. The High Authority has the option of prepaying this *tranche* from April 1, 1967, onwards, or alternatively of duplicating the mandatory yearly redemption payments.

A second *tranche* of \$ 10,000,000 took the form of Serial Secured Notes issued at par for 3, 4 and 5 years at 5%. This *tranche* is redeemable in three substantially equal annual instalments payable on April 1, 1960, 1961 and 1962 respectively.

Under the Act of Pledge, the service of the loan is secured by the common pledge of the evidences of indebtedness (and related security) and to be received by the High Authority for the loans made by it to the enterprises from the proceeds of its own borrowings⁽²⁾.

⁽¹⁾ For further details, see *Financial Annex*, No. 7.

⁽²⁾ See *Third General Report of the High Authority*, April 1955, No. 160, and *Fifth General Report of the High Authority*, April 1957, No. 356.

This first public loan contracted in the United States was a notable success: public offering was made on April 9, 1957, and the securities were all sold the same day. The High Authority feels, in the circumstances, that it could well score a similar success in the American capital market once conditions there become suitable again: its credit appears to be firmly established.

324. The proceeds of this loan were allocated in accordance with a schedule of priorities based on the General Objectives, *i.e.* mainly for capital schemes designed to develop and expand:

	Breakdown of credits granted	
	\$ '000,000	%
(a) production of coal and coke	24	68.6
(b) production of pig-iron and sintering and/or concentration of ore (saving on coke and increase in pig-iron production)	10	28.6
(c) building of workers' houses	1	2.8
Total	35	100.0

The following enterprises were granted loans:

Bochumer Verein für Gußstahlfabrikation AG⁽¹⁾
 Gebr. Böhler & Co. AG⁽¹⁾
 Deutsche Edelstahlwerke AG⁽¹⁾
 Eschweiler Bergwerks-Verein⁽¹⁾
 Felten & Guillaume Carlswerke Eisen und Stahl AG⁽¹⁾
 Hessische Berg- und Hüttenwerke AG⁽¹⁾
 Hüttenwerk Rheinhausen AG⁽¹⁾
 Stahlwerke Südwestfalen AG⁽¹⁾
 Gußstahlwerk Witten AG⁽¹⁾
 Vado Alti Forni e Acciaerie S.p.A.
 Arenberg Bergbau GmbH
 Hoesch-Westfalenhütte AG
 Bergwerksgesellschaft Hibernia AG

⁽¹⁾ Enterprise with an interest in the *Remanlage Rhein-Ruhr*

Gewerkschaft Auguste Victoria
 Altenessener Bergbau AG
 Rheinpreussen AG für Bergbau und Chemie
 Hamborner Bergbau AG
 Eschweiler Bergwerks-Verein
 Preußische Bergwerks- und Hütten AG
 Bergwerksgesellschaft Walsum mbH
 Finsider — Società Finanziaria Siderurgica S.p.A.

In the majority of the projects High Authority's participation averaged 25% of their cost.

The increase in production expected to result from the completion of the projects thus financed is:

coal	4.4 million metric tons per annum
coke	0.9 million metric tons per annum
pig-iron	1.0 million metric tons per annum
sintered ores	0.7 million metric tons per annum
steel	0.7 million metric tons per annum

The rate of interest on loans granted by the High Authority has been fixed at $5\frac{7}{8}\%$. The relending procedure is the same as that adopted in connection with previous loan and credit operation: in particular, the banking houses acting as the High Authority's agents have continued to submit reports on the financial position of the enterprises and the securities offered.

325. *Guarantees.* — No guarantee operation had been carried out by December 31, 1957. An application submitted early in 1957 was withdrawn before the preliminary examination had been completed.

CHAPTER SEVEN

TECHNICAL RESEARCH

326. One of the essential elements in the High Authority's long-term development policy is the stimulation of research with the object of establishing better technical, economic and social conditions for the future operations of the enterprises, by the introduction of new processes and improvements which will lower production costs, raise the standard of quality of the products and ensure increased safety and better working conditions.

The types of research more particularly relevant to the Community enterprises' future activities were specified in the General Objectives⁽¹⁾; a number of other recommendations in this connection are contained in the proposals put forward by the Conference on Safety in Coalmines⁽²⁾.

In accordance with Article 55 of the Treaty, the High Authority is helping to promote technical and economic research by co-ordinating the work of specialized research organizations and by making financial grants. Before setting aside for research projects funds derived from the levy, it makes sure that the projects conform to the general criteria according to which they must be of sufficient importance, as regards the ultimate attainment of the General Objectives, to a reasonable large number of enterprises, while being liable to be seriously impeded by the limited nature of the funds available from private enterprises alone.

(1) See *Fifth General Report of the High Authority*, April 1957, Chapter XII.

(2) See Nos. 268—274 above.

COAL

327. The proceedings of the Conference on Safety in Coalmines revealed the need for mines to be equipped with appropriate apparatus for the prompt detection of impending firedamp explosions, underground combustion or fires, and conditions likely to lead to carbon-monoxide poisoning and asphyxiation from lack of oxygen, and for underground personnel to be provided with individual rescue apparatus.

The High Authority therefore decided, with the agreement of the Council of Ministers, to set aside 200,000 units of account for the purpose of awarding prizes for the best results of research work producing major improvements to existing safety equipment, or ideas leading to new development in this field.

Research is to be focused on the following types of equipment:

- (a) portable firedamp-measuring equipment;
- (b) portable "alarm" equipment indicating when the maximum permissible percentage of firedamp is present in the air;
- (c) portable "alarm" equipment indicating when the oxygen of the air has dropped to the minimum permissible percentage;
- (d) carbon-monoxide indicators;
- (e) self-rescue equipment affording full protection against poisonous gases and shortage of oxygen for at least one hour.

(a) and (c) are ultimately to supersede the flame safety lamp as firedamp-detectors and oxygen indicators respectively, and the use of flame safety lamps is to be condemned, since even when handled by men thoroughly versed in their use they have been the cause of numerous firedamp explosions.

A committee of experts on mine-safety equipment from the different Community countries drew up the specifications for the equipment coming within the terms of the competition. The results of the research, in the form of a prototype apparatus, are to be

submitted to a jury, which will be designated by the High Authority, before September 1, 1959. A first prize of 35,000 units of account and a second prize of 10,000 will be awarded for the best entries in each of the first four categories and a single prize of 20,000 for the best self-rescue equipment.

Details of the competition were announced in the technical journals published in the Community, and communicated by letter to research centres and University laboratories.

328. The *International Committee of Mining Experts*, the members of which are leading executives from the various coalfields of the Community and the United Kingdom, experts from the mining research centres and representatives of the High Authority, dealt at its meetings during the transition period, held in the various coalfields, with those topics connected with mining which were most likely to contribute to the industry's progress.

As a result of the discussions a clearer picture was obtained of the scope for the employment of new methods and equipment with due regard to the nature of the deposits, the depth and thickness of the seams, the hardness of the coal, the resistance of the surrounding strata, and so on. Attention was drawn to the advantages and disadvantages, both technical and economic, of the processes and equipment discussed. Tours of pits were organized to enable the Committee to watch the new processes already in use and obtain additional information.

The data emerging from these meetings and the views expressed by those taking part are generally passed on through the industry's associations in each coalfield to the circles directly interested, so that the meetings constitute a forum for the exchange of ideas and experience. In this way, new technical possibilities and their practical implications for the different types of deposit are brought to the attention of the industry as a whole with the minimum of delay, and duplication of tests and unnecessary expense are avoided.

329. The Committee's first meeting, held in the Ruhr in 1953, dealt with one of the most urgent questions of today, the mechanization of coal-getting and loading operations at the face, which are the most arduous of the miners' duties and take up close on 75% of their working hours. The equipment best suited for cutting horizontal faces in the Ruhr is the plough. It enables the output at the faces to be stepped up easily by 40—50%, and has the

further great advantage of making operating cycles unnecessary, which is the ideal condition for working out a seam, with its frequent faults and unexpected interruptions. Unfortunately, for the present this admirable machine can only be used for cutting and loading at the face in flat seams of soft coal.

Mechanization at steep faces is still in its infancy. However, one useful contribution to the problem has been the concentration of haulage in winding roads, in the Ruhr, *inter alia*, by means of a shuttle conveyor, which is suitable for carrying large tonnages of coal and stowing material.

330. The mechanization of coal-getting in hard seams was discussed at the Committee's second meeting, which was held in the Lorraine and Saar coalfields in January 1954. In Lorraine, something like 41% of the coal produced comes from steep workings. A new method of horizontal slicing and hydraulic packing has made it possible to mechanize very nearly the whole of the coal-getting and loading operations in these seams, and to concentrate the workings to a considerable extent. Underground o.m.s. by this method is as much as 3,000 kg.

Before operations in flat hard seams in Lorraine were mechanized, the pits were concentrated, whereby the average daily production of each pit was boosted from 2,000 to 6,000 metric tons. As part of the modernization drive in regard to underground haulage, large mine-cars taking up to twelve tons were introduced. The plough cannot be used in either coalfield owing to the hardness of the coal: large power cutters are mostly employed instead. Notwithstanding the more complicated working arrangements involved, the technique of operating with power cutters in Lorraine has, by supreme efforts, been so much improved that the daily rates of advance and underground o.m.s. now being achieved are higher than anywhere else in the Community.

As a means of combating the silicosis hazard in very dusty seams, pulsed water infusion has been carried out in the Saar since as long ago as 1948. The method came quickly into general use, so that today 78% of total production comes from water-infused seams, while the dust content of the air has been reduced by 60—80%. Unfortunately, water infusion can have an adverse effect on the behaviour of the roof and floor and also on the results of the screening and pre-sorting of fines at the washeries.

A marked improvement in safety conditions has been achieved in the Saar by the drainage of gassy seams, which is now being carried out throughout the coalfield. The average quantity of firedamp drained per metric ton of coal won is equivalent to approximately 40 cu.m. pure methane, the daily total being about 220,000 cu.m. methane. Quite apart from the resulting improvement in working conditions underground, the collieries are deriving an income from the sale of the gas, which may amount to 2—3% of their total revenue.

331. The tour of inspection of the Liège and Campine coalfields on the occasion of the third meeting, in December 1954, gave the Committee an opportunity to study the special difficulties prevailing there and the measures taken to cope with them. The thin seams and numerous faults in the Liège area make the mechanization of underground operations difficult, and this is accordingly not very far advanced. On the average 95% of the coal is still hewn with pick hammers. In very thin seams scrapers are occasionally used to haul coal and stowing material.

In the Campine, on the other hand, the flat, regular coal deposit, though subjected to considerable rock pressure, is very suitable for the mechanization of underground operations, which is therefore proceeding apace.

The high temperatures prevailing at deep levels in the Campine have in some cases necessitated air-conditioning of the workings by means of refrigeration-plant. The cost of refrigeration per ton of coal produced is fairly high, but this is offset by a considerable increase in output from the air-conditioned workings.

Owing to the strong rock pressure, 55% of the Campine crosscuts are equipped with circular support 4—4.80 metres in diameter, consisting of highly resistant concrete blocks. This type of support has reduced maintenance costs quite considerably.

332. Dutch Limburg, which the Committee toured in the course of its fourth meeting, in May 1955, has mainly soft seams. The plough has come into general use there for face cutting and loading even more quickly than in the Ruhr. Some 29% of the total production comes from mechanized faces, worked by many different kinds of plough. Under such conditions output may be anything up to twice that from faces worked by pick hammers. In some cases it has been possible by this means to work seams previously abandoned as too thin or too stony.

One new pit which is now being sunk will have a daily production capacity of 6,000 metric tons. It has the distinguishing feature that its two shafts are to be only 5.60 metres in diameter. The loss of pressure in the ventilation of the shafts will be reduced by the smooth surface of the shaft lining, the streamlining of the guide supports and the fact that there will be no ladderway. Calculations have shown that the saving resulting from this small diameter is so considerable that when, in twenty years' time, a third shaft has to be sunk for ventilation purposes in connection with the deepening of the workings, the total expenditure will be less (taking interim interest into account) than if the present project had been to sink two wider shafts large enough to last throughout the total life of the pit.

The shafts are sunk by the shaft-boring method with the water present instead of by the freezing process.

The other new ideas applied in sinking shafts through water-bearing strata and loose sand in the Limbourg area are:

- (a) To make the outer wall of the tubbing smooth and coat it with a layer of bitumen. This measure is intended to reduce the crush on the tubbing when coal is mined from the shaft pillar.
- (b) To use a permanent lining of reinforced concrete instead of cast-iron or steel tubbing.

333. In November, 1955, the National Coal Board, which has three representatives on the International Committee of Mining Experts, invited the Committee to tour British collieries to study the questions of modernization and the linking up of pits.

One of the consequences of the British Coal Industry Nationalization Act was the regrouping and linking up of pits. Between 1947 and 1955 the National Coal Board approved 143 major schemes related to this re-organisation. The total cost is estimated at 192 million pounds sterling and annual production will be increased by 34 million tons as a result. One of the most notable projects involves the erection of a central washery in the Yorkshire coalfield to handle the combined production of four neighbouring pits with an aggregate daily output of 13,000 tons. The hourly capacity of the central washery will be 1,200 tons, and it is estimated that 191 fewer people will be required in the labour force. Up to the present, schemes for link-ups and modernization have been mainly applied to open-cast mining and underground transport. In certain coalfields output has been stepped up by almost 30 per cent. An increase in face output can confidently be expected in the near future.

British coals are in general not suitable for face mechanization by the use of the coal plough, but a solution has been found through the use of the many types of combined cutter-loader. Two new types of these machines have recently been developed and excellent results have been obtained with them. They are now coming rapidly into general use. They can be employed in relatively thin seams and the working pattern is based on a continuity of operation almost as good as in the case of the plough. So far, coal-getting and loading operations at the face have been successfully mechanized, but much manual labour has continued to be required for support and stowing work. Tests are being carried out with "self-advancing" or "walking" supports in Great Britain and are yielding excellent results. Hydraulic props are operated by a fluid at a pressure of 50 kg/cm² supplied

from a pump in a closed system with two pipe lines to the props. A set of taps is used to release, advance, and set the props up again between the floor and the roof. A labour force of three is sufficient to move the system of supports along a 250m-long face.

334. Some members of a group of experts from the National Coal Board, who went to the Soviet Union on a study tour in 1956, reported to the Committee their impressions of the tour.

The target envisaged for coal production in the Soviet Union by 1960 is 593 million metric tons, including 118 million tons of coking coal and 122 million tons of open-cast coal. A gigantic effort is being made to increase the engineering skill and knowledge of the supervisory staff and workers. Women make up roughly twenty to thirty percent of the total labour force.

The type of machinery and equipment being employed underground demonstrated that the Soviet Union was making itself completely independent of the outside world. Institutes doing research work on, and developing, mining equipment are very well organized and have a large staff. Such remarkable results have been obtained with their loaders; at the beginning of 1956, about 35 percent of production from horizontal faces was loaded mechanically.

One member of the Committee reported on the methods he had studied in South Africa for the rapid sinking of shafts. He quoted the example of a 7.35 m. diameter shaft lined with concrete, which had been sunk to a depth of 2,000 m. within the space of two years. This was the outcome of the use of very powerful equipment and of simultaneous sinking and lining operations, backed up by detailed study and a streamlined organization.

335. The Committee's seventh meeting, held in Upper Bavaria in May 1957, was specially devoted to the study of operations on very thin seams in the various coalfields, with the object of working out ways in which these could be made more economic. Something like 96% of Upper Bavaria's coal production comes from seams less than 80 cm. thick, with a stone content of about 50%. Nevertheless, the collieries do pay their way, thanks partly to maximum concentration of the workings (one pit's entire production of 2,800 metric tons a day is loaded at a single point), and partly to the introduction of new coal-getting methods, e. g. the use of the ram in working semi-steep faces and extra-hard coal. (It even proved possible to employ this last method for over a year to work a face in a seam only 35 cm. in thickness, with no support and no face workers.)

The proportion of Community coal from seams less than 80 cm. thick is fairly low (in Germany 8% of production), as the men very much dislike working such seams and the faces do not lend themselves to mechanization. The tool mainly used in steep formations is the pick hammer. However, the mechanization of both coal-getting and support work is progressing gradually. In flat formations there is more scope for mechanization, with the plough or peeler-scraper for seams 40—50 cm. thick and the power cutter from 60 cm. upwards. In the case of thin and very thin seams, technical research has to be concentrated, more than for seams of normal thickness, on the development of coal-getting methods which will reduce the number of men required on the job to a minimum.

336. The Committee devoted itself at its eighth meeting, held in the Nord/Pas-de-Calais coalfield in February 1958, to the subject of high-speed drivage of cross-cuts and roadways. This, with the mechanization of face work, is the most urgent problem of all if the manpower shortage is to be alleviated and the miner's job made less arduous. Its importance is obvious if we consider that a total of something like 80,000 miners in the Community as a whole are engaged on the drivage of cross-cuts and roadways. The Nord/Pas-de-Calais concentrated earlier on improving the rate of advance in the drivage of cross-cuts by a thorough study of work organization, with the object of achieving two full operating cycles with an advance of not less than 1.50 metres per shift, using the conventional methods and equipment. This systematic research ultimately resulted in a daily average rate of advance of ten, and in exceptional cases even fourteen, metres in a cross-cut 9 sq. m. in section.

A similar study on high-speed drivage of gate-end roads led to the introduction of the Marietta Continuous Miner, originally developed in the United States for driving through coal, but adapted to suit conditions in the Nord/Pas-de-Calais and converted for driving gate-end roads where the surrounding strata are fairly soft. The forty-ton machine drives a passage with an effective section of 3 metres by 1.80, *i. e.* 7 sq. m. in all, including 4 sq. m. in the seam and 3 sq. m. in the roof and floor. After experiments lasting more than a year, during which the Marietta drove more than 1,000 metres of roadway, an average of 10 metres per shift, or 20 metres per day, was achieved. It is so economic in use that three or four machines of this type have been ordered. However, though it does seem to be the answer as regards the driving of small-section gate-end roads through coal with comparatively soft surrounding strata, research will still be needed to develop a machine capable of driving a cross-cut of the size usual today, through strata of the kind normally encountered in Community mines.

337. *Mining research projects at Community level.* — As will be apparent from the foregoing, the High Authority's activities in the

field of mining research have so far been confined to the co-ordination of the research and development work undertaken in the coal-producing countries, in accordance with Article 55,1 of the Treaty. The object of this co-ordination is to ensure that by the systematic pooling of experience the latest progressive methods and other useful results of research achieved in the various coalfields of the Community and the United Kingdom are made available to all Community and British collieries. This co-ordination work, which has been giving excellent results for close on five years, is to be continued.

Now, however, a further development is taking place — scientific and technical mining research actually at Community level, with financial assistance from the High Authority. At the beginning of 1958, the Steinkohlenbergbauverein in Essen and the Charbonnages de France in Paris have applied to the High Authority for grants in respect of an ambitious research project of outstanding importance to *all* the Community coalfields, *viz.* the *full mechanization of underground tunnelling operations*. Of the various operations connected with hard-coal mining, the drivage of roadways is one of the most important. Firstly, it opens up the pannels and seams and enables the pit to be prepared for working (stonedriffs), and secondly, it provides access to the coal-winning (gate-end roads). In addition, the underground roadways generally serve for haulage, man-riding and ventilation purposes. Taken overall, roadway driving (stonedriffs and gate-end roads together) in the Community coal mines involves approximately, per annum,

- 3,500 km. of tunnelling
- 20 million manshifts worked
- 50,000 km. of borehole-drilling (in all more than the circumference of the globe),

and a total expenditure of

- 450—500 million dollars (= 1.8—2.0 dollars per metric ton of saleable coal produced).

The traditional method is to bring the rock down with explosive, most of the shotholes required being made by hand with hammer-drills. In stonedriffs, the material brought down is usually removed mechanically; in gate-end roads, on the other hand, mechanical loaders are not so far much in use.

