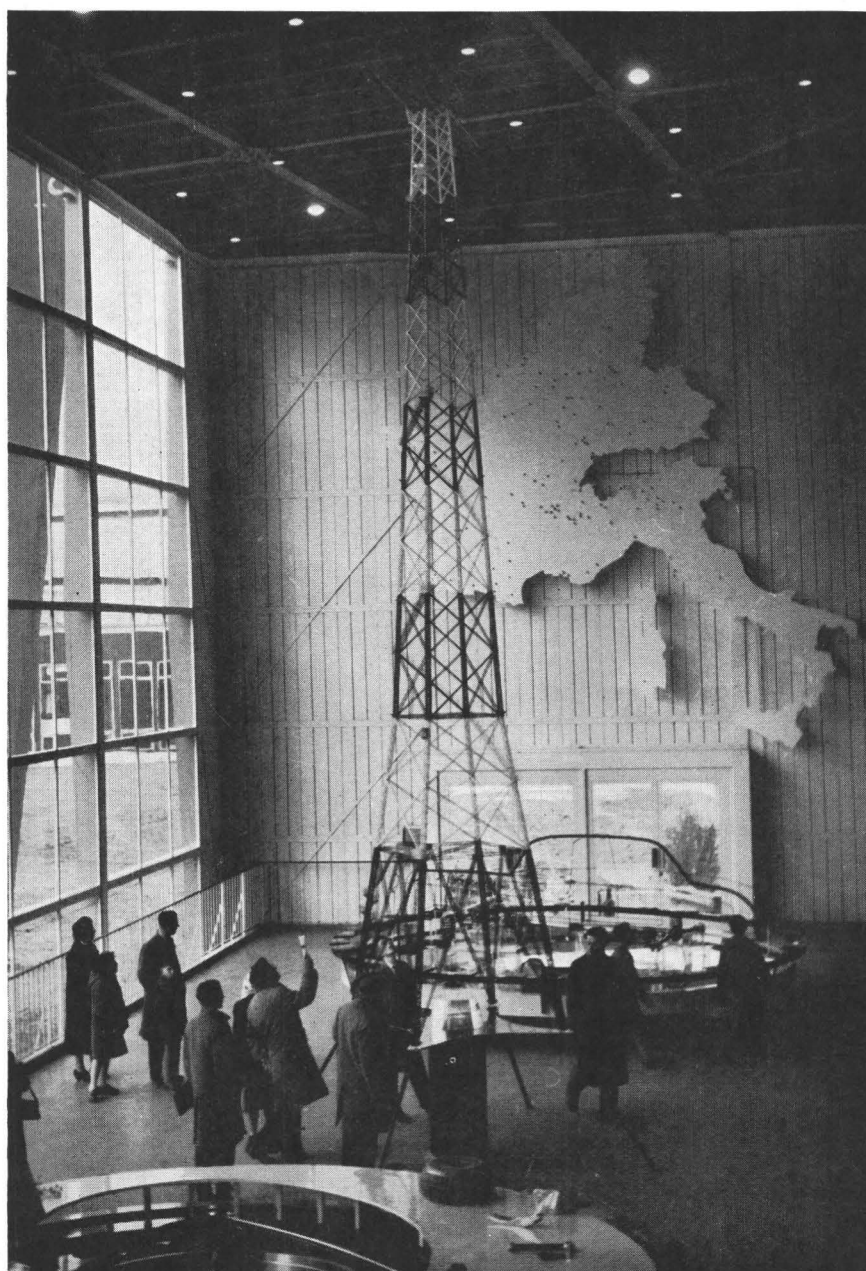


Bulletin from the
**EUROPEAN
COMMUNITY**
for coal and steel

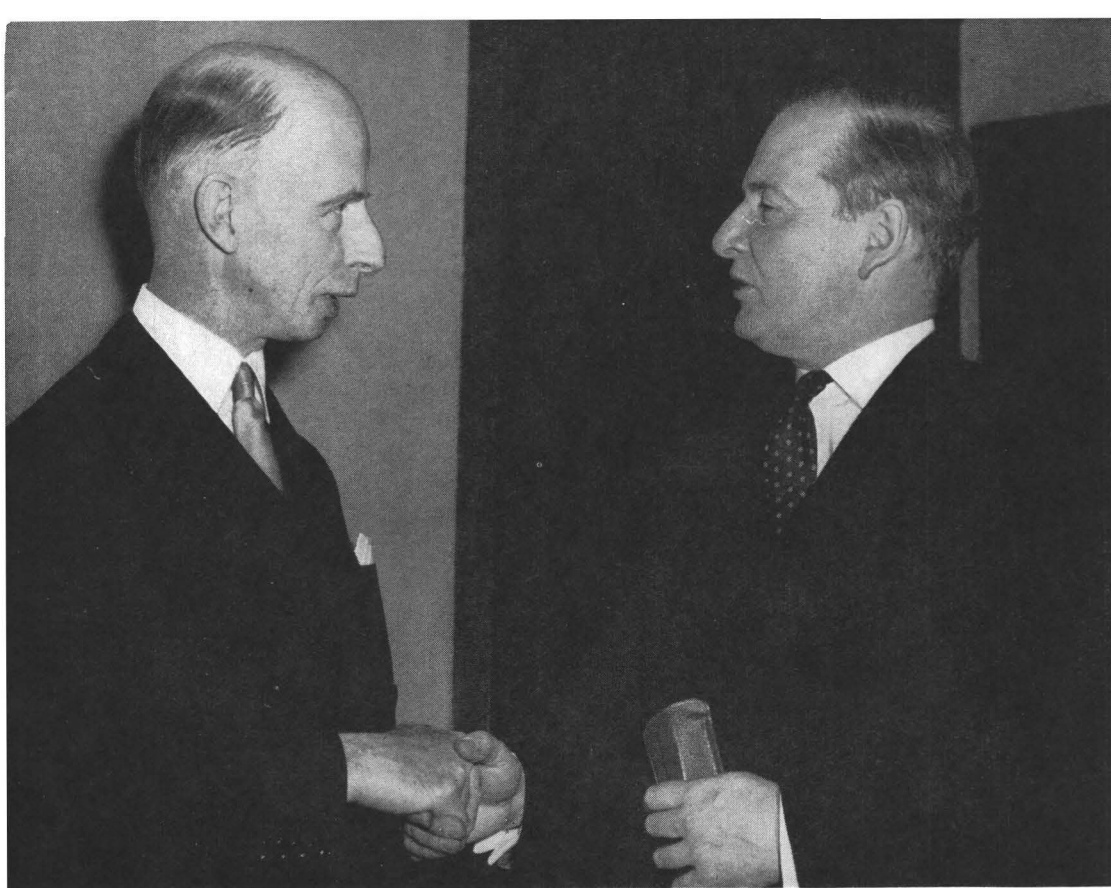
INFORMATION SERVICE • HIGH AUTHORITY • LUXEMBOURG

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*Inside the Community's Pavilion at the
Brussels International Exhibition.*



