

**Community Topics**

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**Social policy  
in the ECSC**

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***European community  
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# **Social policy in the European Coal and Steel Community 1953–65**

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# Introduction

Despite limitations on its means of action, the High Authority, executive body of the European Coal and Steel Community (ECSC), has contributed in a large measure to the rapid social progress which has been achieved in the six-nation Community since the start of the Common Market for coal and steel. The High Authority has in fact played a part in all the major aspects of this development. It has turned its attention to all matters affecting living and working conditions, and has used its influences and resources in fields in which action at Community level was not specifically provided for in the Treaty. Notable examples are its work in the fields of occupational training and housing, even though the terms "occupational training" and "housing" do not appear anywhere in the Treaty.

The Paris Treaty of April 1951, which established the ECSC, is in fact essentially economic in character, and even its social objectives must be attained by economic rather than by social means. However, the Treaty's emphasis on economic objectives and means of action has not been able to block the work of the High Authority in the social field, for social policy is implemented not only through specifically social measures but also through economic policy.

The fact that the activities of the High Authority in the social field have not gone as far as many would have wished is due mainly to its lack of control over general policy in sectors other than coal and steel. This partial nature of the integration undertaken in the ECSC has also had at least one other adverse consequence. The member governments have been anxious not to allow a wide gap to emerge between the social conditions of coalminers and steelworkers and those of the rest of the working population.

The High Authority has felt that, while it did not have the right to take liberties with the Treaty, it did have a duty to show creative imagination in interpreting it. It has not gone so far as to adopt the view of some quarters which have urged it to regard everything not expressly prohibited by the Treaty as permitted, but it has considered particular social action as clearly implicit in the spirit of the Treaty. It has tried to isolate the policy implications of the Treaty's text and to develop its spirit. The High Authority has therefore undertaken tasks which are implicit in the logic of the Treaty and derive naturally from the general mission which the latter confers on the ECSC Executive, even if it does not specifically mention them.

The various fields of social policy covered by the High Authority are reviewed later in this brochure, but before

considering its achievements in detail, it is worth taking a look at the main guide lines of the High Authority's social policy.

## The guiding principles of social policy

The social policy of the High Authority aims at two main objectives: protecting the worker and his living standards; and active promotion of projects to raise living standards and improve working conditions.

The policy of safeguarding the workers' standard of living needs a word of explanation. The underlying idea has been to ensure continuity of income. Examples are the financial assistance which the High Authority granted during the coal crisis to mines which, because of their excessively high coal stocks, would otherwise have been compelled to lay off more workers, and also the special allowance paid by the High Authority from March 1, 1959 to December 31, 1961 to Belgian miners put on short time through lack of markets for the coal they produced. The keystone of High Authority action in this field, however, has been what the Treaty calls readaptation, the retraining and reemployment of workers threatened with unemployment. The ECSC Treaty has been amended only once since it was established, and the purpose of that amendment was to permit the readaptation policy to be continued after the end of the transition period<sup>1</sup>. This in itself is an indication of the importance attached to readaptation by the ECSC.

Readaptation is designed to ensure that workers' living standards do not bear the brunt of technological progress and economic development. Although the various forms of assistance do not provide full maintenance of the workers' incomes, they come close to eliminating the financial loss to workers who lose their jobs and this cushions the impact of redundancy on their standards of living.

Readaptation not only brings material advantages; it also maintains the morale of the workers. They feel that they are no longer regarded as the helpless victims of competition and of the economic struggle, and that they are no longer abandoned to their fate. Readaptation gives them an assurance that it is not they alone whom industry and society call upon to pay the price of economic progress or technological advance. The workers feel in consequence that they can take an active and positive attitude towards

<sup>1</sup> Until February 9, 1960, readaptation was governed by Section 23 of the Convention containing the Transitional Provisions annexed to the Paris Treaty. Section 23 applied during the transition period, i.e. during the first five years of the Common Market for coal, and provided that the benefit of these provisions could continue to be granted for a further two years only.

them – that they can *adapt themselves* to them. In place of public relief, readaptation offers a new deal and a fresh start. It has thus introduced an almost revolutionary new element into the workers' situation. For miners and steelworkers it has given tangible meaning to the solemn declaration of the "right to work" that appears in the constitutions of many modern nations.

Finally, by introducing the concept of the responsibility of the employer – shared with the High Authority and the Government – towards the workers, readaptation has introduced a more human element into industrial relations. It has pledged the High Authority, the Governments and the employers, on the one hand, and the workers on the other, in a true social contract.

Two other features of the High Authority's social policy are worth noting: although the High Authority has been provided with only limited means of participating directly in the framing of general policy, it has regarded itself as sharing with the Governments responsibility for the entire economy; it has been particularly aware of the significance of the responsibilities imposed on it as the Executive of the first European Community.

### **The High Authority and general economic policy**

Readaptation and industrial redevelopment furnish a characteristic example of the High Authority's influence on general economic policy. Each time a Government has asked the High Authority to help in financing a readaptation or industrial redevelopment operation, the High Authority has had to approach the problem in the light of the interests of the entire working population of the area concerned and also of overall economic equilibrium.

By paying allowances to discharged miners and steelworkers and granting loans for the expansion or establishment of factories to provide new employment, the High Authority has prevented pockets of low purchasing power from forming. By keeping up workers' income, the High Authority has helped to revitalize the entire economy of each area.

Through readaptation and redevelopment, the High Authority has helped to halt the economic decline of the affected areas and to restore the regional equilibrium of the countries concerned.

Readaptation and, in particular, redevelopment – by reason of the multiplier effect of the capital investment undertaken – are no longer mere elements in a social policy

aimed solely at benefiting ECSC workers: they have become instruments of general economic policy.

Readaptation and redevelopment provide the High Authority and the Community Governments with a means of creating a balance between the demands of technological and economic progress and essential social needs, and of bridging the gap that separates responsibilities which have long been regarded as more or less incompatible.

Had readaptation and redevelopment not existed, the modernization and rationalization of the coal industry would have been impossible without serious social disruption. It would have been socially unthinkable not to have kept economic production units in existence, and the cost of coal would thus have become prohibitive. The subsidies needed to have brought it down to acceptable levels would have been enormous.

Moreover, without readaptation and redevelopment, it would have been impossible to envisage a coordinated energy policy. The coordination of energy policy would have been hindered by social problems which would have distorted its meaning, reduced its scope and jeopardized its results.