Up to now, no fully-mechanical continuous tunnelling machine has been constructed capable of economically opening up roadways of sufficient section through all types of strata.

The object of the research projects planned by the Steinkohlenbergbauverein and the Charbonnages de France is, accordingly, to perfect a universal tunnelling machine for use in any type of strata, from coal to the hardest sandstone and even, if need be, conglomerate. This would make it possible to drive right into the strata by fully mechanical means, without drilling or shotfiring, and to ensure continuous removal of the debris (whether rock or rock and coal together), also by fully mechanical means.

It is hoped in this way to achieve the following improvements from the technical, economic and safety points of view:

(1) saving of skilled workers, who could be put on to other productive work below ground;

(2) lightening of the miner's job generally;

(3) acceleration of roadway-drivage operations, which, over and above the expected saving in production costs per metre advanced, offers the following advantages:

(a) concentration of skilled workers, supervisory personnel, equipment and power supply on a small number of roadways to be driven simultaneously,

(b) reduction of interest charges,

(c) quicker reconnoitring of tectonic and geological conditions,

(d) greater stability of the roadways, since the walls would not have to stand up to shocks from shotfiring,

(e) possibility in the deeper pits of carrying out development operations farther in advance, so as to give the strata time to cool,

(f) possibility, more particularly thanks to faster driving of gate-end roads, of resorting more frequently to the retreating method, with its attendant advantages, *viz.* that it enables faults to be detected in time, and makes for a stepping-up of specific extraction per working (naturally only where the geological and tectonic conditions are such as to allow of retreating working);

(4) improvement of safety conditions thanks to the elimination of shotfiring and the possibility of carrying out gas drainage work in good time in very gassy strata.

The cost of this research project is estimated at one million dollars over a trial period fixed provisionally at one year. This sum would be spent on the construction of prototypes of new tunnelling machines, designed on

the basis of experiments with large-hole drills in hard strata. One of these new "roadway cutters" is to be installed in the Ruhr coalfield and another in Lorraine.

Both applications for grants were submitted to the Consultative Committee and the Council of Ministers after examination by the High Authority.

338. Independently of the International Committee of Mining Experts, the *International Committee on Coking and Coal Valorization* is studying possibilities in regard to the utilization of coal-products and the conversion of certain types and grades of coal into products in greater demand. The Committee has been meeting regularly in the different Community countries and in the United Kingdom. As well as holding these meetings, it has been directed by the High Authority to help co-ordinate research and to examine research projects submitted to the High Authority where these come within its own terms of reference.

The steady increase in coke consumption may result in a shortage of coking coal which can only be remedied by extending the range of coals suitable for coking. Accordingly, the first meeting, held in July 1953 in Lorraine and the Saar, was devoted to the study of new methods of carbonizing coal other than the regular coking fines such as stamping, the different blending techniques, selective preparation of the coal and dry-charging, which are being employed on an industrial scale for the first time in the Saar and in Lorraine.

A second meeting discussed the suitability of different grades of coke for use in blast-furnaces, and ways and means of assessing this on the basis of laboratory tests. This question is of particular importance in determining how far it is possible to extend the range of coals suitable for coking.

How to maintain the role of coal as a source of energy and as raw material for thermal and chemical processing was the subject of the third meeting, held in the Ruhr in November 1953. A number of new possibilities were mentioned, including (a) the valorization of grades of coal which are not much in demand by converting them into town gas, with the object of increasing the revenue of the collieries and thereby making them more economic, (b) the quantitative and qualitative improvement of the output of by-products of hard-coal carbonization, by ensuring better co-ordination between the coalmining and chemical industries, and (c) the introduction of new methods of distilling hard-coal tar. Finally, the meeting heard and

discussed the results of studies undertaken to improve the quality of blast-furnace coke, and thereby cut pig-iron production costs.

A meeting in Italy in June 1954 gave the Committee the opportunity to observe the great value to Italy of the Po valley reserve of natural gas, which is used both as a fuel and as a raw material for the chemical industry. As a fuel it is used more particularly in thermal power-stations and in the iron and steel, cement and glass-making industries, as a chemical raw material for the production of acetylene, for conversion by cracking into town gas, and for making chemical fertilizers.

In October 1955, the Committee met in Britain, where it was able to see something of the very considerable facilities provided for the British research and study centres, including research laboratories, pilot plants for trying out the first results, and plants on a semi-industrial scale for the perfecting of processes. Among the matters to which research is at present being devoted are coal structure, fuel efficiency, air pollution and, as a direct corollary of this last, the manufacture of smokeless fuels.

At its meeting in the Netherlands in March 1957, the Committee was shown the research work in progress on flame radiation, the results of which will affect a large number of industries. A number of especially striking results were demonstrated, in connection more particularly with studies on the composition of coal, with the valorization of coking products (production of calcium carbide and artificial anthracite) and better preparation of coking fines. These results and advances are a significant factor in making the collieries more economic, and in improving the position of other industries by supplying them with better-quality products at lower cost.

STEEL

339. On April 29, 1953, the High Authority set up an *Iron and Steel Technical Research Committee*.

The regular members are, for Belgium and Luxembourg, for France and for Italy, representatives of the research centres there, for Germany, the secretary-general of the Verein Deutscher Eisenhüttenleute, and for the Netherlands, the head of the research laboratory of the Koninklijke Neederlandsche Hoogovens en Staalfabrieken of IJmuiden; the meetings are also attended by an observer from the British Iron and Steel Research Association.

The Committee is required, among other things,

- (a) to assure co-ordination among countries engaged on parallel research;
- (b) to submit research projects in line with the General Objectives of the High Authority;
- (c) to issue reasoned opinions on research projects submitted for the purpose of obtaining grants.

The Committee has met sixteen times in all since it was first set up: at present it is meeting every two or three months.

A first programme for Community research work drawn up in 1953 was unanimously adopted.

340. The research work started in accordance with this programme in 1955 has now been completed.

The tests aimed at improving the *quality of silica bricks* for the roofs of open-hearth furnaces and the research on *technical conditions in steel-rolling* gave the High Authority an opportunity to employ a procedure which proved effective: its grant was paid not to an existing research centre or company, but to a body specially set up for the occasion.

A management committee, a technical committee and an executive office shared the organization and execution of the work at the technical, administrative and financial levels. An agreement was concluded between the High Authority and the management committee laying down the broad outlines of the actual research work and of the arrangements for checking expenditure.

For the tests on silica bricks an independent committee of experts was also set up to study what damage, if any, the open-hearth furnaces might have suffered as a result of the experiments.

For the research on steel-rolling separate sub-committees were set up to direct and supervise the experiments in the works and the laboratory tests for each of the finished products dealt with, *viz.* wire-rod, rounds and strip.

A special feature of these two research projects was the very large number of measurements recorded, which could not have been evaluated statistically without the help of the most up-to-date computing equipment.

The final reports, which are to be published during the year, are in the form of contributions from all the specialists who took part in the research work: these are now being co-ordinated by an editorial committee.

341. The High Authority employed a different procedure in regard to its grant to the International Flame Radiation Study Committee: here the research body was already in existence, and as the High Authority is represented on it, it can keep abreast of what was being done and receives regular progress reports.

342. Alongside their actual objectives, the various research projects which were completed by the end of the transition period were aimed at accustoming research workers in the different countries to pooling their ideas and to working in co-operation.

The results have been most satisfactory, and this has undoubtedly proved a very effective way of propagating the Community idea.

343. With due regard to the findings of the General Objectives Committees, the High Authority is taking a special interest in all research which will help achieve the Objectives laid down.

The first problem is to reduce consumption of metallurgical coke per ton of steel produced, the main factor in which is the blast-furnace coke input ratio (consumption of coke per ton of pig-iron).

Accordingly, the High Authority on February 20, 1957, granted a loan of 850,000 dollars for tests with the *low-shaft furnace at Liège* for a three-year study of the various factors affecting the coke input ratio, using the Liège plant as a miniature blast-furnace.

The year 1957, for which a first instalment of 250,000 dollars was paid out, was devoted first of all to the completion of a series of projects already in progress, in connection principally with sinter made without a binding agent in a vacuum extrusion press.

As the object of the High Authority's grant was to study the effects of new processes on the input ratio, it was necessary first of all to work out the extent to which the behaviour of the Liège low-shaft furnace coincided with that of ordinary industrial blast-furnaces.

A significant discovery was made in 1957: the blast-furnace rate of direct reduction can be reproduced in an experimental plant by cutting

the driving rate, *i. e.* by reducing the daily input of coke, while at the same time the furnace works more steadily and there is no longer any risk of local running of the burden and of the formation of chimneys in the shaft.

Simultaneously with the reduction in the driving rate, the high top pressure will increase the period for which the gas is retained, thereby improving the rate of indirect reduction; steady operation can be ensured by screening the coke and ore to eliminate the fine particles, and the temperature of the hot blast can be increased to concentrate the fire zone and reduce the temperature of the gas in the throat and the amount of dust produced.

Also in 1957, the necessary plant was developed and installed for the projects on the programme for 1958, which include the admixture of steam to the hot blast and the injection of liquid fuel oil through the tuyeres accompanied by oxygen enrichment of the blast.

The 1958 programme further includes research in connection with the use in the burden of large quantities of sinter, with or without oxygen enrichment of the blast.

Finally, studies have been and are being made to ascertain whether it is preferable to have a round rather than an oval hearth, and to work out the most appropriate height for the shaft to preclude running of the burden.

Simultaneously with its grant for the low-shaft furnace tests, the High Authority approved a special credit of 650,000 dollars to assist research projects on *coke consumption* submitted by enterprises or research bodies.

Eight projects, varying very widely in scope, were submitted to the High Authority, which passed them on to the Technical Research Committee for comment. The Committee pronounced in favour of two of them, both concerned with the introduction into the blast-furnace of fuel oil in liquid or gaseous form, to see how and to what extent, from the technical and economic standpoints, this might replace part of the coke, normally required, particularly during boom periods when coke is scarce and costly. The total grant in respect of these projects would amount to 300,000 dollars, which leaves 50% of the appropriation still available.

Among the various research projects aimed at reducing of coke consumption, special mention should be made of the experiments carried out with excellent results by the *Acéries de Dillingen*, in the Saar using burdens composed entirely of sinter. A further series of trials is in preparation, in which the comparative tests with different grades of coke for which the High Authority earlier granted a subsidy may perhaps be resumed and re-planned.

In order to ascertain the manner in which the blast-furnace coke-input ratio may be affected by a number of widely-differing factors, the High Authority, at the beginning of 1957, arranged various meetings of blast-furnace experts both from research centres and from private companies.

In the course of these discussions, the reductions in coke-input per ton of pig-iron which may be expected from grain classification in making up the charge, from the sintering of the fines and from the beneficiation of a limited number of ores were calculated for the countries working with minette ores, on the assumption that by 1960 the first plants for the beneficiation of siliceous ores, in the Longwy area, will be able to handle approximately 5,000 metric tons of crude ore a day.

As regards the other countries, detailed studies are in progress to determine the parameters governing the reducibility of the ores used, which are, incidentally, extremely numerous. It was found difficult to determine for these countries the possibilities for lowering the coke-input ratio.

In view of these various factors, only very conservative conclusions could be arrived at from the Committee's investigations, *viz.* that the coke-input ratio may reasonably be expected to undergo a reduction of 60 kg. between 1955 and 1960, bringing it down by the latter date to an average rate of 910 kg. per ton of pig-iron.

344. With the same object of helping to ensure a saving in the consumption of metallurgical coke, the High Authority is prepared to encourage joint research on the *direct reduction of iron ore*. This process has the advantage not merely of dispensing with metallurgical coke, but of yielding a product, free of foreign metals, which can be used instead of scrap in open-hearth and electric-furnace charges.

A group of experts carried out a comparative study of the many existing processes, and indicated for each the main technical prerequisites, appending some notes on the cost of obtaining the product under very specific local conditions.

A number of processes were selected for more detailed study and possibly, technical and economic research, within the iron and steel industry of the Community and with financial assistance from the High Authority. These were divided into three groups, *viz.* fluidization processes, shaft processes and rotary-furnace processes. The study and research work on the three types of process is to be carried out by three separate research centres or industrial enterprises.

Plans for the building of pilot plants and programmes for systematic experiments and tests in connection with the various factors affecting the productivity and profitability of the processes are to be drawn up: the operation of such plants, the size of which is half-way between that of the small existing research plants and regular full-scale industrial units, should make it possible to form an accurate judgment as to whether or not the latter may be expected to pay their way.

Adequate future supplies of metallurgical coke are not the only problem. The High Authority fully shares the concern of the General Objectives Committees in regard to the supply of iron ore, expressed as follows:

“The Community’s iron-ore requirements from 1960 onwards can only be covered if appropriate action is taken now to step up extraction in the Community and in overseas countries . . . In these countries, and particularly in Africa, considerable resources have been found which the iron and steel industry of the Community should be increasingly active in helping to exploit.”

Much laborious effort will need to be expended on prospecting for worth-while reserves of iron and manganese ore and conducting detailed surveys of those discovered in order to be sure that the new deposits are opened up in the most appropriate order from the economic point of view.

The High Authority has let it be known that it attaches considerable importance to such action, and is studying a large-scale programme of prospecting and research work for which it may provide financial assistance under the head of “technical and economic research” within the meaning of Article 55 of the Treaty.

345. In addition to assisting research related to the optimum utilization of metallurgical coke and the prospecting for new sources of ore, the High Authority is examining other schemes, including one for the development and testing of a planetary hot mill and another for the study of the extent to which the rate of working a basic Bessemer steelworks affects the quality and output of ingots.

Following up a suggestion by the Italian industry, the High Authority is also sponsoring the compilation by a group of Community experts of an up-to-date metallographical atlas.

346. Certain types of research involve the risk of considerable damage to the equipment employed. Although damage of this kind is very unlikely

to occur, the fact that such risks are not covered is holding up a good deal of extremely important research, for example on blast-furnaces. Conversely, the setting-up of a guarantee fund covering material damage exceeding a certain sum would be a major incentive to research. The High Authority is examining the possibility of setting up such a fund, which could also be applied to research work not subsidized by the High Authority itself.

ANNEX ON FINANCE

I — YIELD OF THE GENERAL LEVY AND ITS EMPLOYMENT

1. The general levy of 0.45%, which had been in force since January 1, 1956 was kept at this figure until the end of the financial year 1956—57, when it was reduced to 0.35% as from July 1, 1957⁽¹⁾.

The yield of the levy since its introduction is shown in the following table.

('000 units of account)

	First finan- cial year	Second finan- cial year	Third finan- cial year	Fourth finan- cial year	Fifth finan- cial year	Sixth finan- cial year	Total	%
Germany (Fed. Rep.)	4,896	22,282	26,867	20,256	15,231	7,152	96,684	47.3
Saar	697	3,133	3,532	2,535	1,900	771	12,568	6.2
Belgium	1,243	5,467	6,157	4,541	3,397	1,374	22,179	10.8
France	2,581	11,243	13,024	9,414	7,229	3,106	46,597	22.8
Italy	452	2,580	3,346	2,798	2,288	1,234	12,698	6.2
Luxembourg	347	1,466	1,792	1,334	1,032	449	6,420	3.1
Netherlands	405	1,928	2,041	1,415	1,052	485	7,326	3.6
Total	10,621	48,099	56,759	42,293	32,129	14,571	204,472	100.0

⁽¹⁾ July 1 - December 31, 1957, i. e. six months only.

To these figures must be added the total of various incidental revenues (interest on bank deposits, fines and sundry other items), amounting on December 31, 1957, to 16.7 m. units of account.

2. Actual expenditure by the Community from August 10, 1952, to December 31, 1957, amounted to 52.0 m. units of account, allocated as follows:

⁽¹⁾ For the levy rates in force since January 1, 1953, see *Financial Annex to the Fourth General Report of the High Authority*.

('000 units of account)

	First finan- cial year	Second finan- cial year	Third finan- cial year	Fourth finan- cial year	Fifth finan- cial year	Sixth finan- cial year ⁽¹⁾	Total
Administrative expenses of the High Authority	3,302	4,952	5,250	6,359	7,691	3,640	31,194
Administrative expenses of the other institutions	1,268	2,210	2,327	2,563	2,637	1,323	12,328
Expenditure on readaptation	—	—	—	2,342	1,339	827	4,508
Expenditure on technical research	—	—	644	479	817	124	2,064
Bank and loan service charges	—	2	130	65	1,680	63	1,940
Disbursements under pensions scheme	—	—	—	—	103	15	118
Total	4,570	7,164	8,351	11,808	14,267	5,992	52,152

⁽¹⁾ July 1 - December 31, 1957, i. e. six months only.

3. The balances remaining after deduction of expenditure were allocated as follows at the end of each financial year:

('000 units of account)

	First financial year	Second financial year	Third financial year	Fourth financial year	Fifth financial year	Sixth financial year ⁽¹⁾
Guarantee Fund	—	35,954	75,000	100,000	100,000	100,000
Special reserve ⁽²⁾	—	615	2,240	5,688	14,143	16,789
Provisions:						
for expenditure on readaptation	—	7,190	16,000	16,658	24,319	26,668
for expenditure on research	—	1,064	3,356	3,877	6,060	8,811
for loan service charges	—	—	—	1	72	171
unallocated balance	—	2,783	1,077	5,522	9,943	7,534
Pension Fund	—	—	—	—	2,804	3,253
Total	6,065	47,606	97,673	131,746	157,341	163,226

⁽¹⁾ As at December 31, 1957.⁽²⁾ To this reserve are transferred the funds which the High Authority has decided to use for loans in connection with administrative expenditure (e. g. the construction of buildings), research work, the building of workers' houses, and the like.

4. The credits made available by the High Authority for the financing of the readaptation measures provided for in Section 23 of the Convention were allocated as follows:

FRANCE

Coalmining industry

Charbonnages de France	Ffr.	500,000,000
Mines de Ferrières		80,000,000

Iron and steel industry

Cie. Ateliers et Forges de la Loire		150,000,000
Etablissements Bessonneau		17,500,000
Forges d'Audincourt		1,000,000
Etablissement J. J. Carnaud		70,000,000
Forges d'Hennebont		20,000,000
Société d'Imphy, Pamiers		4,300,000

Iron-ore mines

Mines de la Têt		19,500,000
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ITALY

Iron and steel works	Lit.	3,500,000,000
Iron and steel industry (second instalment)		900,000,000
Sulcis collieries		804,000,000

BELGIUM

Borinage collieries	Bfr.	70,000,000
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GERMANY (FED. REP.)

Zeche Barsinghausen	DM	1,600,000
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Total in E.P.U. units of account :		12,160,447
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II - INVESTMENT OF FUNDS

5. The High Authority has not changed the policy followed last year in the investment and management of its funds. This policy is aimed at combining a reasonable return with sufficient liquidity.

The total annual income from interest on bank deposits has grown as follows:

	('000,000 units of account)
First financial year.....	—
Second financial year	0.6
Third financial year	1.6
Fourth financial year	3.4
Fifth financial year	4.9
Sixth financial year ⁽¹⁾	2.7

Since the fifth financial year the increase in funds invested has slowed down somewhat. This is mainly due to the fact that, as the Guarantee Fund reached its present ceiling of 100 m. units of account in April 1956 and the rate of the levy has been lowered, the Community's total assets are now increasing only gradually.

6. During the past year, the High Authority continued its policy of arranging agreements with the banks whereby the latter offer medium-term credits at reduced rates of interest to the industries of the Community. The total amount of the medium-term credits thus made available through the bank has now reached 48.3 m. units of account.

The following table shows the breakdown by countries and the terms of these five-year credits made available to the industries thanks to this investment policy:

⁽¹⁾ July 1—December 31, 1957, *i.e.* six months only.

