334/56 EUROPEAN COAL AND STEEL COMMUNITY 25.11.56

DECISION No 33-56

of 21 November 1956

on the returns to be made by undertakings in the iron and steel industry in respect of their substandard products and seconds

THE HIGH AUTHORITY,

Having regard to Article 47 of the Treaty;

Whereas it is normal and legitimate practice for iron and steel undertakings to allow, on substandard products and seconds, rebates on the list prices of first-quality products;

Whereas there exists the possibility that undertakings may sell first-quality products as substandard products or seconds or may otherwise in the sale of these products contravene the provisions of Article 60 (1) of the Treaty, which deals with prohibited practices;

Whereas transactions involving substandard products or seconds are not usually comparable; whereas it would not therefore further the attainment of the objectives set out in Article 60 (1) of the Treaty were the reductions allowed on these transactions published;

Whereas the High Authority must, however, be kept informed at all times of the tonnage and conditions of sale of substandard products and seconds so that it may be in possession of sufficient information to be able to evaluate these transactions;

DECIDES:

Article 1

1. Undertakings in the steel industry shall make returns to the High Authority of their deliveries per calendar month of substandard products and seconds.

2. This compulsory return shall apply to all products of iron, steel and special steels, but in the case of the special steels defined in Annex III to the Treaty it shall apply to the following types only:

(1) Manganese-silicon steels for vehicle springs;

(2) Free-cutting steels, including sulphur steel, lead steel and lead-sulphur steel;

(3) Electrical sheet, irrespective of wattage loss;

(4) Non-alloy structural steels containing 0·6% or more of carbon.

Article 2

The return shall contain the following particulars, shown separately for each of the classes of products listed in Annex I to this Decision:

(1) aggregate tonnage of deliveries of substandard products and seconds (in the Community and in third countries);

(2) percentage of that tonnage in relation to total deliveries of corresponding first-quality products (in the Community and in third countries);

(3) the tonnage under (1) broken down by Community countries and third countries, expressed as a percentage of the total.

Article 3

Returns must be sent on the fifteenth day of each month in respect of the products delivered during the preceding calendar month.

Article 4

Separate returns, similar to those referred to in Article 2, must be made before 31 December 1966 of deliveries made during each calendar month in the period 1 July 1956 to 30 November 1956.

Article 5

Returns must be made in the form shown in Annex II to this Decision.

Article 6

Undertakings shall keep a register in which the following particulars shall be entered for each transaction involving substandard products or seconds:

(1) date of sale;

(2) date of dispatch;

(3) description of product;

(4) reason for substandard classification;

(5) metric tonnage delivered;

(6) sale price;

(7) name of buyer;

(8) country of destination—particulars of goods supplied to be entered separately for each Community country, and for third countries taken as a whole.

For deliveries to destinations in third countries, the buyer's name and the price are not required.

Article 7

Substandard products or seconds within the meaning of this Decision are products sold below the undertaking's published list prices where such products are of faulty workmanship, are rejects, or of limited use as made, by reason of their dimensions or of defects, including defects in quality.

Article 8

This Decision shall enter into force within the Community on 30 November 1956.

This Decision was considered and adopted by the High Authority at its meeting on 21 November 1956.

For the High Authority

The President

René MAYER

ANNEX I

List of classes of products

Ingots for tubes

Other ingots

Semi-finished products

Hot-rolled coils

Heavy permanent railway material

Light permanent railway material

Sheet pilings

Wide-flanged beams

Other beams, shapes and channels, 80 mm and over, and Omega sections

Tube rounds and squares (not ingots)

Wire rod in coils (13 mm and under)

Merchant steel, including straightened rod and reinforcing rods

Universal plates over 6 mm in thickness

Hot-rolled hoop and strip and tube strip (500 mm and under)

Plate 3 mm and over

Sheet under 3 mm, including cold-rolled sheet in coils

Cold-rolled strip for tinplate

Tinplate and other tinned sheet

Blackplate

Galvanised, leaded and other coated sheet

Electrical sheet

ANNEX II

Questionnaire 2-76: Deliveries of substandard products and seconds of ordinary steel[1]

