

29 November 1955

DRAFT REPORT OF THE WORKING PARTY ON THE COAL AND STEEL COMMUNITY

Text proposed by the Danish and ECSC Representatives

1. Insert in place of paragraph 20 the following text:

"20. As regards the prices charged by Community exporters to their customers abroad, the Working Party had at its disposal the data supplied by the High Authority in response to a request of the Danish Government. The Working Party considered these data, especially those relating to coke, with a view to ascertaining whether these prices remained within equitable limits within the terms of the Preamble to the Decision of 10 November 1952.

21. The Danish Delegation was not entirely satisfied by the information submitted as the replies did not contain the requested detailed information concerning the relationship between export prices for coal and coke and the corresponding common market prices. The price data could not be reconciled with the prices available to the Danish Government. In view, however, of the fact that the documentation presented by the High Authority was not complete and that the Danish Government was pursuing bilateral discussions with the High Authority, they did not wish to press the point at this Session. The representatives of the Community pointed out that it was difficult for them to supply, with respect to coal and coke, price data as detailed as for steel, as the request for information came just before the Session. Moreover, the provisions of the Treaty did not allow the High Authority to ask data from the exporting merchants and furthermore to disclose individual data which were covered by professional secrecy, and they gave information in percentage terms instead of in actual terms. They pointed out also that, in view of the reduced supply of coal in Europe, it was necessary for the Community consumers to bear the cost of the increasing prices of coke due to the need for heavy imports of coking coal from the United States, and that, in their view, third countries relying on supplies from the Community should bear in common with those consumers the increase in prices which resulted from circumstances beyond the control of the Community producers, or they would suffer a reduction in exports similar to that decided by another major exporting country.

22. Some representatives stated that they did not agree with the arguments put forward by the observer of the High Authority against the disclosure of detailed information and export prices for coal and coke. A reference was made to the fact that such information is already published in some importing countries and that the same kind of price data are regularly reported to the ECE by certain importing countries.

23. Some representatives noted with concern a statement made by the observer of the High Authority according to which the High Authority was not in a position to give price data from exporting merchants. This statement indicated, in their view, that the High Authority was not always in a position to control whether their obligation to maintain prices within equitable limits was being respected. Those representatives pointed out that the increased imports of coking coal from the United States were due to a considerable increase in consumption of coke within the Community. In their view, it was therefore most reasonable that the consumers of the Community who received increased deliveries of coke should bear the increase in delivery prices for American coking coal instead of the consumers of certain third countries who receive diminished deliveries of coke from the Community.

24. The observer of the High Authority pointed out that the data submitted by the High Authority in its written and oral replies on coal and coke prices showed that, if the prices charged by the Community exporters during 1955 were weighted by the volume of actual exports, they would reach a level approximately equal to that of prices charged on the Common Market. The minimum discrepancies as compared with prices charged on the internal market which have been found in recent contracts which are very often in the nature of additional contracts covering small quantities and containing special provisions remain very moderate. In those circumstances, the Observer of the High Authority stated that the Authority, on the basis of information gathered by it, came to the conclusion that export prices during that period remained within equitable limits.

25. The Working Party agreed that the documentation at its disposal was not sufficient to enable it to arrive at any definite conclusions regarding the equitable character of the prices charged during the period under review and it recommended that the CONTRACTING PARTIES, at their next Session, should have more data on the prices of coal and coke in order to enable them to examine this question more fully at the next Session."

2. Amend paragraph 28 of the draft as follows:

"28. Finally, the Working Party recommends that the Note of the Executive Secretary be prepared along the same lines as this year, but that it should include also a section on coal and coke prices. It suggests, moreover, that any contracting party willing to do so should sent to the Executive Secretary for insertion in his Note price data on coal and steel products ... "