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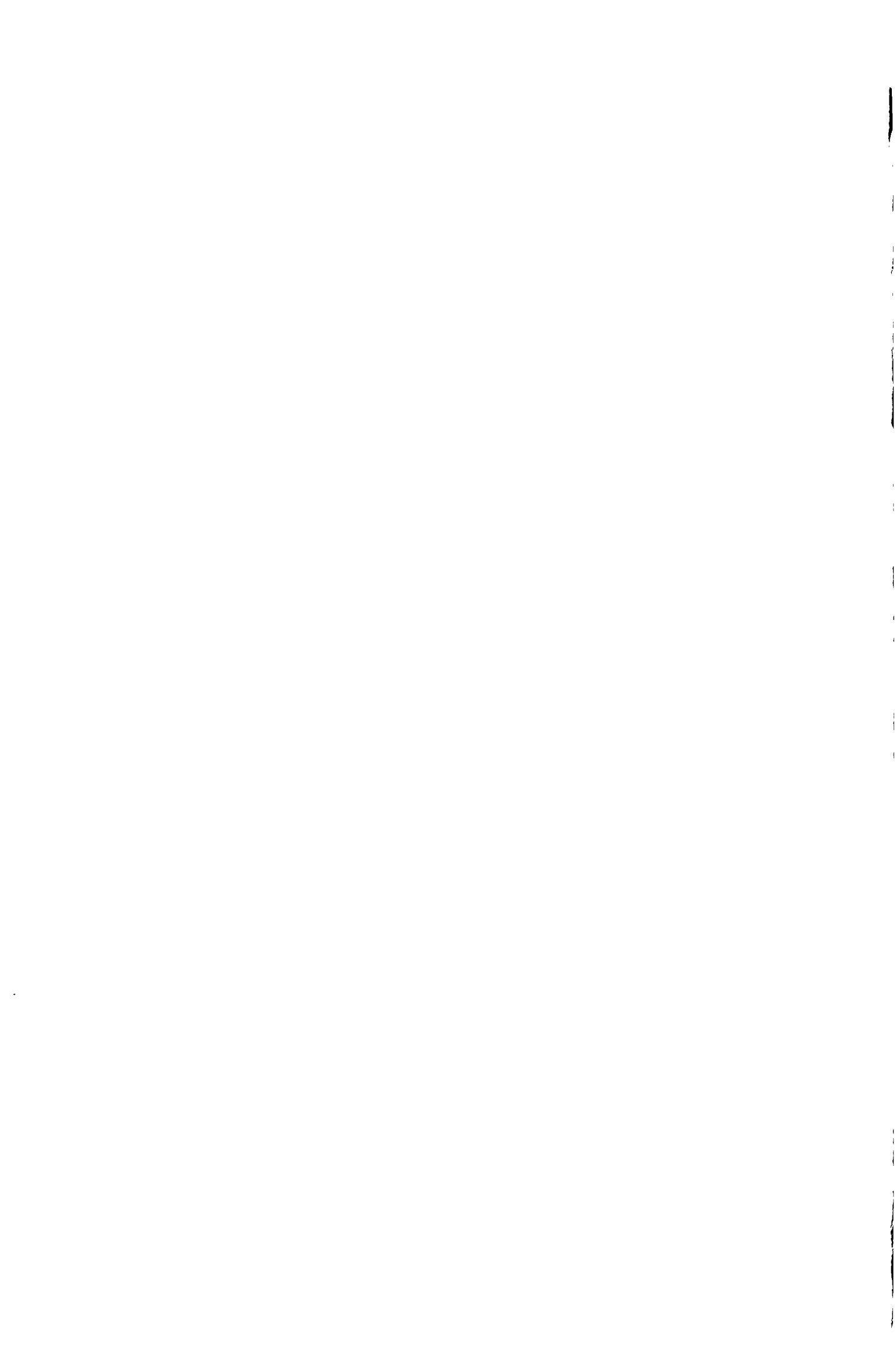
Report

drawn up on behalf of the Committee on Budgets
on the fixing of the ECSC levy rate and on the
drawing up of the ECSC operating budget for 1983
(Doc. 1-865/82 - COM (82) 706 final)

Rapporteur: Mr K. SCHON

OR.DE.

PE 81.674/fin.



By letter of 29 October 1982 the President of the Commission of the European Communities submitted to the European Parliament the proposal on the fixing of the ECSC levy rate and on the drawing up of the ECSC operating budget for 1983.

The President of the European Parliament referred this proposal to the Committee on Budgets as the committee responsible and to the Committee on Energy and Research, the Committee on Economic and Monetary Affairs and the Committee on Social Affairs and Employment for their opinions.

On 27 January 1982, the Committee on Budgets appointed Mr Konrad SCHON rapporteur.