### **Wider and more complete integration**

The social policies of the High Authority have had far-reaching effects not only in the industrial sectors to which they were directed but also in the member countries' economies generally, and thus helped to pledge the future of the six countries to the Community.

For the planning of its social policy, and also to provide guidance for the activities of the Governments and of the two sides of industry, the High Authority had first of all to obtain a precise picture of living and working conditions in each of the Community countries. This meant evaluating conditions and collecting and collating the data, a task made all the more necessary by the fact that at the time the Common Market for coal and steel was introduced, knowledge of comparative social conditions throughout Western Europe was very sketchy.

Therefore, in 1953, the High Authority embarked on a program of studies of social conditions and of the economic aspects of wages, social security and working conditions. These studies have been instrumental in enabling Europeans to discover "the Europe of the common man", and the development of a European outlook by employers' and workers' organizations is closely linked to them.

When the Treaty was being drawn up, industry urged that the High Authority should not be empowered to conclude

agreements fixing wages or working conditions throughout the Community. Since then, the objectivity of the High Authority's studies – and also of its activities – has led them to display greater confidence in Community-wide organization.

In the Joint Committees<sup>1</sup>, employers and workers are gaining experience in discussing common problems on equal terms and at Community level – something which only a few years earlier they would have believed it useless to attempt.

Finally, the High Authority's studies have enabled the other Community institutions which followed it to avoid much initial labour of trial and error and to save a great deal of time. When the Common Market Commission took up its duties it was able to utilize, for sectors of the economy other than coal and steel, the methods perfected and the results obtained by the High Authority. A notable example was the method evolved by the High Authority to enable accurate comparison of costs and wage incomes.

In 1953 it was still impossible to compare income levels in absolute terms, except within a given country, since these were expressed in the national currencies, and the official rates of exchange did not reflect the true relationships of the various currencies' purchasing power. The High Authority therefore sought a basis for an authoritative conversion rate. By means of "purchasing power parities", based on the ratios between the prices of the main consumer-goods items and the amount of each of them consumed, the

incomes were converted into a single currency and thus made comparable.

The High Authority has not overlooked the fact that social progress leaves men unsatisfied if they have not played a part in framing the economic and social policies which bring it about. It therefore works in constant consultation and cooperation with all the representative bodies affected by its policy. The value of the investigations, exchanges of experience, conferences and various meetings has thus not been limited to the specific results achieved. In addition to the immediate practical results, these regular contacts are transforming the thinking and mental approach of the individuals concerned and consequently of the peoples of the Community.

Faced with common problems they wished to solve, as far as possible, by common means, both the employers' representatives and the workers' representatives felt the need to organize themselves at Community level. They therefore set up Community structures which were later easily able to extend from the ECSC to both the Common Market and Euratom.

In the specialized fields of health, medicine and industrial safety, the contacts between specialists arranged by the High Authority have brought into being a new type of research worker who no longer works for a particular country but tends more and more to belong to and to work for Europe.

The High Authority has brought together – in the Consultative Committee, in the Mines Safety Commission and in numerous committees and working parties – men who were previously foreigners to one another; today they regard themselves as "Europeans". One of the essential conditions for the building of a United Europe has thus been met: Europeans have come to know and respect each other and have learned to work together in a common cause.

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<sup>1</sup> On December 20, 1954, the Consultative Committee unanimously recommended that the High Authority invite the employers' and workers' representatives jointly to study ways of achieving the gradual harmonization of certain aspects of living and working conditions. The High Authority set up the Joint Committee on Harmonization of Terms of Employment (Coal) and the Joint Committee on Harmonization of Terms of Employment (Steel). The main task of the Joint Committees is to determine the differences between terms of employment and working conditions from one country to another and to discuss ways of facilitating their gradual harmonization.

# 1. Occupational training

The High Authority helps the coal and steel industries of the Community to improve their staff training methods and programs. Its activities in this field are carried out in close cooperation with the Governments, employers' and workers' organizations, and the firms themselves.

This work mainly takes the form of exchanges of information, ideas and experience. To this end, the High Authority:

- sets up committees and working parties, which meet regularly;
- organizes seminars, study sessions and fact-finding missions;
- publishes reports, studies, annual information bulletins and catalogues of training aids.

## Financing training centres

The High Authority has also helped in the practical field of financial aid: under Article 54 of the Treaty, it provides funds for companies which decide to build training centres to meet present-day needs. Such decisions do in fact reflect a positive response by coal and steel producers to the changes brought about by technological advances. In view of their recruitment difficulties, it is becoming increasingly necessary for firms who draw up modernization programs to make provision for the selection and initial and follow-up training of personnel so that they can be sure of having staff with the qualifications required for modern industrial installations.

Through its investment credits for building and training centres, the High Authority is helping to ensure that the technical investments which it helps to finance under its other programs, are supplemented by corresponding "investments in intellectual capital".

## How policy developed

The first stage of the High Authority's work from 1953 to 1956 was devoted to studying the problems of apprenticeship and to training miners and steelworkers.

In a second stage, from 1957 to 1960, the High Authority focused its attention mainly on the problems of training managers and instructors. It also undertook a program of joint action with the Governments. This covered, in particular, the harmonization of occupational training (essential for implementing freedom of movement for skilled workers), the development of cooperation between educational bodies and the ECSC industries, and the elimination of administrative and customs barriers to the exchange of teaching aids within the Community.

On March 16, 1961, the High Authority decided to embark on a third stage in its occupational training activities.

The new program implements the conclusions drawn by the High Authority from its previous work and from the discussions of a conference on Technical Progress and the Common Market, held in Brussels in December, 1960, under the auspices of the three European Communities. The object of the program is to support the measures now being taken in the different member countries to adapt the training of miners and steelworkers to the needs of technical and social progress and to provide systematic advanced training for all staff.

The new program covers not only technical personnel but also sales, administrative and managerial staffs, right up to the highest level.

## The results

With the continued development of underground mechanization and electrification in coalmines, and the introduction into steel plants of new production processes and new automatic control equipment, the traditional miner is being replaced by a worker with much more complicated duties, while the steelworker, whose chief qualification used to be experience, is tending more and more to become a machine minder and equipment operative. Both in the mines and in the steelworks, new kinds of technicians are appearing with greater responsibilities and higher levels of technical knowledge. The rationalized operation of increasingly complex production units, the expansion of markets and the sharpening of world competition are, in addition, demanding greater and more specialized knowledge on the part of the technical, commercial and administrative grades.

By fostering the discussion of common problems and organizing action at Community level for their solution, the High Authority has hastened the development of occupational training and helped to meet the needs of industry for increasingly skilled personnel.

