

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## EUROPEAN COAL AND STEEL COMMUNITY

### Sixth Report by the Member States

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#### ANNEXES<sup>1</sup>

Annex 1: Changes in customs duties applicable to Italian imports of coke from other Member States of the Community

Annex 2: Changes in customs duties applicable to Italian imports from other Member States of the Community (ECSC iron and steel products, except special steels)

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and 4: Changes in customs duties applicable to Italian imports from other Member States of the Community (special steels)

Annex 5: Tariff quotas established by the Benelux countries for 1957 (final figures)

Annex 6: Table of duties after harmonization (ore and steel)

Annex 7: Table of duties in force prior to the establishment of the Common Market

<sup>1</sup>The Annexes and a Supplement on Production, Trade and Prices will be issued as addenda to this document. Owing to the pressure of work there will first be issued to all contracting parties in French; English texts will be distributed as soon as possible.

I. INTRODUCTION

1. The report which the Governments of Belgium, France, the Federal Republic of Germany, Italy, Luxemburg and the Netherlands have the honour to present herewith the Sixth Report which they have prepared in response to the request made by the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade in Section II, 7 of their Decision of 10 November 1952 on the European Coal and Steel Community.

2. This last report outlines the measures which were taken by these Governments between 1 September 1957 and 10 February 1958, the date on which the transitional period expired, towards the full implementation of the Treaty constituting the European Coal and Steel Community.

II. MEASURES TAKEN TOWARDS THE FULL IMPLEMENTATION OF THE TREATY CONSTITUTING THE EUROPEAN COAL AND STEEL COMMUNITY

3. First of all, it should be recalled that the customs duties maintained by Italy on coke and steel imported from other Member States of the Community represented, as regards tariffs, the only transitional measure still applied within the Community during the year 1957.

These duties have been entirely suppressed with effect from 10 February 1958.

As may be seen from the tables in Annexes 1, 2, 3 and 4, the procedure laid down in the Convention containing the Transitional Provisions for abolition of these duties has been strictly followed (reduction of the upper limit of the duties by 10 per cent in the second year, 25 per cent in the third year, 45 per cent in the fourth year and 70 per cent in the fifth year).

III. MEASURES ADOPTED IN RESPECT OF IMPORTS FROM THIRD COUNTRIES

4. As regards imports from third countries, the measures outlined in paragraphs 7 and 8 of the Fifth Annual Report by the Member States (L/686) were applied till 31 December 1957. For the first half of 1958 these measures have been substituted by those described in paragraphs 5 and 6 below.

In addition it will be seen from paragraph 7 that, with effect from 10 February 1958, Member States have brought into force harmonized customs duties on imports from third countries of iron and steel products coming under the Treaty.

5. Measures resulting from the application of certain provisions of the Treaty (tariff quotas of the Benelux countries)

Section 15 of the Convention containing the Transitional Provisions lays down that, until such time as the harmonization of duties for which the section provides has been made effective, the Benelux countries will, within tariff quotas, retain the benefit of tariffs which, at the time of entry into effect of the Treaty, they applied to imports from third countries intended for their home market. Furthermore, they are required to subject imports over and above these quotas, which are considered to be intended for the other countries of the Community, to duties equal to the lowest duty applied in the other Member States upon the entry into effect of the Treaty.

The tariff quotas are established annually for each heading of the Benelux tariff by the Governments of the Benelux countries in agreement with the High Authority, subject to revision every three months; they take account of the evolution of requirements and of trade patterns.

As the transition period did not expire before 10 February 1958, it was still necessary to provide for tariff quotas for the Benelux countries between 1 January 1958 and the above date.

These quotas were fixed at one-eighth of the quotas in force for 1957 (for which see Annex No. 5 to this report).

6. Measures resulting from joint decisions by the Governments of the Member States of the Community

The Executive Secretary of the GATT was informed in a separate communication, dated 3 December 1957, of the special measures relating to the first half of 1958, but for the purposes of this report they are recalled below:

(a) Haematite steel-making iron

The regulations in force in 1957 for the Community as a whole have been extended for the first half of 1958. These regulations provide for the temporary suspension of duties on haematite steel-making iron imported from third countries and containing by weight not more than 1.5 per cent silicon but more than 1.5 per cent manganese.

(b) Vanadium and titanium pig iron

The regulations in force in 1957 for the Community, providing for the levy of a reduced duty of 1 per cent, have been extended for the first half of 1958.

(c) Coils for re-rolling

- Coils of less than 1.5 mm in width

The regulations in force for the second half of 1957 have been extended for the first half of 1958; they provide for a suspension of duties. In the case of Italy this suspension is applied within the limits of a six-monthly quota of 60,000 tons when intended solely for the manufacture of tinned sheets or plates (including tin-plate), whether galvanized (zinc-coated) or lead-coated.

- Coils of not less than 1.5 mm in width

The regulations in force in 1957 which provided for the suspension of duties in the case of Belgium, France, the Federal Republic of Germany, Luxemburg and the Netherlands, have been extended for the first half of 1958. Italy has continued to apply its own tariff rates.