At its meetings of 23/24 November 1982 and 29/30 November and 1 December 1982, the Committee on Budgets considered the draft report and adopted it at the latter meeting by 18 votes to none with one abstention.

The following took part in the vote: Mr Lange, chairman; Mr Konrad Schon, rapporteur; Mr Abens, Mr Adam (deputizing for Mr Balfe), Mr Arndt, Mr Baillot, Mr Battersby (deputizing for Mr Balfour), Lord Douro, Mr Fich, Mrs Hoff, Mr R. Jackson, Mr Louwes, Mr Newton Dunn, Mr Nikolaou, Mr Price, Mr Saby, Mrs Scrivener and Mrs Simonnet.

The Committee on Energy and Research decided not to deliver an opinion.

The opinions of the Committee on Economic and Monetary Affairs and the Committee on Social Affairs and Employment are attached.

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The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on the fixing of the ECSC levy rate and on the drawing up of the ECSC operating budget for 1983

The European Parliament,

- having regard to the Commission's aide-memoire on the fixing of the ECSC levy rate and on the drawing up of the ECSC operating budget for 1983 (Doc.1-865/82)
- having regard to the reports of the Committee on Budgetary Control and the opinions of the Committee on Economic and Monetary Affairs and the Committee on Social Affairs and Employment (Doc.1-959/82)
- whereas:
 - (a) the Commission's submission to Parliament arrives too late every year for adequate consideration in accordance with the proper timetable which prevents an overall view and inclusion of all sectors of the Community economy in the first reading of the general budget of the European Communities,
 - (b) the coal and steel sectors merit particular attention from the European Parliament not only because of the differences in the treaty basis for which there are historical reasons but also because of the crisis which has persisted for many years and is becoming increasingly acute,
 - (c) the European Parliament in the opinions it has delivered on draft operating budgets and other Commission proposals has repeatedly made concrete proposals and demands to the Commission relating to these sectors,
- 1. Notes with great concern the description given by the Commission of the economic prospects in the coal and steel sector;

2. Believes therefore that effective measures to relieve this persistent crisis, particularly by restructuring the industry and taking the necessary accompanying social measures are more urgently needed than ever before;
3. Draws attention in this connection to the ever-widening gap between the finance needed for these measures on the one hand and the ECSC resources available on the other;
4. Reiterates once again therefore its demands which have been made for at least 6 years that
 - (a) the Council decision of 21 April on Community own resources should include customs duty revenue on coal and steel products as Community own resources;
 - (b) all Community instruments in the EEC and ECSC sectors, including measures implemented by the EIB, should be coordinated in order to combat the structural crises and resultant unemployment with the optimum effect by means of a specific policy covering social, regional and industrial aspects;
 - (c) a form of integration of ECSC and EEC activities compatible with the existing Treaties must be achieved and ECSC borrowing and lending activities included in the budget;
5. Notes that these demands, without deviating from the exemplary financial principles of the ECSC treaty, need initially only lead to the drawing up of a genuine budget for the ECSC which must be transparent for, and subject to, the influence of the European Parliament to enable the latter to implement its policy objectives and exercise its monitoring function;
6. Calls therefore for the ECSC operating budget to be coordinated and harmonized as far as possible in its formal, timetabling and substantive aspects with the general budget of the European Communities, with the possible long-term aim of consolidating the two budgets;

7. Calls on the Commission to submit a draft budget for the ECSC next year which will

- reflect the actual activities in terms of payments and commitments at the budgetary level,
- include the investment activities and
- the borrowing and lending activities of the ECSC,

and be set out in the normal form of a budget as exemplified in annex III in the case of the measures under the operating budget;

wishes the Commission to submit this document in time for the budgetary authority responsible for the general budget of the European Communities to take it into account at the first reading of the Community budget.

Revenue

8. Draws attention to the fact that the revenue from the levy only covers some 48% of the total financing requirement estimated by the Commission, a further 30% being interest payments and some 19% coming from the Community budget; considers these figures an important argument for the demand that the two Community budgets should be brought closer together and subsequently integrated;
9. Proposes therefore, despite the alarming situation in the coal and steel sector, that the ECSC levy rate of 0.31% should be maintained for the financial year 1983;

Expenditure

10. Approves generally the aid measures planned by the Commission; calls on the Commission when granting interest subsidies in the investment sector to consider projects from the point of view of restructuring and creating employment and to accord priority to these two goals;

11. Calls further on the Commission to coordinate its support for research projects in the coal and steel sector as far as possible with other research projects at Community national level and to finance these largely from the budget of the European Communities given the limited resources available;
12. Is not prepared to accept mixed financing for the marketing aids granted for coking coal and coke in the iron and steel industry beyond 31 December 1983 and calls on the Commission to present proposals for Community financing by 30 June 1983;

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13. Decides, in the light of the non-budgetary nature of the ECSC operating budget, not to table specific proposals for amendments this year and calls instead on the Commission to take account of the comments by the European Parliament on revenue and expenditure, and of the need to draw up a genuine budget;
14. Decides for its part on an ECSC levy rate for 1983 of 0.31%;
15. Expresses once again its satisfaction at the undertaking by the High Authority/Commission to take account of the opinions of the European Parliament on the levy rate and the ECSC operating budget and expects once again this year that the High Authority/Commission will accede to the demands of the European Parliament set out in this resolution and incorporate them into the ECSC operating budget for 1983.

