

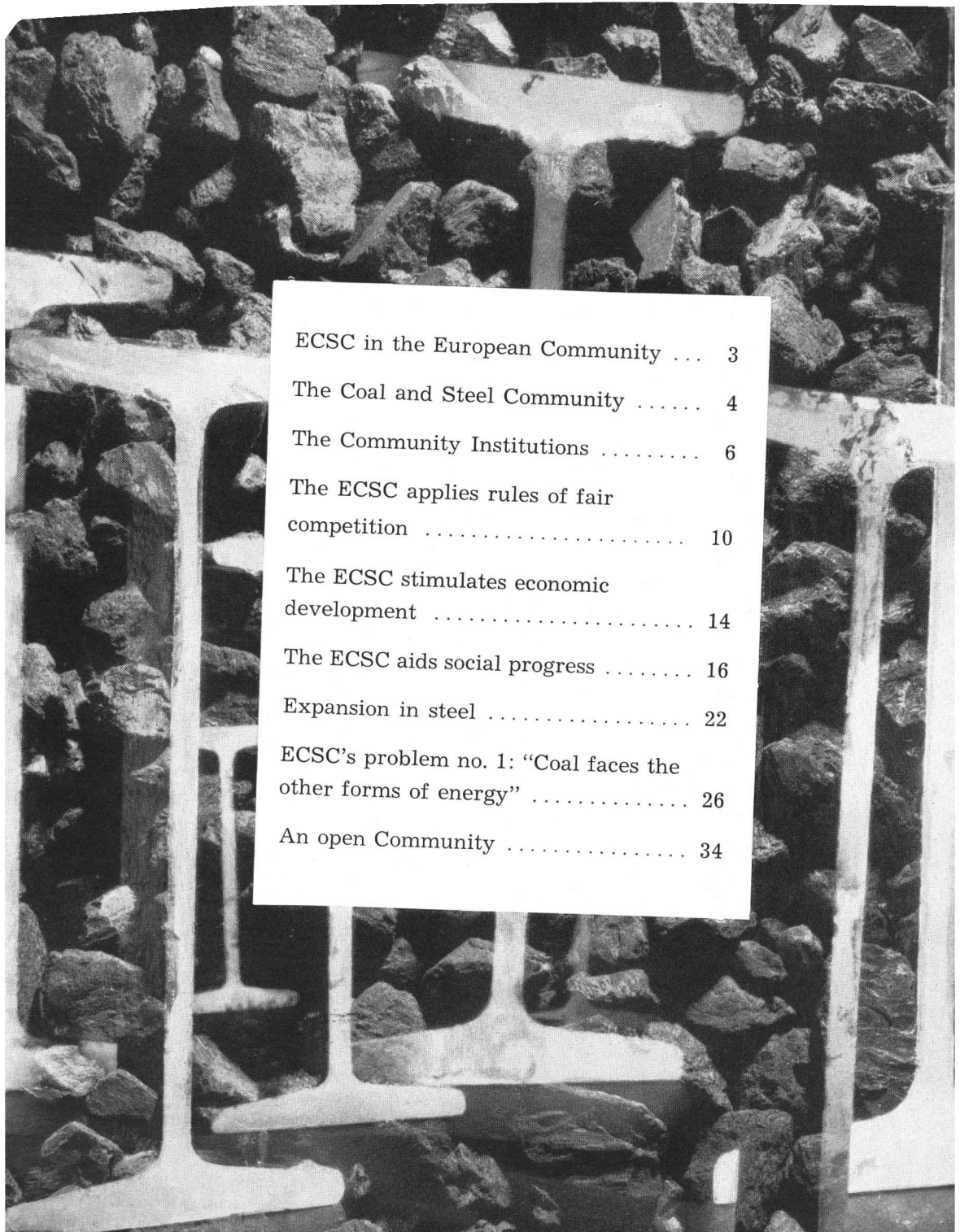
ECSC

HIGH AUTHORITY SPOKESMAN'S OFFICE

THE EUROPEAN COAL AND STEEL COMMUNITY

INFORMATION SERVICE OF THE EUROPEAN COMMUNITIES

June 1961



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ECSC IN THE EUROPEAN COMMUNITY

YESTERDAY—the pilot plant for a United Europe

TODAY—a bulwark of the European Community

- ▶ Established by six nations — Belgium, France, Federal Germany, Italy, Luxembourg and the Netherlands — under a Treaty signed on April 18, 1951, **the European Coal and Steel Community (ECSC)** is today one of the bulwarks of the European Community; the others are the Common Market and Euratom.
- ▶ The Coal and Steel Community arose out of a French proposal. On May 9, 1950, Robert Schuman, then French Foreign Minister, announced to the world a new and revolutionary policy aimed at uniting Europe—a policy of **economic integration** which would create a practical solidarity among the countries of Europe.
- ▶ When it introduced the Common Market for the two main basic products of the modern economy, coal and steel, in 1953, the ECSC launched the process of transforming the structures of the past. It began a gradual adjustment of the economies and institutions of the Western European countries, and of the general outlook of their peoples, to the conditions of the world of today. And into the fabric of an Europe drawn from wars and ancient rivalries, it worked **common institutions and rules**, the first motifs in the pattern of unification.
- ▶ The establishment of the Common Market for coal and steel, and the successful handling of the technical problems involved, brought the experience necessary for tackling the major problems of unifying the whole of the Community's economy. It prepared the new drive for unity which culminated in the coming into force of the **Common Market and Euratom Treaties** in 1958.
- ▶ The ECSC, the Common Market and Euratom today group six countries in a series of organizations which all European countries may join. To do so they must share the aim of the economic unification of Europe, which in the long term is inseparable from its **political unification**.

ECSC + COMMON MARKET + EURATOM = EUROPEAN COMMUNITY

THE COAL AND

must further economic expansion
and a higher standard of living in

WHY?

● Because frontiers barriers and **the smallness of national markets cramp economic development and hamper the raising of living standards.** Politically fragmented as it was, Europe could not keep pace with the 20th century. In 1913, the countries of Western Europe produced as much steel as the United States and six times as much as Russia; by 1952, their steel production was less than half the American tonnage and only just ahead of Russia's.

● Because the creation **of a large internal market is essential** if the countries of Europe are to achieve an economic expansion that will enable them to

play their full part in a world now undergoing radical changes.

● Because if the resources of several countries are to be used effectively, for the benefit of all concerned, those countries must have **common institutions**, responsible for taking a comprehensive view of the European picture and empowered to take decisions for the general good.

● Because industrial expansion and the raising of living standards depend to a great extent on a **regular supply of the basic products at reasonable prices. Those basic products are coal and steel.**

HOW

● By making the coal and steel of the six countries available to all the **170 million consumers** of the Community.

● By establishing a **Common Market** in which every buyer in the Community can obtain his supplies without restriction wherever he can get them most cheaply.

● By doing away with the inequalities in con-

ditions of production, sale and transport—subsidies, discriminations, etc.—which had favoured certain producer and consumer groups at the expense of others—in other words, by **instituting common rules of competition.**

● By creating market and financing conditions which enable the most efficient producers to **expand their operations.**

STEEL COMMUNITY

lter employment
urope.

● By fostering the improvement of social conditions, and—through an epoch-making innovation in social policy—**ensuring that the burden of economic and technical change is not borne by the workers.**

● By entrusting these tasks to an **independent authority** invested with powers over coal and steel which had previously been held by the national Governments. Thus were laid the first foundations of a federal European power.

A RECORD OF SUCCESS

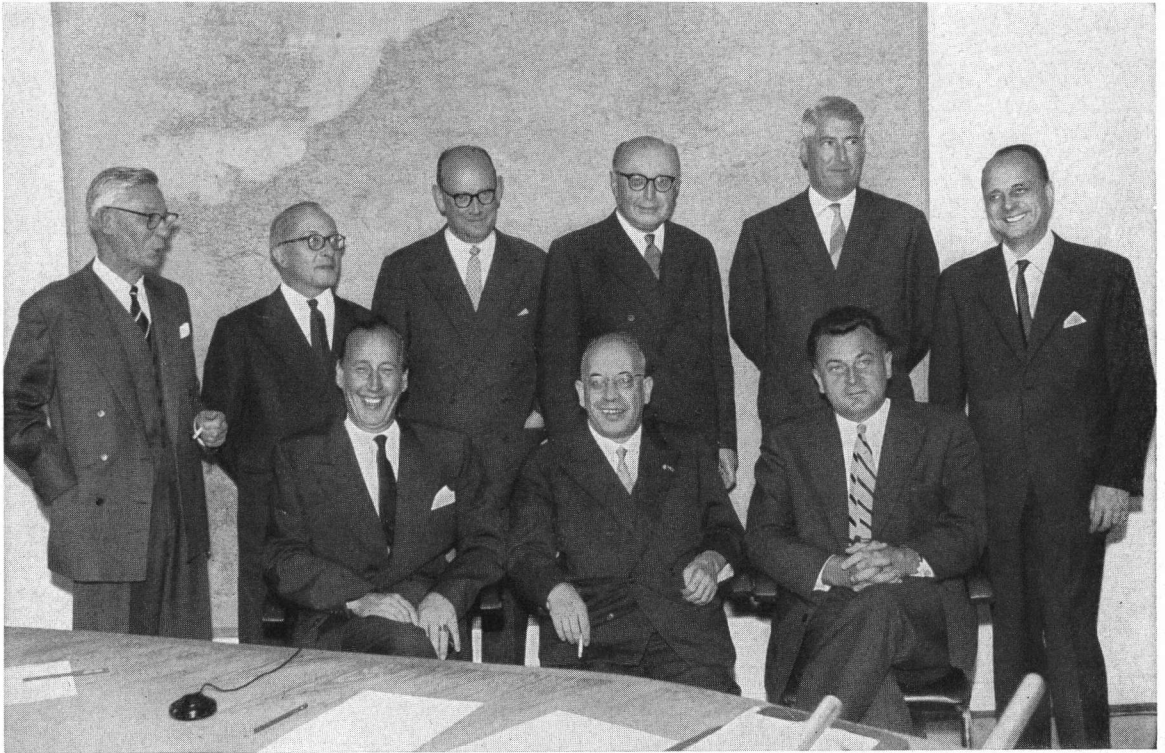
In ten years, the existence of ECSC and of the common rules which govern it, have:

- ▶ **brought** a spectacular increase in trade in coal and steel among the six Community countries;
- ▶ **aided** an unprecedented expansion of the Community's steel industry, whose production has risen from 42 to 73 million tons a year since 1952: the Community is gaining on the United States;
- ▶ **ensured** that the reorganization of the coal industry which became essential as a result of changing trends in the energy market (in particular the rising share of fuel oil in total consumption) is not held up by arbitrary restrictions on trade;
- ▶ **led** the six Governments to ask the High Authority of ECSC to put forward a plan for the coordination of energy policies in the Community;
- ▶ **improved** living standards for coal and steel workers: they are paid substantially higher wages, are better housed, have greater freedom to move within the Community, and—under the Treaty clauses granting “re-adaptation” aid¹⁾ to workers affected by changes resulting from the Common Market—they enjoy special guarantees against unemployment;
- ▶ **steered** the Common Market for coal and steel on a course of balanced expansion, particularly by means of its direct and indirect action on investment.

¹⁾ Means everything that is needed to ensure a smooth passage from one job to another: tiding-over allowances, resettlement, retraining.

THE COMMUNITY

To pool the coal and steel resources of the Six for the general Community set up which would be capable of defining the common interest and concerned. The ECSC institutions, which were installed in Luxembourg in the models for the institutions of the other two Communities, with which operation. The ECSC, the Common Market and Euratom all have a similar separate Executives, independent both of the Governments and of private common parliamentary and judicial control.



Seated: President Malvestiti, between Vice-Presidents Spierenburg and Coppé. *Standing* (from left to right): Paul Finet, Pierre-Olivier Lapie, Heinz Potthoff, Albert Wehrer, Fritz Hellwig and Roger Reynaud, Members of the High Authority.

INSTITUTIONS

benefit, institutions had to be acting on behalf of all countries, subsequently served as they now work in close constitutional pattern, with interests, but subject to a

THE EXECUTIVE: THE HIGH AUTHORITY

The High Authority is the Executive of the Coal and Steel Community. Its task is to achieve the Community's objectives. For this purpose it is vested with supranational powers, enjoys financial independence and represents the Community in its relations with the rest of the world. It supervises the implementation of the rules of the coal-steel Common Market, and can take disciplinary action if they are infringed.

The High Authority consists of **nine Members**, who exercise their functions in complete independence. They are appointed partly through nomination by the Governments, and partly by cooption.

Attached to the High Authority, which consults it in the preparation of its major decisions, is a **Consultative Committee** of 51 members — producers, consumers and workers.



THE COUNCIL OF MINISTERS

The Council of Ministers is a Community institution which coordinates the work of the High Authority with that of the Governments, who are responsible for their countries' economic policies. It consists of representatives of the six Governments—usually the Ministers of Economic Affairs—who thus have a voice in the more important decisions of the High Authority. On certain major questions the Council must be consulted beforehand.

THE EUROPEAN PARLIAMENT



Following the democratic traditions of Western Europe, the High Authority, like the Common Market and Euratom Executives, is answerable to the people's representatives—the **European Parliament**.

This body's **142 members**—36 each for France, Germany and Italy, 14 each for Belgium and the Netherlands, and 6 for Luxembourg—are at present appointed from among the members of the national Parliaments, but steps have already been proposed by the Parliament to have its members elected in the future by direct universal suffrage. The Parliament exercises control over the work of the Executives, which it can compel to resign in a body by passing a vote of censure by a two-thirds majority. It influences policy through its debates and its 13 standing committees. In addition its members, who are divided into **three political groups**, Christian Democrats, Socialists and Liberals, actively foster European integration.

THE COURT OF JUSTICE



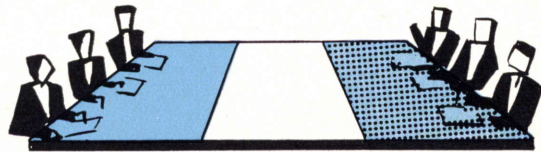
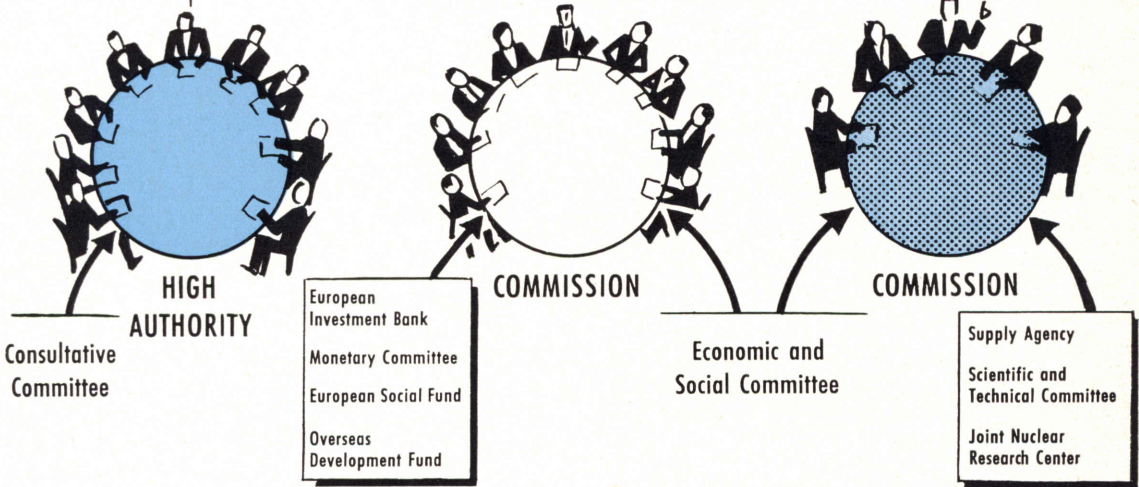
Like all federal-type systems, the European Community must be subject to strict judicial control. Governments, firms and groups of firms, and individuals in certain cases, can call the Executive to account before a court of law. **The Court of Justice** is responsible for ensuring due respect for the legal rights of all concerned, as laid down in the ECSC's constitution—the Treaty. The Court, whose jurisdiction also extends to the Common Market and Euratom, is composed of seven Judges assisted by two Court Advocates, appointed by the Governments. It can reverse the High Authority's decisions, and order it to pay damages. Its judgments are directly enforceable throughout the six countries, in the same way as verdicts by the regular courts of those countries.

ECSC
EUROPEAN COAL AND STEEL COMMUNITY

COMMON MARKET
EUROPEAN ECONOMIC COMMUNITY

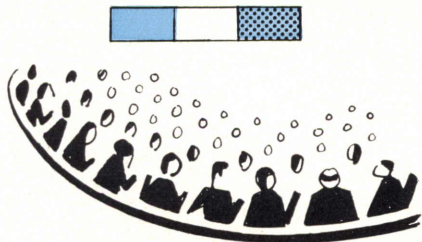
EURATOM
EUROPEAN ATOMIC ENERGY COMMUNITY

THE EXECUTIVES



COUNCILS OF MINISTERS

DEMOCRATIC CONTROL



EUROPEAN PARLIAMENT

JUDICIAL CONTROL



COURT OF JUSTICE

THE ECSC APPLIES RULES

The Common Market was introduced on February 10, 1953, for coal, iron for steel, and on August 1, 1954, for special steels. On those dates, customs restrictions at internal Community frontiers were abolished for these products. The main task has been to apply **the rules of the Common Market.**

The Common Market must gradually bring about the most rational distribution of coal and steel production at the highest possible level of productivity. The following means have been chosen to achieve this aim:

1. A **free-market economy**, with ordered, fair competition between firms, and freedom for firms to

determine their own prices, investments and operating methods;

2. **Intervention** on prices, production and imports only when it becomes necessary;

3. **Guidance of the market** by provision of the fullest information on the economic situation and outlook.

THE PRINCIPLES OF THE COMMON MARKET

The fundamental principles of the Common Market, with which both the Governments and the firms have to conform, are as follows:

1. **Non-discrimination:**

no institution of the Community or official body in any of the member States may discriminate as between producers, purchasers or consumers;

producers are forbidden to discriminate between their clients by applying unequal terms to comparable transactions within the Common Market;

transport firms are required to charge non-discriminatory rates—they must offer comparable terms to consumers in comparable positions.

2. **Restriction of competition between firms is banned:** all measures and practices likely to result in the sharing-out or artificial exploitation of the market are forbidden.

3. **Buyers must be able freely to choose their own suppliers:** all measures and practices hampering freedom of choice are forbidden.

4. **Community intervention** (introduction of maximum or minimum prices, quotas, etc.) in the event of an unbalance in the market.

These principles are embodied in the rules of the Common Market on prices, cartels and concentrations, and transport.