Over the last few years, the ramifications of occupational training have also become much more complex; its objectives and programs have been reviewed, and its systems adapted to meet new requirements.

Steps have been taken to develop centres for training apprentices and for basic and advanced instruction of adult workers.

To meet the need for more highly skilled workers because of the changes brought about by technological advances, two particularly encouraging trends are evident:

## Social policy in the European Coal and Steel Community

i) in the coal mines, there has been a steady increase in the last few years in the number of apprentice tradesmen (fitters, mechanics, electricians, electro-mechanics, and so on), both in absolute figures and in terms of proportion of total personnel;

ii) both in the mines and in the steel industry, in-works training, which used to be pretty well confined to apprenticeship and management training, is now tending to extend to all employees, with particular attention to specialized

and advanced training for existing workers, and the training of technicians, supervisors, instructors and junior and senior executives.

While it has not been possible either to arrest the steady decline in the number of apprentice miners that has accompanied the general contraction in the industry's labour force, or to step up the number of apprentice steelworkers in proportion to the total numbers employed in the steel industry, all-in-all, the degree of training covering all grades has been rising sharply.



## 2. Readaptation

### The changing pattern of needs

It was clear that the introduction of the Common Market for coal and steel would hurt the weakest companies, some of which would be incapable of adjusting themselves to the new conditions of competition, while others would be able to do so only at the cost of far-reaching reorganization; in both cases it was likely that some workers would lose their jobs. The emergence of some of the inevitable social consequences of the introduction of the Common Market was delayed by a long period of booming economic activity within the Community. While the companies which, in the normal course of events, would have had to close down or recast their operations were not all reprieved in the long run, the period of prosperity enabled them to survive – and thus to retain their manpower – for longer than had been expected. As a result, the High Authority's readaptation (retraining and re-employment) operations got off to a slow start. Subsequently, however, requests for readaptation aid began to flow in, and from 1958 onwards the volume of operations became substantial.

Up till February 9, 1960, when the validity of the Convention containing the Transitional Provisions attached to the ECSC Treaty expired, all the High Authority's decisions to undertake readaptation operations were made under Section 23 of this Convention.

From 1957 onwards, however, the High Authority had become anxious about what would happen to readaptation after February, 1960.

While the High Authority's financial aid would be assured for readaptation operations decided on under Section 23 before that date, new operations would be possible only under Article 56 of the Treaty. Article 56, however, was intended to deal with a technological revolution, and no such revolution had occurred in the ECSC industries since the Treaty came into force. This Article could not be invoked either on the ground of the rapid

technological progress clearly taking place in the coal-mines, the iron-ore mines and the iron and steel industry, or even less on the ground of changes in market conditions. The High Authority considered that, as it stood, Article 56 would not permit it to protect the workers from the burden – financial and personal – of the changes which were taking place. The High Authority therefore proposed to the other Institutions of the ECSC that the provisions of Article 56 should be amplified. This was one of the High Authority's most significant political acts.

The amendment of Article 56 was finally achieved on March 29, 1960, in accordance with the High Authority's wishes, which had been supported by the European Parliament and by the trade union organizations of the six countries; in the end, after a decision by the Court of Justice, the amendment applied to the steel industry as well as the coal industry.

### A permanent code

Just as the High Authority had been able, until February 10, 1960, to undertake readaptation projects for miners and steelworkers who had lost their jobs because their undertakings had been forced to close down or to change their operations as a result of the introduction of the Common Market for coal and steel, the High Authority has since been empowered to help workers whose jobs came to an end because of structural changes in market conditions (for example, in the coal industry, the rapid growth of competition from oil in the energy market).

The application of the amended Article 56 was subject to no time limit, as was that of Section 23 of the Transitional Convention; like the former provisions of Article 56 (which now form paragraph 1 of the same Article), the new provisions (of paragraph 2) apply throughout the duration of the ECSC Treaty.

From the date of its entry into force up to January 31,

### High Authority readaptation aid under Article 56 (2)

(March 29, 1960 to January 31, 1966)

Country	Coal mines		Iron-ore mines		Steel		Total	
	workers	credits <sup>1</sup>	workers	credits <sup>1</sup>	workers	credits <sup>1</sup>	workers	credits <sup>1</sup>
Belgium	18,407	4,190	37	5	1,691	735	20,135	4,930
France	4,527	2,878	3,120	1,358	1,688	706	9,335	4,942
Germany	54,790	10,105	7,804	1,223	4,036	489	66,630	11,817
Italy	650	513	1,247	851	2,744	2,454	4,641	3,818
Netherlands	2,700	690	—	—	—	—	2,700	690
<b>Community</b>	<b>81,074</b>	<b>18,376</b>	<b>12,208</b>	<b>3,437</b>	<b>10,159</b>	<b>4,384</b>	<b>103,441</b>	<b>26,197</b>

(<sup>1</sup>) in \$'000

1966, Article 56 (2) enabled the High Authority to contribute to the readaptation of 103,441 workers; the High Authority provided \$26.2 million for this purpose and the Governments concerned an equal sum.

The numbers of steel and iron-ore workers who have benefited from readaptation is an indication of the foresight of the High Authority in maintaining, from the start of the procedure for amending Article 56, that the benefit of the new provisions should not be restricted to the coal sector but should also be extended to steel. The Community would have found it much more difficult to face up to the far-reaching changes that have since taken place in the Community and world steel markets, and to their effects on iron-ore miners' and steelworkers' jobs, if readaptation had not been available to smooth the way.

From March 18, 1954 (the date on which it made its first decision to finance a readaptation operation) to January 31, 1966, the High Authority has allocated a total of \$65.4 million – matched by an equivalent amount from the governments concerned – for the retraining and re-employment of 218,250 workers, four-fifths of whom were coal-miners (see following table for full analysis).

## How readaptation works

**Tiding-over allowances and differential allowances** are temporary wage compensations: for a specific period, the worker receives an allowance, in some cases fixed and in some on a descending scale, amounting to between 80% and 100% of the wage he was earning before his discharge. The tiding-over allowance is designed to carry him through the waiting time until he finds another job (perhaps after retraining). The differential allowance helps him if he takes a job that, either permanently or during an initial adaptation period, is less well paid than his previous one: it makes up part of the difference between the two wages.

**Resettlement grants** are paid if workers are obliged to move house in order to take a new job; their purpose is to defray other expenses over and above dependents' travel

expenses and furniture-removal costs, both of which are refunded.