EXPLANATORY STATEMENT

I. Preliminary observations

1. For a long time the European Parliament has been asking the Commission to present the draft of the ECSC operating budget early enough to enable Parliament to study the text adequately and take it into account before the first reading of the general budget of the European Communities. Once again this year the Commission failed to satisfy this request although it submitted the first figures to the Committee on Budgets immediately after the consideration of amendments to the general budget on 20 October 1982.

The Commission's aide-memoire, however, was not officially forwarded until 29 October 1982 (received by the European Parliament: 8 November 1982).

This year again therefore no progress whatsoever has been made towards achieving the closer link between the ECSC budget and the Community budget which Parliament has been requesting for many years.

2. The Commission's aide-memoire on the fixing of the levy rate and on the establishment of the ECSC operating budget has taken the same basic form for many years: a general description of the economic background and the prospects in the coal and steel sector are followed by a description of the most recent proposals, decisions and measures in the coal, steel and social sector and the document then concludes with an account of the financing requirements for 1983 and the resources needed or estimates thereof. This year, however, the Commission has departed from its habitual presentation and has given no figures of the actual requirement which then has to be cut in the budget because of the inadequacy of the resources available. It is not clear why the Commission has decided to withhold this information from Parliament for the first time this year. Apparently the aim is to avoid highlighting

the even greater discrepancy between the resources required and the resources available. In fact this very phenomenon had led Parliament to consider whether ECSC measures should not be financed from the general budget of the European Communities or alternatively whether the 2 budgets should not be brought closer together in terms both of timing and content. This point will be raised again below.

3. Everyone is familiar with the problems in the coal and steel sector which have been in evidence for some time. The rapporteur therefore feels that no further comment is needed beyond that contained in the Commission document. As the measures carried out by means of the operating budget are also familiar the rapporteur has not dealt further with the action proposed by the Commission. Instead he has confined himself to reproducing the draft ECSC operating budget for 1983 in the form of a summary table (Annex I).

The rapporteur proposes here to concentrate on two essential aspects:

- presenting or summarizing the essential demands made by the European Parliament in recent years
- the observations or proposals of the rapporteur or Committee on Budgets on the 1983 operating budget.

II. Problems in recent years and the demands from the European Parliament to which they have led.

- Inclusion of duty on coal and steel products in Community own resources

4. For years the gap has been widening between the finance required and the resources available from the levy rate and other revenue. This development reflects the severe constraints on the revenue side as there can be no question of increasing the levy rate in the present crisis. The tables in Annex II on the development of ECSC expenditure and revenue over the last 5 years show the stagnation of the various expenditure and revenue items, the only exception since 1981 being the aid for redeployment in the social sector based on special financing from the general budget of the European Communities in order to obtain

which Parliament had to wage a long struggle against the Commission and the Council. This stagnation of revenue and ever-growing demand for resources led Parliament to call long ago for the customs duty on ECSC products to accrue to the Community thus filling an important gap in the decision of 21 April 1970 on the replacement of contributions from the Member States by Community own resources (1).

Although the Commission submitted a proposal to the Council in May 1978 on this subject the Council was never able to reach a decision. It simply confined itself in 1978, 1979 and 1980 to partly covering the financial deficit by means of special contributions from the Member States.

5. In the case of the 1981 budget the Commission dispensed for the first time with this special revenue from the Member States and proposed instead the introduction of special temporary aid to support workers in steel undertakings as part of a Community restructuring programme which would be financed from the general budget of the European Communities. They estimated the requirements for 1981 at 112 m ECU. The Council was, however, unable to agree on the resources needed in time for the 1981 Community budget and decided in June 1981 once again to provide an initial tranche of 50 m ECU from the national budgets. Not until 1982 was a Council decision taken on a contribution of 62 m ECU to the ECSC from the general budget of the European Communities. This financing was made available in supplementary budget No. 2/81 to the Community budget.

(1) Parliament's resolutions of

December 1977, paragraph 4 in OJ C 6 of 9.1.1978
December 1978, paragraph 3 in OJ C 6 of 8.1.1979
December 1979, paragraph 3 in OJ C 4 of 7.1.1980
December 1980, paragraph 7 in OJ C 346 of 31.12.1980
December 1981, paragraph 7 in OJ C 11 of 18.1.1982

(a) Parliament's original demand that the duties on ECSC products be included in the decision of 21 April 1970 on Community own resources, is not only still as valid as ever for the reasons given above but also needs to be reiterated with the utmost forcefulness.