OF FAIR COMPETITION

ore and scrap, on May 1, 1953,
duties, quotas and currency
Since then the High Authority's

1. PUBLICATION OF PRICES

ECSC enterprises are required to publish their prices and conditions of sale.

The object of this rule is threefold:

- to prevent prohibited practices;
- to enable buyers to obtain exact details of the prices charged and to help check discriminations;
- to enable firms to know exactly what prices their competitors are charging and, if they wish, to align their own prices on them.

This means that in the Community buyers obtain their supplies not from the producer who, at some particular moment, or for a particular transaction, is prepared to cut his price, but from the producer who, in general terms and over a period of time, is best placed to sell to them.



PRICE FREEDOM AND ALIGNMENT

In the Coal and Steel Community, prices are free: they are decided by the firms themselves, which must publish their price-lists and adhere to them. In certain cases, however, the High Authority may fix maximum or minimum prices.

At the same time, the operation of the market sometimes requires exceptions to this rule. Firms may therefore align their prices on those of a competitor, thus using the basing-point ¹⁾ which offers the consumer the most advantageous terms.

Thus, within certain limits, a firm may charge a price lower than that listed in its schedule in order to compete with another Community firm. The High Authority can set limits to these alignment rebates if they show signs of disturbing the market.

Firms can also align their prices on those of products imported from outside the Community: this type of alignment, unless abused, is not subject to any restriction.

1) Point from which the buyer has to pay his own transport costs.

2. CONTROL OF AGREEMENTS AND CONCENTRATIONS

Competition can only operate normally provided firms do not enter into private agreements, either explicit (cartels) or implicit (concerted practices) with the aim of restricting it, and provided no group or firm is able, as a result of the control it exercises over others (concentrations), to achieve a position in which it can restrict competition.

or selling, provided they will contribute to the improvement of production or distribution, will not place the firms involved in a position to control prices or production, and will not shield them from competition from other firms.

AGREEMENTS

For these reasons, the ECSC Treaty prohibits producers from getting together to allocate markets, to fix prices, or to restrict production or technical progress. On the other hand, conditions in modern heavy industry, which is peculiarly sensitive to economic fluctuations, sometimes make it necessary for firms to associate with each other for particular purposes. The Treaty therefore subjects agreements between firms to strict rules and regulations.

In principle agreements are forbidden, but the High Authority can authorize specific agreements for the purpose of specialization or of joint buying

CONCENTRATIONS

To meet the increasing demands of industry and of the consumer, the expansion of the means of production is essential. Mergers of firms are, however, subject to prior approval by the High Authority.

This is given provided the proposed concentration will not enable the new concern to determine prices, to control production or distribution or otherwise restrict competition, and will not ultimately give it an artificially privileged position for access to supplies or markets.



3. HARMONIZATION OF TRANSPORT CONDITIONS

The smooth operation of the Common Market requires that the rules of competition on prices should not be distorted by discriminatory practices on the part of carriers. The cost of transport is a major element in coal and steel prices, and transport firms must therefore observe rules of fair competition.

AIMS

The High Authority has three main objectives to achieve in the transport sector:

1. to abolish discriminations in rates, and in particular those based on the country of origin or destination of the goods carried;
2. to introduce, for transport from one Community country to another, particularly by rail, direct international through-rates, "tapering" from the start to the end of the journey, instead of starting again at the highest applicable rate each time a frontier is crossed;
3. to harmonize transport rates and conditions of carriage for Treaty products.

RESULTS

The first two objectives were quickly achieved for rail transport, where a ratemaking procedure covering most transactions already existed. Under the third head, however, many problems still await solution; this is also the case, under all three heads, for inland water transport and road haulage, for which there are no definite ratemaking arrangements in some of the member countries.

In rail transport of ECSC products, the successive steps taken to implement the principles of the Treaty have resulted in substantial rate reductions for consumers, bringing the cost of international transport within the Community into line with national transport costs.

For example, the average cost of transporting the large tonnages of coke regularly carried between the Ruhr and Lorraine, which at the beginning of 1953 represented approximately 41% of the selling price of the coke ex-coliery, now accounts for only 25%, while for coke shipped from the Ruhr to Luxembourg the figure has gone down from 46% to 30%.



THE ECSC STIMULATES

The Common Market and its rules cannot by themselves bring about th one of the Coal and Steel Community's essential objectives. To promot High Authority must aid investment and hasten the general introductio

AIDING INVESTMENT

The High Authority has the task of guiding and facilitating investment. With this end in view:

● *it draws up a general survey of the economic trends in the sectors concerned and publishes this as its "General Objectives," enabling the firms to select for their capital investments the most suitable production methods, and in particular to avoid duplication;*

● *it aids investment projects by granting loans to firms or by guaranteeing loans raised by the firms themselves.*

Since it was first set up, the High Authority has provided direct and indirect assistance, by means of loans totalling 421 million dollars, to investment projects involving a capital expenditure of over 1,300 million dollars. Loans raised direct by the High Authority in various capital markets—the United States, Switzerland, Belgium, Germany, Luxembourg—amount to 250.9 million dollars.

The funds thus made available to firms by the High Authority may seem small in comparison with the total expenditure of the Community's industries. They do, however, represent marginal investments which have often proved decisive.

A SATISFACTORY INVESTMENT RATE

The existence of the Common Market in itself has also had a stimulating effect on the rate of investment.

The ECSC Treaty provided the High Authority with its own source of revenue by instituting the first European tax—the levy, assessed on the annual value of coal and steel production. At the start of the Common Market the rate of the levy was fixed at 0.9%, but this has been gradually lowered and now stands at 0.35%. The High Authority uses the product of this levy mainly for re-adaptation grants, for scientific and economic research projects, and for guaranteeing the loans it raises.

It is its financial policy which makes possible its activities in the fields of investment, research and readaptation.

Trend of Capital Expenditure

(\$'000,000)

	Actual								Estimated
	1952	1953	1954	1955	1956	1957	1958	1959	1960
Steel industry	545	542	454	524	571	708	644	590	838
Coal industry	505	489	450	416	409	473	474	409	446
Iron-ore mines	29	28	29	31	43	50	41	40	46
Total	1079	1059	933	971	1023	1231	1159	1039	1330

ECONOMIC DEVELOPMENT

conomic expansion which is
conomic development, the
new techniques.

AIDING TECHNICAL AND ECONOMIC RESEARCH

As competition in the world market becomes keener and technical advance swifter, production processes are continually being modified. This necessitates research of two kinds: basic or scientific research, disinterested and without expectation of immediate benefit; and applied research, with its direct bearing on industrial activity. The High Authority promotes both types of research in the Community industries.

Since the introduction of the Common Market it has set aside more than 16 million dollars for long- and short-term research. Major projects include:

IRON ORE

systematic prospecting for iron and manganese ore in Africa,

STEEL

direct reduction of iron ore in plant other than the blast furnace;

measures to combat air pollution detrimental to the health of the public;

development and introduction on an industrial scale of new and improved methods of pig-iron production (such as reducing consumption of metallurgical coke and partly substituting liquid or gaseous hydrocarbons or pulverized coal).

COAL

improvement of safety devices in the pits;

development of a universal tunnelling machine;
work on the effects of strata pressure;

systematic investigation of sudden outbursts of methane, such as occur particularly in France and Belgium;

development of a process for preheating coking coal before it goes into the ovens, with the aim of extending the range of coal grades suitable for making coke;

examination of optimum operating conditions for producing coke.

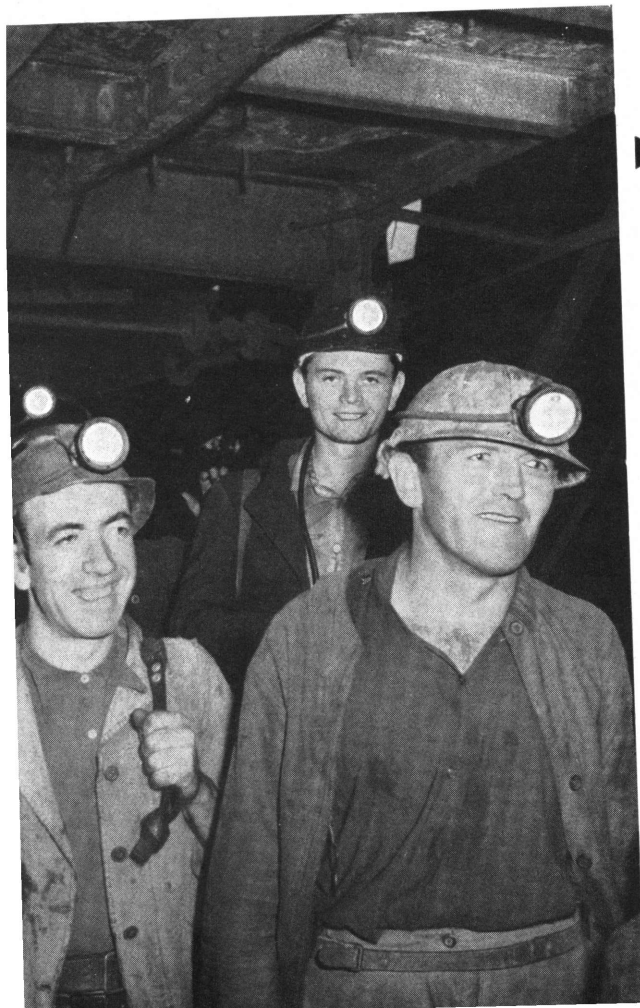
EXCHANGES OF SCIENTIFIC LITERATURE

The High Authority has provided 100,000 dollars for the joint utilization of specialized literature on iron and steel from Eastern countries.