	Amount in national currency	Equivalent in '000,000 units of account	Interest rate payable by end borrower
Germany (Fed. Rep.)	DM 100 million	23.80	4 ⁷ / ₈ %
Belgium	Bfr. 323 million	6.46	4 ¹ / ₂ %
France	Ffr. 2,500 million	5.95	4 ¹ / ₂ %
Italy	Lit. 4,000 million	6.40	5 ¹ / ₄ %
Luxembourg	Bfr. 100 million	2.00	4 ¹ / ₂ %
Netherlands	Hfl. 2.7 million	0.71	5 ¹ / ₄ %
Saar	Ffr. 1,250 million	2.97	4 ¹ / ₂ %
		48.29	

III - BORROWINGS OF THE HIGH AUTHORITY

7. The High Authority has contracted nine long-term loans to a total equivalent to approximately 165,9 m. units of account as follows:

Country	Lender	Date	Title of issue	Amount of loan	Equivalent in units of account
United States	Export-Import Bank	1954	3 ⁷ / ₈ % Secured Notes, 1st Series	\$ 100,000,000	100,000,000
Belgium	Caisse générale d'Epargne et de Retraite	1955	3 ¹ / ₂ % Secured Notes, 2nd Series	Bfr. 200,000,000	4,000,000
Germany (Fed. Rep.)	Rheinische Girozentrale und Provinzialbank	1955	3 ³ / ₄ % Secured Notes, 3rd Series	DM 25,000,000(*)	5,952,381
Germany (Fed. Rep.)	Landesbank für Westfalen (Girozentrale)	1955	3 ³ / ₄ % Secured Notes, 3rd Series	DM 25,000,000(*)	5,952,381
Luxembourg	Caisse d'Epargne de l'Etat	1955	3 ¹ / ₂ % Secured Notes, 4th Series	Lfr. 5,000,000 Bfr. 20,000,000 }	500,000

Saar	Landesbank und Girozentrale Saar	1956	4 $\frac{1}{4}$ % Secured Notes, 5th Series	Ffr.	350,000,000	833,333(*)
Switzerland	Public issue	1956	4 $\frac{1}{4}$ % Secured Bonds, 6th Series	Sfr.	50,000,000	11,655,012
United States	(1) Bonds	1957	5 $\frac{1}{8}$ % Secured Bonds 7th Series	\$	25,000,000	25,000,000
	(2) Notes		5 % Serial Secured Notes 8th Series	\$	7,000,000	7,000,000
	(3) Bank loans		5 % Bank loans, 9th Series	\$	3,000,000	3,000,000
Luxembourg	Etablissement d'Assurance contre la Vieillesse et l'Invalidité	1957	5 $\frac{3}{8}$ % Secured Notes, 10th Series	Lfr.	100,000,000	2,000,000

(1) Already redeemed: DM 1,138,000 = 270,952 units of account.

(2) Following the French Government's monetary operation of August 11, 1957, the amount of this loan, converted into units of account in previous balance-sheets on the basis of 1 E. P. U. unit = Ffr. 350, was revalued on the basis of 1 E. P. U. unit = Ffr. 420.

IV - LOANS GRANTED TO ENTERPRISES FROM THE HIGH AUTHORITY'S BORROWINGS

8. Since its inception the High Authority has granted 124 loans to 88 enterprises. Two loans have been repaid in full; the funds thus recovered were re-lent forthwith.

At December 31, 1957, the High Authority had paid to these enterprises a total of 172.69 m. units of account, of which 163.60 m. were from funds it had raised by borrowing and 9.09 from funds of its own.

The loans which have been granted are distributed among enterprises in the various member countries as follows:

('000,000 units of account)

Country of borrowers	Amount of loans from borrowed funds	Amount of loans from funds not borrowed	Total
Germany (Fed. Rep.)	92.41	7.14	99.55
Saar	12.40	—	12.40
Belgium	18.40 ⁽¹⁾	—	18.40
France	21.60	—	21.60
Italy	17.69	0.26	17.95
Luxembourg	1.10 ⁽¹⁾	0.64 ⁽²⁾	1.74
Netherlands	—	1.05	1.05
Total	163.60	9.09	172.69

⁽¹⁾The reduction of 0.40 for Luxembourg as against last year's figure and the corresponding increase for Belgium are explained by the fact that when the Fifth General Report was drawn up it was not yet known that of the 500,000 units of account borrowed from the Caisse d'Epargne de l'Etat de Luxembourg 400,000 were to be spent on the building of workers' houses in Belgium.

⁽²⁾ The reduction of 0.08 as against last year's figure represents the first redemption payment in 1957.

9. Enterprises' obligations representing loans from the High Authority's borrowings are secured as follows:

('000,000 units of account)

(a) Guarantees by member Governments and negative-pledge clauses	24.70
(b) Guarantees by member Governments	5.09
(c) Guarantees by banks and mortgages	80.83
(d) First mortgages	12.22
(e) Second mortgages	3.03
(f) Guarantees by industrial enterprises and negative-pledge clauses	30.73
(g) Negative-pledge clauses	1.00
(h) Guarantees by industrial enterprises	6.00
Total	163.60

10. The loans which have been granted from borrowed funds and from the High Authority's own funds are distributed over the different types of capital scheme as follows:

Situation as at December 31, 1957

('000,000 units of account)

(a) Coalmines (including coking-plants)	59.14
(b) Pithead power-stations	46.31
(c) Iron-ore mines and ore-preparation plant	18.55
(d) Pig-iron production	21.66
(e) Housing for miners and steelworkers	27.35 ⁽¹⁾
(f) Other purposes	0.72 ⁽²⁾
Total	173.73

The High Authority has thus helped to finance industrial investments the total cost of which amounts to approximately 770 m. units of account, and to build over 30,000 workers' housing units involving the expenditure of some 180 m. units of account.

⁽¹⁾ Of which 0.27 already redeemed at that date.

⁽²⁾ Of which 0.08 already redeemed at that date.

V. - COMPENSATION LEVY ACCOUNT

11. Receipts, expenditures and undisbursed balances of the compensation levy imposed under Sections 25, 26 and 27 of the Convention are shown below.

(¹000 units of account)

	First financial year	Second financial year	Third financial year	Fourth financial year	Fifth financial year	Sixth financial year ⁽¹⁾	Total
<i>I. Receipts</i>							
Yield of levy from Germany	2,931	13,875	14,477	10,976	7,598	1,874	51,731
Netherlands	248	1,204	1,209	1,122	691	10	4,464
Total	3,179	15,079	15,686	12,098	8,289	1,864	56,195
Interest on bank deposits	—	—	4	25	44	45	118
Gain on exchange rates	2	47	—	—	26	4	79
Total	3,181	15,126	15,690	12,123	8,359	1,913	56,392
<i>II. Expenditures</i>							
Compensation payments to Belgium	488	11,889	14,183	11,831	7,997	2,018	48,406
Italy	—	2,400	2,640	960	520	—	6,520
Total	488	14,289	16,823	12,791	8,517	2,018	54,926
Loss on exchange rates	—	—	8	9	—	3	20
Total	488	14,289	16,831	12,800	8,517	2,021	54,946
<i>III. Undisbursed balances</i>							
Balance at end of financial year	+2,693	+ 837	-1,141	- 677	- 158	- 108	
Brought forward from previous years	—	+2,693	+3,530	+2,389	+1,712	+1,554	
Total undisbursed balances :	+2,693	+3,530	+2,389	+1,712	+1,554	+1,446	

(¹) July 1 - December 31, 1957, i. e. six months only.

STATISTICAL ANNEX

TABLE No. 1
Hard-Coal Production
 (by countries)

('000 metric tons)

	Germany (Fed. Rep.)	Saar	Belgium	France	Italy	Nether- lands	Com- munity
1952	123,278	16,235	30,384	55,365	1,089	12,532	238,883
1953	124,472	16,418	30,060	52,588	1,126	12,297	236,961
1954	128,035	16,818	29,249	54,405	1,074	12,071	241,653
1955	130,728	17,329	29,978	55,335	1,136	11,895	246,401
1956	134,407	17,090	29,555	55,129	1,076	11,836	249,092
1957	133,156	16,455	29,086	56,795	1,019	11,376	247,888
1st quarter (m'ly av.)	11,419	1,458	2,449	4,876	83	995	21,280
2nd quarter (m'ly av.)	10,889	1,335	2,463	4,644	85	907	20,323
3rd quarter (m'ly av.)	10,784	1,374	2,212	4,645	95	925	20,035
4th quarter (m'ly av.)	11,294	1,318	2,570	4,767	75	965	20,989
1958							
January ⁽¹⁾	11,978	1,558	2,666	5,290	89	1,049	22,629
February ⁽¹⁾	10,573	1,327	2,416	4,822	73	897	20,120
March ⁽¹⁾	11,545	1,540	2,526	5,214	68	1,036	21,929

(1) Provisional figures.

TABLE No. 2
Hard-Coal Production
 (by coalfields)

('000 metric tons)

	1952	1953	1954	1955	1956	1957
Ruhr	114,417	115,551	118,712	121,106	124,627	123,209
Nord/Pas-de-Calais	29,406	27,554	28,705	29,101	28,583	28,725
Southern Belgium	20,672	20,577	19,991	19,833	19,085	18,755
Saar	16,235	16,418	16,818	17,329	17,090	16,455
Lorraine	12,210	12,001	12,996	13,157	13,286	14,297
Dutch Limburg	12,532	12,297	12,071	11,895	11,836	11,376
Campine	9,712	9,483	9,258	10,144	10,468	10,331
Aachen	6,439	6,588	6,857	7,062	7,208	7,619
Loire	3,805	3,460	3,330	3,355	3,432	3,354
Cévennes	2,893	2,875	2,819	2,841	2,909	3,215
Blanzy	2,678	2,589	2,612	2,582	2,641	2,743
Lower Saxony	2,422	2,333	2,466	2,560	2,573	2,328
Aquitaine	2,100	2,020	1,910	2,138	2,185	2,202
Auvergne	1,145	1,120	1,092	1,185	1,168	1,227
Sulcis	954	1,004	958	1,039	973	914
Dauphiné	536	542	536	604	564	630

TABLE No. 3
Underground Output per Man/Shift in the Hard-Coal Mines⁽¹⁾

	(kilogrammes)						
	1938	1952	1953	1954	1955	1956	1957 ⁽²⁾
Ruhr	1,960	1,503	1,486	1,523	1,572	1,591	1,614
Nord/Pas-de-Calais	1,136	1,228	1,277	1,349	1,426	1,484	1,505
Southern Belgium	1,004	965	986	1,011	1,028	1,034	1,032
Saar ⁽³⁾	1,570	1,623	1,676	1,744	1,810	1,819	1,800
Lorraine	2,014	2,018	2,088	2,214	2,257	2,275	2,311
Dutch Limburg	2,371	1,609	1,567	1,497	1,486	1,496	1,499
Campine	1,523	1,300	1,307	1,352	1,484	1,492	1,450
Aachen	1,409	1,194	1,186	1,200	1,279	1,281	1,315
Lower Saxony	1,380	1,200	1,130	1,169	1,228	1,274	1,265
Centre/Midi	1,176	1,270	1,343	1,424	1,513	1,590	1,635
Sulcis	...	...	609	636	867	949	958
Community	1,590	1,389	1,393	1,438	1,497	1,525	1,542
	⁽⁴⁾	⁽⁴⁾	1,401	1,447	1,502	1,529	1,545
			⁽⁴⁾	⁽⁴⁾	⁽⁴⁾	⁽⁴⁾	⁽⁴⁾

(1) The output of the German and Netherlands mines is given as 2-3% below the true level, the low-grade fuel mined by them having been converted into terms of saleable products.

(2) Provisional figures.

(3) Saarbergwerke.

(4) Exclusive of the Sulcis coalfield.

TABLE No. 4
Production of Coke-Oven Coke

	('000 metric tons)						
	Germany (Fed. Rep.)	Saar	Belgium	France	Italy	Nether- lands	Com- munity
1952	37,233	3,888	6,407	9,216	2,350	3,285	62,379
1953	37,776	3,590	5,945	8,631	2,327	3,245	61,514
1954	34,921	3,666	6,147	9,220	2,499	3,381	59,833
1955	40,520	3,939	6,600	10,725	2,949	3,901	68,633
1956	43,435	4,206	7,270	12,249	3,411	4,238	74,809
1957	45,193	4,324	7,156	12,564	3,687	4,243	77,168
1st quarter (m'ly av.)	3,739	356	615	1,037	297	362	6,406
2nd quarter (m'ly av.)	3,755	355	601	1,039	301	348	6,400
3rd quarter (m'ly av.)	3,787	362	557	1,037	317	347	6,406
4th quarter (m'ly av.)	3,784	368	613	1,074	314	355	6,510
1958							
January ⁽¹⁾	3,824	385	615	1,081	293	367	6,565
February ⁽¹⁾	3,428	347	542	980	256	330	5,883

(1) Provisional figures.

TABLE No. 5
Hard-Coal Imports from Third Countries

('000 metric tons)

Country of origin Country of destination	U. S. A.	U. K.	Poland	U.S.S.R.	Other third countries	Total
<i>Germany</i> (Fed. Rep.)						
1952	7,377	482	9	—	11	7,897
1953	3,421	1,521	76	—	27	5,045
1954	1,823	1,633	262	0	163	3,881
1955	6,998	1,339	714	69	151	9,271
1956	11,486	1,099	861	96	140	13,682
1957 ⁽¹⁾	15,942	501	563	38	147	17,191
<i>Belgium</i>						
1952	794	337	5	33	4	1,173
1953	664	420	—	46	2	1,133
1954	253	526	6	62	4	852
1955	784	485	—	124	60	1,453
1956	1,980	597	30	68	147	2,822
1957	2,138	564	33	50	35	2,820
<i>France</i>						
1952	3,138	1,125	752	199	148	5,361
1953	289	448	480	260	138	1,615
1954	55	994	514	404	248	2,215
1955	802	950	438	550	161	2,901
1956	6,052	777	1,208	611	156	8,804
1957 ⁽¹⁾	6,904	743	1,284	607	170	9,708
<i>Italy</i>						
1952	2,885	1,083	741	114	254	5,007
1953	1,609	1,704	613	46	249	4,222
1954	2,852	1,324	375	111	179	4,842
1955	5,632	781	106	208	92	6,820
1956	6,665	380	133	229	174	7,581
1957	8,201	133	125	239	107	8,805
<i>Luxembourg</i>						
1952	—	67	—	—	—	67
1953	—	6	—	—	—	6
1954	—	5	—	—	—	5
1955	—	—	—	—	—	—
1956	37	—	—	—	—	37
1957	13	2	—	—	—	15
<i>Netherlands</i>						
1952	2,108	422	121	36	19	2,707
1953	701	986	24	80	10	1,802
1954	1,181	809	—	135	4	2,129
1955	1,719	750	—	128	5	2,603
1956	4,169	713	4	171	63	5,120
1957 ⁽¹⁾	4,587	692	—	65	37	5,381
<i>Community</i>						
1952	16,302	3,516	1,628	382	436	22 264
1953	6,684	5,085	1,193	432	426	13,823
1954	6,164	5,291	1,157	712	598	13,924
1955	15,935	4,305	1,258	1,079	469	23,048
1956	30,389	3,567	2,235	1,175	680	38,046
1957 ⁽¹⁾	37,872 ⁽²⁾	2,634	2,005	999	496	44,007 ⁽²⁾

⁽¹⁾ Provisional figures.

⁽²⁾ Including 87 to the Saar.

TABLE No. 6

Hard-Coal Exports to Third Countries

('000 metric tons)

Country of origin \ Country of destination	U. K.	Scandinavian countries	Switzerland	Austria	Other countries	Total
Germany (Fed. Rep.)						
1952	—	434	511	1,627	532	3,104
1953	26	548	405	1,778	507	3,264
1954	407	500	561	1,889	371	3,729
1955	181	563	555	1,081	445	2,825
1956	—	542	611	921	415	2,489
1957 ⁽¹⁾	—	477	586	923	581	2,567
Saar						
1952	—	80	253	81	139	552
1953	227	185	315	196	171	1,094
1954	498	171	355	147	167	1,337
1955	742	254	440	243	97	1,776
1956	231	2	360	132	72	797
1957 ⁽¹⁾	83	—	371	64	39	557
Belgium						
1952	—	139	50	—	43	232
1953	192	64	50	2	274	582
1954	911	132	230	1	123	1,397
1955	1,537	116	348	0	55	2,056
1956	747	107	300	0	11	1,165
1957	616	77	161	—	1	855
France						
1952	—	54	265	40	182	539
1953	116	229	267	129	140	881
1954	557	172	322	43	195	2,288
1955	1,994	429	526	99	282	3,330
1956	350	122	442	46	159	1,119
1957 ⁽¹⁾	159	8	407	58	227	859
Netherlands						
1952	—	—	—	—	15	15
1953	—	0	39	0	12	51
1954	—	13	87	1	8	110
1955	—	11	93	2	4	110
1956	—	3	137	6	6	152
1957 ⁽¹⁾	—	20	120	5	4	149
Community						
1952	—	707	1,079	1,748	908	4,442
1953	561	1,026	1,076	2,105	1,104	5,872
1954	2,373	988	1,555	2,081	864	7,861
1955	4,455	1,372	1,962	1,425	883	10,097
1956	1,328	776	1,850	1,105	663	5,722
1957 ⁽¹⁾	858	582	1,645	1,050	852	4,987

⁽¹⁾ Provisional figures.

TABLE No. 7
Coke Exports to Third Countries

(⁰⁰⁰ metric tons)

Country of origin	Country of destination	Scandinavian countries	Switzerland	Austria	Other third countries	Total
Germany (Fed. Rep.)						
	1952	3,049	412	240	323	4,024
	1953	2,251	384	275	310	3,220
	1954	2,766	422	336	905	4,430
	1955	2,840	414	313	494	4,061
	1956	2,800	469	309	176	3,574
	1957 ⁽¹⁾	2,187	420	362	291	3,258
Saar						
	1952	—	—	6	—	6
	1953	—	—	4	—	4
	1954	—	—	1	—	1
	1955	—	—	1	3	4
	1956	—	0	—	—	0
	1957 ⁽¹⁾	—	0	—	—	0
Belgium						
	1952	200	43	0	172	415
	1953	337	17	9	93	456
	1954	165	17	7	137	326
	1955	206	8	1	63	278
	1956	283	12	0	5	300
	1957	197	11	0	9	217
France						
	1952	3	12	—	17	32
	1953	21	29	2	19	71
	1954	42	40	2	24	108
	1955	113	48	4	24	189
	1956	11	50	—	18	79
	1957 ⁽¹⁾	—	50	—	22	72
Italy						
	1952	—	—	—	79	79
	1953	—	—	—	70	70
	1954	—	—	—	51	51
	1955	—	—	—	14	14
	1956	—	—	—	0	0
	1957	—	—	—	3	3
Netherlands						
	1952	452	134	—	54	637
	1953	427	113	—	37	577
	1954	487	124	—	16	627
	1955	608	116	—	40	764
	1956	642	138	—	46	826
	1957 ⁽¹⁾	466	118	21	27	632
Community						
	1952	3,704	601	246	645	5,193
	1953	3,036	543	290	529	4,398
	1954	3,460	603	346	1,133	5,543
	1955	3,770	586	319	636	5,310
	1956	3,735	669	309	245	4,958
	1957 ⁽¹⁾	2,850	599	383	351	4,182

⁽¹⁾ Provisional figures.