Coordination of Community policies

6. Resolutions of the European Parliament over at least the last 5 years have consistently included a demand for intervention measures financed from the Community budget to be coordinated with measures financed from the ECSC operating budget (1).

Again this year, the Commission draws attention to various measures which are financed from the Community budget but also extend to the coal and steel sector (for example the fact mentioned by the Commission on page 34 that both the non-quota and quota sections of the European Regional Development Fund help to create jobs in regions hit by the steel crisis) (2). But by the same token the ECSC operating budget also provides aid for regional policy, such as the measures under Article 56(2) (a) of the ECSC Treaty which provide loans at subsidised interest rates to create employment to enable workers from the coal and steel industry to be reemployed. The Commission itself takes the view that these measures come under the heading of regional policy (p. 16).

These two examples should suffice to demonstrate the validity of the European Parliament's second demand which it has been repeating for many years:

(1) Parliament resolutions of
December 1977, paragraph 2, loc. cit.
December 1978, paragraph 7, "
December 1980, paragraph 4, "
December 1981, paragraph 2, "

(2) See also Council Regulation No. 2616/80 in OJ L 271 of 15.10.1980

(b) The demand for coordination of all Community measures in the EEC and ECSC sphere (Social Fund, Regional Fund and the European Investment Bank) and their integration into an overall plan for industrial, social, regional and energy policy.

Inclusion of all financial activities in the budget and consolidation of the two Community budgets

7. The above proposal has two logical consequences which have also been described on a number of occasions over the last few years by the European Parliament:

(c) The inclusion in the ECSC budget of all ECSC financial operations, i.e. lending and borrowing (1)

(d) The closest possible coordination and harmonization of the scheduling and content of the ECSC operating and investment budget with the general budget of the European Communities (2) which in the long term would lead to consolidation of the two budgets.

The rapporteur considers these last two proposals as particularly important at the present time given the financial position of the ECSC and the general crisis in the coal and steel sector and in the next chapter has formulated his own suggestions on this matter.

(1) Parliament resolutions of December 1978, paragraph 8; December 1980, paragraph 5, December 1981, paragraph 7 loc. cit.

(2) Parliament resolutions of December 1977, paragraph 5, December 1978, paragraph 9; December 1981, paragraph 2 and 3 loc. cit

Community financing of marketing aid for coking coal and coke

8. One example of mixed financing and a further argument for including all revenue and expenditure in the budget is the marketing aid which has been paid for many years for coking coal and coke, with only a small proportion being financed from the ECSC operating budget (6 m ECU) while most of the resources have been provided by the operators of blast furnaces (17 m ECU) and the six original Member States of the Community (24 m ECU). The period for granting this aid was extended once again on 20 April by 2 years until 31.12.1983 (1). It includes financing for 'an annual quantity of coal amounting to no more than 14 m. tonnes at an annual cost of not more than 47 m ECU'.

- (e) Here again in relation to the marketing aid for coking coal and coke for the iron and steel industry in the Community, the European Parliament has repeatedly criticized mixed financing and demanded proposals from the Commission for Community financing (3).

III. Observations and proposals by the Committee on Budgets on the draft ECSC operating budget for 1983 submitted by the Commission

Better presentation of the operating budget

9. The fact that, since 1981, after many years of complicated discussion regular amounts have been made available from the Community budget for social measures in the coal and steel sector because ECSC revenue has remained virtually constant (see table in Annex II), while expenditure has been steadily rising in the present crisis, is a strong argument for closer links between the two Community budgets. A procedure of this kind would not necessarily lead to restrictions on the extraordinary freedom of

(1) OJ L 106, 21.4.1982

(2) Article 7(1) of the Commission decision

(3) Resolution of 24 April 1979, para. 7, OJ C 127, 21.5.1979
Resolution of 19 December 1980, loc. cit.
Resolution of 15 December 1981, loc. cit.

action and financial autonomy of the Commission (which is both the legislative and executive body). At the same time, the Commission would have to accept a greater involvement of the European Parliament and stricter monitoring of the implementation of the budget or specific measures. Possibly one of the ideas expressed by the rapporteur on the discharge to the Commission in the ECSC sector for the 1976 financial year (1), Mr Bangemann, could be taken up again - namely that Parliament should gradually be given greater budgetary powers, initially in the form of obligatory consultation between the Commission and Parliament, similar to that between the Council and Parliament, so that the policy objectives for the forthcoming budget could be agreed in advance. The special nature of the ECSC and its unique financial flexibility and autonomy could be retained.

