minerals and metals industry was no exception. Potash cartels already existed in Europe in the 19th century. Today the potash industries in France, West Germany and partly in Spain are controlled and operated by single organizations - state organizations in the case of France and partly in Spain. In France, the state-owned firm not only enjoys a production monopoly, but also is that country's sole distributor and vendor of potash. In the United Kingdom, the state-owned British Coal Corporation has an exclusive arrangement with the Central Electricity Generating Board for the sale of coal. In several Member States, the steel industries are virtual monopolies, some of them being state-owned. State ownership, monopoly or monopolistic tendencies are common in other areas of the EC minerals and metals sector.

Investment

There are really no artificial barriers to bilateral investment between Canada and the EC in the minerals and metals sector; nor are there any instruments that actively promote investment. Article 54 of the ECSC Treaty provides for the High Authority to grant loans for coal and iron ore mining, as well as for other steelmaking raw materials. Although the initial focus was on mining in the EC, in the 1970s a few loans were made available for EC-based companies to develop coal and iron ore supplies from abroad. One such small loan came to Canada. The boldest and largest Article 54 loan abroad went to the Carajas iron ore project in Brazil.

In a somewhat similar manner, another EC instrument - the European Investment Bank (EIB) created in 1958 - was eventually authorized to make loans abroad. By 1979, one-sixth of EIB loans outstanding, had been made to producers outside the EC, many in the primary sectors. Few, if any, made their way to Canada's minerals and metals sector.

For a number of years, EC businessmen complained about Canada's Foreign Investment Review Agency. However, there is no recorded evidence to suggest that the Agency ever inhibited proposed EC investment in Canada's minerals and metals sector.