The tiding-over and differential allowances and the resettlement grants are offered in all the member countries where readaptation assistance is being given. Although these forms of aid are, in general, the same throughout the Community, the detailed arrangements vary from country to country. These differences provide them with a flexibility without which they would certainly be less effective.

As already indicated, half the cost of readaptation aid is paid for, except in special cases, by the government of the country concerned and in practice it is the government which is equipped to carry out and supervise the operations. The High Authority cannot impose any particular form of aid independently of the government concerned; it must negotiate, with the national government, the nature, scale and form of the assistance to be given in each country.

Moreover, standardization of the benefits payable by laying down a code of regulations covering all workers qualifying for readaptation aid assistance throughout the Community would have been undesirable. It would have brought inequality rather than equality of treatment.

In order to give equality of treatment to the workers in all the member countries, it was necessary to take into account each country's social legislation (for example, the rate and duration of unemployment allowances, which certain readaptation aids are designed to supplement), its economic situation and the state of labour supply. Thus, for example, it was appropriate that the aid should be given for a longer period to workers in countries where employment prospects are poor and where the men need more time in which to find a new job.

The High Authority has therefore felt it essential to adapt the terms of its aid to the diversity of conditions which prevail, with conditions varying widely from country to country and sometimes from one region to another.

## High Authority readaptation aid under Section 23 and Article 56

(March 18, 1954 to January 31, 1966)

Country	Coal mines		Iron-ore mines		Steel		Total	
	workers	credits <sup>1</sup>	workers	credits <sup>1</sup>	workers	credits <sup>1</sup>	workers	credits <sup>1</sup>
<b>B elgium</b>	47,307	14,750	37	5	1,691	735	49,035	15,390
<b>Franc e</b>	11,182	4,428	3,094	1,405	6,688	1,619	20,964	7,452
<b>Germany</b>	108,990	26,286	8,054	1,283	4,686	723	121,730	28,292
<b>Italy</b>	6,180	2,876	1,247	851	16,394	9,845	23,821	13,572
<b>Netherlands</b>	2,700	690	—	—	—	—	2,700	690
<b>Community</b>	176,359	49,030	12,432	3,544	29,459	12,922	218,250	65,396

(<sup>1</sup>) In \$'000

### **The results**

Readaptation policy – which has benefited from the persistent improvement in general economic conditions in the Community and the almost uninterrupted heavy demand for labour – has made it possible both to deal with the social consequences of the formation of the Common Market for coal and steel and to solve the social problems which have resulted up to now from the structural changes in that market.

Except in Italy and certain particularly depressed areas,

the majority of the discharged workers, other than the elderly and the physically-handicapped, have quickly found new jobs. The High Authority hopes to be able to work out with each of the governments a series of special measures designed to ensure that elderly and physically-handicapped workers will also obtain new employment within a reasonable time, while at the same time leaving them free to select their jobs with due regard to their occupational skills and physical capabilities.

# 3. Industrial redevelopment

## Objectives and principles

The industrial redevelopment policy of the High Authority got off to its real start following the amendment of Article 56 of the Treaty<sup>1</sup>. Its objectives are twofold: to avoid the need for discharged miners and steelworkers to move to another area, which the majority of them are extremely reluctant to do<sup>2</sup>, in order to find work, and to maintain the general economy of the areas where the ECSC industries are the principal industrial activity, and thus prevent them from becoming depressed areas.

Industrial redevelopment takes up where readaptation leaves off – namely when laid-off workers can no longer be entirely absorbed by existing local industry, and some of them would be forced to leave the area. By replacing an enterprise which closes down by one or more new undertakings, redevelopment enables the workers to continue to work in the area where they are accustomed to living.

Redevelopment also contributes to the general revitalization of the area: by creating new sources of employment it benefits not only the miners and steelworkers but the entire locality.

It is easier to prevent the economic and social decline of an area than to revitalize it after it has become impoverished and its psychological climate has deteriorated. Moreover, ample time to plan and carry out a large-scale redevelopment operation is essential to its success.

For these two reasons redevelopment operations must be viewed in the light of the employment problems which are likely to arise as reorganization proceeds; their planning and implementation cannot be put off until after the closures have actually taken place and the coal and steel workers have been discharged. The High Authority has made this a cardinal principle. Whenever its financial assistance has been requested, it has taken into consideration the potential, as well as the existing, degree of unemployment. Redevelopment operations must be based on long-term projects in which the launching of new industries is dovetailed into the general scheme of area redevelopment.

<sup>1</sup> See above.

<sup>2</sup> The reluctance of workers to leave their home area has been demonstrated by the strikes in the Borinage (1961) and at Decazeville (December 19, 1961 to January 23, 1962) and by the failure in the 1950's of an attempt to move 5,000 miners from the declining Centre-Midi coalfields in France to the expanding Lorraine field. In demanding action to halt the decline of their home areas, the miners of the Borinage and Decazeville wished above all to avoid being obliged at some stage to seek work elsewhere. The negligible practical results of the introduction of the ECSC Labour Card are explained by the fact that freedom of movement does not yet exert any great attraction for the great majority of skilled workers. For the present, it fills a need only for workers from countries where jobs are scarce and wages relatively low.

## Cooperation at Community level

The High Authority considers that its redevelopment policy must be implemented in close cooperation with the other Community Institutions and with the member governments. To this end, a joint Working Party set up in 1960 by the High Authority, the Common Market Commission and the European Investment Bank enables the responsible departments of the three Institutions jointly to examine the redevelopment programs for which the governments seek the High Authority's financial aid. The Working Party also helps to keep the High Authority fully informed about industrial sectors outside its competence but in which action is needed.

At the same time:

- each government retains primary responsibility for policy in its own country, and has complete freedom to choose its own ways and means of redevelopment;
- the initiative rests with the government, since the High Authority is empowered to grant financial assistance only at the request of the government concerned;
- the High Authority's financial aid must be coordinated with that provided by the public authorities of the member countries, in the form of loans, subsidized rates of interest, capital equipment grants, and so on.

Representatives of the governments, of the Community Institutions, of the employers and workers, and of scientific circles have all shared in drawing up the High Authority's redevelopment policy. For instance, in 1960 the High Authority convened an intergovernmental conference on the industrial redevelopment of areas affected by pit closures, in order to study the economic and social problems of those areas and to seek ways in which redevelopment could help to solve them.