Mr. E. N. van Kleffens with Mr. Selwyn Lloyd at the Foreign Office on May 13, when he presented his credentials to H.M. Secretary of State.

New Chief Representative takes up London Post

MESSAGE TO BRITISH READERS

Mr. E. N. van Kleffens, the new Chief Representative of the High Authority of the European Coal and Steel Community, took up his duties in London on May 1, and formally presented his credentials to Mr. Selwyn Lloyd, H.M. Foreign Secretary, on Tuesday May 13. A former Foreign Minister for the Netherlands (1939-46) Mr. van Kleffens was until recently the permanent representative of the Netherlands on the North Atlantic Council and the Council of O.E.E.C.

In a message to readers, he writes :—

“ On taking up my appointment as Chief Representative in the United Kingdom of the High Authority of the European Coal and Steel Community, I should first like to express my pleasure at being back again in this country. I look forward very much to renewing old friendships and making many new ones.

Of the things that have changed since I was last here at the end of the war, nothing, I believe, is more striking than the growing sense of community of interest which has developed between the countries of free Europe. On the other side of the Channel six of these countries have given formal recognition to this by setting up new common institutions. Through these they are moving towards the integration of their economic life—and this as a means to gradual political integration. They have moved a long way together since, eight years ago, M. Robert Schuman put forward the idea which led to the creation of the European Coal and Steel Community. The setting-up at the beginning of this year of two new Communities—the Common Market and Euratom—is proof of this.

United Europe Taking Shape.

Both of these will have far-reaching effects. For although the political frontiers on the map of Europe will remain unchanged, they will gradually lose most of their practical significance. A united Europe is indeed already taking shape.

This new unity does not mean a new exclusiveness. We all hope that means can be devised by which other European countries can be associated with the Six. The United Kingdom has already had for more than two years an Agreement of Association with the E.C.S.C. It is working very well, as the signing of the Steel Tariff Agreement last year showed. I am here to help foster this relationship. The creation of the new Communities poses new problems, but I believe that we have a mutual interest in solving them. The closer our relationship, the greater our strength. I am confident that practical ways of achieving new and closer relationships can be found in a variety of fields.”

British Representative to Euratom Appointed

Talks to Begin on Collaboration

The United Kingdom has appointed Sir William Meiklerid, K.B.E., C.M.G., Head of the U.K. Delegation to the High Authority, as its Representative to Euratom, and has agreed to begin shortly talks with its Commission with a view to negotiating a technical collaboration agreement.

This news was given in a written reply on May 22 by the Rt. Hon. R. A. Butler, Lord Privy Seal, on behalf of the Prime Minister to a question in the House of Commons put by Sir James Hutchinson, M.P. (Conservative Member for Glasgow, Scotstoun Division). The reply said:—

“The Prime Minister has suggested to the President of the Euratom Commission that until Euratom has selected its permanent headquarters, the Head of the U.K. Delegation to the High Authority of the E.C.S.C. should also be accredited to the Euratom Commission. My Right Honourable Friend (Mr. Macmillan) has also proposed to M. Armand that we should negotiate a technical collaboration agreement, which would provide the necessary framework for collaboration between H.M. Government and the Community and would enable co-operation to proceed smoothly and effectively both between institutions and between individual industrial concerns in the respective countries. I understand that these proposals have been welcomed by the Euratom Commission.

The proposed technical collaboration agreement would be complementary to the general co-operation on nuclear affairs within Western Europe as a whole, including Euratom and its six constituent members, which is the task of the newly-established European Nuclear Energy Agency of the Organisation for European Economic Co-operation.”

Welcomed by Euratom.

Welcoming the news, the Euratom Commission said that it believed that the appointment of a British Representative “will contribute to the establishment of close relations with the United Kingdom”, and added that it had declared its readiness to begin talks shortly with the British Government. “In this way”, the Euratom announcement continued, “a few months after the entry into force of the Treaty, the Euratom Commission will have official relations with the two principal nuclear powers in the free world with which it hopes to establish fruitful collaboration”.

Council of Association to meet in London

M. Paul Finet, President, and three other Members of the High Authority are to come to London on Thursday, June 12, for the seventh meeting of the Council of Association. The United Kingdom will be represented by two members of H.M. Government, the Chairman of the National Coal Board, and the Chairman of the Iron and Steel Board. The meeting forms part of the regular exchange of views between the Community and the United Kingdom within the framework of the Agreement of Association.

The Council Reports.

In its second Annual Report published on May 6, the Council reported that the signing of a steel tariff agreement (which came into force in this country on April 28) and joint study of common energy problems had been the main results of its work in the past year. The report shows that the fruitful co-operation already apparent in the first year of the association has been maintained during 1957, and the programme of future work is evidence of the mutual benefits of this close association between the U.K. and the Community.

The Council of Association was set up in 1955, by virtue of the Agreement of Association between Britain and the Community signed on December 21, 1954. So far, it has held six plenary sessions, in addition to numerous sessions of its Coal, Steel, and Trade Relations committees. The Agreement of Association provides for continuing consultation between the High Authority and the United Kingdom Government.

The outstanding achievement of the Council during the year was undoubtedly the steel tariff agreement signed in Luxembourg on November 25, 1957, between the six community countries, the High Authority and the United Kingdom Government. Under the agreement, the United Kingdom as well as the Community are reducing their tariffs on iron and steel products considerably, which is an important step towards the objective of eliminating trade barriers between the two areas.

