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EUROPEAN COMMUNITY

for coal and steel

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TRANSPORT IN THE COMMON MARKET

A recent community decision in the field of transport has been widely hailed as a major advance toward a single European market. This report comments upon the scope and significance of that decision against the background of Europe's complex transport situation.

On January 20, 1955, the Council of Ministers of the European Community for Coal and Steel took a decision to eliminate by stages before May first, 1957, all extra charges now levied on rail freight crossing frontiers within the common market for coal and steel.

The eventual results of this move will have to be measured against conditions existing today whereby at least a fifth of the price a western European finishing industry pays for steel is likely to be for transport charges; the proportion is still higher for coal. A third of a steel plant's bill for coke to fuel blast furnaces goes into carriage and delivery costs.

These proportions take on added significance in the realization that it is easier by far in Europe to manipulate freight rates discreetly than the prices of goods carried. Some of the most effective barriers to competitive trade arise out of divergent national policies that control transport systems. Control of freight rates becomes at once a means for shielding home producers and penalizing foreign competitors.

One case in point is the example of the Lorraine and Saar steel basins which were greatly handicapped in competition with the Ruhr by high German freight rates levied on needed Ruhr coal and by the across-frontier costs of shipping finished steel products to one of their natural markets, southern Germany. France, in turn, made conditions difficult for the competing Belgian steel industry not only by restricting the export of Lorraine iron ore but also by increasing the charges for carrying it. These are but two examples among many instances.

Many powerful groups with political as well as economic interests in Europe clung to the old order particularly in respect to transport. The Community, thus, was confronted with a political as well as an economic problem when it attacked the tangled skein of national and international freight rates.

A Triple Problem

Before the common market came into existence, the economist could single out at least three major distortions in the European economic picture that could be traced to the transport situation.

The first and simplest was the practice by which each country forced the foreign producer to pay more for the carriage of goods of any kind than did the home producer or consumer. This, in the language of Community specialists, is what is meant by "discrimination."

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The second, and perhaps most spectacular, distortion arose from the fact that as soon as goods crossed a frontier freight charges shot up above rates already charged within a country. Consequently, Community transport specialists concentrated from the beginning on an attempt to establish "international through rates" to wipe out this handicap.

The third and most deeply-rooted distortion was the result of the growth over many decades of divergent transport policies in each country. Today these are in such conflict that it is essential to "harmonize" them if the market is to be integrated and not broken into national segments by all but invisible pricing devices.

So far the High Authority has settled the first of these three problems, namely "discriminations." Now the Council of Ministers has acted to set up a timetable for the application of "international through rates" and fixed the first of February, 1957, as the deadline by which a solution for the third problem, that of "harmonization," must be found. Thus the Community is on the way toward its goal of ending obstacles raised by transport to a fully functioning single market.

Transport Discriminations Ruled Out

Discriminations in transport were the most obvious and easiest cases of unequal treatment to define. Hence they were dealt with first. All in all, thirty-two instances of discrimination specified in complaints to the High Authority have been ruled illegal. Consequently, inequalities affecting about 45 million tons of traffic annually have been ended. Two examples involved the French and Belgian railways. The French railways had been charging Belgian steelmakers buying iron ore from Lorraine more for the carriage of ore than their French competitors. The Belgians, in turn, made the French exporter pay a higher price than the Belgian for shipping steel on the world market through Antwerp. This reciprocal penalty act was outlawed and Belgian purchases of Lorraine ore immediately picked up as French freight rates dropped some eight per cent.

Despite a succesful ban on such discriminations, the High Authority realized that its action had touched only the fringe of the transport problem.

International Through Rates

The High Authority undertook the next and more important job of ironing out transport inequalities by looking into ways and means of placing international rail traffic on the same footing with internal national traffic. Over the years, international traffic had become the Cinderella of national transport systems. It became accepted practice to "soak" the foreigner for goods shipped across frontiers. When the Coal and Steel Community came into existence, the problem was acute inasmuch as one in every eight tons of goods produced in the Community travels to its destination across a frontier. It is, on the average, 25 per cent more costly to deliver it this way than it would be to send it a similar distance inside a single country.

The Council of Ministers' decision, as mentioned earlier, will result, within two years from the first of May, 1955, in the removal of all extra charges levied on coal and steel traffic as it crosses frontiers within the common market.

These extra charges were, and are still, based on the fiction that the national frontier is the Ultima Thule of any train's journey. When it reaches a frontier, outwardbound, it has arrived at the terminus as far as the delivering country is concerned. When it arrives from over the frontier, it is, for the consuming country, only just leaving its home base. So the cargo is treated as if it had taken not one but two journeys. As it crosses the frontier it loses the benefit of the falling rate, which is accorded on all railways as the run grows longer, and starts from scratch again. (This is called "load-breaking" and the freight rates resulting from it are known as "split tariffs.") It also has to pay heavy terminal station fees for an imaginary terminal station on either side of the frontier as well as for the real ones at the points of departure and arrival. These practices can add as much as $1.50 a ton to the cost of freight every time a frontier is crossed. Ruhr coal shipped to Paris crosses both the Belgian and French frontiers and pays its "toll" each time.

The Council of Ministers' decision set a timetable for the ending of the extra charges as follows:

1) On first May 1955 "split tariffs" will be ended for coal and iron ore, and two-thirds of the excess terminal fees now levied on these raw materials will be cut.

2) On first May 1956 the last third of excess terminal fees on coal and iron ore will go. Steel and scrap will be treated as coal and iron ore a year earlier.

3) On first May 1957 the last excess terminal fees on steel and scrap will end.

Some of the results of the changes to be introduced on the first of May, 1955, in coal and iron ore freights are already known (see page 4.)

German coal will flow more cheaply westward, benefiting the steel industries of Luxembourg and Lorraine and increasing Ruhr competition in the big delivery area of Paris against coal from the main French coalfield (Nord et Pas-de-Calais). The Belgian steel industry will profit by another drop in the price of iron ore supplied from Lorraine.

However, a portion of the results of these changes will be lost to the consumer but not to the taxpayer because they will go towards reducing rail subsidies borne by the French exchequer. At the present moment Ruhr coal imported by Lorraine steel plants and Saar/Lorraine coal exported to southern Germany both enjoy large subsidies. These will now be lowered with a saving to the French treasury which will not be known for a few weeks, but will certainly run into millions of dollars.

Looking ahead to 1956 it is certain that the ending of the dues at the frontiers will help Lorraine, Saar, and Luxembourg steel mills to sell more cheaply to southern Germany. At the same time, the Italians, importing the scrap—the principal raw material of their steel industry—from France and Germany, will pay less for transport than they do now.

Harmonization

The most difficult problem is the one that lies ahead: how to 'harmonize" the policies of the national transport companies so that their divergent structures do not hinder the growth of a genuine, single market. In 1950 the United Nations Economic Commission for Europe came to the conclusion that "the introduction of such a system meets with extraordinarily great difficulties . . . since the national rail tariff structures vary widely with respect to their general levels, relative charges on different commodities, their regressive nature with regard to distance, special discounts for volume and regularity of traffic, and other features." There is no question of imposing a single uniform practice on all countries. "Harmonizing" implies ironing out distorting influences without levelling the basic transport charges of the member countries. But even this is difficult enough.