At its suggestion, a number of documentation centres in the six countries have joined to form the "European Association for the Exchange of Technical Literature on Iron and Steel."

THE ECSC AIDS

The introduction of the Common Market for coal and steel and the economic possibilities are not ends in themselves. A major objective of the Community is to improve the conditions of work, though the High Authority has no mandate to intervene directly in matters of social policy. Governments, industrialists and trade unions of the individual countries are the main agents of action—the whole of the Community's activity is directed towards this end. Within its limited powers in the field of labour questions, the High Authority is working to improve conditions for the workers in the coal and steel industries both in order to ensure continuity of employment.



► Within the industries themselves, the High Authority aims at maintaining a high level of employment, by:

taking over part of the **cost of readaptation** (i. e. of tidying-over allowances and if necessary of resettling and retraining men employed by enterprises which are compelled to close down or to reorganize their operations;

promoting the **industrial redevelopment** of areas affected by the coal crisis;

aiding in the **building of workers' houses**;

contributing towards the cost of **vocational training**;

enabling **workers to move freely** to take up jobs anywhere in the Community.

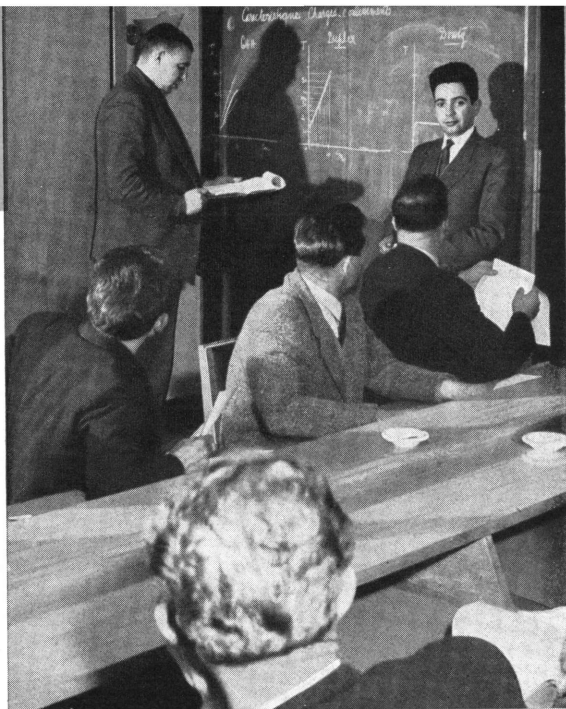
► In addition, the High Authority

keeps both sides of industry **better informed** by circulating studies on general employment conditions, wages, etc.

assumes **financial responsibility** for a number of technical **research** projects on industrial health and safety.

SOCIAL PROGRESS

gress thereby made possible living standards. All social policy—in which the retained their freedom of social progress. It conducts a policy aimed at home and outside the factory,



1. BETTER CONDITIONS THROUGH A HIGH EMPLOYMENT LEVEL

OCCUPATIONAL TRAINING

The High Authority first of all saw that employers' and workers' associations and firms were supplied with adequate information on vocational-training problems; it published studies on the subject and organized meetings of training officers. In this way it has spread knowledge of training methods and techniques, and stimulated a spirit of emulation and inquiry which has led to a sharp increase in contacts, study tours and regular exchanges of views between countries.

By publishing relevant statistics, the High Authority has also drawn the attention of the coal and steel industries to difficulties they are likely to experience in the near future in recruiting skilled workers and managerial and supervisory personnel.

Finally, the High Authority has stressed the radical changes in labour skills which must result from technical progress. It has organized study conferences on mechanization and on the occupational training of miners employed below ground and of rolling-mill operators.

READAPTATION OF REDUNDANT WORKERS

In one field, the Coal-Steel Community has brought a revolutionary change. Up to 1952, the labour legislation of the European countries provided only for the cushioning of hardship incurred by workers as a result of dismissal or unemployment. The Community introduced a new right for miners and steelworkers—the right to continuity of employment.

For workers in the ECSC industries, this means that the High Authority is ready to assume partial financial responsibility for their "readaptation," whenever a steelwork or colliery is obliged to lay off some of its labour force. The High Authority's contribution, which can be made if requested by

the national Government concerned, covers one-half of the expenditure involved:

- in paying unemployment or tiding-over allowances;
- in paying for whatever occupational retraining the worker may need to equip him for a new job;
- in making up wages lost during the retraining period and the first weeks or months in the new job;
- in refunding removal and resettlement expenses.

So far the High Authority has made available a total of 42.5 million dollars for readaptation schemes covering some 115,000 workers.

In retraining workers, the aim is greater occupational mobility, and provision of the training, retraining and refresher facilities which this requires.

Expenditure on Readaptation

	Coal industry		Iron-ore mines		Steel industry		Total	
	No. of workers	Credits (\$'000)	No. of workers	Credits (\$'000)	No. of workers	Credits (\$'000)	No. of workers	Credits (\$'000)
Belgium	28,900	10,560					28,900	10,560
France	6,655	1,551	250	47	5,000	914	11,905	2,512
Germany	54,200	17,061	250	59	650	226	55,100	17,346
Italy	5,530	2,364			13,650	9,736	19,180	12,100
Community	95,285	31,536	500	106	19,300	10,876	115,085	42,518

INDUSTRIAL REDEVELOPMENT SCHEMES

Readaptation can be effective only where it is possible to find new productive jobs for the men concerned. In areas where there are no other industrial activities, action must be taken to attract new industries so as to prevent the region from falling into decay. A redevelopment policy is needed.

The ECSC Treaty provides for certain means of aid in the reconversion of firms: thus the High Authority can, at the request of the Government concerned, take part in the study of ways to secure alternative employment, in existing industries or in new ones to be set up, for workers becoming redundant. It has funds at its disposal with which

to aid the setting-up of new industries, by granting loans itself or by guaranteeing other loans.

The coal crisis has made it urgently necessary to start redevelopment operations, as major industrial areas whose whole existence was based on coal are now faced with large-scale pit closures.


The reorganization of the coal industry will hardly be possible in such regions without redevelopment. The High Authority is therefore committed. An intergovernmental conference convened by the High Authority in September 1960, in association with representatives of the Common Market, set out the means of action now available and pinpointed new possibilities for industrial redevelopment.

FREEDOM OF MOVEMENT FOR WORKERS

Under the ECSC Treaty, the Community countries are obliged to remove all restrictions based on nationality on the employment of skilled workers from any of the six countries in their coal and steel industries. Since September 7, 1957, **skilled colliery and steel workers have been able to take up jobs anywhere in the Community.**

At the High Authority's prompting the six Governments have also signed a convention on **social security for migrant workers**. This greatly improves the position of migrant workers regarding retirement and disability pensions, family allowances and sickness and unemployment benefits.

Name / Nom / Cognome / N. an
MULLER
 Vorname / Prénom / Nomen / Voornaam
Jean-Pierre
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 Pays, lieu et date de naissance
 Paese, luogo e data di nascita
 Land, plaats en datum van geboorte
LUXEMBOURG
Esch y Alzette 29-8-26
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LUXEMBOURGEOISE
 Beruf / Métier / Mestiere / beroep
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 N° del permesso C.E.A. Beroepsn° EGES
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 Firma del titolare Handtekening van de houder

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Office National du Travail
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WORKERS' HOUSES

The High Authority is using part of its funds as low-interest loans to assist the building of houses for miners and steelworkers. Its object is to help make good the shortage, in some cases of long standing, of suitable homes within easy reach of the men's work; in doing so it also contributes to the economic expansion of the areas concerned.

Regional committees, grouping employers, workers and local authorities, take the decisions on allocation of funds, the development companies to be employed, the location of the houses, the management of the housing estates, and the families who will occupy the houses when built.

Up to January 1, 1961, the High Authority had granted loans to a total of 90 million dollars, enabling work to go ahead on **52,000 dwellings**, of which 35,000 had been completed.

The housing programmes sponsored by the High Authority have not only directly increased the number of houses, but also encouraged Governments and firms to step up their own housing appropriations and have thereby accelerated the speed and increased the volume of building.

By making it easier for workers to live close to their place of employment, the High Authority has raised productivity by eliminating the ill-effects on the men's health and home life of their frequently long, uncomfortable and tiring journeys to and from work.



2. BETTER WORKING AND LIVING CONDITIONS

TOWARDS BETTER HEALTH, GREATER SAFETY —

The improvement of actual working conditions in the coal and steel industries is a constant concern of the High Authority. The latter is helping to finance a series of scientific research projects on industrial health and safety, and is also organizing effective cooperation among the research centres in the different countries. The main studies under way involve human factors in safety, and occupational diseases. Some projects deal with little recognized dangers to health such as noise, high temperatures, and carbon-monoxide poisoning.

A **Mines Safety Commission**, set up following the pit disaster at Marcinelle, Belgium, in 1956, works to see that the safety regulations in Community coalmines are kept fully up to date and in line with the latest technical advances.



— AND MORE INFORMATION

The Community indirectly helps to improve conditions for the workers by publishing numerous reports and studies designed to keep all concerned, and particularly the trade unions, informed of progress in the different parts of the Community and of possibilities of spreading this progress elsewhere.

Among reports of this kind, the High Authority has published surveys on employment, on wages and purchasing power, and on terms of employment and social security, in co-operation with the government departments responsible and with representatives of the workers and employers. It

has published material indicating social advances achieved to date in each of the Community countries.