Joint Energy Study.

The report discloses that the Council of Association is to make a joint study of the long-term energy requirements and resources of the Community and the United Kingdom. Preliminary studies to bring out the common problems facing them in this field are already being undertaken by a special working party. It is hoped to work out a common system which will make possible a comparison of the energy resources of the United Kingdom and the Community.

The report also contains an analysis of the situation in respect of coal, iron and steel in the United Kingdom and in the Community during the year 1957. It recalls the close co-operation within the Council between representatives of the Community and of the United Kingdom, and gives an account of the particular studies of coal and steel problems which have been undertaken by the specialist committees set up by the Council.

Europe's New Parliament at Work

Promising start under M. Schuman's Presidency

The European Parliamentary Assembly, which is to serve and control the activities of all three European Communities—got off to a promising start at its opening meeting held at Strasbourg on March 19. Its first act was to elect by acclamation M. Robert Schuman as its President: it then listened to reports by the Presidents of the three executives of the Communities—including a review of the problems and prospects of the Common Market by Professor Walter Hallstein on behalf of the Commission of the European Economic Community. It subsequently gave itself a name (which the Rome Treaties had failed to do); elected the leaders of its political groups; and decided that in future its members would sit in these groups, and not by simple alphabetical order. After the close of the session its newly elected committees—13 in all—speedily got down to work, several of them meeting before the second plenary session of the Assembly which was held, again in Strasbourg, on May 13-14.

Crowded First Session.

The new 142-member Assembly met in the Maison de l'Europe on March 19 in what was described as "a scene of warmth and enthusiasm unusual in recent years at Strasbourg". Not for many years had the city been so crowded or housed so many distinguished European statesmen. Among the Assembly members, there are three former French Premiers (Antoine Pinay, René Pleven, and M. Schuman), two former Italian Foreign Ministers (Gaetano Martino and Attilio Piccioni), as well as the President of the Council of Europe's Consultative Assembly, M. Fernand Dehousse. In addition, the ministerial delegations included Professor Ludwig Erhard, Herr Franz Etzel, Dr. Heinrich von Brentano, M. Maurice Faure, and Signor Giuseppe Pella.

Many of the members of the E.C.S.C.'s Common Assembly reappeared in the European Parliamentary Assembly, among them its former President, Dr. Hans Furler, and the Presidents of the Christian Democrat, Socialist and Liberal group, who were promptly re-elected to similar office in the new Assembly. This was one of the many signs that the traditions built up over the past five years will be fully maintained as a basis for the Assembly's work. But its larger membership and wider field of action should ensure a further extension of its effective influence.

Declaration of Independence.

The election of M. Robert Schuman as President was itself an act of great significance. It was not only a personal tribute to one of the greatest living Europeans, and an assertion of the continuity of the process which began eight years ago with the Schuman Plan Declaration: it was also a declaration of independence on the part of the Assembly. It ran counter to the decision reached by the Foreign Ministers of the Six who had earlier agreed among themselves, as part of the general balance of national appointments in the new institutions, that it should have an Italian president. The choice of a Frenchman was a sign that the Assembly is determined to be independent of external pressure in its own internal affairs.

Moreover, in their first serious debate, on the second day of the session, the Assembly's members sharply criticised the proposed composition of the advisory Economic and Social Committee to be attached to the two new Communities, and unanimously voted a resolution proposing that employers and workers should be equally represented on them.

Supranational Character.

During the first day's proceedings, the Presidents of the three European executives and their respective Councils of Ministers in turn stressed the importance of the Assembly in the new Europe, and the need for other Community institutions to work closely with it. Professor Walter Hallstein, President of the Commission of the European Economic Community, summed up their statements by declaring "This Assembly sets the seal on the supranational character of our Community. It is also the clearest embodiment of its political nature". Earlier, M. Victor Larock, Belgian Foreign Minister, had looked ahead to the day when the Assembly would be elected directly by universal suffrage of the Community's citizens. It was, he said, the task of the Assembly to "create the psychological climate" in which this would be possible.

Professor Hallstein's Survey.

In his general survey of the European Economic Community, Professor Hallstein began by stressing the inconvenience caused by the fact that the site of single headquarters for the three Communities had not yet been decided upon. "The experience of our first few weeks of work" he said, "has already shown that an arrangement which did not bring the organs of the various institutions together in a single place would be incompatible with the practical requirements of our task". A postponement of the decision on the site beyond June would be unacceptable, he added.

Turning to the problem of Community relations with the rest of the world, he said: "Our Community is itself a political being, a *zoon politikon* . . . It is a member of that wider world which is held together by what are called international relations". The Community, he said, must endeavour to enter into relations with the political world "as a welcome member of that great international family; not because we feel ourselves weak—although we are new and young and inexperienced, at the beginning of an evolution beset with lurking dangers, obliged in many respects to fend for ourselves—but simply because it accords with the political philosophy shared by all who live and work in this Community: a philosophy of freedom, of peaceful co-operation, of openmindedness and of progress".

Britain's Active Interest.

"We are delighted and heartened", Professor Hallstein continued, "by the increasingly active interest of British policy in our progress. This development has been especially unmistakable since the Venice Conference in the early Summer of 1956. We welcome it also because this spontaneously con-



The European Parliamentary Assembly at its opening session in the Maison de l'Europe, Strasbourg.

structive attitude resolves an opposition which might otherwise be prejudicial to our relations with other European States which do not belong to the six-Power Community. That opposition is summed up by many of our critics in the words 'here is Little Europe, there is Greater Europe'. This formula is false, because it seems to point to an antithesis, an alternative, because it seems to require us to choose between two things that are mutually exclusive. In truth and in reality—in the reality of our experience—these two conceptions are complementary, indeed interdependent.”

Free Trade Area Problems.

Concluding his survey of the Community's external relations, Professor Hallstein declared that the Commission unanimously considered that “all efforts should be made to associate the other European countries with the Community on lines such as are reflected in the concept of a Free Trade Area, without of course in any way prejudicing the measure of integration achieved by the Six.” The difficulties of negotiations, he said, did not result solely from unilateral interests or pre-conceived notions on one side or the other. The fact was that the matter under negotiation was itself extremely complicated.