(d) Electric sheets and plates having a watt-loss per kilogramme not exceeding 0.75 watt (with orientated grain)

The following regulations have been put into force for the first half of 1958:

Suspension of duties on imports of electric sheets and plates as described above and imported within the limits of the following quotas:

Belgium	1,100 tons
Federal Republic of Germany	5,000 "
Italy	1,706 "
Netherlands	600 "

(e) Steel for bearings

The regulations in force in 1957, providing for the levy by the Federal Republic of Germany of a reduced rate of 4 per cent within the limits of a six-monthly quota of 4,000 tons, have been extended for the first half of 1958.

(f) Wire rod for the pneumatic tyre industry

The regulations in force in the second half of 1957, providing for the suspension of duties by France within the limits of a six-monthly quota of 2,500 tons, have been extended for the first half of 1958 and are now applicable to Belgium within the limits of a six-monthly quota of 2,500 tons.

7. Harmonization of customs duties applied by the Member States

Since 10 February 1958, the date on which the Convention laid down that the transition period should end, the Governments of Member States

have been applying the harmonized duties set out in Table 6 annexed to this report.<sup>1</sup>

The entry into force of these customs duties represents a very considerable reduction in the duties of three of the Member States and an increase of two points in respect of most items of the Benelux tariff items as requested by the High Authority in accordance with the terms of the last paragraph of Section 15 of the Convention containing the Transitional Provisions; Table 7 annexed to this report shows the legal or conventional duties in force before the opening of the Common Market, and a comparison of these figures with those in Table 6 makes it possible to appreciate the magnitude of the reductions.

These measures, which were provided for by the Treaty and had been referred to in the Decision of the CONTRACTING PARTIES, have effected a harmonization of duties on the basis of the Benelux duties increased by two points.

It should be noted that the Member States had to observe certain limits in harmonizing their customs duties, in particular in order to avoid excessive price differentials which might have encouraged diversions of trade; in fact, in a number of cases the new tariffs are below these limits.

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<sup>1</sup> The provisions under which these harmonized duties are applied can be seen in the following:

- Belgium: Moniteur Belge No. 39 of 8 February 1958 (Royal Order of 31 January 1958) relating to import tariffs.
- Federal Republic of Germany: Bundesgesetzblatt I, 6 of 14 February 1958 (Ordinance No. 17 of 10 February 1958).
- France: Journal Officiel de la République française No. 29 of 4 February 1958 (Decrees Nos. 58-88 and 58-89 of 3 February 1958).
- Italy: Supplement to Gazzetta Ufficiale No. 55 of 4 March 1958 (Presidential Decree No. 81 of 26 February 1958).
- Luxemburg: Ministerial Order of 10 February 1958 relating to import tariffs, incorporating the Belgian Royal Order referred to above (Memorial No. 9 of 18 February 1958).
- Netherlands: Staatsblad Nos. 49 and 50, Orders dated 4 February 1958.

Except for the Benelux countries these duties are below existing legal or conventional duties, and the overall incidence of the harmonized tariffs of the Member States is far below that of the previously existing tariffs. For example, before harmonization took place, the duties on iron or steel wire rod, hot rolled, were as follows:

	<u>Before harmonization</u>	<u>After harmonization</u>
Benelux	4	6
France	12	7
Federal Republic of Germany	12	6
Italy	23	10

Duties on sheets and plates, hot rolled, whether or not pickled, were:

	<u>Before harmonization</u>	<u>After harmonization</u>
Benelux	3/4	5/6
France	16/22	6/7
Federal Republic of Germany	18/22	5/6
Italy	23	9/10

It should also be noted that the level of the harmonized duties is below that of the duties in force until 10 February 1958.

8. However, the High Authority, with the concurrence of the Special Council of Ministers has, in connexion with certain categories of pig-iron (for France), carburized ferro-manganese (for Italy), and certain steel alloy products (for both France and Italy), authorized the measures expressly provided in Sections 15 and 29 of the Convention, to be applied i.e. the maintenance for two years from the end of the transition period of duties higher than those which result from harmonization. The duties which are thus provisionally applied are marked in the annexed tables with the letter (d), while the harmonized duties, which will be applicable to the particular products two years after the end of the transition period, appear in brackets.

IV. FINAL CONSIDERATIONS

9. As stated above, the transition period ended on the date which had been fixed, namely 10 February 1958.

The facts reported above show that throughout this period the provisions of the Treaty establishing the European Coal and Steel Community and of the Convention containing the Transitional Provisions have been strictly adhered to; the time limits laid down for the various operations (reduction and abolition of internal duties, harmonization of external tariffs, etc.) have sometimes been shortened as was permissible under the Treaty and the Convention, but they have never been exceeded.

10. In submitting this report to the CONTRACTING PARTIES of GATT, the Governments of Belgium, France, the Federal Republic of Germany, Italy, Luxemburg and the Netherlands wish to stress their conviction that in establishing the common market of the ECSC they have contributed to the realization of the objectives of the General Agreement on Tariffs and Trade.

11. They hope that the information contained in this report and in the supplement will facilitate any discussion of the matter by the Intersessional Committee.

