



CONTINUANCE OF MINIMUM PRICES FOR STEEL FOR REINFORCEMENT

ECSC Treaty Article 61

EXPLANATORY MEMORANDUM

In the period since Decision n° 962/77/ECSC of 4th May 1977 introduced minimum prices for steel for reinforcement, the factors that led to the installation of this system have hardly altered (See Document COM(77) 145 final of 13.4.1977).

Demand for steel for reinforcement is still stagnating, despite a small upturn in the private building industry.

The large number of small and medium-sized producers has made it very difficult to apply the system of voluntary delivery limits to this product. However, the discussions arranged by the Commission with these producers have led to adjustments in their plans for deliveries which gives hope that these problems will not persist in future.

The checks made on whether the minimum prices are being observed have shown up irregularities which are being followed up by proceedings in accordance with Articles 36 and 64 of the ECSC Treaty.

Discussions arranged between the Commission and a number of third countries importing steel to the Community have had the result that these countries have not increased the quantities they have delivered.

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COMMISSION DECISION No. ..../77/ECSC  
of ..... 1977  
fixing minimum prices for steel for reinforcement

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community,  
and in particular Article 61 thereof,

Having regard to High Authority Decisions No. 30-53 and No. 31-53 (1), as last  
amended by Commission Decisions 72/440/ECSC and 72/441/ECSC of 22 December  
1972 (2),

Having regard to Commission Decisions No. 3073/73/ECSC (3) and No. 911/75/ECSC(4),

Whereas the steel industry is still in serious difficulties; whereas supply is  
still considerably in excess of demand;

Whereas the Commission has introduced measures to correct the steel market;  
whereas one of these measures, in Decision 962/77/ECSC of 4th May 1977 (5),  
fixed minimum prices for steel for reinforcement; whereas this Decision is due  
to expire on 31st December 1977;

Whereas the state of the market in steel for reinforcement is still jeopardizing  
the attainment of the objectives set out in Article 3 of the Treaty; whereas  
the Commission therefore considers that the conditions for the continued appli-  
cation of Article 61 to the market for steel for reinforcement are fulfilled;

Whereas the dispositions of Decision 962/77/ECSC should, therefore, be enforced  
for a further year, subject to certain minor adjustments and clarifications;

Having regard to studies carried out in conjunction with the undertakings and  
association of undertakings, and after consulting the Consultative Committee  
and the Council both on the advisability of introducing minimum prices for  
steel for reinforcement and on the level of these prices,

HAS ADOPTED THIS DECISION :

Article 1

1. This Decision shall apply to undertakings in the iron and steel  
industry of the European Coal and Steel Community and to their selling agencies  
and middlemen as referred to in Decisions Nos. 30-53 and No. 31-53.

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(1) OJ No. C 29, 12.5.1973 for the updated version  
(2) OJ No. L 297, 30.12.1972, pp. 39 and 42  
(3) OJ No. L 314, 15.11.1973, p. 1  
(4) OJ No. L 88, 9.4.1975, p. 7  
(5) OJ No. L 114, 5.5.1977, pp. 1, 2 and 3

2. The Commission hereby fixes the following minimum prices for sales of steel for reinforcement :

(a) for ordinary mild steel, per tonne :

- 530 German marks,
- 130 pounds sterling and Irish pounds,
- 1 106 French francs,
- 198 000 Italian lira,
- 550 Dutch guilders,
- 8 100 Belgian and Luxembourg francs,
- 1 335 Danish kroner;

(b) for high yield to BS 4449, per tonne :

- 550 German marks,
- 134,50 pounds sterling and Irish pounds,
- 1 145 French francs,
- 205 000 Italian lira,
- 570 Dutch guilders,
- 8 400 Belgian and Luxembourg francs,
- 1 380 Danish kroner.

3. In order to maintain a uniform minimum price level within the common market, the Commission may adjust these prices in accordance with fluctuations in exchange rates.

#### Article 2

1. The minimum prices shall be basis prices ex basing point, including extra for quality.

2. They shall be compulsory for transactions effected after the entry into force of this Decision.

#### Article 3

1. Rebates and discounts of any sort, whether published in price lists and conditions of sale or notified to the Commission at the date of entry into force of this Decision, shall not be increased. The introduction of new rebates or discounts shall be prohibited.

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2. Surcharges or extras of any sort published in price lists and conditions of sale at the date of entry into force of this Decision shall not be cancelled or reduced.
3. Where published price lists show basis prices which take account of quality or size, the difference between such inclusive prices and the minimum prices are to be treated as extras for quality or size.
4. As regards steel for reinforcement sold in coil, the consequent price differentials contained in the price lists applicable when this Decision enters into force are to be treated as rebates or extras, as the case may be, in accordance with paragraphs 1 and 2 of this Article.
5. The terms and times allowed for payment published in the price lists at the date of entry into force of this Decision shall not be changed.

#### Article 4

This Decision shall apply to sales both within the Community and on the territories of the Republic of Austria, the Republic of Finland, the Kingdom of Norway, the Kingdom of Sweden and the European territory of the Republic of Portugal.

#### Article 5

1. The minimum prices shall not preclude alignments on more favourable delivered prices based on the price lists of other producers in the Community or in the countries referred to in Article 4.
2. However, within the common market, alignments on offers for steel for reinforcement from any country that is not a Member State of the Community shall be authorized only in so far as the delivered prices are not lower than the delivered prices based on a more favourable Community price list.

#### Article 6

1. This Decision shall enter into force on the day of its publication in the Official Journal of the European Communities and shall remain valid until 31 December 1978 unless repealed before that date.
2. Without prejudice to the adjustment provided for in Article 1 (3), the Commission may adjust the level of the minimum prices during the period of validity of this Decision if it considers that the development of the situation so requires.

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