

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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WORKING PARTY 4 ON EUROPEAN COAL AND STEEL COMMUNITY

Revised Draft Decision suggested by the Chairman

CONSIDERING that the Kingdom of Belgium, the French Republic, the Federal Government of Germany, the Republic of Italy, the Grand Duchy of Luxembourg and the Kingdom of the Netherlands (hereinafter referred to as "the member States") have concluded on 18 April 1951, a Treaty constituting the European Coal and Steel Community (hereinafter referred to as "the Treaty") and an Annexed Convention containing the Transitional Provisions referred to in Article 85 of the Treaty (hereinafter referred to as "the Convention");

that the member States have specifically undertaken to eliminate and prohibit within the Community import and export duties, or charges with an equivalent effect, and quantitative restrictions on coal and steel products, and to prevent any restrictive or discriminatory practices impeding normal competition so far as they relate to coal and steel products;

that the stated objective of the member States in removing the barriers to the free movement of coal and steel products among their territories is not only to develop closer integration of the economies of those States and to contribute to the maintenance of good understanding among them, but also to contribute to the economic expansion, the development of employment and the improvement of the standard of living in the member States;

that the realisation of these aims, if accompanied by appropriate trade policies on the part of the Community, could benefit other contracting parties to the General Agreement by increasing supplies of coal and steel products, and by providing increased markets for commodities used by the coal and steel industry and for other products;

that the Community has undertaken to take account of the interests of third countries both as consumers and as suppliers of coal and steel products, to further the development of international trade, and to ensure that equitable prices are charged by its producers in markets outside the Community;

that the member States propose to harmonize their customs duties and other trade regulations applicable to coal and steel products originating in the territories of the other contracting parties to the General Agreement, upon a basis which shall be lower and less restrictive than the general incidence of the duties and regulations of commerce now applicable; and

that, in order to fulfil the undertakings referred to above, it will also be necessary for the Community to avoid placing unreasonable barriers upon exports to third countries, including specifically unreasonable duties and unreasonable quantitative restrictions;

TAKING NOTE

of the undertakings made by the High Authority on this date that, in the exercise of the powers which the Treaty confers upon it and to the extent that such powers permit, it will act in accordance with the obligations which would apply if it were a single contracting party consisting of the European territories of the member States, and, further, that within the limits of these same powers, upon invitation of any of the member States issued at the request of any other contracting party or the CONTRACTING PARTIES, it will participate together with the member State or States concerned in all consultations undertaken in accordance with the provisions of the General Agreement;

of the undertakings of the member States that if, in accordance with the provisions of the General Agreement, a consultation is to take place with one or more member States of the Community with respect to a question on which the High Authority possesses any powers, and if any other contracting party or the CONTRACTING PARTIES so request, the High Authority will be invited to be represented at such consultation;

of the representations of the member States (a) that Article 71 of the Treaty prevents any of the institutions of the Community from requiring such member States to take actions which are inconsistent with their obligations under the General Agreement, as modified by this waiver, and (b) that, whenever a question arises as to the consistency of any action of the Community or of the member States, taken or proposed to be taken, with the obligations of the member States to other contracting parties under the General Agreement, any recommendation, finding or decision by the CONTRACTING PARTIES with

respect to such action or proposed action of the Community or the member States shall have the same force and effect as it would have if the recommendation, finding or decision were made in respect of such action or proposed action on the part of any other contracting party under the General Agreement.

I

THE CONTRACTING PARTIES,

DECIDE, in accordance with paragraph 5(a) of Article XXV of the General Agreement and with the principle that the Governments of the member States should be enabled to act for the purposes of the General Agreement, insofar as this may be shown to be necessary to the accomplishment of the objectives of the Treaty and the Convention and of the tasks of the Community and its institutions under those instruments, as if the European territories of those States constituted the territory of a single contracting party insofar as coal and steel products are concerned, that:

1. The Governments of the member States, notwithstanding the provisions of paragraph 1 of Article I of the General Agreement, will be free to eliminate, or, as regards the imports of coke and steel products into the territory of the Italian Republic, to reduce by stages and ultimately to eliminate, customs duties and other charges imposed on or in connection with the importation or exportation of coal and steel products from or to the territories of any other of the member States, without being required to extend the same treatment to the like products imported from or exported to the territories of any other contracting party;

2. The French Government, notwithstanding the provisions of paragraph 1 of Article I of the General Agreement, will be free to extend to coal and steel products originating in the metropolitan territories of the other member States, when imported into the territories of the French Union listed in Annex B to the General Agreement, such preferences as are extended, in accordance with paragraphs 2 and 4 of Article I of the General Agreement, to coal and steel products originating in that part of metropolitan France which is in Europe or when imported into Algeria, the same treatment as that extended to coal and steel products originating elsewhere in metropolitan France in accordance with the status of Algeria as a part of metropolitan France;

3. The Governments of the member States, notwithstanding the provisions of paragraphs 1 and 2 of Article XIII of the General Agreement, will be free to refrain from imposing any prohibitions or restrictions on the importation or exportation of coal and steel products from or to the territories of any other member State, although instituting or maintaining such prohibitions or restrictions upon the importation or exportation of coal and steel products from or to the territories of other contracting parties; provided that the prohibitions or restrictions so instituted or maintained are in all other respects consistent with the General Agreement;

4. The Belgian, Luxembourg and Netherlands Governments will be free to modify the concessions contained in Schedule II annexed to the General Agreement to the extent necessary to establish and maintain, for a period which shall expire not later than five years after the date of the creation of the common coal market, tariff quotas for items ex 697 (carbured ferro-manganese), 703a, 704c and 705a, by raising the duties on such imports of products specified under these items as exceed the said quotas, provided that such duties shall not be higher than

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(see W.7/64/Add.1)

and that these quotas shall be sufficient to satisfy the domestic demand for these products.

These Governments will also be free, for the purposes specified in Section 15, paragraph 7, of the Convention, and under the circumstances specified in that paragraph, to raise by not more than 2 per cent ad valorem the duties contained in Schedule II annexed to the General Agreement for tariff items ex 697, 703a, 704c and 705a, as soon as the system of tariff quotas is abandoned.

5. The Belgian Government, notwithstanding the provisions of paragraph 1 of Article XI, will be free to maintain or institute quantitative restrictions, otherwise consistent with the General Agreement, on the import of coal products, to the extent necessary to avoid sudden and harmful shifts in production during the transition period as defined in Section 1, paragraph 4, of the Convention; provided that such restrictions shall be eliminated not later than seven years from the date on which the common market for coal products is created.

6. Insofar as the General Agreement permits contracting parties to take certain measures pursuant to Articles VI and XIX to protect their domestic production or pursuant to Article XI to prevent or relieve critical shortages of products essential to them, or requires contracting parties when acting pursuant to Articles XVII and XX to observe the rules of non-discrimination or of equitable treatment, the Governments of ^{the} member States, acting singly or as a Community, shall exercise those rights or fulfil those obligations as if the European territories of those States constituted the territories of a single contracting party insofar as coal and steel products are concerned.

II

7. From the date of the creation of the common market for coal products and until the end of ^{the} transitional period, as defined in Section 1, paragraph 4, of the Convention, the Governments of the member States will submit an annual report to the CONTRACTING PARTIES on the measures taken by them towards the full application of the Treaty.

III

For the purpose of this Decision:

8. The territories of the member States shall be the European territories of those States; subject to the provisions of paragraph 2 of Section 1 above, this Decision shall not apply to the other territories of those States, even if those territories are part of the customs territory of the metropolitan country for the purposes of the General Agreement.

9. The phrase "coal and steel products" shall mean the products listed in the Annex to this Decision.

10. The waivers set forth in this Decision shall apply to each coal and steel product from the date on which the common market is established with respect to such product.

IV

11. The CONTRACTING PARTIES, in considering any question relating to this Decision, will pay due regard to the considerations and the undertakings set out in the preamble and to the principle set out at the beginning of Section I of this Decision.