10. The rapporteur recalls in this connection, as did the rapporteur for the 1979 ECSC operating budget, the demands voiced by Parliament which have also been under discussion for several years in the working party on the inter-institutional dialogue on certain budgetary problems:

- merging the operating and investment budgets of the ECSC and coordinated adoption of the ECSC budget and the general budget (2),
- integration of ECSC and EEC activities, to provide the budget authorities with a more comprehensive summary of Community finances (3),
- presentation of a borrowing and lending policy programme to Parliament which would each year assess its implications and possibly propose amendments (4).

(1) See Doc. 421/77

(2) Reports on the inter-institutional dialogue on certain budgetary questions (Doc. 97/76, p. 26; Doc. 119/77, p. 16)

(3) Resolution on the ECSC operating budget for 1978, paragraph 5, loc. cit.

(4) Resolution granting a discharge in respect of the ECSC budget for 1976, paragraph 13 (OJ No. C 6 of 9.1.1978, p. 28)

11. The rapporteur takes the view that it is no longer enough for Parliament to reiterate its demands year after year. He therefore proposes closer formal harmonization as a first step towards integration of the EEC and ECSC budgets. In Annex III, therefore, the rapporteur has summarized the Commission's proposals, which this year were adapted in format to volume 7 of the preliminary draft of the general budget of the European Communities, using the presentation normally adopted for all budgets of the institutions of the European Communities.

The rapporteur believes that a document of this kind considerably increases the transparency of the ECSC operating budget. In particular he would point out the possibility, or even necessity, of breaking down individual chapters and articles further to provide even greater transparency and of including borrowing and lending operations. The rapporteur has been unable to do this as yet owing to a lack of information.

12. It is also important to remember that the rapporteur for the 1982 operating budget proposed amendments to individual items of the operating budget for the first time, which were adopted by Parliament and largely taken over by the Commission when drawing up the final text of the operating budget (1). The next step logically is to draw up a normal budget divided into chapters, articles and items with the appropriate information on the amounts in previous years and the relevant legal bases and remarks. It is also easier to propose amendments on the basis of such a document.

The nature of the ECSC operating budget

13. The requirement that the ECSC operating budget be drawn up in the form usual for other budgets might elicit opposition from the Commission which under the present treaties has an extraordinarily large degree of freedom in this sector. On earlier occasions the Commission has

(1) See OJ C 11 of 18.1.1982, p. 25; OJ L 374 of 30.12.1981, p. 28

pointed out that the operating budget is in fact only an estimate of the required resources and revenue and serves as the basis for the annual decision on the level of the levy rate.

The rapporteur is aware that the ECSC operating budget cannot really be compared with a normal budget as it contains no payments but only Commission estimates of possible commitments. The actual payments can only be seen in the Commission's financial report on the ECSC (1). It is clear from the tables presented there by the Commission (tables 24, 25, 26 and 28) that there is a major difference between

- commitments envisaged by the Commission
- contracts actually concluded and
- payments actually made.

The ECSC operating budget only reflects the first level even as far as implementation of the budget for the previous financial year (e.g. 1981) is concerned!

14. The fundamental question arises in this context as to whether the ECSC operating budget should not be entirely reformed to provide a more realistic picture. In the first place, the budget would have to show the commitments which are expected to be necessary. These would have to be accompanied by schedules for payment. The payments due in the course of the financial year would also have to be shown. The figures on the implementation of the budget of the previous financial year would have to show the payments actually made.

(1) See the report for 1981 (COM(82) 706 final)

Without these changes, the draft ECSC operating budget submitted by the Commission, the opinion delivered by Parliament and any amendments proposed to this draft will remain a travesty.

15. The rapporteur is well aware of the difficulties that the proposed changes would create for the Commission initially, but this is absolutely essential if there is to be a genuine budget with the necessary transparency.

The integration which already exists between the revenue and expenditure in the operating budget and the revenue and expenditure from capital transactions (borrowing and lending) in the profit and loss account presented by the Commission in the financial report on the ECSC (Table 24) is a further argument for including borrowing and lending activities in the ECSC budget as was advocated yet again in the most recent Parliament resolution on the ECSC operating budget (1).

16. In making these demands, the European Parliament is certainly not seeking to restrict the Commission's powers in the ECSC sector. As the institution of the European Communities responsible for monitoring policy, it is simply trying to ensure greater transparency for these activities leading to more effective control and greater scope for influence by the elected representatives of the people. Parliament, as one arm of the budgetary authority, must make just as much effort to secure a better balance of powers vis-a-vis the Commission for the ECSC budget as vis-a-vis the Council for the general budget of the European Communities as .

17. The above observations show that the figures given in the attempt made by the rapporteur in Annex III to present an ECSC budget are in fact inaccurate and should be replaced by new and more realistic figures.