Through special enquiries and regular consultations with high officials responsible for employment questions, the High Authority is also able to form a picture of any potential threat to the workers' earnings.

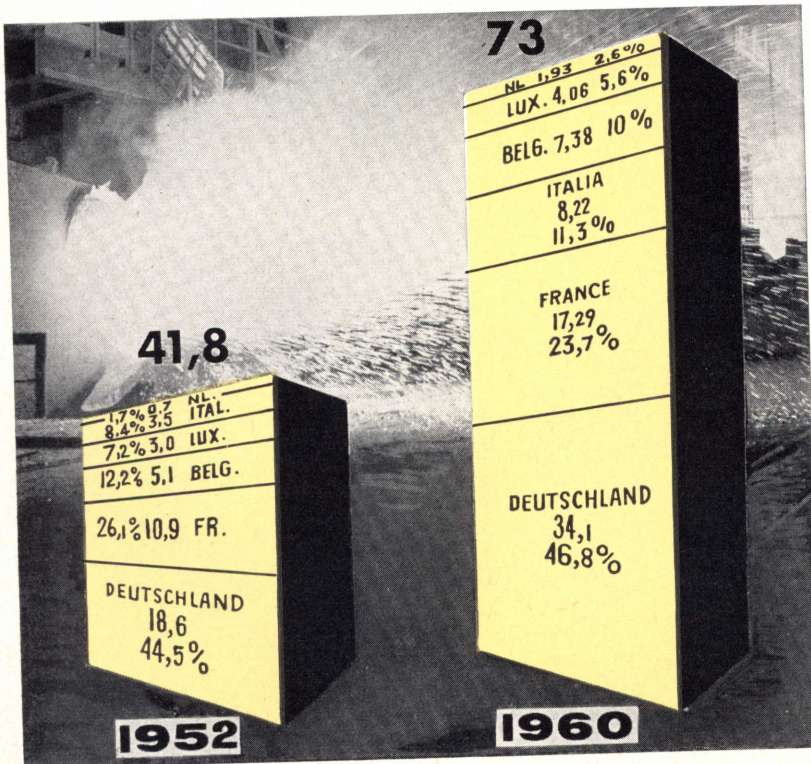
This work in gathering and publishing information enables the workers' representatives to come to labour-management negotiations with a better knowledge of economic and social conditions in their firms and their industries. Greater familiarity with the situation in the Community has already brought a gradual levelling upwards in standards.

This practical approach to the harmonizing of working conditions and terms of employment is achieving good progress while at the same time causing a minimum of disturbance in industrial relations.

EXPANSION

- ▶ Since the Coal-Steel Community was set up, steel production has increased faster than steel production in any other country.
- ▶ Prices have remained steady.
- ▶ A regular flow of raw-material supplies to the Community has been assured.

RECORD PRODUCTION



In a world where steel requirements are continuously growing, the ECSC has enabled the Community countries to meet the rapidly mounting demand as industry has expanded: from 1952 to 1960, steel production rose from 41.8 million metric tons to 72.8 million—an increase of 74%.

Steel production (millions of metric tons)

STEEL

duction in the Commu-
world as a whole.

community's steel industry

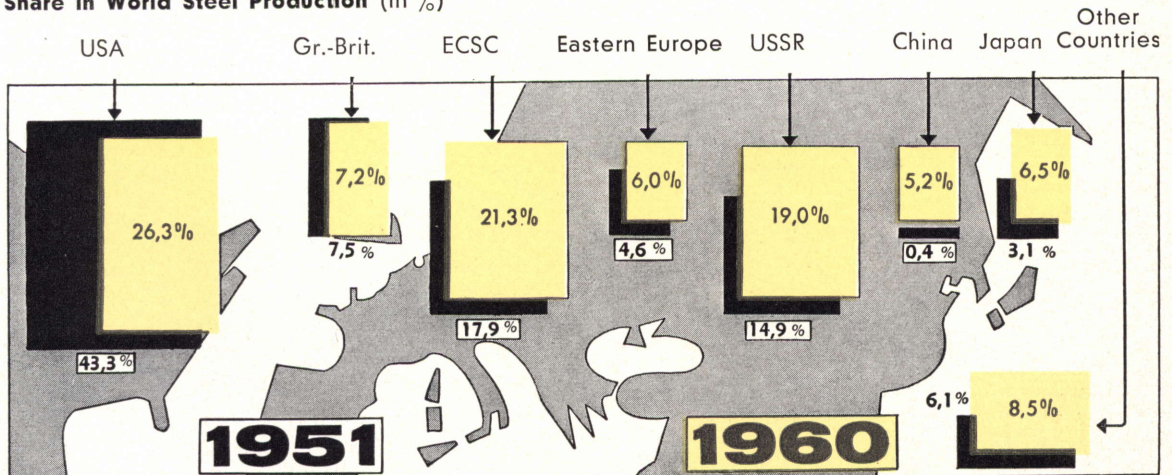
ECSC's SHARE IN WORLD STEEL PRODUCTION HAS RISEN

Community steel production rose by 93% between 1951 and 1960¹⁾, while world steel output rose by only 66%, from 211 to 350 million tons. The share of the six countries in the total, which had been falling steadily since 1929, began to rise once more with the establishment of the ECSC. This

has been a particularly striking development, since world production has itself been expanding spectacularly, and the rapidly expanding share of the new producing countries might normally be expected to reduce the share of the older producing areas.

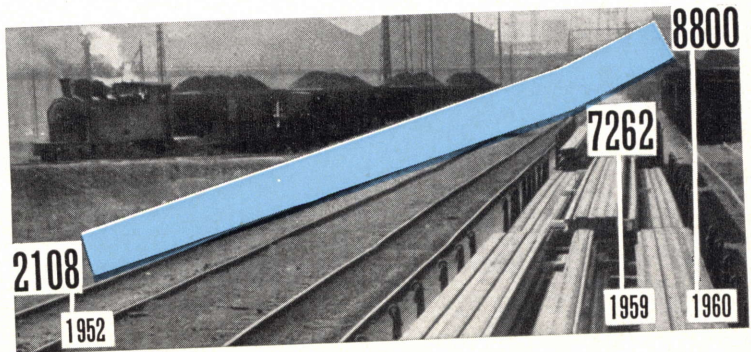
¹⁾ 1951 is taken as the reference year because the figures for 1952 are distorted by the effects of the American steel strike of the latter year.

Share in World Steel Production (in %)



GROWING INTERNAL TRADE

The effectiveness of the Common Market for steel is clearly apparent from the soaring figures for trade in steel products among the Six, which has increased fourfold following the removal of trade barriers.



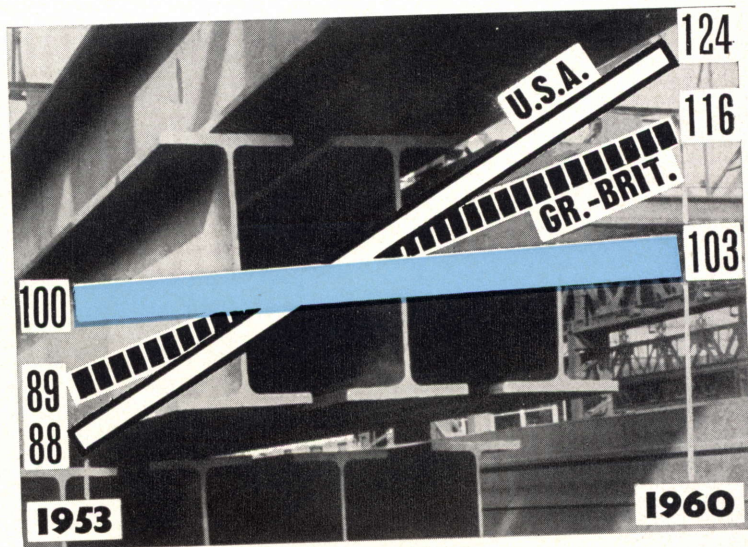
Intra-Community Trade ('000 metric tons)

STABLE PRICES

The improved supply conditions resulting from the existence of the Common Market and its rules of operation have helped to keep prices stable despite the constantly increasing demand for iron and steel products.

Though prices have risen at times, they have not risen to anything like the same extent as they used to at times of strong demand.

A comparison of price trends in Great Britain, the United States and the ECSC since the start of the Common Market shows Community prices to have changed least of the three, after having been higher at the outset.



Movement of average internal prices for finished steel products (indices)

Community

ECSC MEANS REGULAR SUPPLIES FOR INDUSTRY

The unprecedented expansion in steel production has been aided by a more regular flow of raw materials—coke, iron ore and scrap—to the industry, largely as a result of the Common Market. The latter has made possible increased trade in iron ore, a joint scrap-import policy, lower transport rates in the Community countries, and a more equitable distribution of coal during the periods of shortage.

COKE—no longer a problem

With large tonnages of coal on the market, supplies of metallurgical coke are assured, though demand is increasing. Conversion into metallurgical coke continues to provide a reliable sales outlet for coal; the reduction of the amount of coke needed per ton of steel produced tends however to offset the effects of the increase in pig-iron and steel production.

IRON ORE—steady supplies

No difficulty has been experienced in keeping the iron and steel industry supplied with iron ore. On the contrary, by stimulating trade in ore among the Six—up 116.3% since 1952—the Common Market has turned available resources to better account.