Medi Urges Atomic Training and Research.

In the absence of M. Louis Armand, President of the Euratom Commission, Vice President Enrico Medi addressed the Assembly. The aim of the Euratom executive, he said, would be to cement European solidarity around the new and growing atomic industry. He maintained that it was as important for Europe today to produce scientists trained in the field of nuclear energy as it was for Europe to produce nuclear energy immediately. He therefore laid heavy stress upon Euratom's task of research and teaching. In the field of industry, M. Medi declared that it was not the aim of the Commission “to proceed toward any sort of monopoly nor to large-scale planning, but to arrive at a co-ordination and harmonisation of the Six in nuclear matters”.

Brief May Session.

For its second plenary session, held on May 13-14, the Assembly had two topics on its agenda. The first was the High Authority's Sixth Annual Report, presented by its President M. Paul Finet; the second, the question of the advice to be given to the Ministers on the site of the capital for the European Communities.

Support for Free Trade Area.

M. Finet's speech was notable for the support it expressed on behalf of the High Authority for the Free Trade Area. This project "so close to our minds and hearts", he said, "would be a further milestone in Europe's progress". He was certain that the move towards a United Europe would "have to be supplemented at no very distant date by an extension in breadth". Referring to the special arrangements necessary for the inclusion of coal and steel, M. Finet said that among them would be a ban on subsidies, as in the E.C.S.C., and provisions to enable action to be taken to correct other distortions of the conditions of competition. Means would also have to be found to enable other countries to link up with any allocation or quota system which might be introduced into the Community itself at a time of serious shortage.

Coal Industry Problems

Other points made by M. Finet were:

—that in spite of the fact that stocks of coal in the Community now stood at some 15½ million tons, it was absolutely essential that the production of certain grades should be expanded if the Community was not to become excessively dependent on imports;

—that the High Authority believed it was necessary to give financial aid to encourage the building up of buffer stocks, and was urging this on the member governments;

—that the High Authority would subject the plans being put forward for further aid to Belgian mines to careful scrutiny with a view to seeing that an effective programme of modernisation was put in hand;

—that the High Authority was convinced on the need for the adoption of a Miners' Statute to raise the standards of the profession; and

—that the High Authority has prepared a further programme of technical research necessary for long-term development.

Decision on Capital Deferred.

Almost inevitably, in the absence of some two-thirds of the 36 French members, preoccupied with a dire government crisis in Paris, and about three-quarters of the 36 Italian members who were campaigning in a vital Parliamentary election at home, the Assembly postponed until June 23 formulation of its advice to the six Governments on the choice of a city to become capital of the European Community. It did not do so, however, before the Socialist group had put up a determined rearguard action for an immediate vote.

Finally, what had developed into an animated debate was abruptly ended by a sudden motion for the adjournment put by Edoardo Martino, one of the Italian members who urgently wanted to get back for his election campaign. Since the Belgian members also have an election campaign on hand, the adjournment was able to muster 41 votes, with 37 against and four abstentions.

The Assembly's decision made it certain that the ministers would be unable to take their decision on a European capital before June 1, the time limit which they had set themselves.

The Assembly will meet again on June 21 to hold a full-dress debate on the recommendation it will forward to the Council of Ministers. It will take its vote at 11.00 a.m. on Monday, June 23, before starting detailed examination of the High Authority's sixth annual report. It will also debate the state of negotiations for a Free Trade Area.

CHARLEMAGNE PRIZE FOR M. ROBERT SCHUMAN

M. Robert Schuman, President of the European Parliamentary Assembly, on May 15 received the Charlemagne Prize of the city of Aachen which is awarded annually to "persons of merit who have promoted the idea of western unity by their political, economic and literary endeavours". Sir Winston Churchill, Dr. Adenauer and M. Spaak are among those who have previously been awarded the prize.

More than 1000 guests attended the ceremony at which the Chief Burgomaster of Aachen hung the silver and gold medal round M. Schuman's neck and presented him with a bound parchment citation which spoke of M. Schuman's "distinguished services in laying the first practical foundations of the European federation in the political and economic spheres of a common future for Germany and France".



HIGH AUTHORITY'S SIXTH ANNUAL REPORT

VALUE OF EXPERIENCE FOR COMMON MARKET

The experience of the E.C.S.C. in introducing Europe's first common market—for coal and steel—will be of great help to the new European Communities, and will allow an organic co-ordination of their work with that of the Coal and Steel Community, says the High Authority in its Sixth Annual Report. Published on April 18, the Report was presented to the European Parliamentary Assembly at its second meeting held at Strasbourg on May 13-14.

Quoting the Assembly's opinion that relations between the Community and the United Kingdom should be developed through the inclusion of coal and steel in a Free Trade Area, the Report says that discussions on this are proceeding in the Maudling Committee. The High Authority, it says, has sought to extend the Community's relations with other countries through a series of agreements with them, and it hopes that the 'open' policy which it has always followed will dispose other countries favourably to the Six at a time when they are extending the process of integration to the whole of their economies.

The growing energy shortage of the Community, says the Report presents serious problems, both because of the increasing cost of imported energy, and the political danger of reliance on energy imports from certain parts of the world. The Six have decided to face together the technical revolution which atomic energy brings in its train. The High Authority itself has been made responsible for research on the development of a co-ordinated energy policy, and for making suggestions about its application.

TABLE I :
COMMUNITY'S COAL PRODUCTION, 1952-1957
(in millions of tons)

	1952	1956	1957	Difference	
				52/57	56/57
Germany (Fed. Rep.)	123.3	134.4	133.2	+8.0%	-0.9%
Saar	16.2	17.1	16.4	+1.4%	-3.7%
Belgium	30.4	29.6	29.1	-4.3%	-1.6%
France	55.4	55.1	56.8	+2.6%	+3.0%
Italy	1.1	1.1	1.0	-6.4%	-5.3%
Netherlands	12.5	11.8	11.4	-9.2%	-3.9%
Community	238.9	249.1	247.9	+3.8%	-0.5%

Steel Production.