(1) Decision of 15 December 1981, paragraph 7

The measures proposed by the Commission for 1983

18. It would be superfluous to describe yet again the measures in the ECSC field financed from the operating budget. The appropriations proposed by the Commission for these measures are clearly shown in Annex I. As mentioned above, the Commission is for the first time not specifying how high the actual requirement is for these measures but simply proposes the level of expenditure possible on the basis of the likely revenue from the levy rate, interest payments, surpluses and exceptional revenue.

19. The rapporteur has therefore confined himself to observing that the single largest item of expenditure is redeployment aid pursuant to Article 56(2)(b) of the ECSC Treaty. Following 'a wider interpretation' by the Council and Commission, this sector has received additional funds from the general budget of the European Communities since 1981. These resources are used to finance special allowances for workers from the iron and steel industry as part of the Community restructuring programme in the form of aid for early retirement and short-time working. The other items of expenditure show little change from the previous year.

20. It is inexplicable why the Commission in the case of interest subsidies in the investment field 'is not planning to give this form of support for steel restructuring', although it is this restructuring which constitutes the most urgent problem at the present time. Instead it is planned to grant interest subsidies for research and vocational training centres and 'the stabilization of coal production' and the Commission reserves the right to apply and adapt these criteria in the light both of its assessment of current priorities and of the appropriations available. 'It is envisaging the possibility of encouraging priority investment in coal, notably for energy saving' (1).

One may well ask whether the dramatic decline in loans taken up and credits granted pursuant to Article 54 of the ECSC Treaty in 1982 might not have been arrested by appropriate measures in the form of interest subsidies (2).

(1) Page 33 of the aide-memoire

(2) The total amount of loans taken up in 1981 amounted to 325.4 m ECU compared to 1,004 million ECU in 1980. Industrial loans amounted to 287 m ECU compared with 757 million ECU in 1980.

21. The Commission's reluctance to grant aid for investments to promote restructuring since 1981 can only be explained as an expression of resignation given that this form of support was increased in 1980 from 23 m ECU to 33 m ECU. The Commission itself says that large-scale intervention is scarcely possible with the inevitably slender resources available (1).

22. In the case of research aid, the question arises, particularly in relation to coal, of whether there are not parallels with research projects financed from the Community budget. This type of research is a classic example of the need for coordination with other measures which may also be financed from the Community budget. Moreover there is no reason why many other sectors of the economy should receive aid from Community own resources while the coal and steel industry is largely left to finance itself.

The levy rate

23. Since 1972, the levy rate in the ECSC operating budget had remained constant at 0.29%. Only in 1980, after a strict review of requirements in the individual areas and potential resources (an additional 43 m ECU in the form of a special contribution by the Member States) and in the light of the catastrophic state of the operating budget's resources did the Commission propose increasing the levy rate by two hundredths of a percent to 0.31%.

Since then this levy rate of 0.31% has remained constant and has been proposed once more by the Commission for the 1983 financial year. On the basis of its own figures there should in fact have been an increase. In the light of the foregoing, and in particular the nature of the ECSC operating budget, the question of course arises whether under the even more difficult circumstances which now exist in the coal and steel sector it would not be advisable to reduce the levy rate. The supplementary information given by the Commission on the ECSC financial report shows that at 31.12.1981 there were still outstanding levy payments of 10.2 m ECU. According to the Commission the outstanding payments as of 30.9.1982 amounted to approx. 12.5 m ECU. The Commission should seek to offset this loss of revenue by expediting the collection of payments from the Member States. It should also be borne in mind that as mentioned above the yield from the levy accounts for an ever smaller proportion of the total budget.

(1) Aide-memoire on the 1981 operating budget (COM(80) 623 final, p. 47)

(million ECU)

REQUIREMENTS	PROPOSALS	RESOURCES	PROPOSALS
OPERATIONS TO BE FINANCED FROM CURRENT RESOURCES (NON-REPAYABLE)		RESOURCES FOR THE FINANCIAL YEAR	
1. Administrative expenditure	5	1. Current resources	
2. Social expenditure	150	1.1 Yield from levy at 0.31%	128
2.1 Aid for redeployment (Art. 56)	100	1.2 Interest on investments and on loans from non-borrowed funds	80
2.2 Social measures connected with restructuring of steel industry	50	1.3 Fines and surcharges for late payment	5
3. Aid for research (Art. 55)	54	1.4 Miscellaneous	token entry
3.1 Steel	23	2. Cancellation of commitments unlikely to be implemented	5
3.2 Coal	19.5	3. Revaluation of assets and liabilities	token entry
3.3 Social	11.5	4. Unused resources carried over from 1981	token entry
4. Interest subsidies		5. Exceptional revenue	50
4.1 Investment (Art. 54)	} 53		
4.2 Conversion (Art. 56) ¹			
5. Aid for coking coal and metallurgical coke (Art. 95)	6		
	268		268
OPERATIONS FINANCED BY LOANS FROM NON-BORROWED FUNDS		ORIGIN OF NON-BORROWED FUNDS	
6. Subsidized housing	15	6. Special reserve and former ECSC Pension Fund	15

