

COMMISSION DECISION No 527/78/ECSC

of 14 March 1978

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 the Community and the countries concerned have agreed to maintain the traditional trade flows and to prevent the measures taken from causing, as regards deliveries of steel products on the common market, shifts that would be incompatible with the policy initiated for the recovery of this 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 a 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, of 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 1

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 on 15 March 1978. 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, 14 March 1978.

For the Commission

Étienne DAVIGNON

Member of the Commission

ANNEX

The ban on alignment introduced by this Decision covers the terms offered by undertakings situated 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 ⁽¹⁾ for the purposes of applying recommendation 77/329/ECSC ⁽²⁾, as amended by recommendation No 3004/77/ECSC ⁽³⁾, with the exception of ferro-manganese falling within CCT subheading 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, statistical subdivision of the NIMEXE ⁽⁴⁾ 73.10 A II a),
- smooth reinforcing bars, statistical subdivision of the NIMEXE ex 73.10 A II b).

⁽¹⁾ OJ No L 353, 31. 12. 1977.

⁽²⁾ OJ No L 114, 5. 5. 1977.

⁽³⁾ OJ No L 352, 31. 12. 1977.

⁽⁴⁾ Nomenclature of goods for the external trade statistics of the Community and statistics of trade between Member States, OJ No L 325, 19. 12. 1977.