

Case 9/56 Meroni v High Authority of the European Coal and Steel Community [1958]

Facts: A General Decision establishing machinery for the equalization system of ferrous scrap imported from third countries entrusted its implementation to two Agencies. The undertaking Meroni ignored their requests to provide its statistical returns as to its input and output of scrap, and the High Authority adopted a decision requiring Meroni to pay a sum for the contributions due. Meroni sought annulment of this decision arguing that it involved a manifest failure to observe the provisions of the Treaty and was vitiated by misuse of powers on the part of the two Agencies.

Held: The case sets out the extent to which EU institutions may delegate their tasks to regulatory agencies. It was held that the General Decision did not make the exercise of the powers by the Agencies subject to the rules laid down by the Treaty which would have applied if the High Authority had itself exercised these powers (in particular: the duty to state reasons for its decision, to annually publish a report on its activities and expenses, being its decisions and recommendations subject to review by the Court of Justice). Therefore, the delegation gave the Agencies more extensive powers than those which the High Authority holds from the Treaty.

The power of the High Authority to authorize or itself to make financial arrangements common to several undertakings, mentioned in Article 53 of the Treaty, gives it the right to entrust certain powers to bodies established under private law, subject to conditions to be determined by it and subject to its supervision. But only the delegation of powers 'necessary for the performance of the tasks set out in Article 3' can be authorized, and can only relate to clearly defined executive powers, whose use must be entirely subject to the supervision of the High Authority. In the General Decision under discussion the High Authority has not retained sufficient powers for the delegation to be contained within these limits, as it adopts the data furnished by the Agencies without being able to add anything. Therefore, the General Decision gives the Agencies a degree of latitude which implies a wide margin of discretion incompatible with the requirements of the Treaty. The decision is based on an unlawful General Decision from the point of view of the Treaty and it must be annulled.