¹In the event of resources exceeding requirements, the surplus will be allocated to interest subsidies

SUMMARY OF RESOURCES AND EXPENDITURE IN THE ECSC OPERATING BUDGET OVER THE LAST SIX YEARS

Resources (million EUA/ECU)

Forecast outturn

	1978	1979	1980	1981	1982	1983
Yield from levy	100.8	103.2	114.8	126.6	121	128
Interest on investments	13	20.2	23	40	75	80
Fines	0.1	0.8	1.1	1.9	-	5
Commitments not implemented	2.9	10.1	6.2	27.7	5.5	5
Revaluation of assets/ liabilities	-	-	0.9	-	-	token entry
Unused resources from previous years	-	5.8	-	11.4	63.4	token entry
Contingency reserve	-	4	10	7.6	26.5	-
Special contribution exceptional revenue	28	28	28	48.6	50	50
	149.8	172.1	184	263.9	341.4	268

Expenditure (million EUA/ECU)

Forecast outturn

	1978	1979	1980	1981	1982	1983
Administrative expenditure	5	5	5	5	5	5
Aid for redeployment	60	67	67	172.6	230.4	150
Aid for research	40.3	46.7	43.8	44	50	54
Interest subsidies	36	47.2	50.8	33.2	50	53
Aid for coking coal	6	6	6	6	6	6
Other (surplus/revaluation)	2	0.2	11.4	3	-	-
	149.3	172.1	184	263.8	341.4	268

Shortfall of resources (million EUA/ECU)

	estimated resources (levy and other resources) excluding exceptional revenue	requirements	shortfall	as % of requirements
1979	98 + 22	257	137	53 %
1980	113 + 28	211	70	33 %
1981	120 + 42	249	87	35 %
1982	140 + 78	324 x)	106	33 %
1983	128 + 90	?	?	?

x) excluding 50 m ECU proposed for special social measures

RESOURCES

Annex III

Article Item	Headings	Appropriations 1983	Appropriations 1982		Outturn 1981	
			Commitments	Payments	Commitments	Payments
110	Chapter 10 Levy	128	140		127	126.6
120	Interest on investments and on loans from non-borrowed funds	80	75		40	40
130	Fines and surcharges for late payment	5	p.m.		-	1.9
140	Miscellaneous	p.m.	p.m.			
	CHAPTER 10 TOTAL	213	215		167	168.5
	CHAPTER 20					
	Cancellation of commitments which will not be implemented and unused resources carried over from previous years (balance)	5	3		36.4	39.1
	CHAPTER 20 TOTAL	5	3		36.4	39.1
	CHAPTER 30					
	Exchange rate gains	p.m.	p.m.			
	CHAPTER 30 TOTAL					
	CHAPTER 40					
	Exceptional revenue	50	50		112 + 7.6	48.6 + 7.6
	CHAPTER 40 TOTAL	50	50		119.6	56.2
	OVERALL TOTAL	268	268		323	263.8

RESOURCES

Article Item	Remarks
110	<p><u>Legal basis:</u></p> <ul style="list-style-type: none"> - Articles 49 and 50 of the ECSC Treaty - Decision 2/52 and 3/52 of 23 December 1952 <p>The levies are calculated on the basis of a fixed scale per tonne which is decided each financial year by the High Authority/Commission and published in the Official Journal.</p>
120	<p><u>Legal basis:</u></p> <p>Resources deriving from income on investments and on loans against non-borrowed funds will be determined when the Commission adopts the balance sheet at 31 December 1982. Under its Decision of 30 April 1975, the Commission enters in the budget the interest available from the previous financial year.</p> <p>Articles 47, 58 and 60 of the ECSC Treaty (mainly).</p>
40	<p><u>Legal basis:</u></p> <ul style="list-style-type: none"> - Conclusions of the 717th Council meeting of 24 June 1981, - Article 235 of the EEC Treaty, - Article 49 of the ECSC Treaty. <p>This chapter records the additional resources intended solely for financing social measures in connection with the restructuring of the steel industry to a total of 212 m. ECU</p>

EXPENDITURE

CHAPTER 10 - ADMINISTRATIVE EXPENDITURE

CHAPTER 20 - SOCIAL EXPENDITURE

Article Item	Heading	Appropriations 1981	Appropriations 1982		Outturn 1981	
			Commitments	Payments	Commitments	Payments
110	CHAPTER 10 Administrative expenditure	5	5		5	5
	CHAPTER 10 TOTAL	5	5		5	5
	CHAPTER 20					
210	Aid for redeployment (Art. 56 ECSC)	100	117		124	124
2100	Tideover allowances					
2101	Resettlement allowances					
2102	Vocational retraining					
220	Social measures in connection with the restructuring of the iron and steel industry	50	50		112	48.6
2200	Early retirement					
2201	Short-time working					
	CHAPTER 20 TOTAL	150	167		236	172.6