Steel production in the Community, says the Report, is expected to be doubled in the next twenty years. Dealing with the problems which this expansion will create, the High Authority underlines the need for a continued high level of investment, and for Governments to remove their indirect pressure on the industry, especially price control, which it says endangers long-term developments. The Report shows that between 1952 and 1957 Community production of crude steel rose by 42.7% to reach a total of 59.8 million tons, in comparison with a rise of 32.5% in Great Britain, which last year produced 22.1 million tons. The largest percentage rise in steel production in the six countries took place in the Netherlands (70.7%), followed by Federal Germany where production rose by 55% between 1952 and 1957. The general industrial expansion of Federal Germany, however, is showed to have

slowed down between 1953 and 1957 (49%) in comparison with the period 1949 to 1953 when it expanded 75%.

TABLE II :
COMMUNITY'S CRUDE STEEL PRODUCTION, 1952-1957
(in millions of tons)

	1952	1956	1957	Difference	
				52/57	56/57
Germany (Fed. Rep.)	15.8	23.2	24.5	+55.0%	+ 5.7%
Saar	2.8	3.4	3.5	+22.7%	+ 2.5%
Belgium	5.2	6.4	6.3	+21.2%	- 1.8%
France	10.9	13.4	14.1	+29.7%	+ 4.9%
Italy	3.5	5.9	6.8	+91.6%	+14.5%
Luxembourg	3.0	3.5	3.5	+16.3%	+ 1.1%
Netherlands	0.7	1.0	1.2	+70.7%	+12.5%
Community	41.9	56.8	59.8	+42.7%	+ 5.2%

Social Policy.

Another section of the Report considers the social policy of the High Authority. Among the points it makes are the following :—

—the process of remodernisation is likely to continue, and with it the need for further financial aid for the readaptation of workers to new jobs ;

—new technical developments need more careful technical training of workers ;

—the High Authority will ask member Governments to extend the categories of workers entitled to the European Labour Card, giving them the right of free movement in the Community.

Relations with Third Countries.

In the section dealing with relations with non-member countries, the Report records steady progress in a number of directions. On January 26, 1957 the Agreement of Consultation with Switzerland, signed on May 7, 1956, came into force, and on September 19, 1957 the first meeting of the Committee established under the railway tariff agreement with that country was held in Luxembourg. Similarly, the agreement setting up direct through railway tariffs for community goods in transit through Austria which was signed on July 26, 1957, came into operation on March 1, 1958. The permanent joint committee set with Austria also held its first meeting during the year under review, on June 21.

Diplomatic relations were also established by the Greek Government with the High Authority, and talks with the representatives of Scandinavian countries cleared up a number of problems which arose on the subject of the import prices of certain steels.

The Community and the Coal Cartels

Control enforced by High Authority

The Community has from the start been faced by a major problem in the form of the coal cartels whose operations at the opening of the Common Market extended to every Community country. If the cartels had been wholly nefarious bodies, engaged exclusively in activities contrary to the Treaty, the High Authority's task would have been comparatively simple: it would have been able to ban them just as, in 1953, it had banned the scrap-buying cartels in Germany and Italy. But the problem was not so simple: and to understand why, it is first necessary to examine the High Authority's own terms of reference in this field.

The High Authority's Powers.

The High Authority's obligations under the Treaty in the field of cartels are listed in Article 65 of the Treaty. This bans all agreements, decisions and other concerted practices "tending, directly or indirectly, to prevent, restrict or distort" competition within the common market. The article specifically mentions agreements to fix or determine prices, restrict or control production, technical development or investments, and to allocate markets, products, customers or sources of supply.

Article 65 is mitigated by a provision allowing the High Authority to authorise agreements for specialisation or for joint buying or selling, provided that they contribute to a substantial improvement in production or distribution, that the agreement is not more restrictive than is necessary to achieve the desired results, and that it does not give the firms concerned monopoly powers in the common market.

In addition, the High Authority must see that public bodies observe the rules of the Treaty, and in particular the general articles which provide for:

- (i) the progressive establishment of conditions assuring the most rational distribution of production at the highest level of productivity.
- (ii) the banning of discriminations between producers, buyers or consumers.
- (iii) the banning of measures impeding free choice of suppliers by consumers.
- (iv) the banning of restrictive practices tending to allocation of the market,
- (v) the establishment, maintenance and observance of normal conditions of competition.

Thus the Treaty gives the High Authority a specific mandate in the field of cartels and restrictive Government bodies. The High Authority is determined, as it has stated on many occasions, to carry out to the full its obligations under the Treaty. It might therefore have seemed a relatively simple task for it to ban all organisations which infringed the Treaty rules.

A Complex Problem.

In fact, the problem was highly complex. None of the coal cartels with which the High Authority had to deal was engaged solely in restrictive activities. Indeed, the biggest of them, the *Gemeinschaftsorganisation Ruhrkohle* (GEORG), carried out certain activities which were strongly defended not only by the Ruhr coal producers and the German Government, but also by the mining unions.

Similarly, in the case of the Government bodies in question, not only were their activities not limited to restrictive practices, but some of their activities concerned fields over which the High Authority had no jurisdiction. There was again no question of a simple ban on the organisations. On each occasion, the High Authority has thus not only preferred, but has indeed been compelled, to act by negotiation, seeking to transform the operation of the organisations in question so that they conform to the requirements of the Treaty.

The Dissolution of GEORG.

The major task among the coal cartels was GEORG. The dissolution by the High Authority of this gigantic monolithic cartel, handling some eighty million tons of Ruhr coal a year, and its replacement by three independent sales agencies, was dealt with fully in Bulletin No. 2-3 of January, 1956. On March 31, 1956, GEORG ceased to exist. Its place was taken by three independent sales agencies, who under the High Authority's decision must follow independent pricing and selling policies. No personal links were permitted between the three companies, and minimum turnover tonnages were fixed to ensure that *bona fide* wholesalers fulfilling reasonable qualifications were guaranteed free and equal access to Ruhr coal.

At the same time, two conditions, insisted on by the producers, the German Government and the trade unions throughout the long and difficult negotiations which took place, demanded some form of central co-ordination. These were the maintenance of a regular and equitable supply of the right quantities of coal to all consumers at times of heavy demand and the assurance of the highest possible level of employment at all mines should demand become slack. In addition, there were also certain specific tasks which could only be carried out centrally for the Ruhr coalfield as a whole.

