EUROPEAN COAL AND STEEL COMMUNITY

Recommendation to Governments of Member States Extending the Recommendation Concerning the Introduction of Specific Protection on Imports of Foundry Pig-Iron

The following communication has been received from the High Authority of the European Coal and Steel Community.

The High Authority of the European Coal and Steel Community (ECSC) has the honour to inform you that the action to afford protection to the Community market for foundry pig-iron for 1964 and 1965 and extended for 1966 - as communicated to you by letters dated 6 February 1964 and 15 December 1965 - has been extended for a further period of two years, i.e. until 31 December 1968. The rate of the minimum specific protection has, however, been reduced from 7 to 5 EMA accounting units per ton.

Attached hereto is the text of the recommendation adopted on this subject by the High Authority on 30 November 1966.

In accordance with the obligations incumbent on it, the Community proposes to carry out the requisite consultations regarding this action with the contracting parties principally concerned.
ANNEX

RECOMMENDATION No. 1-66
of 30 November 1966

to the Governments of the member States
extending recommendation No. 2-64 concerning
the introduction of specific protection on imports
of foundry pig-iron

THE HIGH AUTHORITY,

Having regard to Articles 2 to 5, 8, 14, 57, 71, 74, 81 and 86 of the Treaty;

Having regard to the agreement reached in the Council of Ministers on
19 November 1957 between the representatives of the Governments of the member
States regarding the harmonization of the customs duties on iron and steel
products applied at the external frontier of the Community;

Having regard to recommendation No. 1-64 dated 15 January 1964 (Official
Gazette of the European Communities No. 8 of 22 January 1964, p. 99) and the
Governments of the member States concerning an increase in the level of
protection affecting iron and steel products at the external frontier of the
Community;

Having regard to recommendation No. 2-64 dated 15 January 1964 to the
Governments of the member States concerning the introduction of specific
protection on imports of foundry pig-iron, (Official Gazette of the European
Communities No. 8 of 22 January 1964, p. 107) as amended by decision No. 11-64
of 27 May 1964 (Official Gazette of the European Communities No. 86 of
2 June 1964, p. 1335) and extended by recommendation No. 1-65 of 1 December 1965
(Official Gazette of the European Communities No. 206 of 8 December 1965, p. 307);

Having regard to the provisions of the General Agreement on Tariffs and
Trade (GATT), and in particular Article XIX thereof;

Considering that by the above-mentioned recommendation No. 2-64, the High
Authority recommended that the Governments of the member States should take all
appropriate legislative and administrative action to institute, with effect
from 15 February 1964, in addition to the external frontier protection applicable
to foundry pig-iron in pursuance of recommendation No. 1-64 of 15 January 1964,
specific protection for the said products amounting to at least 7 EMA accounting
units per ton;
Considering, that as may be seen from the statement of motives in recommendation No. 2-64, this temporary measure of protection had become necessary following the relatively large increase in imports of foundry pig-iron from third countries; that foundry pig-iron was then being offered at such prices as to result in a particularly serious situation in the common market for foundry pig-iron, and to hamper the necessary adjustment measures in industry;

Considering that, accordingly, the introduction of a temporary specific duty was designed to meet the difficulties described above and to enable producers of foundry pig-iron to carry out the necessary structural adjustments without any serious disturbance;

Considering, on the one hand that pressure of imports has eased but that this is essentially attributable to the introduction of special customs protection, whereas the situation of the world market for foundry pig-iron has not changed substantially in recent years;

Considering, on the other hand, that the reduction in pressure of imports has enabled Community producers of foundry pig-iron to continue their efforts to rationalize production and carry out structural adjustments;

Considering that this effort has yielded positive, but still only partial, results, and that the three years already elapsed have not been sufficient for full attainment of the objectives sought; that accordingly it appears necessary to maintain some protection for two further years;

Considering that experience has shown that it is preferable not to resort, with respect to pig-iron other than special pig-iron, to the possibility of granting waivers from the obligation to apply specific protection to foundry pig-iron; that it is therefore appropriate, in order to achieve a substantially equivalent protective effect, to lower the specific protection to 5 EMA accounting units per ton;

RECOMMENDS AS FOLLOWS:

Article 1

1. Recommendation No. 2-64 is hereby extended in the conditions set forth hereunder until 31 December 1968.

2. The minimum rate of specific protection applicable to foundry pig-iron pursuant to Article 1, paragraph 1, of recommendation No. 2-64 shall be reduced from 7 to 5 EMA accounting units per ton.
Article 2

This recommendation shall be notified to the Governments of the member States and published in the Official Gazette of the European Communities. It shall become effective for each Government by virtue of notification.

The present recommendation was discussed and adopted by the High Authority at its meeting on 30 November 1966.

By the High Authority

The President

Dino DEL BO