In 1962, the High Authority set up a Committee on Industrial Redevelopment, composed of six experts, one from each Community country. This committee is examining in detail various questions which the conference was only able to touch on. It keeps the High Authority fully informed about problems arising during redevelopment operations and about related legislation, and it provides information in the individual countries on the means of action available to the Community. The expert committee is playing an important part not only in current operations and studies but also in the formulation of the High Authority's redevelopment policy.

### Redevelopment operations

Up to January 31, 1965 the High Authority had granted financial assistance for 13 redevelopment projects, two in Germany, four in Belgium (in the Liège and Borinage areas), five in France and two in Italy.

In two of these cases, the High Authority gave its guarantee to loans contracted, one by a French company transferring its operations to Bethune, and the other by an iron and steel plant in the Genoa area; in the other eleven cases it was itself the lender.

The total amount of the loans was \$27 million, and the sum covered by the guarantees \$1.04 million.

The interest of the High Authority's operations lies not only in their extent but also in the wide range of redevelopment techniques which they make it possible to try out and to improve: the establishment of new enterprises and the expansion of existing ones, the construction of factories, the preparation and equipment of industrial zones and estates, the improvement and redevelopment of disused colliery sites, etc.

Every guarantee and loan agreement contains a clause under which the benefiting company undertakes to set aside a substantial proportion of the new jobs for redundant workers from the ECSC industries.

### The High Authority's studies

Since industrial redevelopment is a new field, the High Authority considers that the studies carried out on its initiative or with its financial aid are an essential part of its work. The area development studies result in concrete proposals for the redevelopment operations to be undertaken and, in particular, for the location of industrial zones or estates.

The private financing institutions and companies potentially interested in an area already depressed or threatened by decline can make immediate use of the study and thereby avoid the delays that would arise if they had to carry out individual studies of their own.

To ensure the re-employment of redundant labour and to reactivate the economy of a depressed area, it is not enough merely to encourage new industry: potential investors must be helped to select the types of activity that offer good prospects of expansion. The establishment of mushroom concerns due for an early demise would be as damaging to the workers – who would have to undergo readaptation all over again – as it would be to the economy as a whole.

The High Authority has therefore had an enquiry carried out whose aim is to reduce the uncertainties and risks of error in redevelopment operations. This study deals with new products that might suitably be manufactured by small and medium-sized concerns setting up in areas in difficulties. Sufficiently complete and detailed information has been compiled for each product to enable a prospective investor to take a decision in full knowledge of the facts.

The results of this study have been sent to the governments for the use of the various area authorities in each country.

The research method perfected by this means has since been applied systematically in all the area development studies in which the High Authority participates. Each study includes a section listing, describing and evaluating the new productive activities offering prospects of success in the area in question, in the light of available resources (in particular, the number, skills and the degree of "industrial education" of the local work force) and the potential demand of the market.

# 4. Wages, social security and terms of employment

The High Authority's mandate under Article 69 of the Paris Treaty enabled it to take the lead in drafting a Convention on Social Security for Migrant Workers, subsequently adopted by the Common Market Council of Ministers as regulations which are binding throughout the Community. The provisions of Article 69 have also enabled the High Authority, through its participation in the work of the Administrative Committee on Social Security for Migrant Workers, to influence the decisions taken by the six governments on the procedural arrangements to implement these regulations.

This example of direct High-Authority action is, however, an isolated one as far as wages, social security and terms of employment are concerned. While the Treaty requires the High Authority to "promote the improvement of the living and working conditions . . . so as to harmonize those conditions in an upward direction", it does not provide the High Authority with the means to exert its influence directly on the various aspects of these conditions. Having no power either to legislate on labour problems or to convene joint committees for the negotiation of collective agreements binding throughout the Community, the High Authority can act only by indirect means. The means it has chosen are carrying out studies and investigations of conditions.

The High Authority also considers that the Joint Committees on the Harmonization of Terms of Employment for the Coal and Steel Industries<sup>1</sup> provide it with means of fulfilling its obligations under the Treaty to improve and harmonize the economic and social conditions of the workers in the ECSC industries.

## Problems of harmonization

The disparities that persist, even between different regions of the same country, are an indication of the extreme difficulty of achieving harmonization on a Community scale.

Living and working conditions are governed by economic factors, such as the situation of the undertaking in the Common Market, the state of labour supply, etc., and by sociological factors such as the relative size and influence of the employers' and workers' organizations. These factors operate differently in different countries, and even in different areas or concerns within a single country. Moreover, since the view of what constitutes the "social optimum" varies from one country to another, the pressures are

exerted on different facets of living and working conditions. The latter's evolution is dependent essentially on the will of the governments and on the relative powers of the employers' and workers' organizations. In the social field, the governments legislate, and the two sides of industry negotiate.

The employers' and workers' associations have, however, made wide use, within the legislative and administrative framework of each country, of the High Authority's studies and the work of the Joint Committees. The information provided in High Authority documents and the findings of the meetings have provided a common basis for the numerous discussions that have taken place simultaneously in the individual countries. These publications have re-orientated the traditional attitudes and action both of employers' and of workers' organizations; they have removed fears (particularly of competition), furnished new ideas, and stimulated emulation by showing what has been achieved in other parts of the Community.

Despite its lack of real powers over wages, social security and terms of employment, the High Authority has in this way contributed to the improvements that have taken place in the economic and social condition of miners and steelworkers, and also to reduction of the disparities between conditions in the individual countries.

Thus, without minimizing the difficulties and deficiencies that still exist, the High Authority views the future with a reasonable degree of optimism. This optimism is based mainly on the prospects indicated in a number of the studies carried out by the High Authority and in meetings of employers' and workers' representatives and independent experts, such as the Conference on Technical Progress and the Common Market<sup>1</sup> and the Conference on objectives and methods of harmonization of social security arrangements<sup>2</sup>, which the High Authority has helped to organize and has taken part in.

The High Authority has taken the view that it should not restrict its action to describing the position with respect to wages, social security and terms of employment – to providing a picture, quickly and accurately, of the social situation in the Community. It has sought not merely to note the course of events but also to anticipate them.

It seeks to throw light on the fundamental and far-reaching changes likely to occur (scientific developments and

<sup>1</sup> See above.

<sup>2</sup> A European Conference on Social Security, convened jointly by the High Authority, the Common Market Commission and the Euratom Commission, was held in Brussels from December 10 to 15, 1962, for the purpose of studying the main problems connected with the scope, financing and benefits of social security.

technical advances, for example, are already bringing about radical changes in the wages structure) and to help employers and workers take stock of these changes and prepare the best means of meeting them.