TABLE No. 8
Pithead Stocks of Hard Coal

('000 metric tons at end of period)

	1952	1953	1954	1955		1956		1957	
				Total tonnage	Low-grade products (%) ⁽¹⁾	Total tonnage	Low-grade products (%) ⁽¹⁾	Total tonnage	Low-grade products (%) ⁽¹⁾
<i>Germany (Fed. Rep.)</i>	465	841	654	572	4%	700	2%	735	3%
Ruhr	445	783	617	540	3%	653	2%	684	3%
Aachen	12	10	17	19	22%	29	10%	25	4%
Lower Saxony	8	48	21	13	27%	17	0%	26	0%
<i>Saar</i>	462	536	821	228	86%	102	68%	181	45%
<i>Belgium</i>	1,673	3,077	2,815	371	64%	179	69%	1,413	45%
Campine	667	1,169	898	69	61%	23	78%	500	27%
South	1,006	1,908	1,917	302	65%	156	66%	913	56%
<i>France (2)</i>	4,213	5,756	7,838	5,983	83%	4,524	88%	4,583	83%
Nord/Pas-de-Calais	1,553	2,036	2,995	1,759	68%	1,416	68%	1,559	62%
Lorraine	1,181	1,391	2,032	1,790	98%	1,458	98%	1,498	98%
Centre/Midi	1,442	2,292	2,769	2,417	83%	1,636	94%	1,506	90%
<i>Italy</i>									
All coalfields	53	49	26	65	2%	29	7%	50	2%
<i>Netherlands</i>									
Limburg	237	213	287	292	69%	259	68%	312	55%
Community	7,103	10,472	12,441	7,511	75%	5,793	75%	7,273	65%

(1) Percentage of low-grade products covers middlings, slurry, slack and various other low-grade fuels.

(2) Including stocks at mines which have not been nationalized.

TABLE No. 9
Stocks of Coke at Coking-Plants

('000 metric tons at end of period)

	1952	1953	1954	1955	1956	1957
<i>Germany (Fed. Rep.)</i>	110	3,429	1,984	164	178	622
<i>Saar</i>	18	34	19	12	20	53
<i>Belgium</i>	101	200	127	71	87	237
<i>France</i>	187	435	375	164	175	448
<i>Italy</i>	52	63	58	62	50	129
<i>Netherlands</i>	63	99	82	82	68	163
Community	531	4,260	2,645	555	578	1,653

TABLE No. 10

Trade in Hard Coal and Hard-Coal Briquettes within the Community

Country of supply	Countries of destination	1952	1953	1954	1955	1956	1957				
							1st qtr.	2nd qtr.	3rd qtr.	4th qtr.(1)	
Germany (Fed. Rep.)	Belgium	317	691	1,930	1,197	1,160	1,256	373	322	251	310
	France/Saar	3,706	3,828	4,256	3,568	3,629	4,259	1,149	1,024	978	1,108
	Italy	2,993	3,241	3,505	2,899	3,011	2,778	824	758	629	567
	Luxembourg	103	127	118	119	141	132	38	33	31	30
	Netherlands	2,143	2,544	3,028	2,440	2,264	2,104	536	558	513	497
	Total	9,262	10,611	12,837	10,223	10,205	10,529	2,920	2,695	2,402	2,512
Belgium	Germany	19	107	226	754	424	260	85	66	62	47
	France/Saar	1,228	1,830	1,597	1,502	1,440	2,003	362	471	605	565
	Italy	681	839	576	185	98	23	13	4	6	0
	Luxembourg	65	23	38	49	49	44	12	11	12	9
	Netherlands	574	1,070	2,166	2,965	1,915	1,479	442	479	308	250
	Total	2,567	3,869	4,603	5,455	3,926	3,809	914	1,031	993	871

('000 metric tons)

<i>France/Saar</i>	Germany	3,940	4,320	4,239	5,141	3,919	3,861	994	939	958	970
	Belgium	169	147	331	602	406	290	118	73	56	43
	Italy	214	471	417	308	233	157	58	48	31	20
	Luxembourg	155	129	132	132	135	125	34	31	33	27
	Netherlands	4	106	10	455	46	51	13	19	15	4
	Total	4,482	5,173	5,129	6,638	4,739	4,484	1,217	1,110	1,093	1,064
<i>Netherlands</i>	Germany	—	10	124	227	198	227	51	59	64	53
	Belgium	4	175	521	356	330	402	107	85	93	117
	France/Saar	—	74	386	337	309	371	90	83	98	100
	Italy	—	4	—	—	—	0	—	0	0	—
	Luxembourg	—	—	—	—	—	0	0	0	0	—
Total	4	263	1,031	920	837	1,000	248	227	255	270	
<i>of which:</i>	Grand Total	16,315	19,916	23,600	23,236	19,707	19,822	5,299	5,063	4,743	4,717
	Germany	3,959	4,437	4,589	6,122	4,541	4,348	1,130	1,064	1,084	1,070
	Belgium	490	1,013	2,782	2,155	1,896	1,948	598	480	400	470
	France/Saar	4,934	5,732	6,239	5,407	5,378	6,633	1,601	1,578	1,681	1,773
	Italy	3,888	4,735	4,498	3,392	3,342	2,958	895	810	666	587
	Luxembourg	323	279	288	300	325	301	84	75	76	66
	Netherlands	2,721	3,720	5,204	5,860	4,225	3,634	991	1,056	836	751

1) Provisional figures.

TABLE No. 11
Coke Trade within the Community

Country of supply	Countries of destination	(1000 metric tons)												
		1952	1953	1954	1955	1956	1957 ⁽²⁾	1957						
							1st qtr.	2nd qtr.	3rd qtr.	4th qtr. (3)				
Germany (Fed. Rep.)	Belgium	—	8	48	60	59	57	14	14	15	14			
	France/Saar	3,442	2,768	2,212	3,523	3,582	3,627	896	907	896	928			
	Italy	2	11	23	21	4	13	2	4	3	4			
	Luxembourg	2,970	2,798	2,773	3,140	3,187	3,086	716	779	799	792			
	Netherlands	179	270	346	386	315	271	73	80	70	48			
	Total	6,593	5,855	5,402	7,130	7,147	7,054	1,701	1,784	1,783	1,786			
Belgium	Germany	201	21	1	23	115	10	4	6	—	—			
	France/Saar	197	220	451	356	386	467	108	113	122	124			
	Italy	—	—	—	—	—	0	—	—	—	0			
	Luxembourg	140	102	102	92	91	173	47	56	49	21			
	Netherlands	5	22	8	27	33	36	14	13	6	3			
	Total	543	365	562	498	625	686	173	188	177	148			

<i>France/Saar</i>	Germany	120	158	184	166	143	155	33	38	40	44
	Belgium	—	—	4	7	0	3	—	1	1	1
	Italy	—	—	—	—	—	—	—	—	—	—
	Luxembourg	—	—	—	—	—	—	—	—	—	—
	Netherlands	—	—	—	14	2	0	0	—	—	—
	Total	120	158	188	187	145	158	33	39	41	45
<i>Netherlands</i>	Germany	—	2	3	13	12	13	4	1	2	6
	Belgium	2	17	24	73	47	60	20	13	11	16
	France/Saar	518	448	565	721	744	788	198	209	193	188
	Luxembourg	234	203	246	304	363	450	105	121	113	111
		Total	754	670	838	1,111	1,167	1,314^(*)	327	344	322^(*)	321
	Grand Total⁽¹⁾	8,104	7,075	6,990	8,992	9,137	9,338	2,277	2,405	2,338	2,318
	<i>of which:</i>										
	Germany ⁽¹⁾	321	181	188	267	305	179	43	45	42	49
	Belgium	2	25	76	140	106	120	35	28	26	31
	France/Saar ⁽¹⁾	4,251	3,463	3,228	4,601	4,726	4,985	1,221	1,279	1,227	1,258
	Italy	2	11	23	21	4	16	2	4	6	4
	Luxembourg	3,344	3,103	3,121	3,536	3,641	3,731	889	956	961	925
	Netherlands	184	292	354	427	350	307	87	93	76	51

(1) Including some small tonnages delivered by Italy.

(2) Provisional figures. (3) Including 3 to Italy.

TABLE No. 12
Development of Coal Prices in the Community
 for certain types and sizes in the main coalfields of the Community⁽¹⁾

(\$ per metric ton, exclusive of taxes)

Type	Size	Year	Ruhr		Aachen		Netherlands		Belgium		Nord/Pas-de-Calais		Lorraine		Saar				
			month	price	month	price	month	price	month	price	month	price	month	price	month	price			
Coke	large	1952	May	13.94	May	13.94						May	18.66	May	20.14	May	20.14		
		1953	March	14.63	March	15.88	April	16.63				March	18.80	March	20.29	March	20.29		
		1954	April	14.17	April	15.43	April	16.13				April	18.80	April	20.00	April	19.71		
		1955	May	14.86	May	16.34	May	16.40				May	18.09	May	19.57	May	19.43		
		1956	April	15.69	April	17.39	April	17.99				April	18.09	April	19.57	April	20.14		
		1957	April	17.65	April	18.88	April	19.58				April	20.23	April	21.00	April	20.86		
		1958	March	18.48	March	20.28	March	21.03				March	19.76	March	21.43	March	20.24		
		Anthracite	French nuts	1952	May	19.20	May	19.20				June	27.14	May	26.06				
				1953	March	22.17	March	23.42	April	26.29		March	27.60	March	26.57				
				1954	April	22.17	April	23.88	April	26.29		April	27.60	April	26.86				
1955	May			22.63	May	25.14	May	28.57		June	30.00	May	27.83						
1956	April			23.08	April	25.83	April	29.89		April	30.00	April	27.83						
1957	April			24.02	April	27.43	April	32.14		April	33.60	April	27.83						
1958	March			25.21	March	28.45	March	32.14		March	34.60	March	26.50						
Low-volatile	small nuts			1952	May	16.23	May	16.23				June	27.14	May	26.06				
		1953	March	18.74	March	20.00	April	21.71		March	27.60	March	26.57						
		1954	April	18.74	April	20.22	April	21.33		April	27.60	April	26.86						
		1955	May	19.20	May	21.60	May	22.49		June	30.00	May	27.26						
		1956	April	19.66	April	22.28	April	23.81		April	30.00	April	27.26						
		1957	April	20.59	April	23.31	April	25.53		April	33.60	April	27.26						
		1958	March	21.67	March	24.56	March	25.53		March	34.10	March	25.79						

Semi-bituminous	singles	1952	May	11.65				June	17.22	May	19.66					
		1953	March	13.03	April	14.48	March	16.40	March	18.69						
		1954	April	13.03	April	14.48	April	16.40	April	18.69						
		1955	May	13.71	May	14.55	June	15.70	May	18.00						
		1956	April	14.17	April	14.74	April	15.70	April	18.00						
		1957	April	15.11	April	16.00	April	19.40	April	19.14						
		1958	March	15.84	March	16.91	March	20.10	March	17.07						
Bituminous	washed duff or coking fines	1952	May	10.86	May	10.86	June	14.32	May	13.89	May	12.51	May	13.26		
		1953	March	12.00	March	13.25	March	14.20	March	14.40	March	12.63	March	13.54		
		1954	April	11.54	April	12.80	April	14.06	April	14.26	April	13.00	April	13.97		
		1955	May	12.00	May	13.14	May	13.82	June	13.71	May	12.66	May	13.83		
		1956	April	12.46	April	13.83	April	13.82	April	13.70	April	12.66	April	14.00		
		1957	April	13.39	April	14.86	April	17.30	April	14.57	April	14.00	April	14.86		
		1958	March	14.01	March	16.00	March	17.30	March	13.75	March	13.69	March	13.69	March	15.12
High-volatile bituminous	doubles	1952	May	11.31			June	18.22	May	17.43	May	17.71	May	18.29		
		1953	March	12.68			March	17.20	March	17.83	March	17.83	March	16.97		
		1954	April	12.45			April	17.20	April	17.69	April	17.83	April	18.86		
		1955	May	12.91			May	16.26	May	17.69	May	17.83	May	19.11		
		1956	April	13.37			April	16.26	April	17.69	April	17.83	April	18.86		
		1957	April	14.31			April	18.90	April	18.66	April	17.83	April	19.14		
		1958	March	14.93			March	18.90	March	17.24	March	16.67	March	16.67	March	17.74
Taxes to be added		1952	4.16%	4.16%	4.16%	4.16%	4.50%	7.93%	7.93%	7.93%	7.93%	9.11%	9.11%			
		1953	"	"	"	"	"	"	"	"	"	"	"			
		1954	"	"	"	"	"	"	"	"	"	"	"			
		1955	"	"	"	"	"	"	"	"	"	"	"			
		1956	"	"	"	5.3%	5.0%	9.29%	9.29%	9.29%	11.11%	11.11%	11.11%			
		1957	"	"	"	"	"	"	"	"	"	"	"			
		1958	"	"	"	"	"	"	"	"	"	"	"			

(1) See notes overleaf.

Notes to Table No. 12

The 1952 prices are prices for sales in the home market. Export prices, even those for exports to other Community countries (which were not then part of the Common Market), were for the most part much higher. This system of dual pricing was abolished when the Common Market was introduced.

The prices of the Ruhr and Aachen coalfields were before the introduction of the Common Market for delivery "f. o. t. Ruhr basing point". The change in the method of quoting to "f. o. t. at colliery" reduced the delivered price for the customers located nearer to the colliery than to the basing point. This was, for instance, the case for the majority of the customers of the Aachen coalfield.

The types listed in col. 1 of the accompanying table correspond to the following schedule descriptions in the different coalfields:

Anthracite

Anthrazitkohlen (Ruhr), 7—10% volatile matter;
 Anthrazitkohlen (Aachen), < 10% V. M.;
 Anthraciet, 1st group (Netherlands), 7—9% V. M. or < 10% V. M.;
 Maigres (Belgium), < 10% V. M.;
 Maigres or anthracites, (Nord/Pas-de-Calais), < 10% V. M.

Low-volatile

Magerkohlen (Ruhr and Aachen), 10—14% V. M.;
 Anthraciet (Netherlands), 9—12% V. M.;
¹/₄ gras (Belgium), 10—12.5% V. M.;
¹/₄ gras (Nord/Pas-de-Calais), 10—14% V. M.

Semi-bituminous

Esskohlen (Ruhr), 14—19% V. M.;
³/₄ Fettkohlen (Aachen), 16—19% V. M.;
³/₄ Vet-rookzwakkekolen (Netherlands), 15—20% V. M.;
³/₄ gras (Belgium), 16—20% V. M.;
 Demi-gras (Nord/Pas-de-Calais), 14—18% V. M.

Bituminous

Fettkohlen (Ruhr), 19—28% V. M.;
 Fettkohlen (Aachen), < 19% V. M.;
 Vetkolen (Netherlands), 20—25% V. M.;
 Gras A (Belgium), 20—28% V. M. (as from November 6, 1957, Campine);
 Gras and ³/₄ gras (Nord/Pas-de-Calais), < 18% V. M.;
 Gras (Lorraine), 36—39% V. M.;
 Gras (Saar), 33—40% V. M.

High-volatile bituminous

Gas- und Gasflammkohle (Ruhr), 28—40% V. M.;
 Gras B (Belgium), < 28.5% V. M. (as from November 6, 1957, Campine);
 Flénus (Nord/Pas-de-Calais), < 30% V. M.;
 Flambants secs (Lorraine and Saar), 40—42% V. M.

TABLE No. 13

**Development of Pithead Prices for Certain Types and Grades
of Belgian Coal⁽¹⁾**

(Bfr. per metric ton)

	Gras B > 28% V. M. 30-50 mm.		Gras A > 20-28% V. M. washed fines 0-10 mm.		³ / ₄ Gras > 18- 20% V. M. mm.	Maigres > 10- 14% V. M. 20-30 mm.	Anthra- cites > 10% V. M. 20-30 mm.	¹ / ₂ Gras bri- quettes 14-18% V. M. 10-14% ash
	Cam- pine	South	Cam- pine	South				
January 1, 1953	911		716		861	1,361	1,361	881
March 15, 1953	860		710		875	1,380	1,380	870
November 1, 1954	860		703		820	1,380	1,380	870
April 1, 1954	860		703		820	1,380	1,380	870
June 16, 1955	813		691		785	1,500	1,500	870
June 8, 1956	813		720		810	1,500	1,500	915
October 1, 1956	890		810		885	1,555	1,555	1,010
January 14, 1957	905		825		910	1,585	1,585	1,025
April 1, 1957	945		865		970	1,680	1,680	1,100
November 6, 1957	945	980	865	885	1,005	1,705	1,730	1,120
<i>Increase from</i> January 1, 1953 November 6, 1957	+34 or 3.7%	+69 or 7.6%	+149 or 20.8%	+169 or 23.6%	+144 or 16.7%	+344 or 25.3%	+344 or 25.3%	+239 or 27.1%
<i>Increase from</i> March 15, 1953 November 6, 1957	+85 or 9.9%	+120 or 14%	+155 or 21.8%	+175 or 24.6%	+130 or 14.9%	+325 or 23.6%	+325 or 23.6%	+250 or 28.7%

(1) Names of types are those recently adopted (November 6, 1957).

TABLE No. 14
Comparative Movement of Coal Prices in the Different Coalfields
of the Community

(Ruhr prices = 100)

	May 1952 ⁽¹⁾	March 1956	April 1956	April 1957	March 1958
<i>Aachen</i>					
Large coke	100	112	111	107	110
Anthracite	100	112	112	114	113
Low-volatile	100	114	113	113	113
Semi-bituminous	—	104	103	106	107
Bituminous	100	111	111	111	114
<i>Netherlands</i>					
Large coke	114	112	115	111	114
Anthracite	119	126	130	134	127
Low-volatile	116	117	121	124	118
Semi-bituminous	111	106	103	115	118
Bituminous	115	108	104	109	109
<i>Saar</i>					
Large coke	144	130	128	118	110
Bituminous	122	112	112	111	108
High-volatile bituminous	162	146	141	134	119
<i>Belgium</i>					
Anthracite	141	133	130	140	137
Low-volatile	167	156	153	163	157
Semi-bituminous	148	115	111	128	127
Bituminous	132	115	111	129	123
High-volatile bituminous	161	126	122	132	127
<i>Nord/Pas-de-Calais</i>					
Large coke	134	122	116	115	107
Anthracite	136	123	120	116	105
Low-volatile	161	142	138	132	119
Semi-bituminous	169	131	127	127	108
Bituminous	128	114	110	109	98
High-volatile bituminous	154	137	133	130	115
<i>Lorraine</i>					
Large coke	144	132	125	119	116
Bituminous	115	105	102	105	98
High-volatile bituminous	156	138	134	125	112

⁽¹⁾ May 1953 in the Netherlands.

N. B. The very steep drop in the March 1958 indices for the Saar, Nord/Pas-de-Calais and Lorraine coalfields reflects the incidence on the prices of French and Saar coal in the Community of the application to coal, from October 28, 1957, of the French currency measures known as "Operation Twenty Per Cent".

TABLE No. 15
Price of U.S. Coal

	Price f. o. b. U.S. port (1)	Average freight-charge Hampton Roads- Rotterdam (2)	Price c. i. f. (<i>\$ per metric ton</i>)
<i>1953</i>			
March	10.38	4.83	15.21
June	10.38	4.31	14.69
September	9.55	3.90	13.45
December	9.55	4.11	13.66
<i>1954</i>			
March	8.57	4.66	13.23
June	8.57	4.56	13.13
September	9.06	5.11	14.17
December	9.06	6.88	15.94
<i>1955</i>			
March	9.84	6.79	16.63
June	9.84	8.13	17.97
September	11.27	9.19	20.36
December	11.27	9.30	20.57
<i>1956</i>			
March	11.51	10.09	21.60
June	11.51	10.00	21.51
September	11.51	9.92	21.43
December	11.76	15.05	26.81
<i>1957</i>			
March	11.76	9.72	21.48
June	11.51	6.79	18.30
September	11.27	3.30	14.57
December	10.83	3.55	14.38
<i>1958</i>			
February	9.84	3.14	12.98
March	9.84	—	—

(1) Estimated.

(2) Mean between maximum and minimum figures charged during the month in respect of single trips.