Central Powers—the High Authority's Veto.

Thus, the High Authority's authorisation of the new marketing arrangements permitted the establishment of a Joint Office responsible for co-operation in emergency situations, estimates of production and sales, the loading of sea-going ships and the pooling of transport costs up to f.o.b. Ruhr ports or f.o.b. seaports. Other tasks not contrary to the Community Treaty which the High Authority permitted the Joint Office to carry out jointly are fuel research and publicity and market research.

But the Joint Office's main task is to supply large consumers taking more than 50,000 tons a year. To do this, it controls a central stock through which not more than 22 million tons a year can pass, of which 12 million tons are for the German Federal State Railways. It is through orders for this central stock that the Joint Office is able to fulfill its main functions of ensuring fair shares as regards both supplies and employment.

The main characteristic of the new arrangements was the degree of public control brought into any central operations. The High Authority not only retains its full Treaty powers to fix maximum prices and allocate coal supplies in the event of a critical shortage, but it also has full right of veto over any central delivery arrangements which the Ruhr is entitled to make when demand exceeds supply or certain particularly

vulnerable groups of users have been hit by shortage. This has enabled the High Authority to exert a considerable influence on delivery plans.

Finally, an Advisory Committee of 12 producers, 12 trade unionists and 12 representatives of consumers and dealers from all the Community countries, was set up to debate any problems arising from the activities of the Joint Office and to report back to the High Authority. From being an uncontrolled producers' cartel, the Ruhr sales organisation had become three independent companies subject to a large measure of public control and publicity.

The High Authority knew at the time that the solution finally reached was less than perfect; this was inevitable in a market which had been centrally organised for decades, and in face of the attitude of the German Government, trade unions and coal producers. For this reason, its authorisation of the new arrangements was temporary, and it was important that its own control should be continuous and vigilant.

The Ruhr Decisions Re-inforced.

Evidence of the effectiveness of this control is provided by two decisions taken by the High Authority to modify the arrangements of April, 1956. In the first place, it became clear that the minimum turnover qualifications for direct access to the Ruhr by wholesalers were going to eliminate too great a number of wholesalers in more than one of the sales regions of the Community. Thus in July, 1957 the High Authority reduced the

minimum qualifications, and also gave itself greater assurances that independent pricing policies would be followed by the three sales agencies. Price rises announced by the three agencies in September, 1957 were identical down to the smallest detail. To avoid the recurrence of such practices, the High Authority required the Ruhr agencies (and also the Belgian sales agency COBECHAR) to give it four weeks' notice of any proposed price increases. This will give the High Authority adequate time to see whether the new price lists have been decided on in accordance with the rules of the Treaty.

The Smaller Coal Cartels—COBECHAR, OKU.

The Belgian coal-selling agency, Comptoir Belge des Charbons (COBECHAR), was authorised to continue in existence in October, 1956, after it had brought its operating rules into line with the requirements of the Treaty. It handled some 7% of the coal sold within the Community.

The Oberrheinische Kohlenunion (OKU) was an exclusive producers' cartel handling the marketing in South Germany of coal from four coalfields—the Ruhr, Aachen, Lorraine and the Saar, who together produce some two-thirds of the Community's total coal output. The High Authority declared that it could not be authorised in this form. By a High Authority decision of July, 1957, a reorganised OKU representing not the producers, as previously, but the wholesalers buying direct from the four coalfields, was duly authorised. Its tasks were not only to buy coal from these coalfields, but also to handle transport, trans-shipment, stocks and various other operations.

Its form is very different from that of its predecessor. Membership is now open to all dealers qualifying for direct access to the coalfields, but it is not compulsory. Large consumers can no longer buy through the OKU, but the latter may carry out on their behalf operations concerning transport, trans-shipment and stocks.

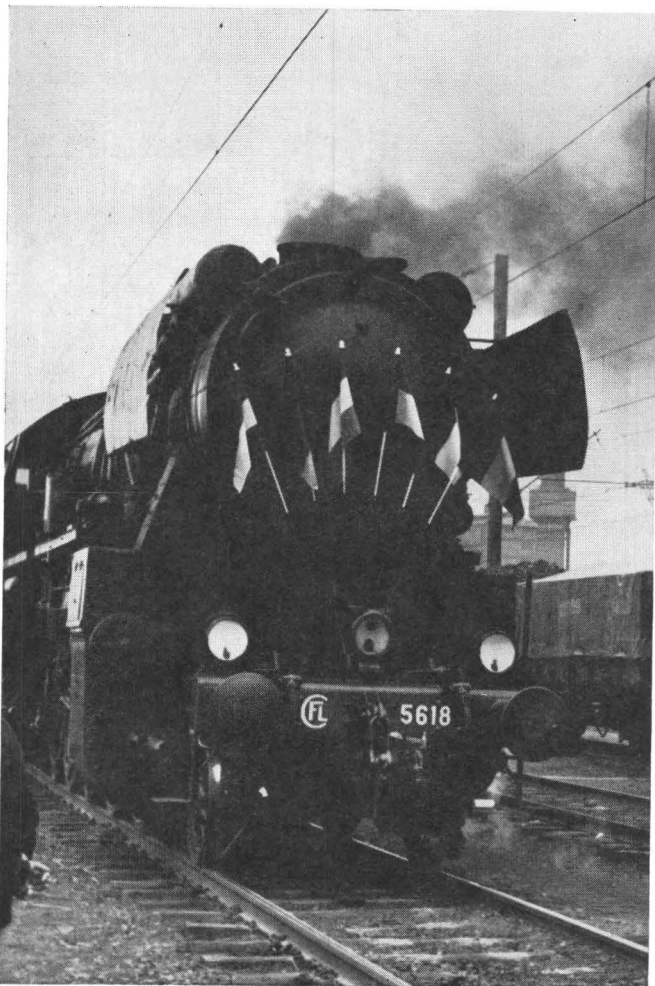
The Last Major Problem—ATIC.