To be returned duly completed by the fifteenth day of each month for the preceding month, in duplicate, under registered cover, to the Director of the Statistics Division of the High Authority, 29 rue Aldringer, Luxembourg

Country	Company	Company's registration number with the High Authority	Month	Year

Product	Line	Total deliveries of substandard products and seconds (Community + third countries) Metric tons	Break-down of tonnage under 01 in % (tonnage column 01 = 100%)							Deliveries under 01 in % of total deliveries of first quality products (= 100) (Community + third countries)
			Germany (FRG)	Belgium	France/ Saar	Italy	Luxem-bourg	Nether-lands	Third countries	
Column		01	02	03	04	05	06	07	08	09
A. Ingots, semi-finished products and coils:										
Ingots for tubes	010									
Other ingots	020									
Semi-finished products	030									
Hot-rolled coils	040									
B. Rolled finished products:										
Heavy permanent railway material	101									
Light permanent railway material	102									
Sheet pilings	103									
Wide-flanged beams	104									
Other beams, shapes and channels, 80 mm and over, and Omega sections	105									
Tube rounds and squares (not ingots)	106									
Wire rod in coils (13 mm and under)	107									
Merchant steel including straightened rod and reinforcing rods	108									
Universal plates over 6 mm in thickness	109									
Hot-rolled hoop and strip and tube strip (500 mm and under)	110									
Plate 3 mm and over	111									
Sheet under 3 mm, including cold-rolled sheet in coils	112									
C. End products:										
Cold-rolled strip for tinplate	141									
Tinplate and other tinned sheet	142									
Blackplate	143									
Galvanised, leaded and other coated sheet	144									
Electrical sheet	145									

[1] See definitions in explanatory notes. To prevent duplication, returns should not include deliveries by one steel plant (within the meaning of the Treaty) to another steel plant (within the meaning of the Treaty) belonging to the same company, nor plants' own consumption for repairs, nor deliveries to integrated tube works, forges and other units not included by the Treaty in the steel sector.

EXPLANATORY NOTES TO QUESTIONNAIRE 2-76

1. General remarks

1. The questionnaire applies to all Community undertakings.

2. The month to be taken into account is the calendar month.

3. Deliveries refer to all products (substandard, seconds, pieces of sheet or cut-ends not intended for re-melting. Indicate net tonnage delivered, taking products in the ex works state.

4. Delivery returns must include contract work carried out for customers other than steel plants within the meaning of the Treaty.

5. Deliveries made to replenish stores forming part of the plant should be included in returns only at such time as the products concerned are sent out to customers by the warehouse. Deliveries should be recorded at the time when the warehouse notifies the plant of their dispatch.

6. The compulsory return applies to all products of ordinary steel as currently defined, that is to say, all products, with the exception of those of high carbon steels and special alloy steels, deliveries of which are recorded in Questionnaire 2-74 of the High Authority (see definitions at the end of these notes). Thus, as a general rule returns must be made of steels not covered by Annex III to the Treaty, and the following qualities of steel, which, although covered by Annex III to the Treaty, are in practice regarded by producers as ordinary steel:

   (a) Manganese-silicon steels for vehicle springs;

   (b) Free-cutting steels, including sulphur steel, lead steel and lead-sulphur steel;

   (c) Electrical sheet, irrespective of wattage loss;

   (d) Non-alloy structural steels containing 0·6% or more of carbon.

2. Definitions

Products are defined as follows:

1. *Substandard products and seconds:*

   Products sold below the undertakings' published list prices where such products are of faulty workmanship, are rejects, or of limited use as made, by reason of their dimensions or of defects, including defects in quality.

2. *Semi-finished products:*

   Blooms, slabs, billets, sheet bars (except for tubes; these are tube rounds and squares).

3. *Hot-rolled wide coils:*

   Wide hot-rolled strips of rectangular section, not less than 1·5 mm thick, of a width exceeding 500 mm, in continuous coils (spools) and of a weight of not less than 500 kg per piece.

4. *Universal plates:*

   Products of rectangular section, hot-rolled lengthwise, in a closed box or universal mill, of a thickness exceeding 6 mm but not exceeding 100 mm, and of a width exceeding 150 mm but not exceeding 1200 mm.