TABLE No. 18

Scrap Purchases by the Community Iron and Steel Industry from other Community Countries

('000 metric tons)

	Germany (Fed. Rep.)	Belgium	France/ Saar	Italy	Luxem- bourg	Nether- lands	Com- munity
1952	..	..	..	..	..	..	432.0
1953	..	..	..	..	..	..	1,062.0
1954	128.8	82.2	45.7	916.5	22.0	22.3	1,217.5
1955	111.0	97.9	106.9	839.0	5.9	11.0	1,171.7
1956	26.6	158.2	252.0	729.4	88.0	10.1	1,264.5
1957	27.0	27.9	237.2	775.5	18.5	16.1	1,102.2
1st quarter (m'ly av.)	1.3	7.7	18.4	81.1	3.1	1.5	113.1
2nd quarter (m'ly av.)	4.6	—	13.8	59.0	2.1	2.0	81.5
3rd quarter (m'ly av.)	2.0	—	26.1	63.2	0.3	1.0	92.6
4th quarter (m'ly av.)	1.1	1.6	20.8	55.5	0.7	0.8	80.5

TABLE No. 19

Trend in New Orders for Iron and Steel Products According to Origin

('000 metric tons)

	Home markets	Other Community countries	Third countries
1954	24,738	4,827	7,854
1955	27,307	5,101	7,321
1956	27,492	4,644	9,876
4th quarter (m'ly av.)	2 380	422	852
1957	28,032	5,160	7,032
1st quarter (m'ly av.)	2,473	422	716
2nd quarter (m'ly av.)	2,286	407	539
3rd quarter (m'ly av.)	2,255	446	549
4th quarter (m'ly av.)	2,336	446	541
1958			
January	2,578	421	472
February	2,111	378	659

TABLE No. 20

New Orders, Deliveries by Works and Orders in Hand

('000 metric tons)

	New orders	Deliveries by works	Orders in hand (at end of period)
1954	37,419	32,022	11,716
1955	39,729	37,980	13,688
1956	42,012	41,124	15,244
4th quarter (m'ly av.)	3,636	3,585	15,244
1957	40,219	42,923	12,842
1st quarter (m'ly av.)	3,607	3,671	15,174
2nd quarter (m'ly av.)	3,233	3,486	14,326
3rd quarter (m'ly av.)	3,249	3,447	13,803
4th quarter (m'ly av.)	3,314	3,700	12,843
1958			
January	3,471		
February	3,148		

TABLE No. 21

Pig-Iron and Ferro-Alloys Production

('000 metric tons)

	Ger- many (Fed. Rep.)	Saar	Bel- gium	France	Italy	Luxem- bourg	Nether- lands	Com- munity
1952	12,877	2,550	4,775	9,772	1,143	3,076	539	34,732
1953	11,654	2,382	4,218	8,664	1,254	2,719	591	31,482
1954	12,512	2,499	4,563	8,838	1,298	2,800	610	33,120
1955	16,482	2,879	5,326	10,941	1,677	3,048	668	41,021
1956	17,577	3,018	5,658	11,423	1,935	3,272	664	43,547
1957	18,358	3,126	5,547	11,909	2,138	3,329	702	45,109
1st quarter (m'ly av.)	1,489	254	486	979	156	279	52	3,695
2nd quarter (m'ly av.)	1,473	253	470	972	196	277	56	3,697
3rd quarter (m'ly av.)	1,552	264	405	971	193	276	65	3,726
4th quarter (m'ly av.)	1,605	271	488	1,041	167	278	61	3,911
1958								
January	1,602	272	482	1,070	159	281	57	3,923
February	1,449	241	437	947	149	255	72	3,545
March	1,513	274	478	1,100	170	284	79	3,898

TABLE No. 22

Crude-Steel Production

(by countries)

('000 metric tons)

	Germany (Fed. Rep.)	Saar	Bel- gium	France	Italy	Luxem- bourg	Nether- lands	Com- mun/ty
1952	15,806	2,823	5,170	10,867	3,535	3,002	693	41,896
1953	15,420	2,682	4,527	9,997	3,500	2,658	874	39,658
1954	17,435	2,805	5,003	10,627	4,207	2,828	937	43,842
1955	21,336	3,166	5,894	12,631	5,395	3,226	979	52,627
1956	23,189	3,375	6,376	13,441	5,911	3,456	1,051	56,799
1957	24,507	3,463	6,267	14,100	6,766	3,493	1,183	59,779
1st quarter (m ^l y av.)	2,009	292	557	1,175	545	292	99	4,969
2nd quarter (m ^l y av.)	1,947	277	526	1,139	557	294	94	4,834
3rd quarter (m ^l y av.)	2,084	294	448	1,126	566	288	101	4,907
4th quarter (m ^l y av.)	2,129	292	557	1,260	587	290	101	5,216
1958								
January	2,220	308	560	1,325	576	295	105	5,389
February	1,979	270	490	1,183	510	268	97	4,797
March	2,061	310	518	1,335	545	293	131	5,193

TABLE No. 23

Crude-Steel Production in Germany and France

(by areas)

('000 metric tons)

	1952	1953	1954	1955	1956	1957
North Rhine-Westphalia	13,429	13,001	14,667	17,630	19,076	20,032
Eastern France	7,124	6,659	7,128	8,343	8,831	9,215
Schleswig-Holstein and Lower Saxony	1,281	1,402	1,605	2,339	2,691	3,044
Northern France	2,338	2,108	2,273	2,819	2,984	3,175
Baden-Württemberg and Bavaria	569	521	571	677	712	713
Rhineland-Palatinate and Hesse	527	496	591	690	710	718
Central France	712	537	534	641	713	689
Western France	470	500	477	548	608	686
Other parts of France	223	193	214	280	306	335

TABLE No. 24

**Comparative Development of Maximum Possible Production and
Actual Production of Pig-Iron from 1955 to 1957⁽¹⁾**
(by countries)

	Maximum possible production for the year	Actual production	Utilization of capacity in per cent. of maximum possible production
	('000 metric tons)		%
<i>Germany (Fed. Rep.)</i>			
1955	17,000	16,482	97.0
1956	18,090	17,577	97.2
1957	19,200	18,358	95.6
<i>Saar</i>			
1955	2,000	2,879	96.0
1956	3,110	3,018	97.0
1957	3,250	3,126	96.2
<i>Belgium</i>			
1955	5,650	5,326	94.3
1956	5,980	5,658	94.6
1957	6,200	5,547	89.5
<i>France</i>			
1955	11,500	10,941	95.1
1956	12,140	11,423	94.1
1957	12,550	11,909	94.9
<i>Italy</i>			
1955	1,770	1,677	94.7
1956	1,980	1,935	97.7
1957	2,170	2,138	98.5
<i>Luxembourg</i>			
1955	3,110	3,048	98.0
1956	3,380	3,272	96.8
1957	3,350	3,329	99.4
<i>Netherlands</i>			
1955	670	668	99.7
1956	700	664	94.9
1957	730	702	96.2
Community			
1955	42,700	41,021	96.1
1956	45,380	43,547	96.0
1957	47,450	45,109	95.1

⁽¹⁾ Including spiegel iron and high-carbon ferro-manganese.

TABLE No. 25

**Comparative Development of Maximum Possible Production and
Actual Production of Crude Steel from 1955 to 1957⁽¹⁾**
(by countries)

	Maximum possible production for the year	Actual production	Utilization of capacity in per cent. of maximum possible production
	('000 metric tons)		%
<i>Germany (Fed. Rep.)</i>			
1955	22,000	21,336	97.0
1956	23,740	23,189	97.7
1957	25,730	24,507	95.2
<i>Saar</i>			
1955	3,300	3,166	95.9
1956	3,425	3,375	98.5
1957	3,580	3,463	96.7
<i>Belgium</i>			
1955	6,250	5,894	94.3
1956	6,800	6,376	93.8
1957	7,060	6,267	88.8
<i>France</i>			
1955	13,450	12,631	93.9
1956	14,155	13,441	95.0
1957	14,855	14,100	94.9
<i>Italy</i>			
1955	5,720	5,395	94.3
1956	6,380	5,911	92.6
1957	7,385	6,766	91.6
<i>Luxembourg</i>			
1955	3,270	3,266	98.7
1956	3,510	3,456	98.5
1957	3,480	3,493	100.4
<i>Netherlands</i>			
1955	1,010	979	96.9
1956	1,080	1,050	97.3
1957	1,292	1,183	91.6
Community			
1955	55,000	52,627	95.7
1956	59,090	56,799	96.1
1957	63,382	59,779	94.3

(1) Ingots and liquid steel for casting; the production of independent steel-foundries has been included.

TABLE No. 26

Development of World Crude-Steel Production since 1929

1. Production in '000 metric tons

	Com- munity	U.S.A.	U.K.	U.S.S.R.	Eastern Europe	Japan	Other areas	World
1929	35,566	57,340	9,790	5,003	5,782	2,294	5,124	120,899
1937	34,218	51,381	13,192	17,824	6,676	5,801	6,727	135,819
1949	28,704	70,742	15,802	23,300	6,963	3,111	11,221	159,843
1951	37,747	95,437	15,889	31,400	9,732	6,502	14,274	210,981
1952	41,896	84,521	16,681	34,492	10,700	6,988	16,722	212,000
1953	39,658	101,251	17,891	38,128	12,300	7,662	17,410	234,300
1954	43,842	80,115	18,817	41,434	12,900	7,750	18,542	223,400
1955	52,627	106,173	20,108	45,271	13,900	9,408	22,413	269,900
1956	56,799	104,522	20,991	48,610	15,200	11,106	25,672	282,900
1957	59,779	102,500	22,100	51,000	16,200	12,600	27,821	292,000

2. Production in per cent. of world production

	Com- munity	U.S.A.	U.K.	U.S.S.R.	Eastern Europe	Japan	Other areas	World
1929	29.4	47.4	8.1	4.2	4.8	1.9	4.2	100
1937	25.2	37.8	9.7	13.1	4.9	4.3	5.0	100
1949	18.0	44.2	9.9	14.6	4.4	1.9	7.0	100
1951	17.9	45.2	7.5	14.9	4.6	3.1	6.8	100
1952	19.8	39.8	7.9	16.3	5.0	3.3	7.9	100
1953	16.9	43.2	7.6	16.3	5.3	3.3	7.4	100
1954	19.6	35.9	8.4	18.5	5.8	3.5	8.3	100
1955	19.5	39.3	7.5	16.8	5.1	3.5	8.3	100
1956	20.1	36.9	7.4	17.2	5.4	3.9	9.1	100
1957	20.5	35.1	7.6	17.5	5.5	4.3	9.5	100

3. Production indices (1929 = 100)

	Com- munity	U.S.A.	U.K.	U.S.S.R.	Eastern Europe	Japan	Other areas	World
1929	100	100	100	100	100	100	100	100
1937	96	90	135	356	115	253	131	112
1949	81	123	161	466	120	136	219	132
1951	106	166	162	628	168	283	279	175
1952	118	147	170	689	185	305	326	175
1953	112	177	183	762	213	334	340	194
1954	123	140	192	828	223	338	362	185
1955	148	185	205	905	240	410	437	223
1956	160	182	214	972	263	484	501	234
1957	168	179	226	1,019	280	549	543	242

TABLE No. 27

Development of Crude-Steel Production in the Community since 1929*1. Production in '000 metric tons*

	Germany (Fed. Rep.)	Saar	Belgium	France	Italy	Luxem- bourg	Nether- lands
1929	14,710	2,209	4,109	9,711	2,122	2,705	..
1937	15,499	2,339	3,863	7,920	2,087	2,510	..
1949	9,156	1,757	3,849	9,152	2,090	2,272	428
1951	13,506	2,603	5,054	9,835	3,119	3,077	553
1952	15,806	2,823	5,170	10,867	3,535	3,002	693
1953	15,420	2,682	4,527	9,997	3,500	2,658	874
1954	17,435	2,805	5,003	10,627	4,207	2,828	937
1955	21,336	3,166	5,894	12,631	5,395	3,226	979
1956	23,189	3,375	6,376	13,441	5,911	3,456	1,051
1957	24,507	3,463	6,267	14,100	6,766	3,493	1,183

2. Production in per cent. of world production

	Germany (Fed. Rep.)	Saar	Belgium	France	Italy	Luxem- bourg	Nether- lands
1929	12.2	1.8	3.4	8.0	1.8	2.2	..
1937	11.4	1.7	2.8	5.8	1.5	1.8	..
1949	5.7	1.1	2.4	5.7	1.3	1.4	0.3
1951	6.4	1.2	2.4	4.7	1.5	1.5	0.2
1952	7.5	1.3	2.4	5.1	1.7	1.4	0.3
1953	6.6	1.1	1.9	4.3	1.5	1.1	0.4
1954	7.8	1.3	2.2	4.8	1.9	1.2	0.4
1955	7.9	1.2	2.2	4.7	2.0	1.2	0.4
1956	8.2	1.2	2.3	4.8	2.1	1.2	0.4
1957	8.4	1.2	2.1	4.8	2.3	1.2	0.4

3. Production indices (1929 = 100)

	Germany (Fed. Rep.)	Saar	Belgium	France	Italy	Luxem- bourg	Nether- lands
1929	100	100	100	100	100	100	—
1937	105	106	94	82	98	93	—
1949	62	80	94	94	98	84	100
1951	92	118	123	101	147	114	129
1952	107	128	126	112	167	111	162
1953	105	121	110	103	165	98	204
1954	119	127	122	109	198	105	219
1955	145	143	143	130	254	119	229
1956	158	153	155	138	279	128	245
1957	167	157	153	145	319	129	276

TABLE No. 28

Production of High-Grade and Special Steels

('000 metric tons)

	Germany (Fed. Rep.)	Benelux	France/ Saar	Italy	Com- munity
1955	1,755	168	1,296	838	4,057
1956	2,048	202	1,400	882	4,532
1957	1,905	183	1,495	1,007	4,590
1st quarter (m'ly av.)	164.5	19.5	125.8	82.0	391.8
2nd quarter (m'ly av.)	152.1	17.8	124.5	84.2	378.6
3rd quarter (m'ly av.)	160.7	11.7	111.6	81.4	365.4
4th quarter (m'ly av.)	157.6	11.8	136.3	88.3	394.0

TABLE No. 29

Crude-Steel Production

(by manufacturing processes)

('000 metric tons)

	Basic Bessemer	Acid Bessemer	Open- hearth	Electric- furnace	Other processes	Total
1953	20,886	234	15,387	3,106	48	39,661
1954	22,633	216	17,387	3,601	5	43,842
1955	27,520	246	20,477	4,370	12	52,625
1956	29,388	253	22,106	5,028	17	56,792
1957	30,156	249	23,597	5,706	73	59,781
1st quarter (m'ly av.)	2,524	23	1,955	466	2	4,970
2nd quarter (m'ly av.)	2,434	21	1,895	481	3	4,834
3rd quarter (m'ly av.)	2,472	18	1,948	464	5	4,907
4th quarter (m'ly av.)	2,622	21	2,069	490	14	5,216

TABLE No. 30

**Comparative Development of Maximum Possible Production and
Actual Production of Crude Steel from 1955 to 1957⁽¹⁾**
(by manufacturing processes)

	Maximum possible production for the year	Actual production	Utilization of capacity in per cent. of maximum possible production %
	('000 metric tons)		
<i>Basic Bessemer</i>			
1955	28,890	27,520	95.3
1956	30,440	29,388	96.5
1957	31,620	30,156	95.4
<i>Open-hearth</i>			
1955	21,246	20,477	96.4
1956	22,768	22,106	97.1
1957	24,810	23,597	95.1
<i>Electric-furnace</i>			
1955	4,585	4,370	95.3
1956	5,597	4,028	89.8
1957	6,520	5,706	87.5
<i>Acid Bessemer</i>			
1955	267	246	92.1
1956	267	253	94.8
1957	260	249	95.8
<i>Other processes</i>			
1955	12	12	100.0
1956	18	17	94.4
1957	172	73	42.4
Total			
1955	55,000	52,625	95.7
1956	59,090	56,792	96.1
1957	63,382	59,781	94.3

(1) Ingots and liquid steel for casting; the production of independent steel-foundries has been included.

TABLE No. 31

Production of Finished Products
(by countries)

('000 metric tons)

	Ger- many (Fed. Rep.)	Saar	Bel- gium	France	Italy	Luxem- bourg	Nether- lands	Com- munity
1952	10,462	1,920	3,664	7,642	2,303	2,160	444	28,595
1953	9,862	1,780	2,343	6,762	2,129	1,904	575	26,455
1954	11,280	1,884	3,592	7,271	2,805	2,132	707	29,671
1955	13,976	2,198	4,349	8,875	3,548	2,397	867	36,210
1956	15,370	2,352	4,710	9,308	3,972	2,602	862	39,176
1957	16,154	2,448	4,386	10,284	4,499	2,589	911	41,271
1st quarter (m'y av.)	1,355	207	413	882	370	218	74	3,519
2nd quarter (m'y av.)	1,253	190	375	834	379	220	73	3,324
3rd quarter (m'y av.)	1,368	210	303	783	369	212	72	3,317
4th quarter (m'y av.)	1,408	209	372	929	382	212	84	3,596

TABLE No. 32

Production of Finished Products
(by types of product)

('000 metric tons)

	1952	1953	1954	1955	1956	1957
Permanent-way material	1,440	1,497	1,108	1,413	1,484	1,633
Heavy sections	2,712	2,603	2,739	3,297	3,631	3,848
Light sections	10,176	8,691	9,381	11,455	12,578	12,748
Wire-rod	2,844	2,478	3,156	3,628	3,750	3,883
Tube semis	1,024	1,007	1,254	1,465	1,601	1,698
Hoop and strip	2,328	2,039	2,571	2,997	3,044	3,096
Plate 3 mm. and over	4,284	4,523	4,424	5,615	6,718	6,991
Sheet under 3 mm.	3,780	3,615	4,966	6,215	6,232	7,174
Coils (finished products)	—	—	70	124	144	199
Total	28,588	26,453	29,669	36,209	39,182	41,270

TABLE No. 33

Imports of Iron and Steel Products from Third Countries⁽¹⁾
(by groups of products)

('000 metric tons)

Country of destination \ Group of products	Pig-iron	Ingots & semis	Finished products & end-products	Total
<i>Germany (Fed. Rep.)</i>				
1954	59	3	151	213
1955	134	18	230	382
1956	79	159	289	527
1957 ⁽²⁾	26	175	312	513
<i>Belgium/Luxembourg</i>				
1954	92	1	55	148
1955	148	14	47	209
1956	201	7	45	220
1957 ⁽²⁾	138	5	56	199
<i>France/Saar</i>				
1954	6	0	31	37
1955	9	0	34	43
1956	24	5	33	62
1957	58	1	53	112
<i>Italy</i>				
1954	130	54	220	404
1955	268	62	216	547
1956	250	91	191	532
1957	271	126	215	613
<i>Netherlands</i>				
1954	13	0	132	145
1955	8	116	160	284
1956	23	47	122	192
1957	22	0	134	157
Community				
1954	300	59	588	947
1955	567	211	687	1,465
1956	576	310	680	1,566
1957 ⁽²⁾	515	307	770	1,594

(1) Exclusive of old rails.

(2) Estimates for Germany, Belgium/Luxembourg and the Community as a whole; as figures have been rounded off, totals by groups of products vary slightly from totals by countries of origin.

TABLE No. 34

Imports of Iron and Steel Products from Third Countries⁽¹⁾
(by countries of origin)

('000 metric tons)

Country of destination \ Country of origin	Country of origin						Total
	Austria	U.K.	Sweden	U.S.A. & dependencies	Eastern Europe & U.S.S.R.	Other third countries	
Germany (Fed. Rep.)							
1954	127	20	25	28	1	12	213
1955	136	16	48	76	72	34	382
1956	159	11	46	106	183	23	528
1957 ⁽²⁾	264	9	31	118	78	12	512
Belgium/Luxembourg							
1954	27	10	22	26	34	29	148
1955	15	17	26	30	88	33	209
1956	17	24	10	18	156	29	253
1957 ⁽²⁾	21	21	10	20	87	39	198
France/Saar							
1954	4	3	7	17	—	6	37
1955	8	3	10	16	—	6	43
1956	8	4	13	11	13	13	62
1957	21	12	15	19	29	16	112
Italy							
1954	214	42	8	75	43	22	404
1955	263	20	5	79	70	109	546
1956	259	14	5	58	87	109	532
1957	345	38	3	46	97	83	613
Netherlands							
1954	2	64	1	66	4	8	145
1955	4	56	2	170	17	35	284
1956	2	43	3	112	10	20	190
1957	9	50	2	71	11	14	157
Community							
1954	375	136	63	214	78	81	947
1955	426	112	92	371	449	217	1,465
1956	445	96	77	304	416	194	1,533
1957 ⁽²⁾	660	130	61	274	302	164	1,592

(1) Exclusive of old rails.