While GEORG was undoubtedly the major problem before the High Authority, the one which has been most difficult to solve is operation of the Association Technique de l'Importation Charbonnière (ATIC), a French Government agency which controls imports of coal, including Community coal, into France.

At the outset, ATIC acted as sole purchaser of imported coal and maintained a right of veto over imports. It also withheld from French dealers the right to buy coal from dealers in the parts of the Community other than France; and restricted the number of French dealers who were authorised to purchase coal from non-French dealers in the Community. The High Authority was in no doubt that, in these respects, ATIC infringed the general rules of the Treaty as summarised earlier in this article. After considerable negotiations, the only major point on which the French Government was ready to yield was in publishing uniform conditions of access for French dealers wishing to import coal from Community coalfields outside France. In October, 1957, such conditions were in fact published, but they contained certain exceptions.

Accordingly, in June, 1956, the High Authority published a decision declaring that the requirement of ATIC's signature as buyer for all import contracts for coal from other Community countries was incompatible with the provisions of the Treaty.

A be-flagged coal train celebrates the opening of the Common Market on February 10, 1953.



The French Government replied (after appealing to the Court of Justice) by publishing a new statute for ATIC under which it was no longer the buyer but acted merely as the agency or commission agent of the importer. It accordingly withdrew its appeal to the Court.

Finally, in December, 1957, the High Authority published a second decision, declaring that the following aspects of ATIC's activities were incompatible with the Treaty :

- (1) the withholding of the right of French buyers to purchase coal from non-French dealers in the Community, thus compelling them to go to a French dealer, or, if he meets necessary qualifications, direct from the producers;
- (2) the refusal to allow French buyers to purchase coal from Community countries other than France except by passing through an official body, under State control, which maintains a monopoly over coal imports.

The exceptions to the conditions which French dealers have to fulfill in order to qualify as importers were also declared to be incompatible with the Treaty.

The High Authority gave the French Government periods ranging from one to two years to end these practices. On February 26 of this year, the French Government lodged an appeal with the Court of Justice against this decision.

Competition in Coal?

It might have seemed not very long ago that the conditions of the coal market were such that, whatever the action of the High Authority to eliminate cartel practices, conditions of competition were unlikely to return. That may still be true in the light of the estimates of growth of energy requirements over the next 20 years. But already with the easing of the coal market which has come about in the last few months, it has been possible to see an increase in competition between the different coalfields. In particular, this has taken the form of willingness by the coal mines to make concessions in an effort to secure stable, long-term contracts. Whether an increase in competition will be wholly to the good in an industry which needs a substantial margin for investments, if coal is to make its full contribution to the long-term energy shortage, is another matter. Some of the Community's experts believe that the maintenance and expansion of efficient productive capacity is of more importance than competition, while others believe that without a reasonable measure of competition the infra-marginal mines will never be closed.



A Luxembourg customs officer clears the way for the passage of duty-free Community goods.

The High Authority's task is clear, however. It must ensure the full application of the Treaty, and above all it cannot countenance discrimination, restrictive practices, or the acquisition of a monopoly position in the Common Market, whether by private cartels or government action; wherever it has found such practices, it has taken steps to eliminate them.

RECENT PUBLICATIONS

The following are a selection of recent publications in English dealing with various aspects of European economic integration:—

COMMON MARKET.

The New Europe.—*Financial Times* Survey, June 2. Articles on various aspects of the common market, including contributions by Professor Walter Hallstein, Dr. S. L. Mansholt, Signor Piero Malvestiti, M. Rene Sergent, M. Edgar Faure, Signor Guido Carli and M. Henri Fayat.

Europe and Africa—Can it be Partnership? By James Hunt. Supplement to *Young Europe*, published by the European Youth Campaign.

European Labour Bulletin. News of trade unionist activity in the European Communities. Britain in Europe Committee, May 1958.

FREE TRADE AREA.

The O.E.E.C. and the Common Market. By Marc Ouin. Published by the O.E.E.C., Paris, April 1958.

The European Common Market and Free Trade Area. A symposium of lectures originally delivered in November/December 1957, Institute of Bankers, 1958.

Free Trade in Western Europe. A joint statement by the industrial federations and employers' organisations of Austria, Denmark, Norway, Sweden, Switzerland and the United Kingdom.

E.C.S.C.

Steel Review. A symposium of articles on various aspects of the steel industries of Western Europe, including an assessment of the first five years of the E.C.S.C. British Iron and Steel Federation, April 1958.

EIGHTH ANNIVERSARY OF SCHUMAN DECLARATION

CEREMONIES AT BRUSSELS EXHIBITION

On May 9, 1958, the three European Communities, together with political leaders from the six Community countries, celebrated the 8th anniversary of the Schuman Declaration which gave rise to the European Coal and Steel Community, first step in European economic integration. It was 8 years since M. Robert Schuman, then French Foreign Minister, made his revolutionary proposal "to place the entire French and German coal and steel industry under a common High Authority in an organisation open to the other countries of Europe". This was the beginning of what later became the six-country common market in coal and steel, now to be extended, in the European Economic Community, to a Common Market for all goods under similar quasi-federal institutions, including a common Court of Justice and European Parliamentary Assembly to serve the E.C.S.C., the Common Market, and Euratom.

To mark the occasion, M. Schuman, who is now President of the European Parliamentary Assembly, addressed assembled Europeans in the Community pavilion at the Brussels Exhibition. He said: "The European Coal and Steel Community is today celebrating its own origin and the work which it has since accomplished. It was this Community which made the first breach in routine by establishing objectives never previously imagined, and very novel methods. The Community was given life by its first President, Jean Monnet, and by all those who joined with him and succeeded him. Together, they undertook the daring task of building a supranational Community.

"That was a revolutionary conception—or at least was revolutionary at that time. Today, it has become much less so. After three years of experience, experience which had become conclusive, the governments planned its expansion. That was the moment when Paul-Henri Spaak and the colleagues inspired by him boldly enlarged the concept of the coal-steel common market and applied it to the whole of the six countries' economy and more particularly to the peaceful uses of atomic energy."

M. Schuman's address had been preceded by a speech of welcome by M. Paul Finet, President of the High Authority, thanking all those who had assisted at the birth of the new Europe.

Homage at Marcinelle.