### Europ an Miners' Charter

The High Authority has repeatedly stated its position concerning the European Miners' Charter<sup>1</sup> notably in July 1964 at Dortmund, Germany, at the mass meeting of 20,000 miners affiliated to the International Confederation of Free Trade Unions (ICFTU) from all six Community countries.

The economic security which will result from implementation of a common energy policy is of fundamental social importance; but it will still be necessary to provide the coal industry with the means of producing coal in the best possible economic conditions. Without a bold social policy, there will be no miners left to dig the coal. The survival of the coal industry depends fundamentally on the numbers and occupational skills of the men who will still be prepared to go down the mines. The coalmines will be in a position to undertake the modernization they need, in order to meet the demands of the new economic situation, only to the extent that they are able to call on a highly skilled, stable work force.

Dislike of the coalminer's calling is evident from the unsatisfactory trend in the number of apprentices undergoing training and the very high number of young and skilled workers leaving the mines of their own accord. Because this dislike is the main cause of instability in the work force, the High Authority is doing its best to stimulate (in the Joint Committee on the Harmonization of Terms of Employment in the Coal Industry) discussions between the governments', employers' and workers' representatives on the specific advantages which could be granted to miners in order to attract and retain labour in the industry.

At a meeting of the workers' representatives on the Joint Committee, convened by the High Authority on December 18, 1964, the representatives of the workers affiliated to the International Confederation of Free Trade Unions (ICFTU) and those of the workers affiliated to the International Confederation of Christian Trade Unions (ICCTU) adopted a common position. After first pointing out that they still regarded a European Miners' Charter as economically and

socially indispensable, and that they were in no way withdrawing their demand for its introduction, the union representatives stated that, in a spirit of conciliation and having regard to the need for speedy solution to the labour problems of the coal industry, they were prepared to consider the introduction of the Charter in stages. They then stated that the first stage should comprise the extension to all Community miners of the shift bonus paid to miners in Germany, and the introduction of a long-service bonus.

The unions felt that a shift bonus financed from public funds would serve to mark official recognition of the arduous and dangerous nature of work in the coalmines and would also be a step towards exempting Community miners from income tax. The long-service bonus would, in their view, encourage younger workers not to leave the mines too soon but to make a real career in the mines. The combination of these two measures would, in the unions' view, give a new impulse to the drive for the Community-wide alignment of living and working conditions and would result in a substantial upgrading of the occupation of coalminer. This would help the coal industry to overcome the difficulties created by dislike of mining and the instability of the labour force, which result in heavy financial burdens on the industry (cost of recruitment, training and adaptation of a large number of workers, many of them from non-Community countries) and in serious adverse effects both on work safety and on short- and long-term profitability. The unions consider that if the occupation of coalminer were adequately upgraded the coalmines would be able to attract and retain a labour force capable of meeting modern technological demands.

The High Authority decided to submit the workers' proposals to the member governments and the employers' organizations. In January, 1965, it submitted to them the document which the unions had drawn up after the meeting of December 18, 1964, and invited the governments' and employers' representatives on the Joint Committee separately to meet the High Authority for a preliminary study of this document. The separate meetings with the employers' and governments' representatives took place in February 1965.

The High Authority is convinced that the adoption of the Community system for coal subsidies and the adoption of a coordinated energy policy will remove some of the obstacles to the upgrading of the coalminer's calling and to the framing and implementation at Community level of a social policy for the benefit of the miners.

<sup>1</sup> As conceived by the late Paul Finet, the High Authority member who first suggested it, the European Miners' Charter would comprise a series of advantages that the Governments and the employers would grant to miners in all the Community countries.

# 5. Housing

When the High Authority came into being in 1952 the majority of the coal and steel areas were suffering from a serious housing shortage as a result of war-time destruction, years of stagnation in building and neglect of maintenance. Many families were reduced to living in hutments, makeshift houses, slums or overcrowded dwellings (sometimes shared by several households); many others had to live on the fringes of the industrial areas or well outside them. This meant that the workers had to travel long distances every day to and from their work.

From the beginning, the High Authority's housing policy has been determined by social and economic needs:

it was essential that miners and steelworkers, subjected to heavy physical effort and severe nervous strain, should be provided with decent housing, at a reasonable distance from the mine or plant, where they could relax in proper conditions;

since the lack of housing was frequently an obstacle to recruitment, and therefore to expansion of production, it was essential that housing be provided for the workers as an incentive for them to accept employment in the ECSC industries.

## 100,000 houses

The building industry still consisted mainly of small craft firms, and its lack of industrialization prevented it from meeting the enormous demands made upon it.

The High Authority entered the housing field by launching, in 1954, an experimental scheme designed to improve building methods.

The governments and firms were at that time prevented, however, by inadequate financial resources from matching their efforts to the scale of housing needs. The rate of interest that could be offered for the financing of workers' housing was not high enough to attract sufficient private capital; capital funds were short, and their investment in industry offered better returns.

Thus in 1955, when the High Authority launched its first major housing scheme, it not only lent funds from its own resources but it also relented funds which it raised specially for this purpose on the capital markets of the Community countries. There followed from 1956 to 1962 a second experimental scheme and another four major housing programs.

By September 1, 1965, the High Authority had contributed financially to the construction of 92,476 dwellings,

of which 58,507 were for renting<sup>1</sup> and 33,972 for owner-occupation. At the same date, 70,911 of these dwellings had been completed, 15,403 were under construction and 6,162 were "in preparation". Since credits remain available for building another 13,081 dwellings, the High Authority will have financed a total of more than 100,000 dwellings when the fifth program is completed.

At the same date, the funds made available for house-building – out of the High Authority's own resources, loans contracted by it and additional funds which it was able to mobilize – totalled \$230 million, while the total cost of the dwellings built amounted to the equivalent of \$782.24 million.

Industrial investment must be accompanied by social investment, in the High Authority's view. By contributing to the workers' housing program in this way, the High Authority is aware that it is helping to meet a vital social need on the part of workers. It is also helping the industries' firms to overcome their recruitment problems. The building of satisfactory housing not only raises living standards for miners and steelworkers, but also promotes general prosperity in the ECSC industries, the High Authority believes.

In order to increase the number of dwellings to be provided for the workers, the High Authority acts:

- to improve building methods and thus lower costs;
- to provide financial assistance;
- to bring down the average rate of interest on the total capital cost of construction.