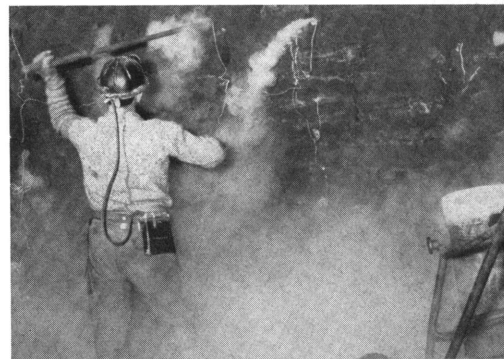
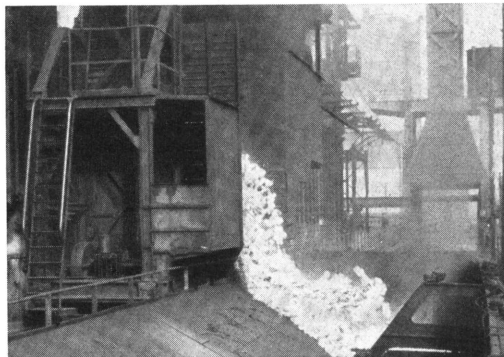
Iron-ore output rose from 64.2 million tons in 1953 to 95.8 million in 1960.

In addition to Community-mined ore, the industry uses some 23 million tons a year from non-Community countries: these imports have increased by 64.5% since the introduction of the Common Market.

SCRAP—a balanced market

The Community scrap market, which suffered from a serious supply deficit when the Common Market was first introduced, has since shown considerable improvement. It was shielded from over-violent fluctuations between 1953 and 1958 by scrap-price compensation schemes instituted by the High Authority. A bonus scheme introduced by the Community also encouraged firms to consume iron ore instead of scrap in the blast furnaces.

The Community scrap market is now a reality: it is in satisfactory balance, and a genuine interpenetration has occurred between the individual national markets.



ECSC's PROBLEM No. 1: COAL FACES

The biggest problem faced by the Coal and Steel Community is the increasing competition coal is now meeting from other sources of energy, particularly from oil.

THE FALL IN COAL CONSUMPTION

While the coal market presented no major problems in the early years of the ECSC—production was not sufficient, but imports were always forthcoming to close the gap—the position was suddenly reversed early in 1958. The changes which had been gradually taking place in the pattern of energy consumption became glaringly apparent with the slackening in economic activity which then occurred.

Crisis struck the coal industry. Coal piled up at the pitheads. All the producing countries were affected; the “marginal” pits in Belgium were hardest hit of all.

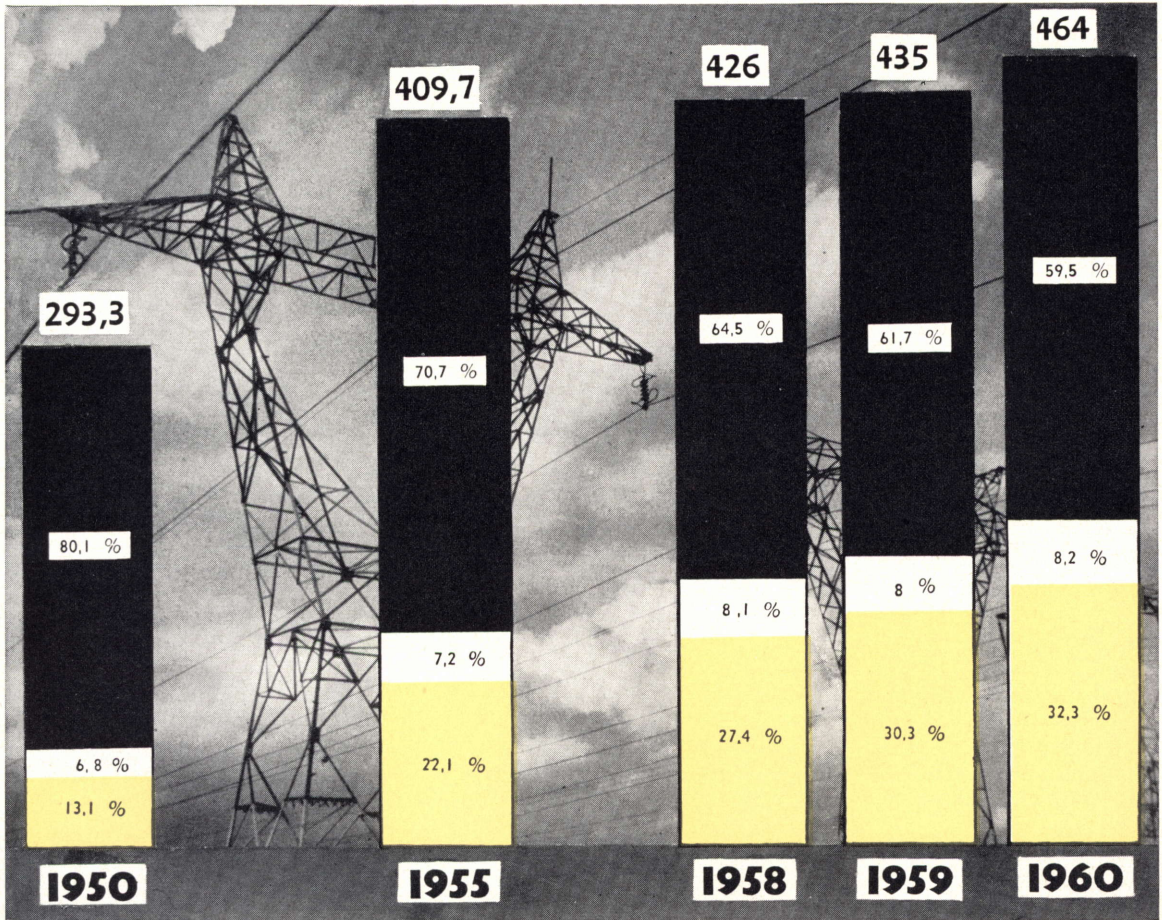
The return to rapid economic expansion in 1959 and 1960 brought only a slight upturn in coal consumption, while oil consumption went on rising sharply.

WHY IS LESS COAL BEING USED SINCE 1958?

- ▶ Because energy consumption, and coal consumption particularly, is expanding less rapidly than industrial production.
- ▶ Because a considerably greater proportion of electric current has been generated from water power.
- ▶ Because more efficient coal-utilization methods are enabling larger amounts of energy to be produced from the same amounts of coal.
- ▶ Because heating requirements have been lower than usual owing to the series of exceptionally mild winters.
- ▶ And, most of all, because other fuels, especially oil, have been winning a greater share of the market, displacing coal to some extent in existing plant, and securing the lion's share of the new openings created by economic expansion.

THE OTHER FORMS OF ENERGY

SHARES OF THE DIFFERENT SOURCES OF ENERGY IN THE TOTAL ENERGY SUPPLY OF THE SIX



Millions of metric tons

■ Coal, lignite and peat

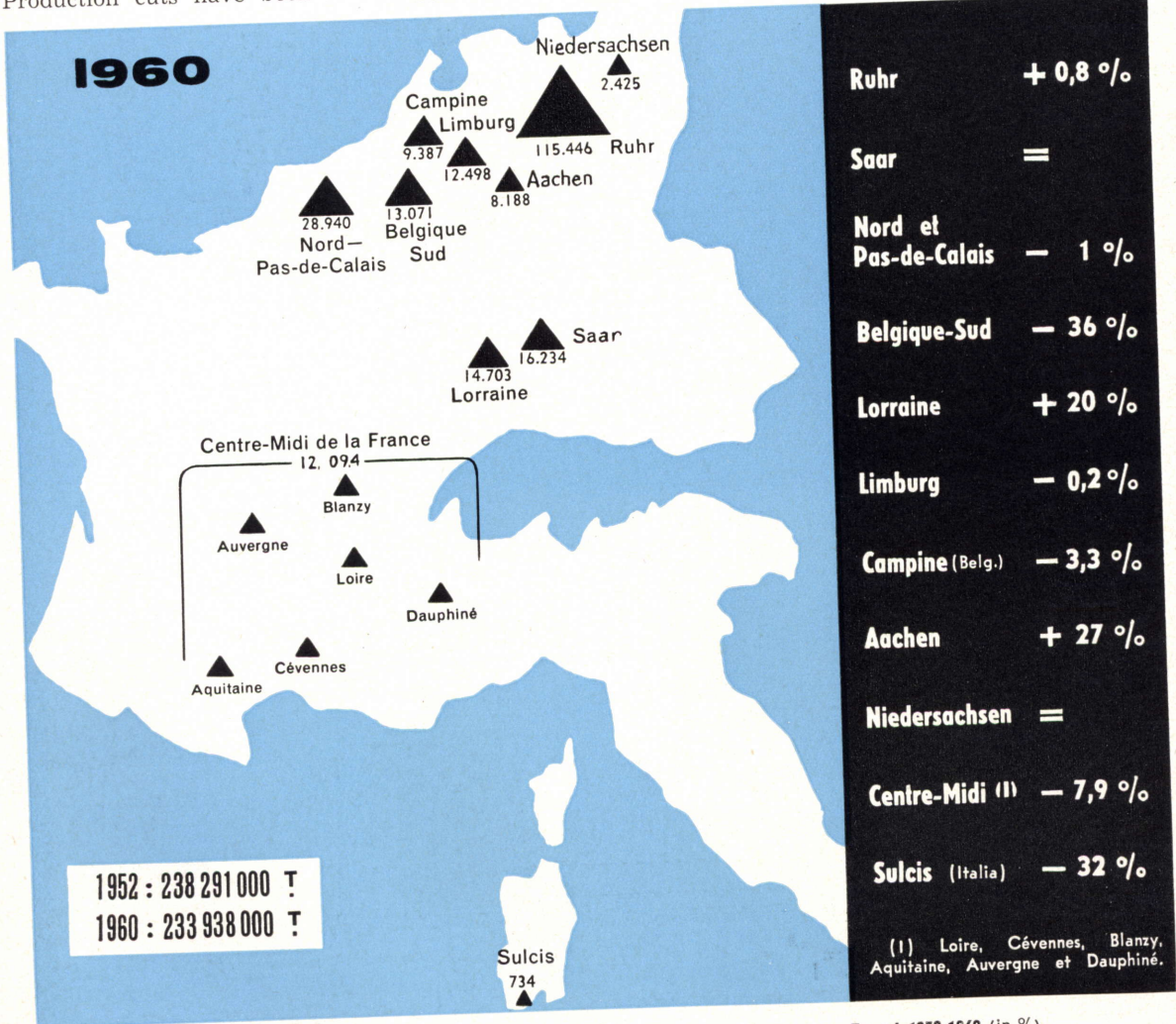
□ Hydroelectricity

■ Oil, methane and natural gas

PRODUCTION REACTS SLUGGISHLY

Although less coal was being consumed, production in 1960 was not far below the 1952 level—233,938,000 metric tons against 238,291,000. Production cuts have been necessary, and they

have involved short-time working. Short time in 1959 represented the equivalent of 12,300,000 tons of coal forfeited. During 1960, however, the position improved appreciably.