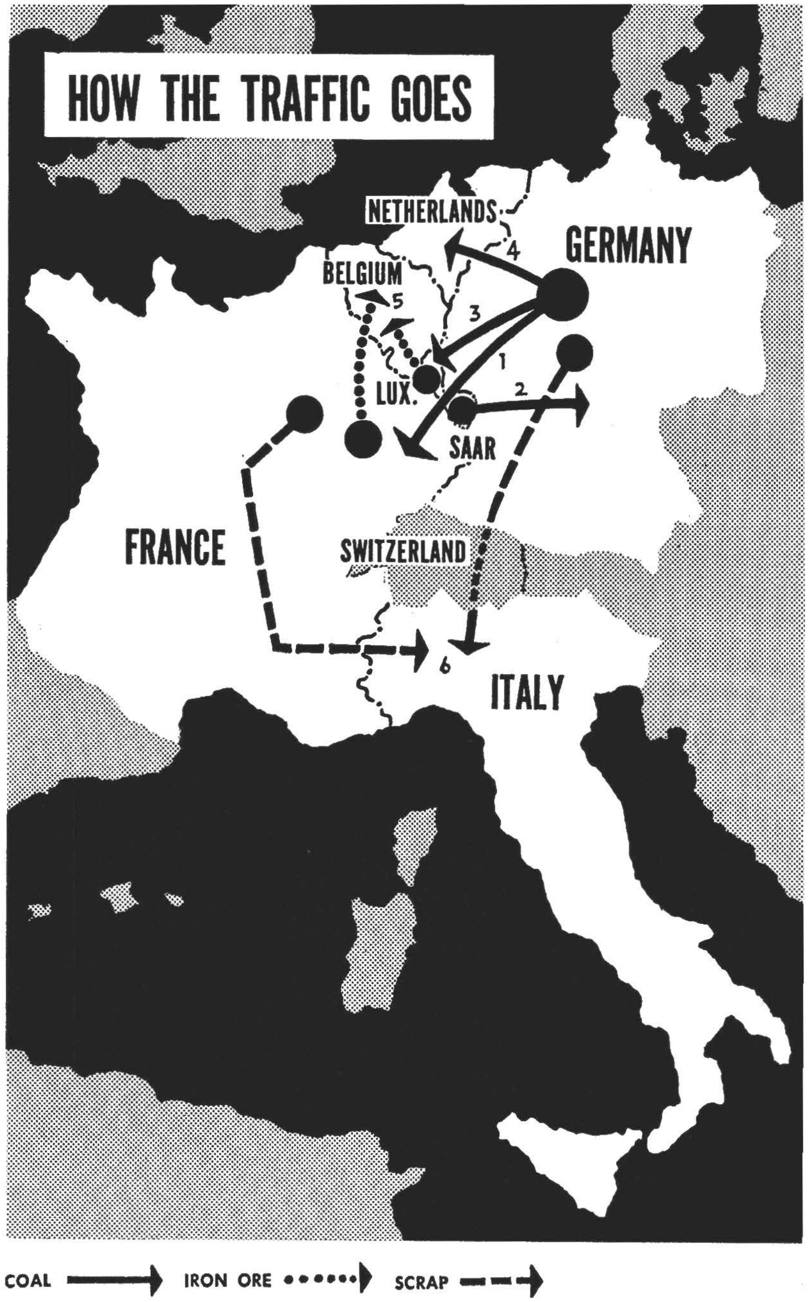
The difficulty has another cause. The High Authority found no trouble in ending simple discriminations. In the case of "international through rates," the Council of Ministers took the ultimate decision. The High Authority could have done so but in a more limited form. In the case of "harmonization," the High Authority's powers are not as clear* because the Treaty establishing the Community provides for the mere "obligation" on the part of member nations to reach agreement in this field.

However, there is promise for the future in the action the Council has already taken towards "harmonization." It was found that in practice "international through rates" could not be effectively set up unless the fall in freight charges which goes with increasing distance of travel and which varies substantially from country to country was at least partly "harmonized" throughout the Community. Accordingly, the Council decided on January 20th that the rate of fall should be uniform up to 250 kilometers for coal and 200 for steel and thereafter might vary only within agreed limits. It was also agreed that a solution on "harmonization" in general must be reached by the first of February, 1957.

The United Nations Economic Commission for Europe had come to the conclusion in 1950 that "apart from the substantial advantages that might be achieved through greater specialization at the finishing stages of steel production, the benefits of a unified market for western European coal and steel industries would be found chiefly in a freer and more active trade in the basic materials, coal, coke, and iron ore . . . On the basis of present differences, the most significant economies would seem to lie in a replacement of coal production in the higher-cost areas of Belgium and France by more coal from the Ruhr and in greater production and use of French iron ore in place of the high-cost production in western Germany."

Without necessarily heading in this direction, the full "harmonization" of transport policies of member countries on the common market should increase their economic interdependence and encourage more rational and more highly specialized production.

One of the motives given for the acceleration of the modernization program in the southern French mines is that cheaper deliveries of Belgian and German coal ex-



Traffic through Switzerland: the High Authority expects to negotiate an agreement with Switzerland in the coming months to enable international through rates to apply to common market freight running through that nation.

* With one exception. There exists a common practice of granting low preferential rates as an indirect subsidy to production. The High Authority may end these by decree and is currently studying them, one by one.

pected as a result of "international through rates" will make it harder for these mines to sell northwards towards the Paris region. So transport changes which have not yet come about are already playing a part in hastening the progress of the common market.

The Common Market Multiplies

The final comment on the importance of the relation between transport and the Coal and Steel Community is provided by the figures of traffic to be "harmonized."

The traffic carried on the common market—steel, scrap, iron ore, and coal—accounts for 50% of the volume and 40% of the receipts for freight on the common carriers of the member states. That means some $1,000 million a year in receipts for the transport agencies which is equal to one-fifth of the total value of coal and steel production in the Community.

The fact that so much transport is being adapted to the conditions of a single European market has led some experts to suggest that a European Community for Transport is both a feasible and desirable aim. In this as in many other sectors—fiscal and social questions, policy for fuel and power, and so on—the Coal and Steel Community is showing that its limits cannot be simply defined by the terms "coal" and "steel." It is setting up a chain reaction of economic effects and posing new problems in coordination. Their natural solution can only be found in the European context of which the common market is the first example.

By Road and Water

Over 70 per cent of coal and steel traffic in the Community is carried by rail. But barges often take the long-distance traffic and the Rhine is the biggest single route for goods on the common market. Barges account for a little less than 20 per cent of the traffic. The road is used for the short hauls, with 10 per cent of common market freight being carried this way.

Water traffic in each country is regulated; between countries it is free. This disparity leads to important price distortions on the market. The Rhine statute complicates the situation further because it allows each state to give its own navigation companies a monopoly on national traffic (e.g. for Holland between Dutch and Dutch ports or for Germany between German and German ports) on the river.

Road traffic is carried out under circumstances still more confused, even though for certain hauls, carriage by truck, particularly of steel, is very common. It is difficult in this sector to obtain comparable statistics. Often freight charges by road are regulated by law with an eye to the protection of the railways, and on across-frontier traffic, quotas may apply to protect the domestic conveyor, and so on.

Though neither water nor road traffic is comparable in importance with rail freights, the High Authority has begun to tackle the problems set by both. It does not, however, possess direct powers to act in these fields and can only propose common action to end inequalities to the governments of the six member countries.

PRINCIPAL TARIFF CHANGES

1. Resulting from the Abolition of "Discriminations"

	Country	Traffic Flows	Overall change in transport receipts (in thousands of $) Increase for home consumers	Decrease for foreign cons.	Tonnages (1953)	Principal price falls per ton for the foreign consumer (in $)
COAL	Germany	Saar-Lorraine coal entering Germany[1]	0	−2400	3,700,000	0.62
IRON ORE	Germany	Luxembourg & French ore entering Germany	0	− 420	300,000	0.52
	France	Ore exports to Belgium[1]	+900	− 900	16,500,000 5,000,000	— 0.18
	France	Luxembourg ore shipped to the Saar	0	− 300	600,000	0.50
IRON & STEEL	Belgium	Export of French steel through Antwerp	+650	− 226	1,300,000 550,000	— 0.42

[1] See also table 2, the equivalent items. The savings per ton carried from the ending of "discriminations" should, for these items, be added to those from "international through rates" to get a complete picture.