(2) Estimates for Germany, Belgium/Luxembourg and the Community as a whole; as figures have been rounded off, totals by groups of products vary slightly from totals by countries of origin.

TABLE No. 35
Exports of Iron and Steel Products to Third Countries⁽¹⁾
(by countries of destination)

Country of destination		('000 metric tons)										
Country of origin	Country of destination	North America	Central & South America	U.K.	Sweden	Eastern Europe & U.S.S.R.	Other European Countries	Overseas territories of member States	Asia	Africa less territories of member States	Other areas	Total
		<i>Germany (Fed. Rep.)</i>										
	1954	77	237	31	180	40	533	0	305	35	2	1,440
	1955	48	209	62	165	52	602	1	254	51	4	1,445
	1956	186	219	173	181	262	670	3	463	87	9	2,253
	1957 ⁽²⁾	109	347	106	236	353	850	15	725	87	4	2,832
<i>Belgium/Luxembourg</i>												
	1954	300	522	64	230	64	618	126	380	139	40	2,484
	1955	282	413	223	245	65	736	150	415	198	77	2,805
	1956	604	366	352	170	177	695	161	687	186	50	3,448
	1957 ⁽²⁾	455	634	167	237	118	672	183	755	195	12	3,427
<i>France/Saar</i>												
	1954	149	345	71	85	107	556	457	184	160	15	2,126
	1955	203	359	316	85	154	715	526	360	194	41	2,953
	1956	312	190	200	55	191	642	455	486	129	31	2,691
	1957	188	253	59	60	261	556	554	420	112	28	2,491

TABLE No. 36

Exports of Iron and Steel Products to Third Countries ⁽¹⁾
(by groups of products)

('000 metric tons)

Country of origin	Group of products	Pig-iron	Ingots & semis	Finished products & end-products	Total
<i>Germany (Fed. Rep.)</i>					
	1954	181	164	1,095	1,440
	1955	122	164	1,159	1,445
	1956	229	167	1,858	2,254
	1957 ⁽²⁾	254	233	2,344	2,831
<i>Belgium/Luxembourg</i>					
	1954	1	163	2,320	2,484
	1955	1	163	2,641	2,806
	1956	4	187	3,257	3,448
	1957 ⁽²⁾	12	325	3,090	3,427
<i>France/Saar</i>					
	1954	49	260	1,817	2,127
	1955	206	240	2,507	2,953
	1956	84	150	2,458	2,692
	1957	68	122	2,301	2,491
<i>Italy</i>					
	1954	2	44	44	90
	1955	2	37	102	142
	1956	5	109	270	384
	1957	2	151	337	490
<i>Netherlands</i>					
	1954	127	0	172	299
	1955	167	—	210	377
	1956	89	0	207	296
	1957	64	0	219	283
Community :					
	1954	360	631	5,449	6,440
	1955	498	605	6,620	7,723
	1956	410	613	8,051	9,074
	1957 ⁽²⁾	400	831	8,291	9,522

(1) Exclusive of old rails.

(2) Estimates for Germany, Belgium/Luxembourg and the Community as a whole; as figures have been rounded off, totals by groups of products vary slightly from totals by countries of origin.

TABLE No. 37

Trade in Iron and Steel Products

Country of supply	Countries of destination	1952	1953
<i>Germany (Fed. Rep.)</i>	Belgium/Luxembourg	88.8	118.8
	France/Saar	9.6	28.8
	Italy	62.4	79.2
	Netherlands	141.6	220.8
	Total	302.4	447.6
<i>Belgium/Luxembourg</i>	Germany	532.8	478.8
	France/Saar	14.4	73.2
	Italy	135.6	145.2
	Netherlands	571.2	546.0
	Total	1,254.0	1,243.2
<i>France/Saar</i>	Germany	243.6	543.6
	Belgium/Luxembourg	70.8	184.8
	Italy	121.2	253.2
	Netherlands	45.6	108.0
	Total	481.2	1,089.6
<i>Italy</i>	Germany	0.5	0.0
	Belgium/Luxembourg	0.8	0.0
	France/Saar	0.1	3.6
	Netherlands	1.0	1.2
	Total	2.4	4.8
<i>Netherlands</i>	Germany	9.6	57.6
	Belgium/Luxembourg	51.6	36.0
	France/Saar	3.6	12.0
	Italy	3.6	8.4
	Total	68.4	114.0
	Grand Total	2,108.4	2,899.2
	<i>of which⁽²⁾</i>		
	Germany (Fed. Rep.)	786.5	1,080.0
	Belgium/Luxembourg	212.0	339.6
	France/Saar	27.7	117.6
	Italy	322.8	486.0
	Netherlands	759.4	876.0

(1) Estimates for Belgium/Luxembourg and the Community as a whole.

(2) Estimates based on deliveries.

within the Community

('000 metric tons)

1954	1955	1956	1957 ⁽¹⁾	1957			
				1st qtr.	2nd qtr.	3rd qtr.	4th qtr. (1)
119.7	116.5	183.5	233.4	55.3	60.8	56.9	60.4
117.6	163.1	227.2	425.3	71.1	87.5	104.9	161.8
150.3	115.1	150.5	212.8	51.1	46.1	56.5	59.1
384.0	437.3	356.6	628.2	125.9	130.8	179.7	191.8
771.6	832.0	917.8	1,499.7	303.4	325.2	398.0	473.1
652.5	1,041.1	784.2	640.6	139.0	142.7	163.3	195.6
303.3	524.9	572.1	623.3	142.6	159.1	140.7	180.9
119.4	103.0	85.7	109.2	26.2	25.7	25.8	31.5
711.0	814.5	773.5	832.6	210.0	206.9	185.4	230.3
1,786.2	2,483.5	2,215.5	2,205.7	517.8	534.4	515.2	638.3
863.4	1,297.3	1,055.9	1,003.3	261.7	240.4	254.2	247.0
138.3	311.7	281.5	245.7	72.4	59.6	68.5	45.2
249.9	255.8	174.3	186.4	59.8	44.2	34.5	47.9
69.3	77.9	96.7	117.0	30.6	29.3	29.9	27.2
1,320.9	1,942.7	1,608.4	1,552.4	424.5	373.5	387.1	367.3
1.8	8.2	11.1	0.6	0.1	0.2	0.0	0.3
0.0	0.0	1.2	0.9	0.4	0.5	0.0	—
6.0	53.3	36.5	70.2	14.0	13.8	15.9	26.5
0.0	0.1	0.1	0.2	—	0.1	—	0.1
7.8	61.6	48.9	71.9	14.5	14.6	15.9	26.9
160.2	217.1	147.4	227.5	42.2	46.1	67.1	72.1
59.4	78.4	63.5	59.8	17.7	12.4	14.9	14.8
27.3	40.2	64.8	67.1	15.8	13.1	18.9	19.3
20.4	8.6	13.4	27.4	7.1	2.3	10.2	7.8
267.3	344.3	289.1	381.8	82.8	73.9	111.1	114.0
4,153.8	5,664.1	5,079.7	5,711.5	1,343.0	1,321.6	1,427.3	1,619.6
1,677.9	2,563.7	1,998.6	1,872.0	443.0	429.4	484.6	515.0
317.4	506.6	529.7	539.8	145.8	133.3	140.3	120.4
454.2	781.5	900.6	1,185.9	243.5	273.5	280.4	388.5
540.0	482.5	423.9	535.8	144.2	118.3	127.0	146.3
1,164.3	1,329.8	1,226.9	1,578.0	366.5	367.1	395.0	449.4

TABLE No. 38
Development of Pig-Iron Prices in the Community

Quality	(\$ per metric ton exclusive of taxes)					
	Germany (Fed. Rep.)	Belgium	France	Italy	Netherlands	
Phosphorous foundry pig-iron	A	65.50	60	68.80	68.80	57.14
	B	72.58	72	70.57	89.60	74.44
	C	75.78	66	69.05	70.40	74.44
Hematite foundry pig-iron	A	69.39	70.30	70.71	68.80	64.66
	B	77.38	83.90	82.86	91.20	80.20
	C	80.82	83.90	80.36	75.20	80.20
Hematite steelmaking pig-iron	A	58.38	68	67.89	64	62.18
	B	66.39	83.50	78.57	88	81.96
	C	69.48	83.50	76.19	73.60	81.96
Spiegel iron	A	83.34	80	82	92.80	
	B	91.35	98	96.57	104.80	
	C	94.55	98	95.60	102.40	
Ferro-manganese	A	204.21	211	177.14	240	
	B	238.56	235	229.57	297.60	
	C	246.57	234	196.19	252.80	

A = May 20, 1953
B = February 10, 1957
C = February 10, 1958

TABLE No. 39
Development of Pig-Iron Prices in the Community

(Price as at May 20, 1953 = 100)

Quality	Germany (Fed. Rep.)	Belgium	France	Italy	Netherlands
Phosphorus foundry pig-iron	A 100	100 Musson	100 Longwy	100 Genoa	100 Beverwijk
	B 111	120	118	130 Trieste	130
	C 116	110	115	102	130
Hematite foundry pig-iron	A 100	100 Charleroi	100 Longwy	100 Genoa	100 Beverwijk
	B 112	119	117	133 Trieste	124
	C 116	119	114	109	124
Hematite steelmaking pig-iron	A 100	100 Charleroi	100 Longwy	100 Genoa	100 Beverwijk
	B 114	123	116	138	132
	C 119	123	112	115	132
Spiegel iron	A 100	100 Charleroi	100 Longwy	100 Breno	
	B 110	123	118	113	
	C 113	123	117	110	
Ferro-manganese	A 100	100 Langerbrugge	100 Outreau	100 Aosta	
	B 117	111	130	124	
	C 121	97	111	105	

A = May 20, 1953

B = February 10, 1957

C = February 10, 1958

TABLE No. 40
Development of Pig-Iron Prices in the Community

(price as at May 20, 1953, in the Federal Republic of Germany = 100)

Quality	Germany (Fed. Rep.)	Belgium	France	Italy	Netherlands
Phosphorus foundry pig-iron	A 100 Oberhausen	92 Musson	92 Longwy	105 Genoa	87 Beverwijk
	B 111 —	110 —	108 —	137 Trieste	114 —
	C 116 —	101 —	105 —	107 —	114 —
Hematite foundry pig-iron	A 100 Oberhausen	101 Charleroi	102 Longwy	99 Genoa	93 Beverwijk
	B 112 —	121 —	119 —	131 Trieste	116 —
	C 116 —	121 —	116 —	108 —	116 —
Hematite steelmaking pig-iron	A 100 Siegen	116 Charleroi	116 Longwy	110 Genoa	107 Beverwijk
	B 114 —	143 —	135 —	151 —	140 —
	C 119 —	143 —	131 —	126 —	140 —
Spiegel iron	A 100 Siegen	96 Charleroi	98 Longwy	111 Breno	
	B 110 —	118 —	116 —	126 —	
	C 113 —	118 —	115 —	123 —	
Ferro-manganese	A 100 Oberhausen	103 Langerbrugge	87 Outreau	118 Aosta	
	B 117 —	115 —	112 —	146 —	
	C 121 —	100 —	96 —	124 —	

A = May 20, 1953
B = February 10, 1957
C = February 10, 1958

TABLE No. 41

Development of Basis Prices for Rolled Products in the Community, the U. K. and the U. S. A.
from March 30, 1957, to March 30, 1958

Product	(\$ per metric ton ex-basing point, exclusive of taxes)									
	Germany (Fed. Rep.)		Belgium		France		Italy		Luxembourg	
	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958
<i>Merchant bars:</i>										
b. B. o/h	95.10 104.25	99.20 109.05	108/110 132.—	97/102 117.—	90 110.85	86.70 104.40	— 128/140.8	— 100.8/126.4	106.— —	100 —
<i>Joists:</i>										
b. B. o/h	92.80 101.95	96.90 106.75	114.— 136.—	107.— 122.—	91.15 112.30	87.80 105.75	— 137.60	— 123.20	106.— —	104.— —
<i>Wire-rod:</i>										
b. B. o/h	97.15 106.30	101.70 111.55	108.— 123.—	102.— 117.—	93.15 111.70	90.65 105.20	— 136.90	— 125.60	106.— —	100.— —
<i>Plate:</i>										
b. B. o/h	104.— 117.05	109.05 122.75	130.— 152.—	122.— 138.—	106.30 128.30	102.35 120.85	— 171.20	— 163.20	124.— —	118.— —
<i>Sheet (hot-rolled):</i>										
b. B. o/h	128.70 139.65	135.10 146.50	136.— 148.—	136.— 148.—	125.45 147.15	120.80 138.55	— 172.—	— 158.40	135.60 —	138.60 —
<i>Basing-points</i>										
	Oberhausen: For plate: Essen For sheet: Siegen		Seraing		Thionville: For plate and sheet: Montmédy		Novi Ligure		1957: Luxembourg 1958: Belval For plate and sheet: Dudelange	

Product	Netherlands		United Kingdom		U. S. A.	
	1957	1958	1957	1958	1957	1958
<i>Merchant bars:</i>						
b. B. o/h	115.50 128.40	113/107.50 116.25	97.70/105.65	107.7/113.2	110.25/111.9	116.3/119.6
<i>Joists:</i>						
b. B. o/h	— —	— —	98.20	105.80	110.25	116.30
<i>Wire-rod:</i>						
b. B. o/h	116.25 118.—	116.25 118.—	96.75	109.50	127.90	135.60
<i>Plate:</i>						
b. B. o/h	115.— 127.50	115.— 127.50	102.95	112.60	106.90	112.45
<i>Sheet (hot-rolled):</i>						
b. B. o/h	137.85 143.—	142.85 148.—	109.—	121.40	103.05	108.60
<i>Basing-points</i>	For merchant bars: Utrecht.		Delivered place of destination, less transport costs		Pittsburgh	
	For wire-rod, hoop and strip: Zwijndrecht.					
	For plate and sheet: Velsen/Beverwijk					

N. B. This table shows the development of *basis prices*. In the Community countries these prices are as a rule for the same basic sizes, so that they are to a great extent intercomparable. The British and American basis prices are sometimes appreciably different, particularly in the case of sheet. For purposes of comparison with the prices of hot-rolled sheet in the Community, for instance, it would be necessary to add to the British price a further \$ 7.60 per metric ton, and to the American price \$ 27.55 (in 1957 \$ 22.05) per metric ton.

A flat transport rate of \$ 4.80 per ton has been deducted from the British prices delivered place of destination, in order to reduce them to a common basis comparable with the mode of quotation for the other countries, all of whose prices are reckoned ex-basing point.

Taxes deducted: for Germany 4%; for the Netherlands 5%.

Conversion rates employed: 1 dollar = DM 4.20, Bfr. 50, Fr. 420, Hfl. 3.80, £ 0.357 (= approx. 7s. 1½ d.).

TABLE No. 42
Developments of Internal Basis Prices for Rolled Products in 1957—58

	(\$ per metric ton)												
	Merchant bars		Sections		Wire-rod		Hoop and strip		Plate		Sheet		
	b.B	o/h	b.B	o/h	b.B	o/h	b.B	o/h	b.B	o/h	b.B	o/h	
<i>Germany (Fed.-Rep.)</i>													
March 30, 1957	95.19	104.25	92.80	101.95	97.5	106.30	107.65	120.45	104.—	117.03	128.70	139.65	
November 25, 1957	99.20	109.05	96.90	106.75	101.70	111.55	112.90	126.40	109.05	122.75	135.10	146.50	
March 30, 1958	99.20	109.05	96.90	106.75	101.70	111.55	112.90	126.40	109.05	122.75	135.10	146.50	
<i>Belgium</i>													
March 30, 1957	110	132	114	136	108	123	104	126	130	152	136	148	
May 17, 1957	110	132	114	136	108	123	104	126	122	152	136	148	
March 5, 1958	104	132	114	122	108	123	104	126	122	152			
March 15, 1958	102	117	107	122	102	117	107	129	122	138			
March 30, 1958	102	117	107	122	102	117	107	129	122		136	148	
<i>France</i>													
March 30, 1957	90.00	110.86	91.14	112.29	93.14	111.71	99.14	121.43	106.29	128.29	122.43	147.14	
April 18, 1957	92.71	104.71	93.89	115.66	95.14	115.06	102.11	195.09	109.49	132.14	129.20	151.57	
August 5, 1957	96.89	119.31	91.11	120.86	100.26	120.26	106.71	130.69	114.40	138.09	135	158.37	
October 1, 1957	80.73	99.43	81.76	100.71	83.55	100.21	86.92	108.90	95.33	115.07	112.50	131.98	
November 8, 1957	86.69	104.40	87.79	105.76	90.64	105.21	95.48	114.36	102.36	120.83	120.79	138.57	
March 30, 1958	86.69	104.40	87.79	105.76	90.64	105.21	95.48	114.36	102.36	120.83	120.79	138.57	
<i>Italy</i>													
March 30, 1957		132		137.60		136.80		142.40		171.20		168	
September 29, 1957		128		140.80									
December 6, 1957		124.10		137.60		132		139.20					
January 18, 1958		116.80		132.80				136					
February 24, 1958						125.60		131.20					
March 6, 1958				123.20				136		163.20		156.80	
March 30, 1958		116.80		123.20		125.60		131.20		163.20		156.80	
<i>Luxembourg</i>													
March 30, 1957	106		106		106		104		124		135.60		
December 17, 1957							107				138.60		
March 13, 1958	100		104		100				118				
March 30, 1958	100		104		100		107		118		138.60		

<i>Netherlands</i>												
March 30, 1957	115.5	128.40		116.25	118	111.75	119.5	115	127.5	137.85	143	
April 29, 1957	116	128.40				(o/h)	(e/f)					
June 26, 1957	116	124.60										
August 5, 1957	116	121.50										
October 15, 1957	116	118.70										
reinforcing rods	114.8	118.70										
October 18, 1957												
December 6, 1957	114.9	116.25				111.75	122.50					
reinforcing rods												
December 9, 1957												
February 1, 1958	111.3	116.25										
reinforcing rods												
February 24, 1958	103.05	116.25										
reinforcing rods												
March 30, 1958	103.05											
reinforcing rods	107.50	116.25										
other steels												
March 30, 1958	103.05	116.25		116.25	118	111.15	122.50	115	127.5	142.85	148	
reinforcing rods	107.50											
other steels												
<i>United Kingdom</i>												
Basic open-hearth steel												
March 30, 1957	104.45		103	101.55		104.40		107.75		113.80		
May 13, 1957				102.95								
July 29, 1957	114.45		110.60	114.30		111.60		117.40		126.20		
March 30, 1958	114.45		116.60	114.30		111.60		117.40		126.20		
<i>United States</i>												
Basic open-hearth steel												
March 30, 1957	111.90		110.25	127.90		103.05		111.90		103.05		
July 1, 1957	129.60		116.30	135.60		108.60		119.60		108.60		
March 30, 1958	119.60		116.30	135.60		108.60		119.60		108.60		

TABLE No. 43

**Development of Basis Export Prices for Rolled Products
from March 30, 1957, to March 30, 1958**

(\$ per metric ton f.o.b. port of shipment, exclusive of taxes)

	Community (overall)		U.K.		U.S.A.	
	1957	1958	1957	1958	1957	1958
Merchant bars ⁽¹⁾	112/118	84/101	119.35/ 152.95	112.65/ 152.95	121.25/ 123.25	129.40/ 131.60
Joists	123.50	103	156.40	146.05	121.25	128.10
Wire rod	112	105	no price quoted		132.30	140.20
Hoop and strip	113	113	123.45/ 124.85 (²)	123.45/ 124.85 (²)	113.10	119.25
Plate	135	122	161.90	161.90	117.05	123.25
Sheet (hot-rolled)	147.65	150.65	130.90/ 148.80 (²)	145.35/ 161.90 (²)	112.45	118.40

(1) According to product.

