

EUROPEAN COAL AND  
STEEL COMMUNITY

HIGH AUTHORITY

GENERAL SECRETARY

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STEEL TRADE AND PRODUCTION AGREEMENTS

A. Joint sales office

The High Authority has announced its intention to authorize five Belgian and Luxembourg steel firms - ARBED, Cockerill-Ougrée, Providence, Beautor and SIDMAR - to set up a joint office at Bruxelles for sales of flat steel products.

Approval will be given subject to conditions for a period of four years. The firms concerned must provide a report of their activities every two years and must inform the High Authority of all contacts and decisions taken with regard to the joint sales office.

The agreement provides for a permanent committee responsible for sales policy and a central sales office for coordinating orders for flat products. As the new SIDMAR steel works gradually takes over flat products finishing, the sales office will become responsible for all deliveries of cold and hot rolled sheet and coils.

The agreement makes the central sales office responsible for distributing orders amongst the members of the group. This will be done on the basis of maximum utilisation of rolling capacity, while as far as possible orders will be placed with the steel works nearest to the customer so as to keep transport costs low.

The share of the steel firms taking part in the agreement in overall Community output capacity in 1969 is calculated as 9.1 % for coils, 9.3 % for cold sheet, and 7.1 % for hot rolled plate and sheet.

Each of the steel firms will continue to run their own sales organizations and will sell products affected by the agreement at their list prices. The firms will also draw up their rolling programs independently.

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The High Authority considers that the arrangement does not represent a specialization agreement under the terms of the ECSC treaty, but is able to bring considerable improvements in output through better distribution of orders and a more efficient utilization of capacity.

#### B. USINOR-SOLLAC specialization agreement

The High Authority has announced its decision to authorize the specialization agreement between the two French steel firms USINOR and SOLLAC concerning wide strip mills.

This agreement aims at drawing up a joint investment policy for hot and cold wide strip mills. Under the agreement none of the steel firms concerned will build new strip mills so long as their existing capacity can meet the likely growth in demand. SOLLAC will be constructing a new hot rolling mill and USINOR the next cold rolling mill.

The High Authority considers that this agreement does not restrict competition on the already very competitive market for these products and that it contributes to a considerable improvement in production by limiting further increases in surplus capacity and thus reducing fixed costs per ton.

#### WORKERS READAPTATION BENEFITS IN FRANCE

The High Authority has accepted the French government's proposal for improving the readaptation benefits provided for redundant coal and steel workers. The improvement is particularly marked for workers following occupational retraining courses. The new measure will apply retroactively from July 1966.

Among the improved benefits, a special payment is introduced to encourage occupational retraining. This takes the form of a bonus for all workers who have followed an occupational retraining course at a recognized centre. The bonus will vary between 1,000 FF (approximately £ 70) and 2,000 FF (about £ 140) according to the length of the course, and will be 3,000 FF (about £ 215) for workers following a highly skilled course. Secondly the upper limit on tiding over pay has been raised from 1,200 FF to 3,000 FF.

#### READAPTATION AID FOR 7,750 ECSC WORKERS

The High Authority has decided to help with readaptation of 7,750 coal and steel workers in Germany and in Italy who will lose their jobs as a result of closure or reduced working in the firms which employ them. The High Authority will make available credits worth approximately \$ 2,100,000, representing half the total costs, with the government of the country concerned providing the rest.

About 6700 of the workers affected are German coalminers, mostly from the Ruhr. Some 1500 will be found work elsewhere in coalmining. A further 813 are steel workers made redundant by the closure of a hot rolling mill of Siegerland AG at Hüsten in Westphalia.

The Italian workers affected are 180 men who lost their jobs when a small steel works in Brescia, Northern Italy, closed in October last.

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