2. Expected to result finally from the setting up of "International Through Rates"

No.[1]	Country	Traffic Flow	Tonnages (1954)	Saving per ton (in $)	Total saving (in thousands of $
COAL	1. France & Germany	Ruhr to Lorraine	4,000,000	1.50	6000
	2. France & Germany	Saar to S. Germany	4,500,000	1.50	7500
	3. Germany & Luxembourg	Ruhr to Luxembourg (coke)	3,000,000	0.40	1200
	4. Germany & the Netherlands	Germany to the Netherlands	2,000,000	(2)	(2)
IRON	5. France, Luxembourg, & Belgium	France/Luxembourg to Belgium	6,000,000	1.0[2]	(2)
SCRAP	6. France, Germany & Italy	France/Germany to Italy	1,000,000	2.0	2000

[1] Refers to the numbered arrows on the map.
[2] Not yet fully evaluated.

3. Examples of expected across-frontier freight rate changes due for coal and iron ore on 1 May 1955[1]

	Traffic Flow	Old Price per ton in $	New Price per ton after 1.5.55 in $	Saving per ton in $	% saving
COAL	Gelsenkirchen (RUHR)—Paris	10.32	8.24	2.08	20%
	Reden (SAAR)—Stuttgart (S. GERMANY)	5.56	4.80	0.76	14%
COKE	Gelsen (NETHERLANDS)—Longwy (LORRAINE)	4.78	4.34	0.44	9%
	Gelsenkirchen (RUHR)—Esch (LUXEMBOURG)	7.22	6.38	0.84	12%
	Gelsenkirchen (RUHR)—Homécourt (LORRAINE)	6.48	5.64	0.84	13%
IRON ORE	Valleroy (FRANCE)—Marchienne-au-Pont (BELGIUM)	3.22	2.82	0.40	13%

[1] These figures assume that internal freight rates in the member countries will not be raised.

HOUSE OF COMMONS APPROVE ASSOCIATION PACT

The House of Commons, on February 21, 1955, adopted the Treaty of Association between the United Kingdom and the European Community for Coal and Steel, without a division. For Britain, the move was a historic step toward closer relationships with continental Europe.

Commons approval followed a three and one-half hour debate on Association during which the Conservative government received the full backing of the Labor opposition. Many of the supporting speeches made by Government and opposition speakers reflected a changed and informed British attitude toward the Community and strengthened belief that the British pact will grow into a real and lasting association.

The Labor Party's chief speaker, Alfred Robens, stressed the significance of the pact when he said: "I think it means that the integration of Europe will go on—and it would have gone on without us. It is better that the integration of Europe should go on in close association with the United Kingdom . . . I think that this Agreement is the model of the Association which we would be ready to accept in any organizations, any communities that may be set up in Europe to deal with things other than coal and steel . . .

"In saying that we approve the Government's motion, I say so not because of what we have at present but rather because of the Europe which we can see arising from this great and bold experiment of the Community. In those six countries there are 160 million consumers. By Association, we shall add another 50 million to that number. There will be 210 million people who have begun to be slowly bound together. That is a huge market. What an opportunity for developing and expanding the economy of those 210 million people, for raising their standard of life, for increasing their purchasing power and for guaranteeing, during all our lives, full employment for those people."

Summing up for the Government, Mr. Anthony Nutting, Secretary of State for Foreign Affairs, said:

"The Rt. Hon. Member for Blyth (Mr. Robens) has described this Agreement as a model of association with other similar institutions which may follow the Coal and Steel Community. I entirely agree with him, just as I agree that it is better that European integration should go on with British association rather than without it."

Mr. Duncan Sandys, British Minister of Housing, moving the Bill approving the Agreement, said the Government did not regard the Agreement as an end in itself. "It creates a framework", he said, "within which we sincerely hope a closer association between Britain and the Community will progressively develop." Mr. Sandys said that during negotiations with M. Monnet he had emphasized that the British Government "regarded this not as a static contractual arrangement but rather as a growing relationship which would develop progressively through the practical experience of meeting and working together."

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MONNET COMMENTS ON PACT

Jean Monnet, who led negotiations for the Association pact with Britain, commented for the British press on the occasion. He said in part:

"The European Community for Coal and Steel is in part the achievement, in part the prefiguration, of a new Europe in which a united continent and Britain move forward together in association. . . . Association is not like the integration which exists within the Community. In our Association, there will be no delegation of sovereignty to institutions such as the High Authority which have the power to act in the general interest without obtaining prior permission from national governments.

"Nevertheless, Association is more than the traditional diplomatic relation between powers. In the Council of Association, British Ministers and members of the High Authority will discuss problems which interest them both. When matters which, within the Community, involve the Council of Ministers arise, there will be special sittings at which representatives of the United Kingdom Government will meet with the Council. Thus, through the institutions of the Association created by the recent agreement, there will be constant contact on a strictly reciprocal basis between the Community and the United Kingdom at the highest level. It is from constant contact of this kind that the growing relationship desired both by the British and the European Community can best develop. If the Association is energetically and practically pursued, I believe it will become a model for the relations between Britain and a future united Europe.

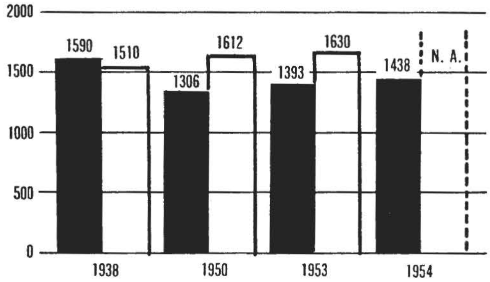
"If the Community grows the Association will grow. The facts of the twentieth century have brought the British and Europeans closer together than ever before. Today the health of either depends not only on the vitality of each but also on the closeness of the relation between them. Economically, politically, militarily, we are interdependent in a new world to which we must both, above all, adapt the structures of our old national institutions. For Europe, the problem is to outgrow the rivalries of the past, now a terrible source of weakness, by uniting its many nations under single government. For Europe and Britain together the problem is to obtain singleness of purpose in action. Integration in Europe and a successful association of that united Europe with Britain would be our most effective contribution to our own common future and to the peace and prosperity of the world."