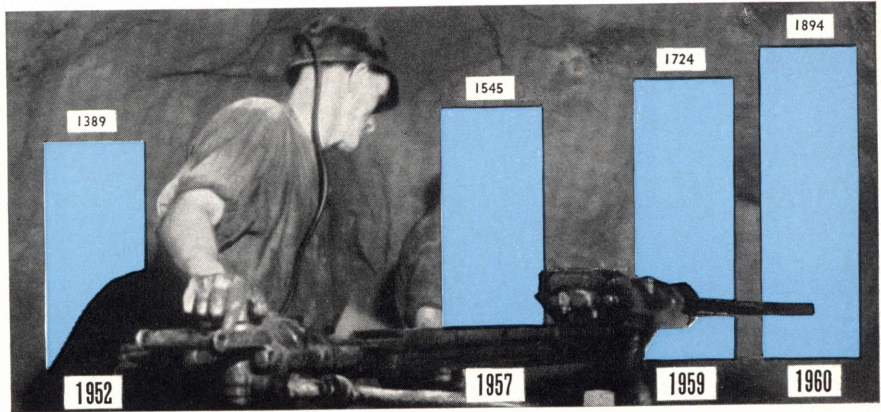


Coal production 1952-1960 ('000 metric tons)

Trend 1952-1960 (in %)

PRODUCTIVITY UP

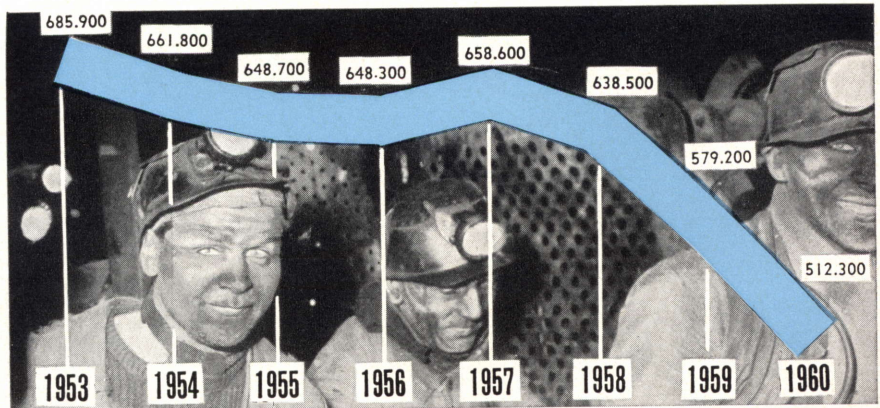
Underground output per man-shift has risen substantially in the last few years, partly owing to modernization in the mines, and partly because of the effects of the coal crisis (e.g. the fall in absenteeism).



Productivity (kilograms per man-shift)

MANPOWER DOWN

The number of men employed below ground in Community pits declined sharply in 1958, and still more so in 1959, again as a result of the coal crisis.



Numbers of miners employed below ground

IMPORTS CUT

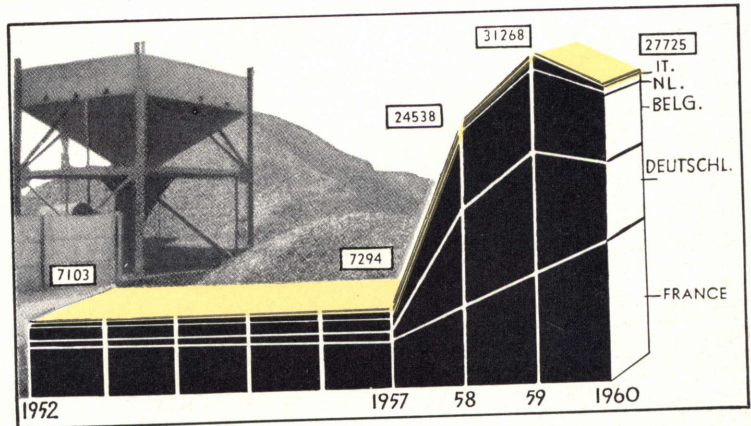
Within the ECSC each country retains in principle, subject to High Authority intervention, the right to regulate its imports from third countries, within the limits of its international commitments to OEEC and GATT. Some member Governments have acted to restrict coal imports, at the suggestion of and in agreement with the ECSC, which has sought to harmonize the various measures. The German authorities imposed a duty of 20 marks a ton on coal entering the country in excess of a duty-free quota of 5 million tons in 1959 and 1960, and of 6 million tons in 1961; while in Belgium imports were limited to 600,000 tons in 1960, and 620,000 tons in 1961.

Importing country	1952	1957	1958	1959	1960
Belgium	1,173	2,820	2,352	1,437	914
France	5,361	9,701	4,888	2,178	1,891
Germany	7,897	17,147	12,916	5,956	5,572
Italy	5,007	8,805	7,744	6,336	6,156
Luxembourg	67	15	—	—	—
Netherlands	2,707	5,384	3,935	3,336	3,222
Community	28,212	43,959	31,845	19,243	17,755

Imports of coal from third countries ('000 metric tons)

SHARP RISE IN STOCKS

Pithead stocks rose rapidly in 1958 and again, though by a smaller amount, in 1959. They declined in 1960, but are still unusually high.



Total stocks of coal at end of the year ('000 metric tons)

THE COMMUNITY TACKLES THE CRISIS

Early in 1958 the Coal and Steel Community took steps to meet the difficulties which were developing in the coal market. Since then, it has been working to restore the situation in the Community as a whole, and has taken special steps to cope with the effects of the crisis in Belgium, which was particularly hard hit.

The High Authority first tried indirect methods, as laid down by the Treaty. It sought to regularize coal sales, to prevent excessive running-down of stocks by the big consumers, and to further full-time working by helping to finance stocks. In addition, some countries were induced to buy larger tonnages of Community coal in place of imports.

In May 1959, the High Authority submitted to the Council of Ministers an overall plan proposing

direct intervention to deal with the crisis. This failed to secure majority approval, however; some Governments took a more optimistic view of the situation than the High Authority, while others felt that internal action within their countries would suffice. At the same time, the Council agreed that special measures should be taken at Community level to aid the hardest-hit country, Belgium.

ACTION ON BEHALF OF THE BELGIAN COLLIERIES

The difficulties first became acute in Belgium, where productivity is low, particularly in the Southern coalfields. The financial assistance paid to the Belgian industry from 1953 to 1958 under a compensation scheme had not succeeded in reorganizing Belgian coal to enable it to compete without support in the Common Market.

The following measures have since been adopted and are now being carried out:

a) Closure of the most uneconomic pits: closures were begun in 1959 under a first schedule affecting a total yearly output capacity of 5½ million tons. These will be completed in 1961, and a second schedule for closing a further 4 million tons of capacity is expected to be completed by 1963. **This will mean a cut of nearly one-third in Belgian coalmining capacity.**

b) Prices and subsidies: the Community has authorized the payment of subsidies to Belgian mines on a descending scale to enable them to bring their prices more into line with the rest of the Common Market.

c) Additional safeguards and assistance

The position deteriorated so sharply in Belgium in 1959 that the speeding-up of reorganization, though more necessary than ever, ran into economic and social obstacles which were judged insurmountable. The High Authority was faced with a situation which could have led to what the Treaty terms "fundamental and persistent disturbances" in the Belgian economy. In these conditions, when the High Authority moved to supplement the original reorganization arrangements by a second schedule of pit closures, it also placed temporary restrictions on trade in coal between Belgium and the other Community countries, and limited imports from non-Community countries to 600,000 tons in 1960. The main aim of this Community action was to enable the reorganization of the Belgian coal industry to go ahead in orderly fashion.

d) Other measures

The ECSC has also sought to combat the crisis by commercial policy measures (see page 30), by a special "ECSC allowance," amounting to 20% of the daily wage for miners on short time in Belgium, and by its grants for readaptation (see page 18).

FIRST PROPOSALS FOR THE

To solve the coal problem fully and effectively, the High Authority, in cooperation with the Governments of the Member States, in the interests of the Common Market and Euratom, is working on the coordination of energy policy in the Community countries. It has submitted a first plan of action to the Council of Ministers.

