
FINANCIAL REPORT 1981

ECSC

European Coal and Steel
Community



Commission
of the European Communities

This publication is also available in the following languages:

DE ISBN 92-825-3050-7
FR ISBN 92-825-3052-3
IT ISBN 92-825-3053-1
NL ISBN 92-825-3054-X

Cataloguing data can be found at the end of this publication

Manuscript completed: 27 May 1982

Luxembourg: Office for Official Publications of the European Communities, 1982

ISBN 92-825-3051-5

Catalogue number: CB-35-82-077-EN-C

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Printed in the FR of Germany

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ECSC

The European Coal and Steel Community was established under a Treaty signed in Paris on 18 April 1951 by the Federal Republic of Germany, Belgium, France, Italy, Luxembourg and the Netherlands. The Treaty came into force in 1952 for a period of 50 years. On 1 January 1973, Denmark, Ireland and the United Kingdom became members of the ECSC. Greece acceded to the Treaty on 1 January 1981. The ten member countries are hereinafter referred to as the 'Member States'.

Commission

The Single Commission of the European Communities exercises the powers and responsibilities devolving upon the former High Authority in accordance with the rules laid down by the ECSC Treaty.

The present Members of the Commission, whose renewable term runs for four years, are:

Gaston Thorn	President
François -Xavier Ortoli	Vice-President
Wilhelm Haferkamp	Vice-President
Lorenzo Natali	Vice-President
Étienne Davignon	Vice-President
Christopher Tugendhat	Vice-President
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Frans Andriessen	Member
Ivor Richard	Member
Poul Dalsager	Member
Edgard Pisani	Member

The credit and investments sector is the special responsibility of Mr François-Xavier Ortoli.

Directorate-General for Credit and Investments

The Directorate-General for Credit and Investments conducts the ECSC's main financial operations, under the authority of Antonino Nicoletti, Director-General, Antoine Van Goethem, Director, Borrowings and Administration of Funds, Ottokar Hahn, Director, Investments and Loans. The department is located in Luxembourg, Jean Monnet Building, rue Alcide de Gasperi. Tel. 4 30 11.

ECU

By virtue of the Commission Decision of 19 December 1980⁽¹⁾ the ECU replaced the EUA for operations under the ECSC Treaty from 1 January 1981.

The ECU is a 'basket' unit made up of specific amounts of Member States' currencies, determined mainly by reference to the size of each Member State's economy. The equivalent of the ECU in any national currency is equal to the sum of the equivalents in that currency of the following amounts:

German mark	0,828
Pound sterling	0,0885
French franc	1,15
Italian lira	109,00
Dutch guilder	0,286
Belgian franc	3,66
Luxembourg franc	0,14
Danish krone	0,217
Irish pound	0,00759

The value of the ECU is determined daily. (Telex 23.789 at Brussels).

The calculation is made on the basis of representative rates for each Community currency against the dollar, which is used simply as a common reference for expressing exchange rates. These rates are taken daily on each exchange market by the central bank concerned; on the basis of these rates the Commission establishes an ECU equivalent in the Community currencies and in the other major currencies.

NB. For technical reasons the Continental practice of using a comma instead of a decimal point has been adopted in this publication.

⁽¹⁾ OJ L 349, 23.12.1980.

Activities

Introduction

General economic situation

While scarcely over the effects of the second oil shock of 1979-80, the Community economy in 1981 had to contend with two adverse factors: the strong appreciation of the dollar and the concomitant rise in interest rates throughout the world. As a result, activity was more sluggish than had been expected. The slackening which first appeared in the second quarter of 1980 went on for longer than expected. For the first time since 1975 economic activity in the Community fell away in 1981.

In the closing months of 1981 industrial production showed a few faint signs of recovery. But this recovery will be slow. Real disposable incomes fell and private consumption declined or remained level in most of the Member States. Anxious to limit their budget deficits the governments allowed their current expenditure to increase only very slowly. Fixed investments have been falling since the middle of 1980 and stock-building has gradually lost momentum. Because of the situation on world markets Community exports dropped sharply during the second half of 1980 but have more than recovered since then.

Gross domestic product, which fell by 0,5% in 1981 as compared with 1980, could increase by 1,6% in 1982. With world demand gradually rising, Community exports should pick up. At the end of 1981 the number of unemployed had passed the 10 million mark. Since the recovery is expected to be slow, unemployment in the Community will continue upwards. Towards the end of the year the rise in unemployment rates might slacken.

The current balance of payments deficit fell from almost 27 000 million ECU in 1980 to 19 000 million ECU in 1981. The terms of trade for the Community might improve in 1982. The volume of exports and imports is expected to continue growing in 1982, maintaining the upward movement already evident — notably for exports — in the second half of 1981.

Since world demand is expanding and export prices are not rising quite as sharply as import prices, the improvement for the Community will produce a deficit of 9 500 million ECU on current account.