THE STATISTICS OF ASSOCIATION

COMMUNITY | UNITED KINGDOM

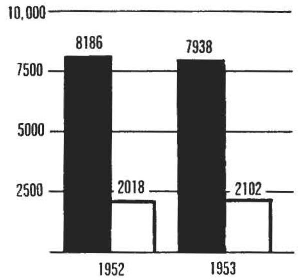
Coal Productivity metric tons

output per manshift underground



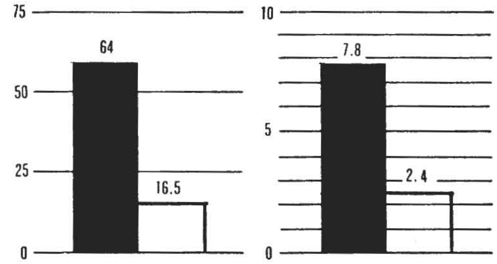
Steel Export to the World

in thousands of metric tons



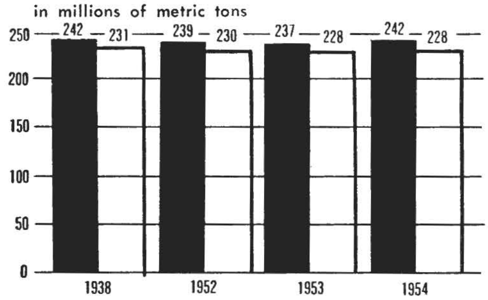
Production Iron Ore in millions of tons

Production 1952 | Reserves 1952



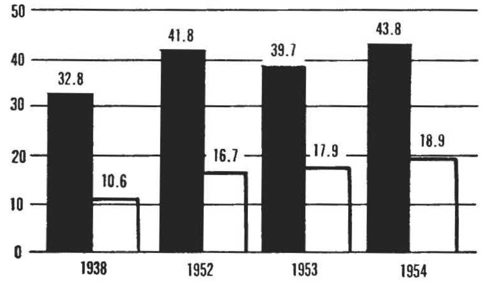
Production (Coal)

in millions of metric tons

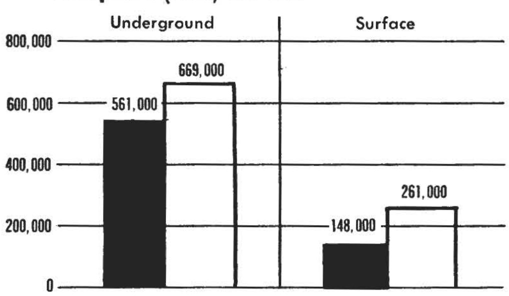


Production (Steel)

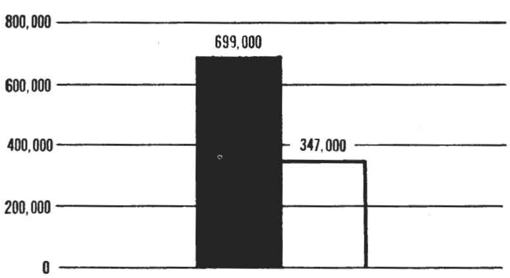
in millions of metric tons



Manpower (Coal) End 1953



Manpower (Steel) 1953



Trade

COAL in millions of metric tons

EXPORTS	1952	1953	1953 % of total
U K to E C S C	3.5	5.4	36%
E C S C to U K	—	0.5	4%
IMPORTS			
U K imports from E C S C	—	0.5	100%
E C S C imports from U K	3.5	5.4	40%

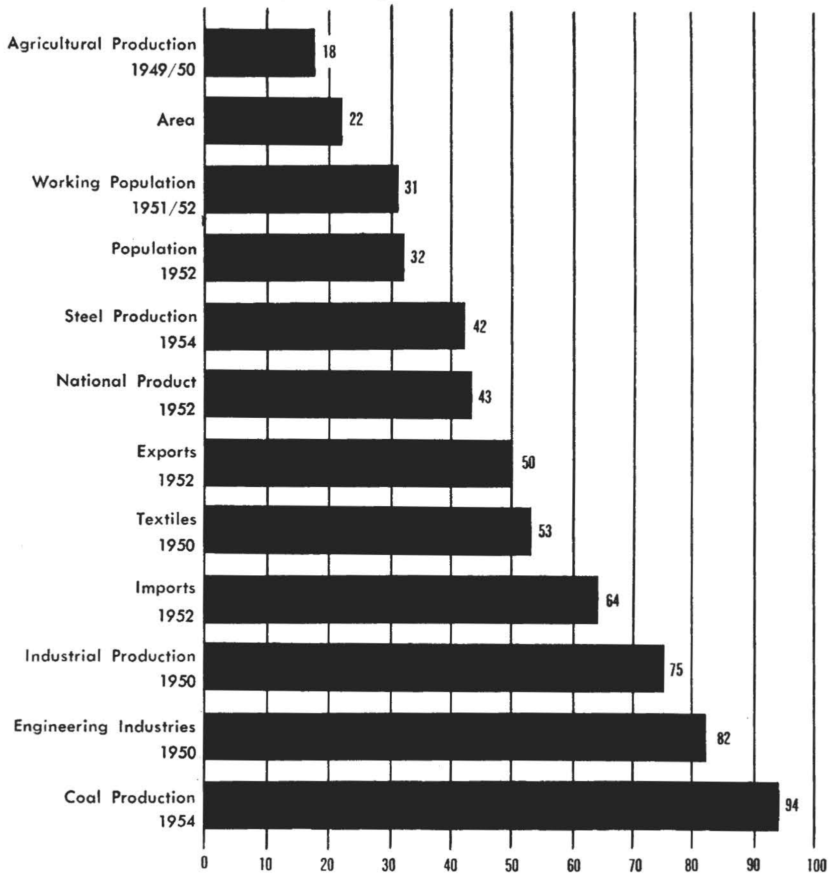
Trade

STEEL in thousands of metric tons

EXPORTS	1952	1953	1953 % of total
U K to E C S C	119	229	11%
E C S C to U K	1038	880	11%
IMPORTS			
U K imports from E C S C	1079	813	42%
E C S C imports from U K	138	231	22%

Economic Structure of U K Compared to that of the Community

Community in each figure = 100



HIGH COURT UPHOLDS FRENCH APPEAL

In an earlier issue (December, 1954) we described proceedings in a case brought by the French Government against the High Authority—the first such appeal ever made by a European state against a federal government of Europe. The case was subsequently decided by the Court of Justice in favor of the appellant and the judgment returned to the High Authority for appropriate action. The decision has since been published as:

THE GOVERNMENT OF THE FRENCH REPUBLIC *v.* THE HIGH AUTHORITY, Case No. 1–54, (Decided on December 20, 1954 and published on December 21, 1954.)

The French Government applied to the Court of Justice of the European Coal and Steel Community in February, 1954, for an annulment of three decisions taken by the High Authority on January 7, 1954.

The three decisions to which the French Government objected were binding regulations issued by the High Authority in virtue of Article 60 of the Treaty establishing the Community. Article 60 prohibits unfair competitive pricing practices and discriminatory practices involving, within the single market, the application by the seller of unequal conditions to equal transactions. Article 60 requires that for these purposes "the price-lists and conditions of sale applied by enterprises within the common market shall be published to the extent and in the form prescribed by the High Authority after consulting the Consultative Committee . . ."

The High Authority decisions of January 7, 1954, were three in number:

DECISION 1/54 permitted a seller to apply prices that deviated from his published price list if he could prove that the transaction in question did not fall within the categories of transactions provided for in that price list or that the deviation was applied without discrimination to all comparable transactions.

DECISION 2/54 set up a permissible margin for steel prices of 2.5 per cent of base prices, permitted sellers of steel to apply prices differing by amounts up to 2.5 per cent from the listed prices without requiring them to publish new price lists, and promulgated certain other requirements of lesser importance.

DECISION 3/54 required the enterprises to submit semimonthly reports to the High Authority on their top minimum prices and average deviations from the listed prices.

The French Government based its contention on two main counts:

(a) Violation of the Treaty; (b) *detournement de pouvoir*, which is somewhat similar to violation of due process.

The Court of Justice upheld the French contention as to the principal portion of Decision 2/54, but rejected it as to Decision 1/54, 3/54 and the minor parts of 2/54. Since the publication of the Court's judgment, the High Authority has rescinded Decision 3/54, the only purpose of which had been to assemble information required for the supervision of enterprises acting under Decision 2/54. The Court rejected the French Government's contention based on the ground of *detournement de pouvoir*, and rested its decision on the ground of violation of the Treaty. It said that the Treaty required prior publication of price lists which thereupon had to be followed exactly, without deviation. The principal objectives of requiring publication of price lists under the Treaty, said the Court, were to prevent as far as possible the practices specifically prohibited by Article 60; to give buyers an opportunity to ascertain the exact prices and also to take part in watching over discriminatory practices, and to enable sellers to keep watch on their competitors' prices. If all the participants in the market must, under the Treaty, be put in a position to know the prices, the only appropriate publication, said the Court, would be publication of exact prices in advance of their application.

