

COMMISSION OF THE EUROPEAN COMMUNITIES

C(77) 1458

Brussels, 19 December 1977

DRAFT DECISION ECSC

prohibiting alignment on offers of iron and steel products
and pig iron originating in certain third countries.

(Transmitted to the Council for unanimous assent)

C(77) 1458

DECISION No .../.. /ECSC

of.....

prohibiting alignment on offers of iron and steel products and pig iron originating in certain third countries

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 64 and the first and second paragraphs of Article 95 thereof,

Whereas the Commission has taken measures relating to prices on the common market in steel; whereas the governments of certain third countries have assured the Commission of their cooperation over the measures which it has taken; whereas in particular these countries will ensure that deliveries of iron steel products do not exceed tonnages compatible with the situation of the common market; whereas furthermore these countries will ensure that the invoiced prices of their deliveries of iron and steel products in the Community are compatible with the levels of guidance prices and minimum prices published by the Commission;

Whereas consequently offers of iron and steel products originating in these countries at prices not compatible with the guidance prices and minimum prices should be the exception and be only for small quantities;

Whereas experience has shown that compliance with the minimum prices and guidance prices published by the Commission cannot be secured if offers at lower prices and for only small quantities may be used as a basis for alignments; whereas these factors would increase downward pressures on Community prices were the Commission not to abolish the right of Community undertakings to align their prices on these low-priced offers from third countries;

Whereas the Treaty, and more particularly Article 60 thereof, makes no provision for a prohibition of this nature; whereas such prohibition of alignments is necessary for the attainment in the functioning of the common market in steel, and pursuant to Article 5 of the Treaty, of one of the Community's objectives, as these are defined in Articles 2, 3 and 4; whereas Article 2 of the Treaty lays upon the Community the task of pursuing its objectives in harmony with the general economy of the Member States; whereas the economic and social objectives set out in Article 3(c), (e) and (g) also call for this Decision;

Whereas the general principles regarding intervention laid down in Article 5 of the Treaty are being observed; whereas under present market conditions the constant deterioration in the prices of iron and steel products and pig iron can be halted only by the prohibition of such alignment;

Whereas cooperation by the countries concerned applies only for a limited period; whereas the prohibition of alignment must have a time limit;

Whereas the Commission has contacted the governments of certain other third countries in order to secure the same cooperation; whereas the arrangements now in force could be cancelled for unforeseen reasons; whereas consequently the Commission must be able to alter the list of countries involved;

Whereas observance of the prohibition must be assured by appropriate measures; whereas the Decision must accordingly make provision for the application of the penalties laid down in Article 64 of the Treaty in respect of infringements of price measures;

Having consulted the Consultative Committee, and with the unanimous assent of the Council of Ministers,

HAS ADOPTED THIS DECISION:

Article 1

In their transactions in pig iron and steel Community undertakings are prohibited from aligning their offers on terms offered for steel produced in the countries listed in the Annex.

The Commission shall amend this list if need be.

Article 2

For the purposes of this Decision, "pig iron and steel" shall include all products listed in Annex I to the Treaty under numbers 4.200 to 4.500 inclusive.

Article 3

In the event of infringement of Article 1 of this Decision the provisions of Article 64 of the Treaty shall apply.

Article 4

This Decision shall enter into force on 1978. It shall cease to have effect on 31 December 1978.

The Commission reserves the right to repeal this Decision wholly or in part before that date should market conditions and the interests of the Community undertakings demand.

This Decision shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President

Roy Jenkins