Before the morning's ceremonies, M. Paul Finet, and members of the High Authority and of the European Parliamentary Assembly, together with trade unionists, industrialists and Belgian officials, laid wreaths in the churchyard of Marcinelle to the memory of those who lost their lives in the pit disaster of August 1956. This brief and simple ceremony was followed by colliery and steel works band concerts in the Grand Place, Brussels,

M. Paul Finet, President of the High Authority, pays homage to the victims of the Marcinelle mining disaster at the opening of the celebrations for May 9.

and at the Community Pavilion. Other ceremonies included a private luncheon given by M. Finet and attended among others by the Presidents of the Common Market and Euratom Commissions, and a reception given by the Belgian Commissioner General at the Exhibition.

A European Evening.

The day concluded with a "European Evening" in the vast Grand Auditorium of the Exhibition. The programme included performances by the band of the "Emma" state mine at Treebeek, in the Netherlands, of the "Hymn of the United States of Europe", composed by M. Michel Roberti, and dedicated to the builders of United Europe. This was followed by the mime play "Hotel Europa", performed by the Nederlandse Pantomime Stichting under the direction of Jan Bronk, and the world première of a short colour film in cinemascope made jointly by Roger Leenhardt, Pierre Biro, Marcello Pagliero and Anton Weber.

The evening concluded with a final round in a European television quiz "What do you know about Europe?" This was presented simultaneously over the television networks of the six countries by Eurovision. The winners of the quiz were the Italian and French finalists Signorina Benati, and M. Abraham, with 45 points each. But the prize, worth 250 000 bfrs., went to Signorina Benati whose answers were given in the shorter time.

Throughout the day of May 9, a special post was opened in the European Community Pavilion for the despatch of commemorative mail. Philatelists from many countries took the opportunity to have their letters, which bore special European stamps, franked with a Community postmark celebrating the anniversary.



COMMUNITY NEWSBRIEFS

E.C.S.C. : COMMON MARKET

The first joint publications to be issued by the three European Communities (the E.C.S.C., the Common Market, and Euratom) have now appeared. They are: a pocket-size compendium of general statistics for 12 European countries, compared with the United States and the U.S.S.R., and the first number of the "*Journal Officiel des Communautés Européennes*".

E.C.S.C.

Financial Report for 1957.

The High Authority's fund-raising activities during 1957 were particularly valuable in view of the tightness of the money markets of the Community, but its "relatively substantial" aid appears inadequate if compared with the total capital requirements of the industries of the E.C.S.C., says the Third Financial Report of the High Authority, published on May 9.

It is hoped, the Report adds, that "in 1958 circumstances will be such that the High Authority will be able to a larger extent to come to the assistance of the enterprises in need of credits".

Since the introduction of the general levy in February 1953 to December 31, 1957 the Report states that its total yield has been \$204.47 millions (E.P.U. Units). During the first six months of 1957 the rate was 0.45%. The reserves accumulated allowed this to be reduced however to 0.35% as from July 1, 1957. At the end of last year a total of 859 enterprises in the Community were subject to this levy.

Looking back over the five years of the High Authority's financial operations, the Report resumes its achievements in the following way:

- the accumulation of a reserve of 100 million E.P.U. units in the Guarantee Fund;
- the building up of a network of correspondents comprising 78 of the most important banks in the six countries of the Community, Switzerland and the U.S.A.;
- the increase of its total resources to the equivalent of \$333 million;
- the raising of seven loans from banking houses and institutional investors;
- the floating of two public bond issues;
- the granting of credits of approximately \$770 million to 86 Community enterprises;
- the contribution of approximately \$180 million for the construction of over 30,000 workers' housing units;
- the making available to enterprises under the High Authority's jurisdiction of more than \$300 million through loans, medium-term credits, and assistance for research and readaptation.

British M.P.s' visit to Luxembourg.

Ten Members of Parliament visited the headquarters of the High Authority in Luxembourg from April 15-17. The

Conservative group was led by Sir Peter Roberts, Bt., and the Labour Party group by Mr. Harold Neal. The party was received by M. Paul Finet, President of the High Authority, and had an intensive programme of talks and discussions with members of the staff which ranged over a wide number of topics concerned with the three European Communities and the Free Trade Area.

Other members of the party were: Mr. Paul Bryan (Cons. Member for Howden, Yorks.), Mr. F. W. Farey Jones (Cons. Member for Watford), Mr. John George (Cons. Member for Pollock), Mr. Cyril Osborne (Cons. Member for Bolsover), Mr. A. F. M. Palmer (Lab. Member for Cleveland), Mr. Albert Roberts (Lab. Member for Normanton), Mr. Granville West (Lab. Member for Pontypool), and Mr. R. Dudley Williams (Cons. Member for Exeter).

COMMON MARKET

Death of M. Michel Rasquin.

We deeply regret to announce the death on the night of April 27/28, of M. Michel Rasquin, Member of the Commission of the European Economic Community. Born in Pétange, Luxembourg, in 1899, M. Rasquin sought refuge in France in 1940, and became editor of *Vérité*, a resistance newspaper in Marseilles. In 1945, he returned to Luxembourg becoming president of the Luxembourg socialist party and editor of the *Journal d'Esch*. In 1946 he became conseiller d'état. He was elected deputy in 1948, and became minister of economic affairs in 1951. He thus served as member and president of the Council of Ministers of the European Coal and Steel Community before his appointment on January 7, 1958 as a Member of the European Commission.

Agricultural Conference Date Set.

The Agricultural Conference of the six Common Market countries will open in Stresa on July 3, to begin formulation of the guiding lines for a common agricultural policy of the six Community countries. The Conference was convened by the Commission of the European Economic Community in accordance with Article 43 of the Treaty, which further lays down that the Commission shall submit within two years of the entry into force of the Treaty proposals for the working out and realisation of a common agricultural policy.

Community Countries' Memorandum to G.A.T.T.

The six Community countries have submitted to G.A.T.T. a memorandum on the Common Market and its relations with third countries, and notably with the countries of Latin America. This memorandum, together with the whole complex of problems concerning the relations of the Community with its partners in G.A.T.T. is being studied at present, and will be debated towards the end of this year in the G.A.T.T. plenary session.