The Court found confirmation of its view as to the necessity for publication in advance in the following arguments:

(a) Article 60 para. 2*b* refers to prices "practiced" by an enterprise on the common market when reduced to their equivalent at the basing point "chosen for the price list;" if prices practiced by an enterprise are to be measured by reference to a basing point chosen for the price list, the price list must have been published before the prices are applied. A similar argument was derived from a passage in the Conventions containing the transitional provisions, which accompanied the execution of the Treaty itself.

(b) The High Authority in other regulations appeared to have asumed that the Treaty should be interpreted as requiring prior publication of price lists.

(c) The High Authority's preamble to Decision 2/54 showed that the High Authority intended to make operations easier for the enterprises; for example, one of the minor articles of Decision 2/54 reduced from five days to one day the interval between the time of their being addressed in printed form to the High Authority and the time they entered in force. If such a provision is to make operations easier, it must presuppose prior publication, in order to enable the enterprises to conclude sales contracts on the basis of the new prices after a shorter wait.

On the question whether the published price had to be exact or could be merely average or approximate, the Court said:

1) Price information is valuable to buyers only if it furnishes them with exact information on the price they must pay.

2) Other sellers who are permitted by the Treaty under certain conditions to align their prices with those of their competitors, cannot exercise this right unless they know

their competitors' exact prices, and they should not be required to obtain this information through other means than the price lists.

(d) The discretion granted to the High Authority by Article 60 para. 2*a* to prescribe the extent and form of publication of price lists did not, the Court said, go so far as to give the High Authority jurisdiction to decide what was to be published and what was not to be published.

According to the Court, Decision 2/54, in permitting deviation, amounted to an attempt to authorize non-observance of the published price lists and therefore went beyond the bounds of proper discrimination.

The Court took note of the High Authority's argument that prior publication with exact adherence to published prices created a danger of agreements among producers but rejected the argument, saying it had not been proved that the danger was removed by the introduction of a permitted margin of deviation; that, even if the danger might be removed or lessened by such a scheme, that fact would not justify the neglect of other ends to be served by publication; and that the Treaty provided other means to the High Authority for corrective action in the event of such agreements.

The Court ruled in favor of the High Authority on Decision 1/54. Singular or unique transactions, the Court said, could be the basis for a price deviation because there is nothing to which they can be compared; and if comparable transactions are treated alike, there is no discrimination even if all the transactions that are compared with one another are subjected to (the same) deviation from published prices. The Court pointed out that the burden of proof of the singular or non-comparable character of the transaction lay upon the enterprise and could be reviewed objectively by the High Authority. This decision, the Court said, left undisturbed the obligation of publishing prices and the system of sanctions provided for under the Treaty in case comparable transactions should be concluded at different prices and under discriminatory conditions of sale.

The Court noted that it had authority to award costs in whole or in part to either party and said that in view of the French Government's victory on an important point it would ordinarily be just to award one-half of its costs to the French Government by requiring the High Authority to reimburse them to that extent. However, the French Government had relinquished the right to reimbursement and the Court therefore allowed each party to bill its own costs.

In a judgment of even date with the case of the Government of the French Republic v. the High Authority, the Court handed down a decision identical in its effects in case No. 2–54, which had been brought by the Government of the Italian Republic against the High Authority.

NOTE:

A full copy of the Court of Justice's judgment as published in the *Official Gazette* of the European Community for Coal and Steel is available by writing to the

Information Office
European Community for Coal and Steel
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COURT CASES

Decisions

French Government } vs. High Authority; verdict December 21, 1954. (High Authority's "fair trading" code.)
Italian Government }

Italian steel producers' associations } vs. High Authority; verdict February 11, 1955. (High Authority's "fair trading" code.)

The Court decided there were no grounds for announcing a verdict as the above decision on the same issue had led to the suppression of the High Authority decision contested by the Italian steel producers associations.

Court Cases Pending

Dutch Government vs. High Authority
(High Authority's decision to fix maximum prices of coal).
Public hearing February 2-4
Verdict expected at the end of March.

New Court Actions

Two Luxembourg Associations, the "Groupement des Industries Siderurgiques Luxembourgeoises," and the "Association des Utilisateurs de Charbon du Grand Duché de Luxembourg" (both grouping Luxembourg steel producers) lodged a complaint against the High Authority before the Court of Justice on 23 December, 1954.

The two associations requested the Court to order the High Authority to take action to do away with the Luxembourg "Office Commercial de Ravitaillement," the Luxembourg Government coal importing agency which centralizes all buying of coal imported into Luxembourg.

In their appeals the two federations complained that the office is an obligatory intermediary step in the importing of coal. They also objected to the compensation system by which the price of domestic coal is lowered by means of a levy of 8 Belgian francs on each ton of coal imported for industrial use.

SCRAP IN THE STEEL BOOM

If steel production in the six Community countries continues throughout the year at its January level, the Community will, in 1955, have produced the unprecedented total of 50 million metric tons of steel—over 6 million tons more than the already all-time record of 43,800,000 tons for 1954.

The continuing expansion of the steel industry of the Community countries is itself bringing to the fore problems which only assume an urgent character during a high production period, and which it is the duty of the High Authority to solve. Foremost among these is the problem of the supply of scrap which, in a boom period, becomes a major preoccupation for steel producers.

It is a characteristic of scrap—not confined to the European Community for Coal and Steel—that supplies are readily available only when demand is low, and that these same supplies tend to disappear mysteriously in a period of high economic activity, reappearing on the market only at a substantially higher price.

The speculative tendency of the scrap market is creating supply difficulties now on the common market. Real consumption is still not greater than supply. But consumers fear that production may still go up in the Community, further increasing demand. Their stocks are low and, in some cases, very low. They have doubts as to whether the Community will be able to maintain imports from third countries at their present high level. So buyers are tending to stock up against the possibility of a scrap famine. They are buying up in such quantities that although there is no real shortage, scrap is hard to come by.

The Community's Achievement in Scrap

So far the Community has succeeded in its scrap policy which has a twofold aim—to see that the consumer has free access to supplies and to keep prices at a reasonably low level.

The figures for across-frontier trade within the Community show how much the opening of the common market in March, 1953, has increased scrap exchanges. In 1952, the entire across-frontier scrap trade in the six-nation area averaged 36,000 tons a month. In the first eleven months of 1954, Italy alone, the principal purchaser of scrap, was buying 80,700 tons each month out of a total across-frontier trade of 104,400 tons a month in the Community.

Italy is the only country in the Community which normally is short of scrap. Her own resources are slight while her production, which consists almost entirely of high-grade steels for which scrap is the essential raw material, is gradually increasing (3.5 million tons in 1952 to 4.2 million in 1954). The common market has undoubtedly transformed the scrap supply situation for Italy.

The common market has also made scrap prices cheaper for the Italian steel industry. Formerly it bought most of its scrap—and still buys much of it—on the world

TABLE 1 Balance Sheet of the Community's Scrap Resources

	Firms own Sources of Supply	Purchases in the Community	Imports from Third Countries	Total Availabilities	Total Consumption	Stocks at plant at end of period
1952 (monthly average)	828	864	37	**1729**	**1705**	1349
1953 (monthly average)	864	659	42	**1565**	**1533**	1970
1954 (monthly average)*	940	720	38	**1698**	**1749**	1581
1st Quarter (monthly average)	880	660	4	**1544**	**1622**	1875
2nd Quarter (monthly average)	891	722	3	**1616**	**1706**	1603
3rd Quarter (monthly average)	991	732	32	**1755**	**1786**	1529
October	1034	850	136	**2020**	**1948**	1624
November	1017	733	165	**1915**	**1948**	1581

* First eleven months.