The two experimental schemes and the numerous housing projects which the High Authority has helped to finance under its five programs have also helped to raise productivity in the building industry. By encouraging planning, standardization and the use of prefabricated components, the experimental and other programs have furthered the industrialization of the building trade.

## Loans at 1 per cent

The High Authority's financial contribution never exceeds 50 per cent of total construction costs. It constitutes a supplementary contribution, designed to permit the construction of additional dwellings that could not have been built without it. Nor are the funds intended to replace those available in the member countries. In particular, they are

<sup>1</sup> In order to avoid the disadvantages to the workers that could result from a link between the contract and the rent agreement (i.e. "tied" housing), it is arranged as far as possible that the steel and coal companies do not directly own dwellings built with the High Authority's assistance.



not a substitute for the various forms of government assistance, such as outright grants, construction bonuses, subsidies to reduce interest rates, and so on. On the contrary, the High Authority considers it important that the dwellings that it helps to finance shall benefit from those forms of aid. That is why the High Authority operates through the member countries' existing legislative framework.

Funds from the High Authority's special reserve<sup>1</sup> are in most cases lent at about 1 per cent. This special "social rate" – very much lower than that which the High Authority charges firms on its loans for financing industrial investment – brings down to a reasonable figure the average interest rate on the total funds expended (i.e. loans from the special reserve plus borrowing on the Community's capital markets). In this way the rents (or the annual instalments in the case of owner-occupation) for houses built with High Authority aid are kept down to levels which miners and steelworkers can afford. The lowering of rent levels made possible by the High Authority's aid ranged from 4 per cent to 20 per cent – depending on the country – of what rents would be if the housing benefited from Government aid alone.

The High Authority's interest also extends to the quality standards of the houses it helps to build. It believes it is not enough to build houses that the workers will be content

to live in in present circumstances for want of anything better; the aim must be to build houses which will come up to the standards likely to be required in the future as a result of technical progress, higher incomes, more leisure and changes in habits generally.

Nor does the High Authority consider that its action should be limited to the siting and equipment of the individual houses; it should also extend to site planning and the environment of the housing estates. Site and environment planning are particularly important for workers employed on shift work, as is frequently the case in the coal and steel industries with their numerous installations requiring continuous operation.

In 1959 the High Authority organized a competition open to architects from all the Community member countries. It provided an opportunity for a comparative study of optimum living conditions, including housing design and estate lay-out, for people employed in ECSC industries, and of the creation of residential areas near industrial centres. The competition also stimulated efforts to get away from traditional practices and to open up new approaches to housing design on the basis of family needs.

In addition, the fifth housing program includes the construction, in each country, of several hundred dwellings to provide information on improvements needed for individual homes and estate amenities. The aim is to solve the problems of providing better living conditions – better home design and improved general amenity – for industrial workers. The model estates will include the facilities and common services essential for a flourishing community life.

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<sup>1</sup> The Special Reserve is made up of interest received on the High Authority's deposits of funds, fines imposed by the High Authority, and interest on arrears. The decision to use Special Reserve funds to finance the construction of workers' housing was taken by the High Authority in 1956, for its second housing program.

# 6. Industrial health, safety and medicine

High Authority policy for industrial health, industrial medicine and work safety is implemented through three principal types of activity, based on Article 55 of the Treaty. They are:

- the coordination of scientific work;
- the financing of research;
- the dissemination of information.

Additional means of action are now available for the protection of coalminers against accident risks: by a special decision of the member governments, an ECSC Mines Safety Commission was set up in 1956.

Coordination in the scientific field aims at obtaining the maximum benefit through combined efforts to reach common aims. This coordination is not imposed from above by the High Authority, but achieved gradually through Community research programs and through a number of working parties.

After consulting employers and workers experienced in the industry, scientists and officials, the High Authority draws up programs listing the major subjects of research for which it is prepared to grant financial assistance. To benefit from assistance, research institutes must devote part of their work to projects in these programs. Regular meetings are convened of working parties including the persons responsible for the research projects subsidized by the High Authority and other specialists in a wide variety of subjects. The participants compare notes on the scientific interest and practical value of the research to be done and on the progress and results of research already under way. By agreeing beforehand on priorities, seeking common solutions to their difficulties and comparing their previous conclusions, the research workers avoid waste of time and duplication of effort, and also the possibility of following fruitless trails.

The opportunities for contact of employers' and workers' representatives, scientists and officials provided by the consultative committees, and the cooperation between European research workers, achieved through the working parties, have been instrumental in creating a favourable climate for intensified efforts in the field of health, medicine and work safety. In all the member countries, the public authorities have improved their regulations for protection of workers' health and safety, and a large number of research centres have been reorganized, expanded or set up.

## Providing finance for research

Up to December 31, 1965 the High Authority had allocated \$25 million to the financing of research.

The financial aid of the High Authority has been used to stimulate research on health and safety in the coal and steel industries. In particular, it has increased the resources allotted to research in the member countries, and thus enabled research institutes to recruit staff, to purchase equipment and to undertake projects they would otherwise have had to postpone or abandon.

Another vital need was to ensure that existing documentation and also the results of the research projects, subsidized by the High Authority, were made available to all concerned (research workers, medical bodies, industrial medical officers, safety engineers and employers' and workers' organizations). Therefore, in 1954, the High Authority set up a medical documentation pool which publishes a bulletin of abstracts and references, of which more than 2,000 copies are distributed.

To disseminate the results of research work, the High Authority also organizes study sessions, arranges for the presentation of reports and papers at specialized conferences, and provides a regular service of special reprints. Several papers on the results of research work have also been published specially for the use of the medical profession.

## Safety in the steel industry

In 1964, the High Authority set up a Commission on Safety in the Steel Industry. By organizing exchanges on practical experience of safety requirements in the industry, the High Authority supplements the contribution it is already making to the prevention of accidents in steelworks by financing research (under Article 55 of the Treaty) and by the provision of information (particularly in the statistical field). These exchanges are intended to lead to the general application of available knowledge and of efficient practices which have as yet been adopted only in certain regions or works. It should also lead to the discovery of new, safer practices and enable information to be gathered on the extent to which they are being applied.

The Commission on Safety in the Steel Industry brings together employers and workers with enough prestige and influence in the industry to ensure that the results of the work carried out will be passed on and applied throughout the Community.

### **The Mines Safety Commission**

The ECSC Treaty does not empower the High Authority to exert direct influence on industrial safety legislation and regulations, which remain the prerogative of the national governments. Following the Marcinelle mine disaster (August 8, 1956), however, the High Authority took a step that made it possible to extend Community action to safety in the coalmines. In agreement with the member governments, it convened a Conference on Safety in Coalmines whose task was "to present to the representatives of the Governments in the Special Council of Ministers and to the High Authority proposals designed to secure the highest possible degree of safety in the coalmines".