5. *Hoop and strip:*

Rolled products with sheared or unsheared edges, of rectangular section, of a thickness not exceeding 6 mm, of a width not exceeding 500 mm, and of such dimensions that the thickness does not exceed one-tenth of the width, in straight strips, coils, or flattened coils.

6. *Sheets and plates:*

Rolled products (other than coils for re-rolling as defined in 3 above) of a thickness not exceeding 125 mm, and, if in square or rectangular form, of a width exceeding 500 mm (thicker sheets and plates may be included, where they are not covered by the definition of semi-finished products).

7. *Electrical sheet:*

Sheet which contains not less than 0·35% but not more than 8% of silicon without the addition of further alloy elements other than aluminium, in a proportion of less than 0·30%, subject to a wattage loss per kilogramme of 3·6 watts or less for a sheet 0·50 mm thick, using the Epstein test and subjecting the material to a current of 50 cycles per second, with induction at 10 000 gauss.

8. *Tinplate and blackplate*

Wasters (2nd, 3rd and 4th quality) and menders (seconds) should not be included in returns;

(a) if their prices are published in the price list;

(b) if they are delivered together with first-quality products and the whole consignment is invoiced at the first-quality price.

As regards blackplate, the definitions to be accepted provisionally are those customarily employed in each country.

9. *Galvanised sheet:*

All sheet, hot- or cold-rolled, in sheets or strips, flat or corrugated, hot-dip galvanised.

10. *Wire rod:*

Hot-rolled products of solid section, in coils, of any cross-sectional shape, of which no cross-sectional dimension exceeds 13 mm.

11. *Merchant steels:*

Hot-rolled finished products not included in any of the above categories and included in one of the following:

Permanent railway material (rails, sleepers, chairs and fishplates);

Sheet pilings;

Wide-flanged beams;

Other beams, shapes and channels, 80 mm and over;

Tube rounds and squares.

12. *High-grade and special steels* (not included in questionnaire)

A. *General definition of special steels*

(see questionnaires 2-16 and 2-74)

Special steels are steels processed to obtain special properties adapted to specific uses. These properties—particularly as regards maximum degrees of purity and homogeneity ensuring, for a given composition, optimum qualities and suitability for heat-treatment giving maximum efficiency in each particular case—will be present only if special care is taken during production and hot-working and constant supervision excercised during manufacture, which cannot regularly and normally be ensured during the manufacture of ordinary steels.

They include some alloy steels and high carbon steels.

B. *Special alloy steels*

1. Alloy steels are steels containing one or more alloying elements, the prescribed or intended content of which (giving the upper limit of the composition range) exceeds:

Mn:	0·8%	V:	0·05%
Si:	0·5%	W:	0·2%
Ni:	0·3%	Co:	0·2%
Cr:	0·3%	Al:	0·29%
Mo:	0·05%	Cu:	0·39%

Other metallic elements[1]: 0·09% or containing some proportion of boron.

2. All alloy steels are regarded as special steels, with the exception of the following, which are regarded as ordinary steels:

(a) free-cutting steels (S, P, Pb);

(b) steels or silicon steels for electrical sheet, and electrical sheets;

(c) manganese steels and manganese-silicon steels, not containing any other alloying element in the above proportions, for the manufacture of vehicle springs, grinders (up to 2% Mn + Si), oil conduits, rails and rolling stock, steam boilers or pressure vessels and steel for metal frameworks (including bridges and shipbuilding);

(d) weldable sheets for steel boilers, containing 2% of Cr and 0·05% of Mo.

C. *High carbon steels*

High carbon steels are special unalloyed steels with a guaranteed sulphur and phosphorus content lower than 0·04% for each of the elements taken separately and lower than 0·07% for the two elements taken together, suitable for heat-treatment (in particular improving or hardening or surface tempering) or which have certain electric or magnetic properties. Sheet for deep drawing and steel for its manufacture are excluded.

[1] Elements which cannot be regarded as impurities, i.e. the presence of which is intentional and guaranteed.