TABLE 2 Purchases of Scrap across Frontiers within the Common Market

(monthly averages in millions of tons)

	1952	1953	1954*	1954 1st quarter	1954 2nd quarter	1954 3rd quarter	October	November
Belgium	..	..	7,3	2,6	11,5	10,9	3,9	1,8
France and Saar	..	..	3,2	0,7	..	5,6	5,4	11,3
Germany	..	..	9,4	0,3	2,0	16,3	33,0	15,0
Italy	..	..	80,7	86,6	91,8	76,9	79,0	42,7
Luxembourg	..	..	1,9	0,1	0,1	2,8	8,2	3,4
Netherlands	..	..	1,9	2,5	0,2	2,8	2,8	1,2
Community	36,0	88,5	104,4	92,8	105,6	115,3	132,3	75,4

* First eleven months.

market. The world market price is high, since transport from Pakistan, South Africa, or even the United States, is expensive. It is higher than the prices which prevailed in most of the countries of the Community before 1953 and $15 to $20 higher per ton than those obtaining throughout the common market since.

The difference is so substantial that when the common market was opened, it was feared the Italian buyers would find it in their interest to buy cheaply in the Community until the prices there were driven up to the world market level. The High Authority decided to set up a compensation fund the effect of which would be to lower the price of scrap imported from overseas to that of the common market. The fund was fed by voluntary contributions by the steel industries—the only consumers of scrap—of from two to three dollars on every ton they bought. It was worth their while to pay the extra rate to ensure that Italian purchases on the market at world prices would not, as was likely, raise their costs by $10 to $15 on every ton.

It was this system which permitted the High Authority successfully to impose, in March 1953, a price ceiling on scrap of $36 a ton and make it apply to the whole Community area. As prices in the six countries varied at that time from $22 a ton in the Netherlands to $55 in Italy, this was a bold step. With a falling demand on the market, the price fell to $26 a ton in April 1954 when controls were lifted. On the whole, Europe was getting its scrap more cheaply than at any time since the second world war.

Falling prices and a free access to supplies enabled Italy in particular to buy more and cheaper scrap. It allowed her steel industry to lower its prices, in some cases as much as 10 per cent, to meet competition at home from British, Austrian, and Community producers. The saving to Italy can be evaluated at many millions of dollars.

The Problem Now

Today, however, scrap is again in short supply. In February 1955, the price in the Community was up to $36 or $38 for most transactions. Certain consumers were even offering $44 and $48 a ton. Italian purchases in France and German purchases in the Netherlands in particular are tending to drive prices up.

From May 1954 onwards the Community imported increased quantities of scrap from third countries to meet the expanding demand throughout the Community. The tonnages imported by the Community from overseas were:

in 1952: approx. 450,000 tons
in 1953: approx. 500,000 tons
in 1954: approx. 700,000 tons

In fact, a program providing for the purchase of 1,500,000 tons of scrap between April 1954 and March 1955 was initiated by the Community scrap importing agency run by the steel producers under High Authority supervision. So far, the Italian steel mills have been taking 40 per cent of the imports under the scheme and the Germans a third. In the last two months of 1954 and the beginning of 1955 especially, imports have been heavy—running at a rate of over two million tons a year.

Imports from United States

Two-thirds of these imports came from the United States as a result of contracts signed between the Community scrap-importing agency and major U. S. scrap dealers. The U. S. scrap at present costs about $35.50 at the American port and about $48.50 delivered to Genoa. It is expensive scrap for the Community. But now activity in the American steel industry is increasing. Community producers fear that, even at a high price, future deliveries from overseas may no longer be relied upon as they had been in the past year.

Imports, though heavy, have not sufficed to make supply meet demand. Scrap prices in the Community are no longer much lower than those on the world market. In order to ensure lower prices for scrap the steel producers had been willing to pay the necessary premium. As things now stand, it is no longer possible to manage this, at least not in France.

Scrap to Be Allocated?

The High Authority faces a delicate decision. Under Article 61 of the Treaty it may fix price ceilings for scrap, as it did in 1953. Under Article 59 it could come to the conclusion that the Community faces a "serious shortage" of scrap, publish findings to that effect, and allocate the available supplies so that there is no question of speculative buying forcing up the price beyond reasonable limits.

The High Authority already has discussed new action with the Consultative Committee. Widely diverging views were aired in the Committee and no dominant current of opinion emerged.

In any case, no immediate decision is possible. Owing to the French government crisis, there had been an extended delay in a meeting of the Community's Council of Ministers, which has to be notified when such a decision is made. The Council of Ministers is now scheduled to meet at the end of March. If a state of crisis is recognized, the High Authority will require the Council's unanimous agreement in establishing consumption priorities. For the High Authority, scrap is undoubtedly the problem of the month.

Beyond this urgent question may lie another long-term problem. It may be that, if the Community's production is to continue to expand at its present rate, a permanent shortage of scrap will develop on the common market. It is too early to tell but, if so, the Community will have to study the possibility of encouraging producers to give high priority in the future to the production of more and cheaper pig iron with which to make its steel.

PROGRESS REPORT: Finance and Investments

The High Authority has arranged with Community banks, which are holding its funds as deposits, for medium-term loans to be made at advantageous rates to Community coal and steel enterprises.*

German banks already have lent $12 million at 4⅞ths per cent for a five-year period (the normal rate for medium-term loans in Germany is 7½ per cent). Talks are now in progress in France to arrange for similar credit terms.

These loans are part of the High Authority's policy to help provide cheaper investment financing on the European capital market. The High Authority's assets which the banks hold correspond to its credit fund of over $50 million by which it guarantees repayment of interest and principal on all loans contracted by the Community.

The credit fund is fed by the levy on Community coal and steel production. The money in it remains liquid. The High Authority's least liquid assets are committed in bank deposits withdrawable at one year's notice.

Banks do not lend the High Authority's money; they merely make use of the credit facilities with which it provides them. A new departure in terms of European investment policy is that the High Authority has ensured that these credits are allocated to the coal and steel firms of the Community *at rates lower than those normally prevailing on the European market.*

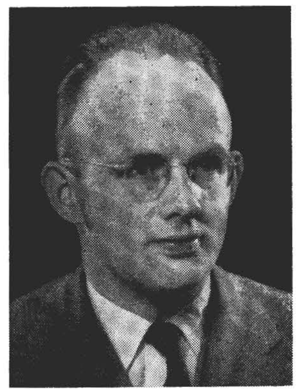
On February 8, 1955, the High Authority allocated loans totalling $10 million for thermal power station projects in South Belgium and $4,100,000 for projects to improve processing of Italian iron ore.

As a result of this decision the High Authority has now portioned out $74,400,000 of the $100 million borrowed from the United States Export-Import Bank in April, 1954. The capital investment loans are going to enterprises proposing to modernize underground and surface installations in collieries and iron ore mines and to build thermal power stations. The aim of the loans is to increase productivity and lower costs in the raw materials sectors of the Community.

Decisions affecting the distribution of the balance of the Export-Import Bank's loan—for miners' housing and new production projects—are expected in the coming month.

* See Bulletin No. 4 for Jan., 1955: "High Authority Lends $60 Million."

