

needs to be undertaken could be done on an international collaborative basis, perhaps co-ordinated through the Intergovernmental Maritime Consultative Organization.

Research is considered to be necessary into means of speedy transfer of the cargo from a stranded vessel and methods of firing oil in a stranded tanker and on the sea surface. The committee also recognizes the need to develop more effective but less toxic detergents and to investigate the effects of natural factors in the movement, dispersal and destruction of oil at sea, as well as of the factors determining the stability and formation of different types of oil-water emulsion. Other enquiries, it maintains, should be directed to the disposal of oil by sinking with high density material. The possibility of developing cheap, effective and floating oil-absorbent material and methods of collecting the oil-soaked material in open seas also needs to be examined. Gelling agents are at present expensive and cheaper ones need therefore to be developed. Furthermore, suitable coastal tankers equipped to spray detergent and to ensure that it is mixed with the oil are also desirable. Cheap and effective booms, primarily for protecting harbours and inlets, are not yet available but could prove useful if improved, while mechanical methods for removing oil from beaches and rocks could be reinforced by burning and steam cleaning—the latter having been used successfully in France. Finally, the committee maintains that further research is needed into the effect of oil and detergent on fish and other marine life, sea birds and coastal vegetation.

Too Much Steel

STEEL production capacity is considerably greater than the demand for it in OECD countries. This observation is made in the recently published OECD review of the iron and steel industries in member countries (*The Iron and Steel Industry in 1966 and Trends in 1967*; OECD, 21s.).

Overcapacity in the steel industry has been a source of increasing concern since 1958 and in Europe in 1966 production of steel was 20 million tons below capacity. This imbalance between supply and demand has had destructive consequences. To maintain large production runs manufacturers have been forced to set export prices at low levels, which has in turn affected domestic prices in many countries. The downward pressure on prices has diminished profits and the ability to maintain a level of essential investment has been seriously impaired.

WORLD PRODUCTION OF STEEL, MILLION TONS

	1965	1966	Per cent change
ECSC	86.0	85.1	-1.0
UK	27.4	24.7	-10.0
OECD—Europe	127.2	124.3	-2.3
Canada	9.1	9.1	0.0
United States	119.3	121.7	+2.0
Japan	41.2	47.8	+16.1
OECD total	296.8	302.9	+2.0
USSR	91.0	96.9	+6.5
Other countries (excluding China)	56.1	60.1	+7.1
World (excluding China)	443.9	459.9	+3.6

World production of steel continued to increase in 1966 but in Europe showed a small decline. Japan is the only large producer whose iron and steel industry experienced a significant increase in production. In the first half of 1967 output in the OECD area continued at about the same rate as that recorded for 1966; the upward trend continued in Japan, but the decrease in the United Kingdom and Germany showed signs of levelling out.

Two basic trends discernible in the international trade in steel are, first, a levelling off or even a decrease in exports to developing countries, and, second, an increase in trade between industrialized countries. Developing countries not only lack the foreign exchange to import steel but in many cases are supporting indigenous industries. The increasing volume of trade between industrialized countries is caused partly by the need to make good shortfalls in production in the countries concerned, and partly by geographical factors, price differences and such competitive conditions as quality, delivery and after-sales service.

Investment expenditure in 1966 again reached high levels in Canada, the United States and Japan, but in Europe was lower than previous years. (In the United Kingdom, at least, the impending nationalization of the industry was probably one of the factors inhibiting investment.) Investment in Europe was usually devoted to modernization and short-term improvements in productivity. The report concludes on the melancholy note that the chronic overcapacity in the steel industry seems likely to continue for many years to come. International efforts to avoid or even alleviate the effects of overcapacity have been unsuccessful. Instead, individual countries have increasingly preferred to take steps to safeguard their own iron and steel industries.

Aluminium from Coal

THE British Government's plan to sell electricity cheaply to aluminium smelters in the hope of starting a new industry in Britain seems not to be going exactly as Mr Wilson intended. Alcan, an aluminium company based in Canada, has decided that it would prefer to buy its coal cheaply and build its own power station. The Government's intention was that the smelters should share the output of a large nuclear power station with the electricity boards, after paying a capital sum equivalent to the amount of electricity the smelter would need. Alcan has lent credence to the National Coal Board's claim that it is still possible to generate electricity more cheaply with coal than with nuclear power, and has at the same time given the electricity boards the uneasy feeling that Alcan is getting better terms than they are. Neither the coal board nor Alcan is revealing the price agreed for the coal, but it will be supplied in substantial amounts—1 million tons a year when the smelter is operating fully.

The Coal Board has also had discussions with another aluminium company, Alusuisse, which announced some weeks ago that it was interested in tendering for a smelter. So far these seem only to have been tentative, and no decision has been reached. But, from the point of view of the aluminium companies, there is much to be said for building a small power station sufficient only for their own needs. This spares them the need to satisfy the stringent demands of the generating