(2) According to width.

(3) According to country of destination.

N. B. This table shows the development of *basis prices*. The bases on which these are fixed in the Community, the United Kingdom and the United States respectively, are sometimes appreciably different, particularly in the case of flat products.

For purposes of comparison with the prices of hot-rolled sheet in the Community, for instance, it would be necessary to add to the British price a further \$ 2.75 per metric ton, and to the American price \$ 27.55 (in 1957 \$ 22.05) per metric ton.

Prices are those of basic Bessemer quality for the Community, and of basic open-hearth for the United Kingdom and United States.

TABLE No. 44

Overall Transport of Treaty Products within the Community
(first six months, 1956, and first six months, 1957)⁽¹⁾

R=by rail, W=by waterway, S=by sea

('000 metric tons)

Product	Mode of transport	1st six months, 1956	1st six months, 1957	Variation in %
Hard coal	R	65,738.8	61,091.4	- 7
	W	21,621.6	26,435.3	+22
	S	1,229.0	1,307.4	+ 6
		88,589.4	88,834.0	± 0
Brown coal	R	10,516.6	10,676.8	+ 2
	W	1,348.7	1,526.4	+13
	S	2.4	6.7	+..
		11,867.7	12,209.8	+ 3
Coke	R	19,955.5	20,814.0	+ 4
	W	3,354.6	3,489.0	+ 4
	S	19.1	44.7	+..
		23,329.2	24,347.7	+ 4
Iron ore	R	30,174.4	31,578.3	+ 5
	W	6,754.0	7,987.9	+18
	S	324.9	314.3	- 3
		37,253.3	39,880.5	+ 7
Manganese ore	R	277.2	408.7	+47
	W	210.4	126.2	-40
	S	2.2	1.9	-14
		489.8	536.8	+10
Scrap	R	9,786.6	10,033.1	+ 3
	W	1,209.8	1,424.9	+18
	S	102.9	97.4	- 5
		11,099.3	11,555.3	+ 4
Pig-iron and crude steel	R	3,403.7	3,710.7	+ 9
	W	675.3	801.4	+19
	S	56.0	50.6	-10
		4,135.0	4,562.7	+10
Semis	R	5,435.1	5,281.4	- 3
	W	218.3	322.0	+47
	S	30.2	15.3	-49
		5,683.6	5,618.7	- 1
Rolled products	R	13,536.8	14,094.4	+ 4
	W	2,250.7	2,451.0	+ 9
	S	59.7	52.2	-13
		15,847.2	16,597.6	+ 5
Treaty products, total	R	158,824.7 = 80%	157,688.8 = 77%	+ 1
	W	37,643.4 = 19%	44,564.1 = 22%	+18
	S	1,826.4 = 1%	1,890.5 = 1%	+ 4
		198,294.5 = 100%	204,143.4 = 100%	+ 3

(1) Exclusive of road haulage.

Notes to Table No. 44

Since January 1956, the High Authority has been working out regional statistics in respect of transport of Treaty products. These compilations are something new for Western Europe. Unlike the existing type of transport statistics, covering only the actual passage from one country to another, they make it possible to follow consignments right from the producer to the consumer centres, irrespective of frontiers.

Statistics are furnished for all Treaty products, which are divided under nine heads, *viz.*

- (1) hard coal and hard-coal briquettes,
- (2) brown coal and brown-coal briquettes (B.K.B.),
- (3) coke and low-temperature coke of hard coal, brown coal and peat,
- (4) iron ore,
- (5) manganese ore,
- (6) scrap,
- (7) pig-iron and crude steel,
- (8) iron and steel semi-finished products,
- (9) rolled products (exclusive of tubes and pipes).

To bring out the full extent of interpenetration in this traffic the territory of the Community has been divided into 42 transport areas as follows:

Germany (Fed. Rep.)	16 areas
Belgium	2 areas
Luxembourg	1 area
Netherlands	3 areas
France	14 areas
Italy	6 areas

These statistics at present cover rail, inland-waterway and seaborne transport; full details are not yet to hand for the road-haulage sector. The detailed figures for transport during 1956 will be found in *Informations Statistiques* No. 1/58 (January-February 1958).

The proportions represented in the total carriage of Treaty products by the different modes of transport, exclusive of road haulage, for the first six months of 1957 were

rail-transport	77%
inland water transport	22%
seaborne transport	1%

(intra-Community traffic only).

The proportion represented by rail transport is rather striking. Comparison between the first six months of 1956 and of 1957 reveals a certain decrease in the tonnages of hard coal carried by rail, amounting to 4.7 m. metric tons. This could be due in part to the exceptional mildness of the winter 1956—57, but may well also reflect a more general falling-off in demand. The increase in the volume of hard coal shipped by inland waterway over the same periods is not indicative of a change in flows of transport, since the tonnages concerned were mainly of American coal imported by sea. Most of the coal so imported was transhipped for onward carriage by water.

The increase in consignments of iron ore by rail and inland waterway may be attributed at once to a stepping-up of production and to larger imports from third countries.

The figures following show imports by the Community from third countries during the first six months of 1956 and 1957 respectively. Except in the case of brown coal, these arrived almost exclusively by sea.

**Community imports of Treaty products
(first six months, 1956, and first six months, 1957)**

Products	('000 metric tons)	
	1st six months, 1956	1st six months, 1957
(1) Hard coal and hard-coal briquettes	17,295	23,047
(2) Brown coal and brown-coal briquettes (B.K.B.)	2,233	2,113
(3) Coke and low-temperature coke of hard coal, brown coal and peat	367	1,088
(4) Iron ore	10,414	12,409
(5) Manganese ore	617	918
(6) Scrap	1,039	1,853
(7) Pig-iron and crude steel	907	551
(8) Iron and steel semi-finished products	143	134
(9) Rolled products (exclusive of tubes and pipes)	379	482
Treaty products, total	33,394	42,595

Regional results

We give below a few typical examples taken from the statistics in our possession to illustrate regional trends in transport as a whole (all three modes at present covered). These indicate very definitely that a progressive integration, *i.e.* increasingly marked interdependence between producer and consumer centres, is now developing.

The following tonnages were carried during the first six months of 1956 and of 1957:

<i>(1) Hard coal</i>		
Ruhr to Belgium (direct)	1/56	145,000 metric tons
	1/57	210,000 metric tons
Ruhr to Luxembourg	1/56	34,000 metric tons
	1/57	43,000 metric tons
Ruhr to Netherlands (direct)	1/56	357,000 metric tons
	1/57	389,000 metric tons
<i>(2) Hard-coal coke</i>		
Ruhr to Luxembourg	1/56	1,180,000 metric tons
	1/57	1,035,000 metric tons
Ruhr to Lorraine	1/56	1,495,000 metric tons
	1/57	1,576,000 metric tons
<i>(3) Iron ore</i>		
Luxembourg to Ruhr	1/56	232,000 metric tons
	1/57	260,000 metric tons
Lorraine to Ruhr (including Westphalia)	1/56	44,000 metric tons
	1/57	177,000 metric tons

The figures for carriage of iron and steel are not as yet of much value, as a considerable proportion of these products is hauled by road and the necessary details are accordingly not at present available.

TABLE No. 45

Special German

Tariff	Goods	Field of application
6 B 8	(1) B.K.B. (2) Hard coal (3) Brown coal (4) Pitch coal	From Bavarian collieries to all stations, over distances up to 150 km.
6 B 30 Bar. 1	Mineral fuels	From collieries in Western Germany to iron and steel works in the Sieg-Lahn-Dill area.
6 B 31	(1) Hard coal and hard-coal coke (2) B.K.B.	From collieries in Western Germany to the Luitpoldhütte and Maxhütte works in the Upper Palatinate.
6 B 77	B.K.B.	From the Rhineland browncoal area to the Ohler works at Plettenberg/Sauerland.
Item 77b of the Mittel-landkanal tolls tariff	Mineral fuels	From collieries in Western Germany to iron and steel works and iron-ore mines on the Mittellandkanal east of Minden (Peine and Salzgitter)
7 B 3 Section I, except mines in Lower Harz	Ores	From specified German mines, more particularly in the Sieg-Lahn-Dill area, to all stations in Germany.
7 B 26	Ores	From the Karl Mine, Geislingen-Altenstadt, to iron and steel works in Western Germany.
(a) 7 B 35 (b) 7 B 3, Section I (mines in the Lower Harz)	Ores	From mines in the Lower Harz to specified German iron and steel works.
7 S 2	Ores	From German seaports to specified iron and steel works in the Sieg-Lahn-Dill area.

Rail Tariffs

Reduction from general tariff (in %)	Decision	Reduction to be scaled down by
27	To be abolished as from April 1, 1959, in respect of all E.C.S.C. products (items (1) and (2)).	—
37	To be abolished: — for certain works as from July 1, 1960. — for the others as from July 1, 1961.	$\frac{1}{3}$ yearly from July 1, 1958. $\frac{1}{8}$ yearly from July 1, 1958.
21	(1) 8% reduction to be retained; remaining 13% to be abolished as from July 1, 1961. (2) Present reductions to be retained.	July 1, 1958 3% July 1, 1959 3% July 1, 1960 3% July 1, 1961 4%
17	To be abolished as from June 1, 1958.	—
70	To be abolished as from January 1, 1959, the level of the competitive tariff 6 B 33 to be adjusted accordingly.	—
16	To be abolished as from July 1, 1961.	$\frac{1}{4}$ yearly from July 1, 1958.
45	To be abolished as from July 1, 1965.	$\frac{1}{8}$ yearly from July 1, 1958.
(a) 45 (b) 16	To be abolished as from December 31, 1958 any tariff reductions necessary for these mines to be examined by January 1, 1959	
31	To be abolished as from July 1, 1961.	$\frac{1}{4}$ yearly from July 1, 1958.

TABLE No. 46

Special French

Tariff	Goods	Field of application
Tariff 7 Section 3 Subsection IV	Mineral fuels	From collieries in the departments of Moselle, Nord and Pas-de-Calais to works in specified departments (Centre/Midi)
Tariff 7 Section 11 Subsection 1	Mineral fuels	From areas in South-Eastern and South-Western France to works in specified departments (Centre/Midi)
Tariff 7 Section 3 Subsections III and 16	Mineral fuels	From the Auvergne, Cévennes and Loire coalfields to the Paris area
Tariff 13 Section 3 Subsection I	Ores	From mines in Western France and the Pyrenees to all stations of the French State railways
Tariff 13 Section 103 Subsection 1	Ores	From mines in Western France to any frontier post or seaport (exports)
Tariff 13 Section 12 Subsection I	Ores	From areas in Western, South-Western and South-Eastern France to ore-preparation plants served by the railways of those areas
Tariff 14 Section 3 Subsection III	Scrap	From the Paris area to the department of Aveyron (Decazeville)

Rail Tariffs

Reduction from general tariff (in %)	Decision	Reduction to be scaled down by
18—35	<p>To be abolished</p> <p>— for a first group of works as from July 1, 1960;</p> <p>— for a second group of works as from July 1, 1961;</p> <p>— for a third group of works as from July, 1965;</p>	<p>July 1, 1958, $\frac{1}{3}$ July 1, 1959, $\frac{1}{3}$</p> <p>July 1, yearly from 1958 to 1960: $\frac{1}{4}$</p> <p>July 1, yearly from 1958 to 1964: $\frac{1}{8}$</p>
15—20	To be abolished as from July 1, 1961	—
18—38	<p>To be abolished as from January 1, 1959:</p> <p>— Section 3, subsection I for mines in Western France;</p> <p>— Section 103, subsection I for consignments to destinations other than Caen and Nantes</p> <p>To be abolished as from July 1, 1965:</p> <p>— Section 3, subsection I for mines in the Pyrenees</p>	<p>July 1, yearly from 1959 to 1964: $\frac{1}{8}$</p>
22—40	To be abolished as from July 1, 1961	July 1, yearly from 1958 to 1960: $\frac{1}{4}$
37	To be abolished as from July 1, 1961	July 1, yearly from 1958 to 1960: $\frac{1}{4}$

TABLE No. 47

Personnel Employed in the Community Industries

(1000)

	December 1956				December 1957			
	Workers	Appren- tices	Salaried empl.	Total	Workers	Appren- tices	Salaried empl.	Total
<i>Coalmining industry</i>								
Germany (Fed. Rep.)	442.8	47.9	44.2	534.9	453.4	42.9	46.1	542.4
Saar	52.3	5.1	6.2	63.6	53.9	4.6	6.5	65.0
Belgium	133.2	1.9	14.7	149.8	141.8	3.0	14.9	159.7
France (1)	206.4	7.2	26.7	240.3	208.8	6.1	26.8	241.7
Italy	6.0	—	0.7	6.7	5.7	—	0.7	6.1
Netherlands	50.4	4.4	6.5	61.3	52.3	3.6	6.9	62.8
Community	891.1	66.5	99.0	1,056.6	915.6	60.2	101.9	1,077.7
<i>Iron and steel industry</i>								
Germany (Fed. Rep.)	158.4	5.6	21.4	185.4	175.7	5.9	23.8	205.4
Saar	26.9	0.9	4.0	31.8	27.5	0.9	4.1	32.5
Belgium	52.2	—	7.2	59.4	52.5	—	7.4	59.9
France	125.9	2.6	23.5	152.0	128.0	2.9	24.6	155.5
Italy	55.3	0.2	7.3	62.8	54.9	0.2	7.4	62.5
Luxembourg	18.3	0.3	2.0	20.6	18.8	0.3	2.1	21.2
Netherlands	7.3	0.2	3.0	10.5	7.6	0.2	3.2	11.0
Community	444.3	9.8	68.4	522.5	465.0	10.4	72.6	548.0
<i>Iron-ore mines</i>								
Germany (Fed. Rep.)	19.8	0.9	2.2	22.9	20.9	1.0	2.4	24.3
Belgium	0.0	—	0.0	0.0	0.0	—	0.0	0.0
France	24.4	1.0	2.9	28.3	24.6	0.9	3.1	28.6
Italy	3.8	0.0	0.3	4.1	3.6	0.0	0.2	3.8
Luxembourg	2.4	—	0.2	2.6	2.4	—	0.2	2.6
Community	50.4	1.9	5.6	57.9	51.5	1.9	5.9	59.3
Community, total	1,385.8	78.2	173.0	1,637.0	1,432.1	72.5	180.4	1,685.0

(1) Including small non-nationalized collieries.

TABLE No. 48
Number of Apprentices in the Community Industries

	December 1954		December 1957	
	in '000	in % of total employed	in '000	in % of total employed
<i>Coalmining industry</i>				
Germany (Fed. Rep.)	49.6	9.5	42.9	7.9
Saar	5.5	8.6	4.6	7.0
Belgium	0.9	0.6	3.0	1.9
France ¹⁾	9.4	3.7	6.1	2.5
Italy	—	—	—	—
Netherlands	4.8	7.8	3.6	5.6
Community	70.2	6.6	60.2	5.6
<i>Iron and steel industry</i>				
Germany (Fed. Rep.)	5.4	3.2	5.9	2.8
Saar	0.8	2.7	0.9	2.7
Belgium	—	—	—	—
France	3.4	2.4	2.9	1.9
Italy	0.1	0.2	0.2	0.3
Luxembourg	0.3	1.6	0.3	1.4
Netherlands	0.2	2.1	0.2	1.8
Community	10.2	2.1	10.4	1.9
<i>Iron-ore mines</i>				
Germany (Fed. Rep.)	1.1	5.3	1.0	4.1
France	1.3	4.4	0.9	3.1
Italy	—	—	—	—
Luxembourg	0.0	0.0	—	—
Community	2.4	4.2	1.9	3.2
Community, total	82.8	5.2	72.5	4.3

¹⁾ Including small non-nationalized collieries

TABLE No. 49
 Number of Apprentices in Community Collieries
 (by form of training)

	December 31, 1954						December 31, 1957					
	Germ. (Fed. Rep.)	Saar	Belgium	France	Nether- lands	Com- munity	Germ. (Fed. Rep.)	Saar	Belgium	France	Nether- lands	Com- munity
<i>Apprentice miners</i>												
Already underground	24,500	300	600	6,200	—	31,600	22,500	200	2,100	4,000	—	28,800
Training at surface	18,600	4,600	300	3,000	4,100	30,600	18,100	3,100	900	1,900	3,200	27,200
Total	43,100	4,900	900	9,200	4,100	62,200	40,600	3,300	3,300	5,900	3,200	56,000
<i>in % underground workers employed</i>	13.1	13.2	0.09	6.2	13.4	9.5	11.8	8.5	2.8	4.1	10.1	8.3
<i>Other apprentices</i>												
Technical apprentices	200	—	—	—	—	200	300	—	—	—	—	300
Commercial apprentices	500	100	—	—	—	600	900	—	—	0	—	900
Other apprentices	5,800	500	—	200	700	7,200	1,100	1,300	0	200	400	3,000
Total	6,500	600	—	200	700	8,000	2,300	1,300	0	200	400	4,200
<i>in % of surface workers employed</i>	3.4	2.2	—	0.1	2.1	1.9	1.2	4.9	0.0	0.1	1.3	1.0
Apprentices, total	49,600	5,500	900	9,400	4,800	70,200	42,900	4,600	3,000	6,100	3,600	60,200
<i>in % of all workers employed</i>	9.5	8.6	0.6	3.7	7.8	6.6	7.9	7.0	1.9	2.5	5.7	5.6

TABLE No. 50

Specific Capital Expenditure

	Ruhr	Aachen	Lower Saxony	Germany (Fed. Rep.)	Saar	Nord/Pas-de-Calais
1953						
Expenditure (\$ '000,000)	70.25	6.98	2.15	79.38	11.83	50.16
Production ('000,000 m. tons)	115.55	6.59	2.33	124.47	16.42	27.55
Expenditure per metric ton produced (\$)	0.61	1.06	0.92	0.64	0.72	1.82
Index	60	104	90	63	71	179
1954						
Expenditure (\$ '000,000)	83.23	9.07	4.09	96.39	15.16	38.42
Production ('000,000 m. tons)	118.71	6.86	2.47	128.04	16.82	28.71
Expenditure per metric ton produced (\$)	0.70	1.32	1.66	0.75	0.90	1.34
Index	70	132	166	75	90	134
1955						
Expenditure (\$ '000,000)	103.14	8.61	2.60	114.35	11.97	36.86
Production ('000,000 m. tons)	121.11	7.06	2.56	130.73	17.33	29.10
Expenditure per metric ton produced (\$)	0.85	1.22	1.02	0.87	0.69	1.27
Index	82	117	98	83	66	122
1956						
Expenditure (\$ '000,000)	94.69	7.49	3.26	105.44	15.80	32.81
Production ('000,000 m. tons)	124.63	7.21	2.57	134.41	17.09	28.58
Expenditure per metric ton produced (\$)	0.76	1.04	1.27	0.78	0.92	1.15
Index	76	104	127	78	92	115
1953-1956						
Expenditure (\$ '000,000)	351.31	32.15	12.10	395.56	54.76	158.25
Production ('000,000 m. tons)	480.00	27.72	9.93	517.65	67.66	113.94
Expenditure per metric ton produced (\$)	0.73	1.16	1.22	0.76	0.81	1.39
Index	72	114	120	75	80	137

(1) Capital expenditure as recorded in 1957 investment survey.