A TRADE UNIONIST COMMENTS



HARM BUITER,
Dutch Metalworkers Union official, sees economic integration as answer to European labor's problems

Steelworkers and miners from the Coal and Steel Community toured the coal and steel production centers of the U. S. in December to study how U. S. labor and management have handled the problems of unemployment resulting from plant modernization. The members of the free trade unions from six European nations traveled not as nationals but as representatives of Europe's first supranational Community.

Here in an interview, the President of the party, Harm Buiter of Rotterdam, member of the Dutch metalworkers' union, sums up his impressions of the tour.

Q: *What struck you most in your American visit?*

A: The extraordinary vitality of the American economy. I was amazed at the extent to which both employers and labor trusted in expansion to solve their problems. Both do all they can to encourage that expansion further.

Q: *Can you give examples?*

A: Well, I already knew in theory but was surprised to see how wholeheartedly American workers themselves accept the need to rationalize production. The American worker is not opposed to technological advance, because he knows that his unions will be able to raise the general wage level as fast as productivity rises.

Q: *I understand that you and your colleagues went to the United States precisely to study American methods of solving the problems arising out of technological progress?*

A: Yes. In the Coal and Steel Community, the effect of the common market has been to make firms modernize production to meet the challenge of their competitors. That, inevitably, creates big social problems. Workers may be laid off, or have to move elsewhere. This must happen, in some cases, if we are to progress and raise living standards. But it is hard on many people and we trade unionists are naturally very preoccupied with the problems raised. The Community is developing a policy of readaptation which helps to deal with some of them. But we went to the U. S. to see what more we could learn there.

Q: *And what did you learn?*

A: As I said, basically Americans solve the problem of increasing productivity by working for an expanding economy. For instance, American labor's reaction to the recent recession has been to press for an increase in the consumer's purchasing power. That, I think, is very typical. Of course the background of this attitude is that for the past 15 years there has been tremendous expansion and people have picked up jobs easily. In Europe the situation is more complicated.

Q: *How do you mean?*

A: Well, the economy has not been expanding the same way in Europe. But there are other reasons. I met a worker in Kaiser's Fontana plant in California who came from Pittsburgh. He told me his story in a single sentence. "I prefer the climate here—I took the car, loaded everything in it, and came." Think of a Dutchman doing that to go to Belgium. He would have to speak another language, he would find different standards and habits of living and working. Most people anywhere in the world like to stay put, but it is easier to move 3,000 miles in America than 200 in Europe. The greater mobility of American people is a big asset to the American economy.

That, of course is a long-term and only a partial solution. At present we need a more immediate, drastic policy: incentives to workers to move to new areas, the provisions of retraining facilities so that they can learn new skills for new jobs, even, in extreme cases, the building of new industries. That's the line we are working on in the Community. We are ahead of the Americans in this kind of readaptation because our problem is more acute.

Q: *What new techniques of readaptation did you learn over in America?*

A: One that impressed us is the setting up of local committees which "sell" a depressed area as a site for new industry. The chairmen of the local Chambers of Commerce, trade unionists, industrialists and others sit on this committee and do a selling job for the town. They publicize its advantages and plan together to improve them. I think this is a useful idea we may be able to apply in some cases in Europe. Another good thing in America: the collective bargaining codes guarantee that if a plant dismisses workers those who came last are laid off first, and when it takes them on again the longest-service men are the first to return. This makes it impossible for management to victimize individuals. That's a feather in American labor's cap. We could apply that in Europe.

Q: *What other aspects of the achievements of the American unions have impressed you?*

A: The quality of their research staffs, for one. American labor unions can talk back at the employer very effectively. We need much more research to make the Trade Union point of view heard in the Community. The trouble, of course, is funds.

I was impressed also by the effect of the considerable independence of local unions. It keeps people more interested in union affairs.

Q: *What do you do now?*

A: First we shall write a report—it will be ready some time this year. Then we begin to explain to our friends the ideas the trip has suggested to us.

Q: *And what lesson have you drawn from this experience?*

A: That's simple. Seeing the advantages of the big market in America has made me less inclined to listen to people who argue about the difficulties of a common market. I was struck by the fact that all my colleagues came to the same conclusion: an expanding economy is essential for Europe and for an expanding economy, a wider market. We all felt, whatever the political differences of opinion between us, that it was necessary for Europe to have the advantages of the big American market. In coal and steel we have it. But it must be extended. We must have European unity.

Regional Concentration in the World's Main Coal and Steel Production Areas

	Community	United Kingdom	Penna., Ohio, and W. Virginia*	Crimea and Ukraine
	1953	1953	1953	1938
Area concentration in 386* square miles	70	150	285	272
Population in millions of inhabitants	30	47	21	23
Hard coal extraction in millions of tons†	220	190	263	73
Raw steel production in millions of tons†	31	16	52	8
Iron ore extraction in millions of tons†	48	16	6	17

* Equals 1,000 sq. kilometers.
† metric tons.

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Mr. Clement Davies (Liberal) welcomed the Agreement. "The Minister rightly described it as a very modest step. It is only a modest step, but it is a good thing to know that these great industries in this country will be in close consultation with the High Authority."

Mr. G. R. Mitchison, Q.C. (Labor), in a speech approving the Agreement, outlined the achievements of the Community in its first two years of existence, and spoke of the inevitable difficulties it had faced and still would encounter. "They are, I think", he said, "the difficulties of any shift of power, a shift in this case from individual powerful, capitalist concerns to this supranational authority. It is finding all those difficulties, it is facing up to them, and it is making considerable progress indeed."

Mr. Harry Hynd (Labor) expressed his "delight" at the success of the Community. "I would like to see it extended," he said, "and I see no reason, if in another year or two the Community continues to cope successfully with the problems of the coal and steel industries, why its activities should not be extended to, say, transport."

Colonel C. G. Lancaster (Conservative) expressed agreement with previous speakers. "Like several members", he said, "I paid a recent visit to Luxembourg and was immensely impressed with all I heard and saw there in regard to the European Coal and Steel Community."

Mr. George Chetwynd (Labor) said that "by its efforts over the last two or three years the Community has brought about a common market in all the fields with which it is concerned. It has brought about a transfer of workers; it has brought about the re-equipping and integration of steelworks, the modernization of coal mines, with the general result that the artificial pattern of trade which previously existed is slowly but surely being removed and coal and steel are beginning now to flow in increasing quantities along the natural routes to the right places at the right time."

Mr. Fred Mulley (Labor), said that from a visit to Luxembourg he was satisfied "that the High Authority is not, as I thought at one time, a remote and rigid Authority. It is approaching its work on a very practical basis."

Mr. William Blyton (Labor) said "the Agreement is one of great importance and significance to this country . . . (it is) one we can wholeheartedly support." Mr. Blyton asked the House what standing the British Trade Unions were to have in the Agreement.

"My own Union, the National Union of Mineworkers", Mr. Blyton said, "has an open mind on all the matters contained in the Agreement and they are free to take an independent view. I suggest that in all these matters the trade unions which cover the coal and steel industries ought to be consulted, and their points of view ought to be taken in serious consideration."

Mr. Aubrey Jones (Conservative), a director of the British Iron and Steel Federation, drew attention to Article 8 of the Agreement, in which talks are pledged with a view for the "reduction or elimination" of restrictions. He said that the operative word was "elimination."

"If we advance to the elimination of all restrictions, we become very largely a full member of the Community."

Mr. Aubrey Jones said he did not support free trade because he did not consider free trade to be possible "except over an area which, in fact, is a political unit."

"I am sceptical whether the Community will ever really realize its supranational intentions", Mr. Aubrey Jones added. "It is the easiest thing in the world formally to throw down trade barriers and say that trade is now free."

