

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 94 final
Brussels, 6 March 1978

Draft for a
COMMISSION DECISION ECSC

prohibiting alignment on offers of iron and
steel products, (including pig iron), originating
in certain third countries

(submitted to the Council by the Commission)

COM(78) 94 final

On 28th December 1977 the Consultative Committee gave its opinion on the first draft of this Decision.

On 17th January 1978 the Council of Ministers gave its unanimous assent to this first draft.

However, the annex listing the countries with whom an Arrangement was to be signed, had still to be drawn up. This annex is now attached to the new draft Decision.

Further, during the course of negotiations with certain third countries it has become clear that it is necessary to specify those products where the ban on alignment would apply. Article One of the draft Decision has been modified accordingly, and the old Article 2, overtaken by events, has been cancelled. The preambles to the draft Decision have also been altered accordingly. Finally, various changes to the wording of the draft Decision have been made in response to the requests of both the Council and the Commission's Legal Service.

Since the Arrangements mentioned in the annex to the draft Decision may be signed in the very near future, the Commission suggests that the Council Secretariat ask for the Council's assent by means of the accelerated written procedure. For the same reason, it is suggested that the Consultative Committee's Office too asks for the Committee's opinion by means of the accelerated written procedure.

prohibiting alignment on offers of iron and steel products,
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, 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 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 base 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 prohibition of such alignments is necessary for the attainment, in the functioning of the common market in steel and in conformity with Article 5 of the Treaty, one of the Community's objectives as 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 necessitate the taking of this Decision;

Whereas the general principles regarding intervention by the Commission, laid down in Article 5 of the Treaty, apply; whereas, under present market conditions, the continued weakening in the prices of iron and steel products (including pig iron) can be halted only by the prohibition of such alignment;

Whereas the cooperation with certain of the countries in question may cover only some iron and steel products; whereas it is therefore necessary to specify the iron and steel products covered by the measure;

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

Whereas, as regards those third countries from whom the Commission has not got this cooperation, it is necessary that Community undertakings continue to have the right to align their prices on those of offers from these third countries;

Whereas observance of the prohibition must be assured by penalties; whereas the application of the penalties laid down in Article 64 of the Treaty for breaches of price measures would be suitable;

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

HAS ADOPTED THIS DECISION:

Article One

Community undertakings are prohibited from aligning their offers on the terms of offers of third country undertakings situate in the countries listed in the Annex and for the products set out therein.

The Commission shall amend this list if need be.

Article 2

Should Article 1 of this Decision be breached, the penalties referred to in Article 64 of the Treaty shall be applicable.

Article 3

This Decision shall enter into force on1978. It shall expire 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 so require.

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

Annex

The ban on alignment introduced by this Decision covers the terms offered by undertakings situate in the following countries:

1. Republic of Austria
2. Republic of Finland
3. Kingdom of Norway
4. Kingdom of Sweden
5. Republic of Portugal

and as regards the iron and steel products for which the Commission has fixed base prices (2) for the purposes of applying Recommendation 77/329/ECSC (1), with the exception of ferromanganese, CCT Heading n° 73.02 A I

6. Swiss Confederation

and as regards

- Concrete reinforcing bars with minor indentations, flanges, grooves or other deformations produced during the rolling process, whether or not twisted after rolling, NIMEXE number (3) 73-10 A II a;
- smooth reinforcing bars, NIMEXE number (3) ex 73-10 A II b.

(1) O.J. N° L 114 of 5.5.1977 as amended by Recommendation N° 3004/77/ECSC - O.J. N° L 352 of 31.12.1977

(2) O.J. N° L 353 of 31.12.1977

(3) Nomenclature of goods for the external trade statistics of the Community and statistics of trade between Member States, O.J. No L 325 of 19 December 1977