The participants in the conference, for which the High Authority provided the chairman, were representatives of the governments and of the workers and employers in the coal industry.

Over a very short period, from September 1956 to January 1957, the conference issued a large number of recommendations on a wide range of problems related to safety policy in the mines.

It also recommended the setting up of a permanent Commission to continue its work, and accordingly, on July 9, 1957, as a result of a proposal of the High Authority, and by a decision of the six governments' representatives meeting in the Council of Ministers, the Mines Safety Commission was set up.

It comprises two representatives of each government, together with one workers' representative and one employers' representative from the mining industry of each member country. Its main task is to study the specific problems arising under present operating conditions. It therefore seeks the aid of qualified and, as a rule, highly specialized

experts. As in the case of the Conference, the High Authority provides the chairman and the secretariat for the Commission.

The Commission achieves its task by organizing exchanges of practical experience among the representatives of employers and workers in the coal industry, and of the national authorities. As a result, specific proposals are drawn up for measures which can be immediately applied in the Community coalfields.

The Commission's activities extend to all aspects of mine safety, including technical problems, rescue operations and human factors in industrial safety.

On October 24, 1963, 29 miners were killed in an accident in an iron-ore mine at Lengede, Germany. The disaster served to focus attention once more on the danger to life and limb for workers in iron-ore mines. The High Authority felt that a regular exchange of practical experience among government, employers' and workers' representatives would help to improve safety, and accordingly asked the member governments to extend the Mines Safety Commission's powers to cover the iron-ore mines as well as coalmines. With occupational diseases taking at least as serious a toll as accidents, it also asked the governments to allow the Commission to deal with questions of occupational health and preventative medicine in the two ECSC extractive industries.

In March 1965, the Council of Ministers agreed to extend the terms of reference of the Commission to include health and preventative medicine in coalmines. So far, however, it has not been possible to obtain unanimous agreement in the Council on extending the Commission's terms of reference to the iron-ore mines.

# 7. The future of social policy

The concept of a Community social policy by no means excludes a certain measure of variation in the objectives and the means of action from country to country. It does, however, demand that the Community shall have reached a sufficiently similar level of technical, economic and cultural development, and that the member governments shall be inspired by a common purpose.

In the final analysis, political authorities would be needed to decide upon the general policy – both economic and social – that would make it possible to implement a true Community social policy; and only within the framework of a full political Community could an answer to all the requirements of social policy be found.

Technical progress and the transition from national to Community-level arrangements are two of the dominant features of the second half of the twentieth century in Western Europe. The fact that during the first 13 years of the Common Market for coal and steel neither of these developments has brought serious hardships to the miners or the steelworkers is attributable largely to the action of the High Authority. Despite current difficulties, the coming years may well see an even more rapid development of technology and an acceleration of the integration process. In these circumstances, it will be essential to work out and apply a social policy that does not merely protect the workers against the consequences of foreseeable changes but enables them to derive the maximum benefit from them.

Failure to achieve a substantial improvement in living standards would mean that the unification of Europe had fallen short of one of its main objectives and of the hopes of the vast majority of trade unionists who now support it.

## Towards an effective employment policy

The first aim of social policy is to provide employment for a qualified labour force at locations most suitable for the workers and for the community as a whole. Legislative reforms and greater use of the traditional methods of instruction, education and occupational training are unlikely to suffice to enable the levels of skill and qualifications to keep pace with the advance of technical progress or to provide a satisfactory training for the young people due to enter industry. This is equally true for workers, technicians and managers.

The basic training of young people and the advanced training of adults already employed will require an immense effort of imagination, based on a better knowledge of the nature of industrial work. This can only be achieved

through continuous work study and a thorough analysis of the workforce structure and of operations in representative undertakings.

Moreover it does not seem reasonable that the burden of training should be borne solely by the companies themselves. The public authorities should provide those responsible for workers' technical training and general education with substantial resources to enable them to relieve the burden on industry.

Readaptation of workers and industrial redevelopment do not belong exclusively to the realm of social policy; they are also an essential part of the economic and political life of the Community.

One of the most urgent tasks of the Community Institutions and the Governments is the creation of regional balance. The means available to the Community Institutions have proved their worth. They will continue to be indispensable, in view of the fundamental changes that lie ahead. The Community Executives must therefore dispose of sufficient funds to enable them to make an effective contribution to the establishment of new industries in areas with surplus manpower.

## Towards better living and working conditions

From a general point of view, social policy aims at promoting well-being, in all its various forms. This means finding and using the best methods of ensuring that the entire labour force shares in the benefits of increased productivity and obtains the advantages it is entitled to expect from technical progress.

To this end, employers and workers should aim at two main objectives:

- the drawing up of a long-term social-development program;
- the conclusion of European collective conventions.

These conventions, which would constitute a major step towards the harmonization of conditions, could not take a rigid form. They would be framework or reference agreements – model conventions allowing for all the possible variations justified by particular situations in any of the member countries. The minimum terms of employment set out in the European conventions would be revised periodically to take account of economic developments.

Social security is becoming an increasingly important factor in living standards in modern industrial society. The problem of financing it, which is particularly acute for

## Social policy in the European Coal and Steel Community

the coal industry because of the sharp contraction of the labour force and the proportional increase in the number of pensioners, will need close examination. With social security governed almost exclusively by national provisions, the supplementary contractual agreements envisaged above could lead towards harmonization of benefits at Community level.

The High Authority will continue its policy of aid for housing construction and will maintain at least the same level of activity in this field as in the past. It will also continue to anticipate future needs by conducting research and experiments into increased productivity in the building industry, the improvement of methods (prefabrication, interior equipment, estate lay-out, etc.), communal facilities, and the siting of residential zones in areas undergoing

redevelopment. The whole problem of the environment of the worker – the home and the city – will need rethinking. The rise in incomes must be reflected in concrete form in improved housing conditions, in the widest sense of the term.

Progress in industrial health, medicine and safety must keep pace with the development of technology. Scientific research must be directed towards a better knowledge of machines and of working conditions, so that they can be better adapted to human needs. As the new processes create new health and safety problems, the new demands which may be imposed on human beings by the development of production techniques must be studied more thoroughly. Finally, special attention will have to be given to the study of danger in industrial processes and operations.

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