Major H. Legge-Bourke (Conservative), the only speaker (there were 10) against the Agreement, said, "I believe the Agreement is restrictive of British sovereignty and that we have had enough restriction of British sovereignty since the war not to agree to further restriction."

Transport Distorts the Market

The following extract is noteworthy for its pinpointing of Europe's transport problem before the advent of the Coal and Steel Community. It is taken from "The Economic Bulletin for Europe," Vol. 2, No. 2, 1950, issued by the United Nations' Economic Commission for Europe.

"The influence of the 'split-tariff' factor is illustrated by the relative costs of transporting coal and coke to the steel industry in Lorraine from northern France and from the Ruhr. The distance from the points of production to destination is, as previously noted, about the same in each case, yet the cost of transporting the French product under the existing French rail traffic, including the complete trains provision, is about $3 per ton, whereas the cost of carrying Ruhr coal and coke to Lorraine is only slightly less than $5 per ton over the German and French railway lines, given the existing split-tariff factor, and is greater still over the alternative route across Luxembourg. If either the German tariff or the French tariff were applied all the way through on the Ruhr-Lorraine traffic, this discrepancy would be eliminated, although this might well entail some compensating increase in the regular freight rates for coal and coke on both sides of the frontier and not simply a reduction in the transport charges on German fuels sent to Lorraine.

"The incidence of the first distorting factor mentioned above with regard to railway charges—that of preferential rates—is illustrated by the fact that coal and coke shipments from the Ruhr to Salzgitter (within Germany), a distance only one-fifth less than that from the Ruhr to Lorraine, are tariffed at less than $1.50 per ton.

". . . It is clear from these examples that the introduction of a more uniform system of transport charges among the various countries would radically alter the existing relationships between the costs of products coming from different sources and hence their competitive position in different consuming areas."

NEWSBRIEFS

Naming of Monnet Successor Awaited

M. Jean Monnet, outgoing President of the High Authority, remained in office temporarily past the expiration date of his two-year term on February 10, 1955. His successor at this writing has not yet been named by the foreign ministers of the six member nations. The delay was caused by the resignation of the Mendès-France Government on February 5th and the subsequent 19-day hiatus before the Faure Government took office.

M. Monnet, who announced last fall that he would not stand for re-election to another term, recently sent letters to the governments of the member countries asking them to proceed without delay in choosing a successor, as soon as they are in a position to exercise the power which is theirs by virtue of the Treaty instituting the Coal and Steel Community.

Consultative Committee Gets New Head

M. METRAL, *President of Consultative Committee*

French manufacturer Albert Roger Métral, 53, was elected on February 9, 1955, President of the Consultative Committee of the Community. M. Métral succeeded André Renard, Secretary-General of the Belgian Socialist Trade Unions, as head of the 51-man consultative group which acts in an advisory capacity to the High Authority. The new President who sits in the Committee as a representative of French consumers, is chairman of three French tool-making concerns and author of a seven-volume work on the tool-making industry.

David K. Bruce Resigns

DAVID K. BRUCE, *former U. S. representative to the E.C.C.&S.*

David K. Bruce, who served until December, 1954, as the United States Representative to the European Community for Coal and Steel, resigned from the Foreign Service on January 19, 1955, it was recently reported. He continues to serve in a consultative capacity to the Secretary of State on affairs relating to Western Europe. Mr. Bruce was Ambassador to France when the Schuman Plan was first proposed in 1950 and acted as U. S. Representative to the Community since the opening of the common market. In cementing close relations between the Community and the United States Government, he helped pave the way for the $100 million U. S. Export-Import Bank loan to the Community last April.

Steel Production Sets All-time Record for '54

The member countries of the European Community for Coal and Steel produced more steel in 1954 than ever before in their history. The Community produced 43,800,000 metric tons of steel in 1954—four per cent more than the previous peak year of 1952 and 10 per cent more than in 1953. Coal production was also higher (241,600,000 metric tons in 1954 as against 237,000,000 tons in 1953) than at any time since 1939.

The Community's steel production for the month of January, 1955, was at a new record high of 4,132,000 metric tons—a rate of nearly 50 million tons a year.

Steel Firms Fined by High Authority

The High Authority has fined two steel firms for disregarding its rules concerning the publication of steel prices and thereby indulging in discrimination between consumers.

This is the first time sanctions have been imposed since the establishment of the European Community for Coal and Steel. They resulted from checks on a number of firms in the Community countries in 1954 by High Authority agents to see whether the High Authority's "Fair Trading Code", which requires steel firms to publish their prices, was being respected.

The sanctions were sent out to the firms on February 10. One Belgian steel firm was fined 600,000 Belgian francs (about $12,000) and an Italian firm was fined 400,000 lire (about $600). A letter of warning—without a financial penalty—was sent to a third firm. Three other firms received "recommendations" from the High Authority requiring them to amend their price publication methods.

It was reported that the High Authority has deliberately refrained from imposing heavier penalties on this first occasion. The sanctions have been taken to make it plain that it will use its fining powers in the future on firms infringing the rules of the Fair Trading Code.

British M. P.'s Visit Community

Three labor and three conservative members of the British Parliament visited the High Authority in Luxembourg at the end of January as guests of Jean Monnet and the High Authority. One of the visiting M.P.'s, speaking for the party, told the press before leaving from London that they were extremely impressed by the achievements of the Community in its two years of existence and "more convinced than ever that it is here to stay." He added that the visit had strengthened the belief of members that British association with the Community could be developed along fruitful lines.

High Authority Sets Up External Relations Division

The High Authority, on February 3, 1955, announced the formation of a new division to deal with "External Relations" resulting largely from the growing importance of the Community's relations with the United Kingdom. The director of the new division is M. Luciano Giretti, 44, a former Italian career diplomat who served in Leipzig, Berlin, and New York. Since 1948, he had been lecturing in political economy at Rome University.

Funds Allocated for New Research Project

The High Authority has taken the first step toward helping technical research in the Community with a $560,000 grant for assisting research in quality-testing of rolling mills and rolling mill products, it was announced recently.

The financial assistance is being provided out of the High Authority's own resources. The action was taken in accordance with Article 55 of the Treaty which provides that the High Authority "must encourage technical and economic research concerning the production and the development of consumption of coal and steel."

The program, which will get under way after consultation with the Consultative Committee and agreement by the Council of Ministers, will involve two steelworks, 12 rolling mills, 15 laboratories, and two research centers in various parts of the six Community nations. Results of the research will be made public.

Community Steel Production: 1953-1954

	1953	1954	% of increase
BELGIUM	4,500,000	4,986,000	+11.1%
FRANCE	10,000,000	10,628,000	+ 6 %
W. GERMANY	15,400,000	17,433,000	+12.9%
ITALY	3,500,000	4,174,000	+20 %
LUXEMBOURG	2,700,000	2,828,000	+ 3.7%
THE NETHERLANDS	900,000	929,000	0
THE SAAR	2,700,000	2,804,000	+ 3.7%
COMMUNITY TOTAL	39,656,000	43,782,000	+10 %

Community Coal Production: 1953-1954

	1953	1954	% of increase
BELGIUM	124,500,000	128,000,000	+ 2.8%
FRANCE	52,600,000	54,400,000	+ 3.5%
W. GERMANY	124,500,000	128,000,000	+ 2.8%
ITALY	1,100,000	1,000,000	0
THE NETHERLANDS	12,300,000	12,100,000	– 1.8%
THE SAAR	16,400,000	16,800,000	+ 2.4%
COMMUNITY TOTAL	237,000,000	241,600,000	+ 2 %

High Authority headquarters in Luxembourg.