As early as 1953, the High Authority insisted that the coal sector must be considered in the general context of the energy market as a whole. Towards the end of 1957, the six Governments asked the

High Authority to submit to the ECSC Council of Ministers, in agreement with the Common Market and Euratom, concrete proposals for a coordinated energy policy.

WHY A COORDINATED ENERGY POLICY IS NEEDED

For many years each type of fuel had its own specific market, in which encroachments by other fuels were unknown; today, technical improvements in the transport of energy and in its utilization—for heating purposes, for instance—make it increasingly possible for consumers to choose

among several types of fuel to meet the same requirement. Moreover, technical progress is bringing notable economies in the use of energy; thus, despite general economic expansion, the increase in demand for energy is likely to be at a slower rate than was foreseen some years ago.

BECAUSE:

- ▶ The energy market is under pressure from the fall in oil prices and **the continued advance of oil at the expense of coal** (in 1960 coal sales in the Community were no higher than in previous years, while sales of fuel oil were up by more than 25%).
- ▶ A **too rapid advance by the other sources of energy at the expense of coal could bring dislocation**; the livelihood of many Community miners would be endangered, the economy would become still more dependent on outside supplies, and the investment represented by the coal industry, amounting to 1,200-1,400 million dollars, would be threatened.
- ▶ In face of the threat presented by competition from the other forms of energy, Governments are strongly tempted to take **discriminatory measures** regarding oil and coal imported from outside the Community.

BUT ABOVE ALL:

- ▶ Energy is a raw material of all industrial products. In a common market which provides for free movement of goods, capital and persons, it would be unthinkable that the conditions of production—and consequently the level of cost prices—should be distorted by divergent policies on energy. There can be no real common market without a common energy policy.

COORDINATION OF ENERGY POLICIES

operation with the Executive energy policies in the Community Ministers.

THE COMMUNITY EXECUTIVES' PROPOSALS

The main features of the first plan for coordinating Community energy policies submitted to the ECSC Council of Ministers by the High Authority, in agreement with the Executives of the Common Market and Euratom, are as follows:

1. THE OBJECTIVES

- To bring Community energy prices to the most favourable level from an economic standpoint, while at the same time ensuring reasonable security of supplies.
- To give the mines and the coal-producing countries the time needed to rationalize mining operations, retrain workers who are being displaced, and redevelop areas particularly affected by pit closures.

2. THE MEANS

To achieve these objectives, the three Community Executives have suggested to the Governments that they reach an understanding on measures to harmonize their policies, and draw up agreements for mutual consultation and special safeguards.

Harmonization

- Adjustment of commercial policies towards third countries, particularly harmonization of customs duties and quotas for imported coal; negotiations to be started with a view to fixing common import duties on refined petroleum products.
- Some lining-up of the rules of competition governing the different sources of energy.
- To reduce artificial disparities in prices, it is suggested that the Governments should compare the fiscal and administrative regulations in force

in their respective countries: prices might then be cut, particularly in those countries where energy is the most costly.

- Social-insurance reliefs for the coal industry. The reorganization of the coal industry will necessitate cuts in personnel, partly by advancing the date of retirement for a number of miners. To spare the mines the heavy extra expense resulting from the smaller number of contributors and larger number of pensioners, it is proposed that they should no longer be responsible for these payments.

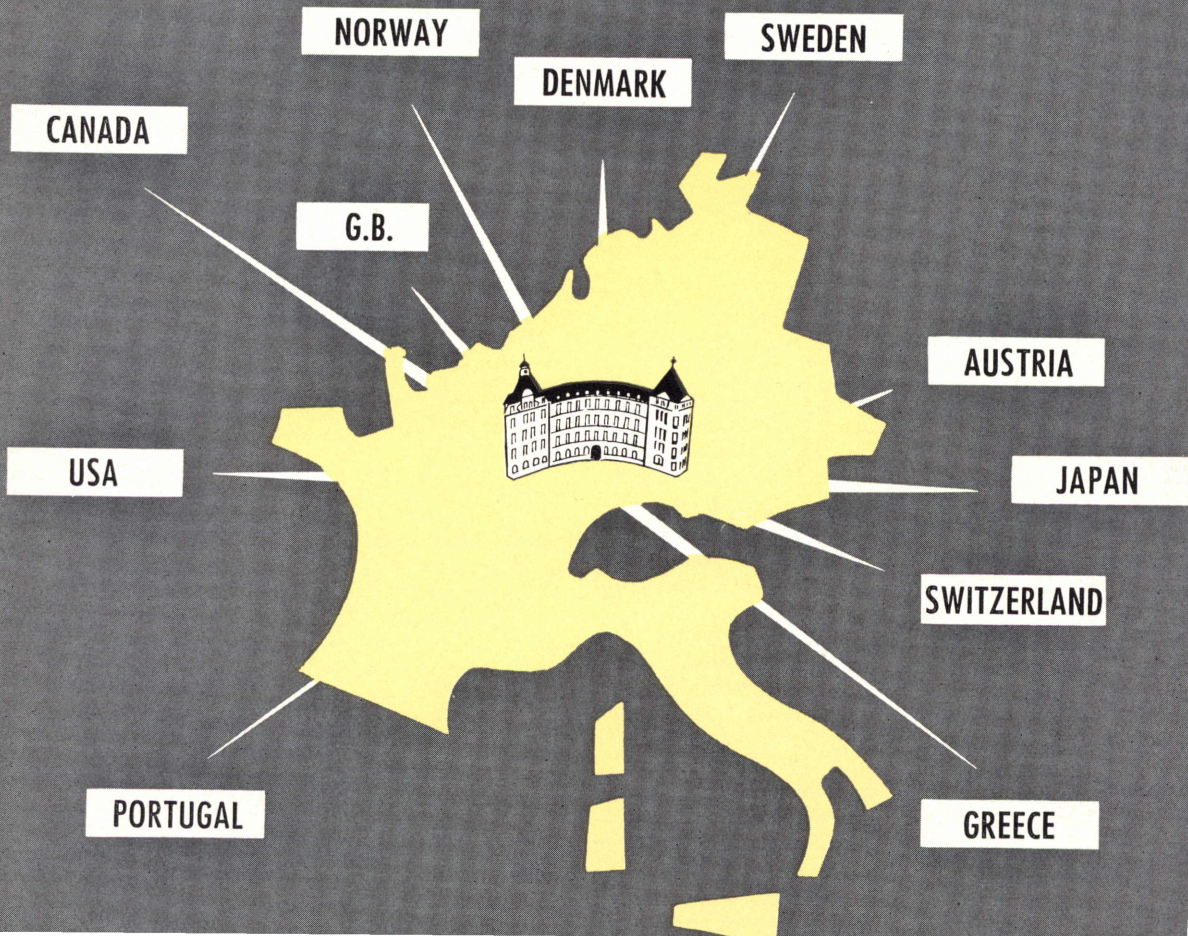
Consultation

The Executives have set out under this head a number of proposals which together form one of the key elements in the harmonization of energy policies. They propose that the Governments should undertake not to adopt any independent measures of energy policy in future without consulting the other Community countries and the three European Executives.

Safeguards

As any further reduction in fuel-oil prices or slackening in general business activity might seriously disturb the energy market, the Executives have also suggested that the Governments should agree immediately on the criteria which would warrant action at Community level, and on the form such action should take. This might vary according to the situation: limitation of the amounts coming on to the market by a system of import quotas for coal and oil; action on the price level through a system of import levies; or the subsidization of Community coal.

AN OPE



COMMUNITY

The ECSC was never intended to be, or to become, a self-sufficient unit. It remains open to any European country which wishes to join it, and it has steadily extended its relations with the countries which do not belong to it.


● Official diplomatic relations have been established with eleven countries: among the more spectacular occasions have been the installation of British and American delegations in Luxembourg and of a High Authority delegation to the British Government in London.

● Under an Agreement of Association concluded with Great Britain, a Council of Association has been set up, consisting of British Ministers and Members of the High Authority, which meets several times a year to study matters of interest to both sides. It was in the framework of Association that a steel tariff agreement was concluded between Britain and the Community in 1957.

● An agreement for mutual consultation on matters of common interest has been signed with Switzerland; agreements covering the use of direct international through-rates for transit consignments of Community coal and steel by rail, have been signed with Switzerland and Austria.

● The High Authority maintains official relations with international organizations, including the Council of Europe, OECD, GATT, the United Nations and others. Initially, negotiations had to be conducted with GATT and OEEC in order to obtain sanction for the waivers needed to enable the Six to remain members of these two bodies and at the same time fulfil their new commitments under the ECSC Treaty; negotiations were also needed for the introduction of a harmonized external tariff for steel based on the lowest duties in force in the Community.

● The High Authority has aimed at the utmost flexibility in order to improve its co-operation with third countries and international organizations. Since the establishment of the two new Communities external relations are closely co-ordinated by an Inter-Executive Working Party in order to maintain a united viewpoint in European integration.



Major achievements of the ECSC — first bulwark of the future United States of Europe:

- by abolishing trade barriers, the Community has brought about substantial improvements in the distribution of coal and steel, with corresponding benefits to the people of the Community.

- the geographical extent of the Community, with its 170 million consumers, has enabled its industry to adapt itself better to modern production conditions and to cushion more effectively the impact of economic and technical progress.

- the Coal-Steel Community has introduced and operated efficiently a flexible and dynamic system of cooperation between the Community authorities responsible for the general interest and the representatives of the various economic and social bodies of the member countries.

- the efficient operation of the Coal-Steel Community has shown that supranational powers are essential for the establishment of a real European common market.