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EXPENDITURE

Article Item	Remarks
110	<p><u>Legal basis:</u></p> <ul style="list-style-type: none">- Article 50 of the ECSC Treaty;- Article 20 of the Merger Treaty;- Council Decision of 21 November 1977 (OJ L 306, 30 November 1977, p. 28);- ECSC contribution to the Commission's administrative expenditure.
210	<p><u>Legal basis:</u></p> <ul style="list-style-type: none">- Articles 50 and 56 of the ECSC Treaty;- Bilateral agreements concluded between the High Authority/Commission and the Governments of the Member States. <p>The High Authority/Commission provides non-repayable aid.</p> <p>In some cases, the tideover allowance is replaced by a contribution corresponding to the cost of a bridging-pension scheme.</p> <p>The grant of the aid is conditional upon payment by the State concerned of a special contribution of not less than the amount of that aid, unless an exception is authorized by the Council, acting by a two-thirds majority.</p>
220	<p><u>Legal basis:</u></p> <ul style="list-style-type: none">- Conclusions of the 717th Council meeting of 24 June 1981, introducing two temporary social measures under Article 56(2)(b) ECSC, on a broad interpretation of that provision. The measures involve contributions by the ECSC towards the financing of special allowances for <u>early retirement</u> and <u>short-time working</u> to be paid to workers in iron and steel undertakings under the community restructuring programme.

ER 30 - AID FOR RESEARCH

ER 40 - AID IN THE FORM OF INTEREST SUBSIDIES

Article Item	Heading	Appropriations 1983	Appropriations 1982		Outturn 1981	
			Commitments	Payments	Commitments	Payments
	CHAPTER 30					
	Aid for research					
310	Aid for steel research		19		19	19
3100	Research in progress	13 75				
3101	Plot research programmes	8 75			16	16
120	Aid for coal research	20	14			
1200	Mining technology					
1201	Use and processing of coal					
130	Aid for social research	11 5	10		9	9
1300	Research activities in the social sector					
	CHAPTER 30 TOTAL	54	43		44	44
	CHAPTER 40					
	Aids in the form of interest subsidies					
10	Investment	9	7		7	7
100	Research and training centres, elimination of bottlenecks					
01	Stabilization of coal production					
0	Conversion	44	40		25	26.2
	CHAPTER 40 TOTAL	53	47		32	33.2

Article Item	Remarks
300	<p><u>Legal basis:</u></p> <p>- Articles 50 and 55 of the ECSC Treaty</p> <p>The High Authority/Commission is required to encourage technical and economic research into the production and increased use of coal and steel and occupational safety in the coal and steel industries. To this end it grants aid to finance research after receiving the Council's assent.</p>
40	<p><u>Legal basis:</u></p> <p>- Articles 54 (investment) and 56 (conversion) of the ECSC Treaty, and Decisions of the High Authority/Commission.</p> <p>The ECSC may use its own resources to provide interest relief on certain types of loan. The subsidy is calculated in ECU at a rate and for a term fixed by the Commission. It currently stands at 3% for five years.</p>
420	<p>The maximum loan eligible for interest relief at the rate of 3% for 5 years at the moment is 20 000 ECU per new job, equivalent to maximum non-repayable aid of 3 000 ECU per job. When recruiting, the recipients undertake to give priority to former ECSC workers.</p>

CHAPTER 50 - AIDS FOR THE IRON AND STEEL INDUSTRY

Article Item	Heading	Appropriations 1983	Appropriations 1982		Outturn 1981	
			Commitments	Payments	Commitments	Payments
510	CHAPTER 50					
	Aids for coking coal and and coke for the iron and steel industry	6	6	-	6	6
	CHAPTER 50 TOTAL	6	6		6	6
	CHAPTER 60					
	Exchange rate losses				-	3
						3
	OVERALL TOTAL	268	268		323	263 8

Article Item	Remarks
500	<p data-bbox="288 421 477 455"><u>Legal basis:</u></p> <ul data-bbox="288 501 1362 675" style="list-style-type: none"> <li data-bbox="288 501 787 535">- Article 95 of the ECSC Treaty <li data-bbox="288 546 1362 675">- High Authority/Commission Decision 73/787/ECSC of 15 July 1973 (OJ L 259, 15 September 1973), as last amended by Decision 896/82/ECSC of 20 April 1982 (OJ L 106, 21 April 1982). <p data-bbox="288 721 1362 895">The ECSC makes a lump-sum contribution to the special fund for easing intra-Community trade, the rest of the finance being provided by the Member States and the steel industry. This scheme will be reviewed after 1 January 1984¹.</p>