Steel

In the Community a slight improvement in the net positive balance of the Community's foreign trade in steel was observed in 1981, despite the persisting depression on the world market. This was due to the appreciable decline in imports, the weakness of demand and the very low level of prices in the earlier part of the year.

Demand for steel fell more than demand in the economy as a whole, with both demand and production over the first three quarters of 1981 remaining generally low. Orders booked during the first two quarters of 1981 were 6% and 3% lower than in the same periods of the previous year.

Though orders in July and August were 20% higher than in July and August 1980, they barely returned to the 1979 level. As a result of the production controls introduced by the Commission on 30 October 1980 the fall in prices for the main steel products was halted at the beginning of 1981 and prices were raised on 1 July and 1 October. But taken over a longer reference period steel prices have hardened only very slightly.

After bottoming out at 58% during the last quarter of 1980, the capacity utilization of steel manufacturers improved somewhat in 1981, and the relative rate for the whole of the year should be somewhere around 63,5%. However, the efforts that firms had to make to eliminate inefficient and non-competitive capacity inevitably had serious repercussions on employment. The cyclical difficulties, on top of the effects of the structural crisis, reduced the number of jobs in the steel industry by almost 20% between 1978 and 1981.

Despite the adverse market conditions which almost all steel companies had to face in 1980,

the survey conducted by the Commission early in 1981 showed that despite their financial difficulties the investment expenditure of steel companies rose from 2 100 million ECU in 1979 to 2 400 million ECU in 1980. The increase was particularly sharp in the Federal Republic of Germany and in Belgium. At constant 1970 prices expenditure for the entire Community was 2 000 million ECU in 1980 as against 1 100 million in 1979. The same survey revealed that the final results of companies for 1981 should show a further increase in steel investments up to a volume of 2 900 million ECU. But when viewed against the production capacity which must be kept in operation, the level of investment is still cause for concern. Even if the bulk of the investment is put into the most competitive and most profitable plant, it is unlikely that the European steel industry will be able to modernize even the substantially reduced capacity required to meet the demand envisaged in the general objectives. It must also be borne in mind that the rationalization drive now under way in the European steel industry will not have any positive and significant impact on companies' financial results for a number of years. In 1982 and 1983 at least, it is more than likely that firms will be able to finance only a very small proportion of their investments themselves and will have to turn to the public sector, in the form of government agencies or Community financial instruments.

Latest estimates would indicate that crude steel production potential in the Community — 202,5 million tonnes in 1980 — will fall to 196,8 million tonnes in 1984. Though desirable, this reduction will have only a marginal effect on the problems posed at present by surplus capacity. The forecast increase in capacity for finished products is 3,3 million tonnes — 168,6 million tonnes in 1980 and 171,9 million tonnes in 1984. A proportion of this increase could be attributed to the growth in quantities of semi-finished products as a result of the expansion of continuous casting. But production potential for finished products is still tending to rise. More fundamental measures must be established before the balance between supply and demand can be restored.

Coal

Even more so than in 1980 the Community coal market in 1981 was affected by the general economic gloom. In the first nine months of 1981 gross energy consumption in the Community was 6,4% down on the same period in 1980. Coal consumption fell less (-3,6%) than that of other fossil fuels (oil -11,6%, gas -4,4%), which accentuates the trend observed a year ago.

Total consumption of coal in the Community declined from 313 million tonnes in 1980 to 305 million tonnes in 1981 and should rise again to 309 million tonnes in 1982. Demand for coal from the non-producer countries rose from 37 to 40 million tonnes. Their share of imports from non-member countries represented roughly 48% of a total of some 71 million tonnes, 4 million tonnes less than in 1980. Community availability (production plus recovery) stood at 250 million tonnes in 1981 against 254 million in 1980, thus meeting 80% of the needs as opposed to 82% in 1980. The fall in production was, however, limited to 1,6 million tonnes. The share of the producer countries in imports from non-member countries decreased in 1981 by 4 million tonnes and could fall by a further 5 million tonnes in 1982. Intra-Community trade in coal and coke represented roughly 10% of Community availability; between 1980 and 1981 trade in coal rose by 3 million tonnes and fell slightly for coke; there was again considerable trade in Community coal for the steel industry and an increase in coal sold for power stations in the Community. Stocks in general rose again; at the end of 1981 pithead stocks stood at over 46 million tonnes, a record figure equivalent to nearly 70 days' production.

The results of the Commission's survey on investments early in 1981 showed that investment expenditure in the Community coal industry increased by 44%, rising from 1 150,3 million ECU in 1979 to 1 654,8 million ECU in 1980. This result was 22% higher than the forecasts made at the beginning of the year. Firms have reported a further rise in 1981, with a figure of 1 800 million ECU.