Production, exclusive of German "small collieries" and French non-nationalized collieries.

in the Coalmining Industry⁽¹⁾ (collieries)

Lorraine	Centre/ Midi	France	Campine	Southern Belgium	Belgium	Italy (Sulcis)	Nether- lands	Com- munity
28.44	20.30	98.90	12.61	22.20	34.81	4.56	11.74	241.22
12.00	12.61	52.16	9.48	20.58	30.06	1.13	12.30	236.54
2.37	1.61	1.89	1.33	1.08	1.16	4.03	0.95	1.02
232	158	185	130	106	114	396	94	100
28.07	12.84	79.33	13.45	24.58	38.03	1.28	11.60	241.79
13.00	12.30	54.01	9.26	19.99	29.25	1.07	12.07	241.26
2.16	1.04	1.47	1.45	1.23	1.30	1.20	0.96	1.00
216	104	147	145	123	130	120	96	100
27.84	10.35	75.05	12.89	22.87	35.76	2.40	16.87	256.40
13.16	12.71	54.97	10.14	19.83	29.97	1.14	11.90	246.04
2.12	0.81	1.37	1.27	1.15	1.19	2.10	1.42	1.04
203	78	131	122	111	114	202	136	100
27.97	12.67	73.45	17.22	24.25	41.47	0.07	12.59	248.82
13.29	12.90	54.77	10.47	19.09	29.56	1.08	11.84	248.75
2.10	0.98	1.34	1.64	1.25	1.40	0.06	1.06	1.00
210	98	134	164	127	140	6	106	100
112.32	56.16	326.73	56.17	93.90	150.07	8.31	52.80	988.23
51.45	50.52	215.91	39.35	79.49	118.84	4.42	48.11	972.59
2.18	1.11	1.51	1.43	1.18	1.26	1.88	1.10	1.01
215	109	145	140	116	123	185	108	100

TABLE No. 51
Specific Capital Expenditure on the Coking-Plants⁽¹⁾
 (mine-owned, steelworks-owned and independent)

	Germany (Fed. Rep.)	Saar	France	Belgium Nether- lands	Italy	Com- munity
1953						
Expenditure (\$ '000,000)	45.03	3.77	57.49	15.90	1.92	124.11
Production ('000,000 m. tons)	37.81	3.59	8.55	9.19	2.47	61.61
Expenditure per metric ton produced (\$)	1.19	1.05	6.72	1.73	0.78	2.01
Index	60	52	344	86	39	100
1954						
Expenditure (\$ '000,000)	38.17	3.36	46.61	15.19	2.00	105.33
Production ('000,000 m. tons)	35.01	3.61	9.07	9.52	2.37	59.58
Expenditure per metric ton produced (\$)	1.09	0.93	5.14	1.59	0.84	1.77
Index	61	52	290	90	47	100
1955						
Expenditure (\$ '000,000)	26.99	6.08	36.34	13.51	1.56	84.48
Production ('000,000 m. tons)	40.80	3.94	10.65	10.49	2.95	68.83
Expenditure per metric ton produced (\$)	0.66	1.54	3.41	1.29	0.53	1.23
Index	54	125	277	105	43	100
1956						
Expenditure (\$ '000,000)	28.44	9.99	34.74	9.95	3.48	86.60
Production ('000,000 m. tons)	43.75	4.20	12.23	11.51	3.41	75.10
Expenditure per metric ton produced (\$)	0.65	2.38	2.84	0.86	1.02	1.15
Index	56	207	247	75	89	100
1953-1955						
Expenditure (\$ '000,000)	138.63	23.20	175.18	54.55	8.96	400.52
Production ('000,000 m. tons)	157.37	15.34	40.50	40.71	11.20	265.12
Expenditure per metric ton produced (\$)	0.88	1.51	4.32	1.34	0.80	1.51
Index	58	100	286	89	53	100

(1) Capital expenditure as recorded in 1957 investment survey. Production, as recorded in annual investment surveys.

TABLE No. 52
Specific Capital Expenditure in the Iron-Ore Industry⁽¹⁾
 (extraction and preparation of ore at mine)

	Salz- gitter Isede Lower Harz	Oma- brück Weser/ Wichen- gebirge	Central and South. Germ. fields	Other Germ. ore fields	Germany (Fed. Rep.)	Eastern France	Western Centre/ Midi	France	Belgium	Italy	Luxem- bourg	Com- munity
1953												
Expenditure (\$ '000,000)	—	—	—	—	4.48	—	—	17.68	—	4.77	0.77	27.70
Production ('000,000 m. tons)	—	—	—	—	14.62	—	—	42.92	0.10	1.43	7.17	66.24
Expenditure per metric ton produced (\$)	—	—	—	—	0.31	—	—	0.41	—	3.34	0.11	0.42
Index	—	—	—	—	74	—	—	98	—	795	26	100
1954												
Expenditure (\$ '000,000)	2.21	1.15	2.20	0.83	7.12	16.43	1.26	0.19	17.88	4.09	0.37	29.46
Production ('000,000 m. tons)	7.41	1.18	1.25	1.54	13.04	41.19	2.98	0.19	44.36	1.60	5.89	64.97
Expenditure per metric ton produced (\$)	0.30	0.97	1.76	0.54	0.55	0.40	0.42	1.02	0.40	2.56	0.06	0.45
Index	67	216	391	120	98	89	93	227	89	569	13	100

1955														
Expenditure (\$ '000,000)	4.73	0.70	1.30	0.77	1.25	8.75	16.62	1.83	0.15	18.60	—	2.47	0.88	30.70
Production ('000,000 m. tons)	9.23	1.55	1.34	1.54	2.02	15.68	46.69	3.87	0.32	50.88	0.11	2.15	7.20	76.02
Expenditure per metric ton produced (\$)	0.51	0.45	0.97	0.50	0.62	0.56	0.36	0.47	0.47	0.37	—	1.15	0.12	0.44
Index	116	102	220	114	141	127	82	107	107	84	—	261	27	100
1956														
Expenditure (\$ '000,000)	5.06	0.39	2.25	1.15	0.46	9.31	26.07	2.95	0.34	29.36	—	8.01	1.61	48.29
Production ('000,000 m. tons)	9.92	1.75	1.37	1.48	2.40	16.92	48.90	4.10	0.36	53.36	0.15	2.65	7.59	40.67
Expenditure per metric ton produced (\$)	0.51	0.22	1.64	0.78	0.19	0.55	0.53	0.72	0.94	0.55	—	3.03	0.21	0.60
Index	85	37	273	130	32	92	88	120	157	92	—	505	35	100
1953—1956⁽¹⁾														
Expenditure (\$ '000,000)	12.00	2.24	5.75	2.75	2.44	29.66	59.12	6.04	0.68	83.52	—	19.34	3.63	136.15
Production ('000,000 m. tons)	26.56	4.48	3.96	4.56	6.08	60.26	136.78	10.96	0.87	191.53	0.43	7.83	27.85	287.90
Expenditure per metric ton produced (\$)	0.45	0.50	1.45	0.60	0.40	0.49	0.43	0.55	0.79	0.44	—	2.47	0.13	0.47
Index	96	106	309	128	85	104	91	117	168	94	—	526	28	100

(1) Capital expenditure as recorded in 1957 investment survey.

(2) 1954—56 for the various areas in Germany and France.

TABLE No. 53
Specific Capital Expenditure on Pig-Iron Production⁽¹⁾
 (blast-furnaces and preparation of burden)

	North Rhine West- Germ. phalia	North Rhine West- Germ. phalia	South, Germ.	Germany	Saar	Eastern France	North. France	Other parts of France	France	Belgium	Italy	Luxem- bourg	Nether- lands	Com- munity
1953														
Expenditure (\$ '000,000)	—	—	—	25.27	1.21	—	—	—	25.71	8.02	0.81	7.26	0.21	68.49
Production ('000,000 m. tons)	—	—	—	11.65	2.38	—	—	—	8.66	4.22	1.25	2.72	0.59	31.48
Expenditure per metric: ton produced (\$)	—	—	—	2.17	0.51	—	—	—	2.97	1.90	0.65	2.67	0.35	2.18
Index	—	—	—	100	23	—	—	—	136	87	30	123	16	100
1954														
Expenditure (\$ '000,000)	—	—	—	19.82	2.04	—	—	—	11.71	7.44	1.20	9.12	0.44	51.77
Production ('000,000 m. tons)	—	—	—	12.51	2.50	—	—	—	8.83	4.56	1.30	2.80	0.61	33.11
Expenditure per metric: ton produced (\$)	—	—	—	1.58	0.82	—	—	—	1.33	1.63	0.92	3.26	0.72	1.56
Index	—	—	—	101	52	—	—	—	85	104	59	208	46	100

TABLE No. 54
 Specific Capital Expenditure on Crude-Steel Production (1)
 (steelworks)

	North North, Rhine/ Germ. West- phalia	South, Germ.	Germany	Saar	Eastern France	North, France	Other parts of France	Belgium	Italy	Luxem- bourg	Nether- lands	Com- munity
1953												
Expenditure (\$ '000,000)	—	—	37.10	0.72	—	—	24.57	5.82	10.09	2.71	0.91	81.92
Production ('000,000 m. tons)	—	—	15.42	2.68	—	—	10.00	4.45	3.50	2.66	0.87	39.58
Expenditure per metric: ton produced (\$)	—	—	2.41	0.27	—	—	2.46	1.31	2.88	1.02	1.05	2.07
Index	—	—	116	13	—	—	119	63	136	49	51	100
1954												
Expenditure (\$ '000,000)	—	—	20.99	0.87	—	—	12.29	3.65	3.29	2.64	0.36	44.09
Production ('000,000 m. tons)	—	—	17.43	2.80	—	—	10.63	4.93	4.21	2.83	0.93	43.76
Expenditure per metric: ton produced (\$)	—	—	1.20	0.31	—	—	1.16	0.74	0.78	0.93	0.39	1.01
Index	—	—	120	31	—	—	115	73	78	93	39	100

TABLE No. 55
Specific Capital Expenditure on Rolled-Steel Production⁽¹⁾
 (rolling-mills and ancillary plant)

	Ger- many	Saar	France	Belgium	Italy	Luxem- bourg	Nether- lands	Com- munity
1953								
Expenditure (\$ '000,000)	105.71	11.04	78.57	13.34	44.17	11.76	1.57	266.16
Production (⁰ 000,000 m. tons)	9.91	1.81	6.95	3.39	2.14	1.91	0.69	26.80
Expenditure per metric: ton produced (\$)	10.66	6.11	11.30	3.93	20.66	6.14	2.28	9.93
Index	107	62	114	40	208	62	230	100
1954								
Expenditure (\$ '000,000)	138.03	8.00	64.00	15.57	25.39	11.21	2.95	265.15
Production (⁰ 000,000 m. tons)	11.28	1.88	7.27	3.59	2.81	2.13	0.71	29.67
Expenditure per metric: ton produced (\$)	12.24	4.25	8.80	4.33	9.05	5.26	4.17	8.94
Index	138	48	99	49	101	59	47	100
1955								
Expenditure (\$ '000,000)	188.57	9.80	52.38	13.80	23.21	8.40	4.92	301.08
Production (⁰ 000,000 m. tons)	13.97	2.20	8.87	4.35	3.55	2.40	0.87	36.21
Expenditure per metric: ton produced (\$)	13.49	4.46	5.90	3.17	6.54	3.50	5.67	8.31
Index	162	54	71	38	79	42	68	100
1956								
Expenditure (\$ '000,000)	115.97	17.77	55.83	16.58	30.28	3.27	6.90	246.60
Production (⁰ 000,000 m. tons)	15.37	2.35	9.31	4.71	3.97	2.60	0.86	39.17
Expenditure per metric: ton produced (\$)	7.54	7.55	6.00	3.52	7.62	1.26	8.00	6.29
Index	119	123	95	56	121	20	127	100
1953—1956								
Expenditure (\$ '000,000)	548.28	46.61	250.78	59.29	123.05	34.64	16.34	1,078.99
Production (⁰ 000,000 m. tons)	50.54	8.24	32.41	16.04	12.46	9.05	3.12	131.86
Expenditure per metric: ton produced (\$)	10.85	5.66	7.74	3.69	9.87	3.83	5.23	8.18
Index	133	69	95	45	121	47	64	100

(1) Capital expenditure as recorded in 1957 investment survey.

TABLE No. 56

Trend in Use of Modern Plate and Sheetmaking Methods

	Production						1960 Production potential	
	1954		1955		1956			
<i>I. Plate⁽¹⁾</i>								
(in '000,000 metric tons and in % of total plate production)								
Standard modern mills	—	—	1.7	—	2.7	—	5.2	—
Wide-strip mills	0.4	—	0.7	—	0.9	—	1.6	—
	—	—	2.4	45%	3.6	58%	6.8	75%
Older but well-equipped mills	—	—	1.2	23%	1.2	19%	1.3	14%
Other mills	—	—	1.7	32%	1.4	23%	1.0	11%
	4.1	—	5.3	100%	6.2	100%	9.1	100%
<i>II. Sheet⁽²⁾</i>								
(in '000,000 metric tons and in % of total sheet production)								
Wide-strip rolling	2.3	46%	3.4	55%	3.7	58%	7.0	75%
Single-sheet rolling	2.7	54%	2.8	45%	2.6	42%	2.4	25%
	5.0	100%	6.2	100%	6.3	100%	9.4	100%
<i>III. Coating⁽²⁾</i>								
(in '000,000 metric tons and in % of total production of coated product)								
Strip galvanizing	20	3%	40	6%	180	26%	500	50%
Electrolytic tinning	60	10%	160	21%	230	30%	1,000	65%

(1) Estimates for 1954 and 1956.

(2) Estimates for 1955.

TABLE No. 57
Increase in Production Potential
 (based on compulsory statements)

Sector	Production	Actual production 1956	Statements received during						
			1956		1957		1956	1957	
			1st six months	2nd six months	1st six months	2nd six months	1st six months	2nd six months	
Coalmining Industry									
Collieries	Hard coal ('000 m. t.)	248,750	1,600	960	2,796	2,990	2,560	5,786	
	Coke ('000 m. t.)	49,780	1,446	2,400	100	120	3,846	220	
	Coking-plants (mine-owned)	5,990	186	95	196	0	281	196	
	Coking-plants (independent)	5,429	563	125	129	156	688	285	
	Pithead power-stations								
	Installed capacity ('000 kW)								
Iron-ore Mines									
Ore extraction	Crude ore ('000 m. t.)	80,670	150	0	225	1,500	150	1,725	
Iron and Steel Industry									
Preparation of burden	Sinter ('000 m. t.)	18,210	1,086	5,519	2,410	880	6,605	3,290	
Blast-furnaces	Pig-iron ('000 m. t.)	43,540	2,021 ⁽¹⁾	2,593 ⁽¹⁾	1,634 ⁽¹⁾	811 ⁽¹⁾	4,614	2,445	
Steelworks:									
a) Basic Bessemer	Basic Bessemer steel ('000 m. t.)	29,390	1,045 ⁽²⁾	1,489 ⁽²⁾	755 ⁽²⁾	470 ⁽²⁾	2,534	1,225	
b) Open-hearth	Open-hearth steel ('000 m. t.)	22,100	1,079 ⁽²⁾	678 ⁽²⁾	70	38	1,757	108	
c) L/D and similar	L/D and similar steels ('000 m. t.)	20	0	0	535	360 ⁽⁴⁾	0	895	
d) Electric-furnace and other	Electric-furnace and other steels ('000 m. t.)	5,290	236	614	119	55	850	174	
Rolling-mills									
(incl. galvanizing and tin-plating plant, etc.)									
a) for semis	Semis ('000 m. t.)	—	2,650	2,231	175	250	4,881	425	
b) for sections	Sections ('000 m. t.)	23,040	372	175	60	0	547	60	
c) for flats	Flats ('000 m. t.)	16,110	466	1,480	95	19	1,946	114	
Coking-plants (steelworks-owned)	Coke ('000 m. t.)	19,330	1,266	980	417	500	2,246	917	
Power-stations (at works)	Installed capacity ('000 kW)	—	41	65	40	8	106	48	

For notes see page following.

Notes to Table No. 57

- (1) The increase in production potential for sintered ore accounts for a proportion of the increase expected in production potential for pig-iron, *viz.*;
- first six months, 1956 48,000 metric tons pig-iron;
 - second six months, 1956 230,000 metric tons;
 - first six months, 1957 246,000 metric tons;
 - second six months, 1957 306,000 metric tons.
- (2) The increase in production potential for pig-iron accounts for a proportion of the increase expected in production potential for basic Bessemer steel (without corresponding additional large-scale investment), *viz.*;
- first six months, 1956 120,000 metric tons basic Bessemer steel;
 - second six months, 1956 653,000 metric tons;
 - first six months, 1957 435,000 metric tons;
 - second six months, 1957 390,000 metric tons.
- (3) The same applies regarding open-hearth steel: a certain proportion of the increase expected in production potential for open-hearth steel: could result from the stepping-up of production potential respecting pig-iron, even without large-scale additional investment, *viz.*;
- first six months, 1956 105,000 metric tons open-hearth steel;
 - second six months, 1956 25,000 metric tons.
- (4) The same applies regarding L/D and similar steels: a certain proportion of the increase expected in production potential for these steels could result from the stepping-up of production potential respecting pig-iron, even without large-scale additional investment, *viz.*;
- second six months, 1957 180,000 metric tons L/D and similar steels.

TABLE No. 58

Capital Expenditure on Collieries in Northern and Southern
(exclusive of mine-owned coking-plants,

	1952			1953			Actual expenditure
	Actual expenditure	Expenditure originally planned	Difference	Actual expenditure	Expenditure originally planned	Difference	
<i>Campine</i>	770.0	1,086.0	—316	630.5	1,023.0	— 392.5	672.5
<i>Southern Belgium</i>	1,500.0	1,719.0	—219	1,110.0	2,502.0	—1,392.0	1,229.0
<i>Belgium</i>	2,270.0	2,805.0	—535	1,740.5	3,525.0	—1,784.5	1,901.5
<i>Southern Belgium</i>							
Centre	} 1,500			217.5			271.5
Charleroi				299.0			473.5
Liège				277.5			204.0
Borinage				316.0			280.0
<i>Infra-marginal mines</i>							
Charbonnages belges		107.5		56.0			97.5
Levant & Produits		117.5		71.5			53.5
Ouest de Mons		48.0		55.0			36.0
Hainaut		45.5		78.5			37.5
		318.5		261.0			224.5

(1) No figures available for actual expenditure in 1952 or for expenditure originally planned over 1952—56 in respect either of the Centre, Charleroi, Liège and Borinage coalfields or of the four inframarginal mines.

Belgium and on the Four Infra-marginal Mines in the Borinage⁽²⁾

(Coking-plants and thermal power-stations)

(Bfr. '000,000)

1954		1955			1956			1957(?)	1958
Expenditure originally planned	Difference	Actual expenditure	Expenditure originally planned	Difference	Actual expenditure	Expenditure originally planned	Difference	Expenditure planned	Expenditure planned
810.0	-137.5	644.5	585.0	+ 59.5	861.0	762.0	+ 99.0	1,146.0	896.0
1,744.0	-515.0	1,143.0	970.0	+173.0	1,212.5	1,011.0	+201.5	1,930.0	1,458.5
2,554.0	-652.5	1,788.0	1,555.0	+232.5	2,073.5	1,773.0	+300.5	3,076.0	2,354.5
		108.0			127.0			184.0	163.5
		548.0			423.0			679.5	637.0
		273.0			233.0			454.5	248.0
		214.5			429.5			612.0	410.0
		53.5			55.0			94.0	40.0
		44.0			116.5			198.0	136.5
		29.0			17.0			52.0	65.0
		31.5			179.0			152.5	93.5
		158.0			367.5			496.5	335.0

²⁾ Expenditure originally planned over 1952-57 in respect of all the Belgian coalfields totalled Bfr. 12,896,000. Expenditure originally planned for 1957 was as follows:

Campine: Bfr. 362,000,000 — *Southern Belgium*: Bfr. 322,000,000 — *Belgium*: Bfr. 684,000,000.