

an exception is made in this instance because of the importance of restrictions on coal and because of the part they have played in the Kennedy Round discussions of nontariff barriers.

Within the EEC, only Italy has no restrictions on coal imports. Germany imposes a prohibitive tariff of 20 DM (\$5) per ton on all coal imports in excess of a duty-free global quota, which has averaged about 6 million metric tons annually. Because no imports enter at this prohibitive rate, this tariff quota is comparable to an absolute limitation of imports.¹⁴ Belgium imposes quotas on coal that are administered through the issuance of licenses. Imports into the Netherlands are also licensed, and imports of anthracite are subject to a quota that discriminates against the United States in favor of the United Kingdom and the U.S.S.R., the traditional suppliers. In France, a *de facto* state-trading company, *Association Technique de l'Importation Charbonnière* (ATIC), has a monopoly on the importation of non-EEC coal. Imported coal is then sold at a price fixed by the French government that limits the competition of foreign coal.¹⁵

The United Kingdom prohibits imports of coal from Atlantic area countries. At the same time, the United Kingdom is an important coal exporter.¹⁶ The National Coal Board, established in 1946 when the coal industry was nationalized, prices exports so that they can compete in world markets. Because export prices are related to prevailing world prices rather than to domestic prices, such a pricing policy constitutes a subsidy.¹⁷ Instead of quantitative restrictions, Canada

¹⁴ Germany also prohibits all imports of non-EEC coal south of the *Mittelland Kanal*, where most of the German steel industry is located. The effect of this geographical restriction is to limit the use of imported coal under the duty-free quota to the production of coal gas, the generation of power, and other non-steelmaking purposes. Germany also grants tax advantages and cash subsidies to power plants that use Community instead of third-country coal.

¹⁵ All EEC producing countries subsidize domestic production in some form. In 1965, indirect and direct subsidies ranged from \$.80 per ton in the Netherlands to \$6.20 per ton in Belgium. See *Bulletin de la Communauté Européenne du Charbon et de l'Acier Haute Autorité*, No. 61 (Luxembourg: April, 1966), p. 21.

¹⁶ In 1964, the United Kingdom exported 6.0 million metric tons of coal, of which 4.9 million tons were exported to Atlantic area countries. The Netherlands, France, Denmark, Germany, and Belgium were the principal purchasers.

¹⁷ See GATT document L/2593/Add. 6, May 20, 1966, pp. 2 and 3.