Lastly, extraction potential increased very slightly in 1980 but is set to fall from 246,4 million tonnes to 238,5 million tonnes between 1980 and 1984. Extraction potential could thus level out between 235 and 245 million tonnes. This

will largely depend on coal prices on the world market and on continuing financial assistance both from national governments and from the Community.

Loans

ECSC lending and guarantee operations

1. The general trend in 1981

At 387,6 million ECU, the total amount of loans disbursed by the ECSC in 1981 was some 62% down on the 1980 figure of 1 030,7 million ECU. This drop is accounted for by a number of factors, notably sharp reductions in the number of loan applications and in the number of approvals of loans to the steel industry and for industrial conversion.

TABLE 1

(million ECU)

	Loans approved ⁽¹⁾ but not yet paid at the beginning of the year	New loans approved during the year	Loans paid in 1981	Loans approved but not yet paid at the end of the year
1980	2 523	1 223	1 031	2 715
1981	2 715	1 098	325	3 488

⁽¹⁾ The Commission takes a decision of principle approving a loan to a firm to finance an investment. Within the limit approved by this decision, the Commission raises funds on terms suiting the firm. It signs a contract with the firm for all or part of the loan whenever an instalment is paid.

Apart from loans made for the construction of subsidized housing, which increased from 9,6 million ECU in 1980 to 14,7 million ECU in 1981, the amount lent in all sectors for which ECSC finance is available fell sharply during the year. The reductions in the three main areas of activity — the coal industry, the steel industry and industrial conversion — amounted to 87%, 47% and 68% respectively.

TABLE 2

ECSC loans to the various sectors

(million ECU)

	1977	1978	1979	1980	1981	1980 as % of 1981
Coal industry	216,9	262,4	237,6	233,2	30,1	-87%
Steel industry	493,4	370,3	316,4	424,0	223,6	-47%
Thermal power stations	—	31,1	41,1	90,0	26,6	-70%
Industrial conversion	16,4	113,3	59,1	266,1	86,0	-68%
Subsidized housing	12,0	16,7	21,6	7,9	14,7	+86%
Iron-ore mines	—	2,0	—	—	—	—
Other	2,8	1,3	—	9,6	6,1	-36%
Total	741,5	797,1	675,8	1 030,8	387,6	-62%

The considerable fall (68%) in conversion loans from 1980 to 1981 is mainly a function of the general reluctance to invest.

However, although investment in most sectors declined in 1981, as it had in the previous year, in the steel industry and the coal industry there was a slight upturn. The Commission restricted loans to the steel industry to those projects which formed part of restructuring programmes designed to make a significant reduction in the overall capacity of the firm or group of firms and to concentrate production in the most competitive plants.

The main thrust of the Commission's aid in directing ECSC finance towards the coal industry was to assist modernization and rationalization projects designed to maintain or increase the yield of mines in the most productive coalfields. Under paragraph 2 of Article 54 of the ECSC Treaty it also helped to finance power stations and schemes for converting industrial plant and heating installations to coal.

The amount of loans paid for investments in coalmining was nevertheless very low. For both the coal and the steel industry the proportion of investments financed by ECSC loans in 1981 dropped sharply.

TABLE 3

Loans in 1981 by country

(million ECU)

	Federal Republic of Germany	Belgium	France	Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	Greece	Community
1. Coal industry	30,57			90,07							30,57
Steel industry	45,65		76,93					10,96			233,61
Thermal power stations	2,66		23,96								26,62
Other	—			6,15							6,15
Total	78,88		100,89	96,22				10,96			286,95
2. Industrial conversion	7,57		8,22				70,20				85,99
3. Subsidized housing	5,88	0,48	2,33	5,25	0,11	0,54	0,11				14,70
Grand total	92,33	0,48	111,44	101,47	0,11	0,54	70,31	10,96	—	—	387,64

TABLE 4

Loans for industrial investment (Article 54)

(million ECU)

	Total loans paid at 31.12.1980 ⁽¹⁾	New loans in 1981 ⁽¹⁾	Total loans paid	Balance outstanding
			Position at 31.12.1981	
Belgium	216,79	—	216,79	118,61
Denmark	55,48	—	55,48	37,62
FR of Germany	1 767,89	78,88	1 846,77	972,39
Greece	—	—	—	—
France	1 217,49	100,89	1 318,38	1 058,23
Ireland	18,43	10,96	29,39	29,39
Italy	1 154,49	96,22	1 250,71	935,97
Luxembourg	156,57	—	156,57	145,90
Netherlands	160,88	—	160,88	120,49
United Kingdom	2 050,28	—	2 050,28	1 723,76
Non-Community	6,96	—	6,96	6,96
Total	6 805,26	286,95	7 092,21	5 149,32

⁽¹⁾ After adjustment for the new rates for converting national currencies into ECU (see p. 64).

TABLE 5

Investment expenditure in the steel industry and the coal industry 1977-80 and estimates for 1981⁽¹⁾

(1 000 million ECU)

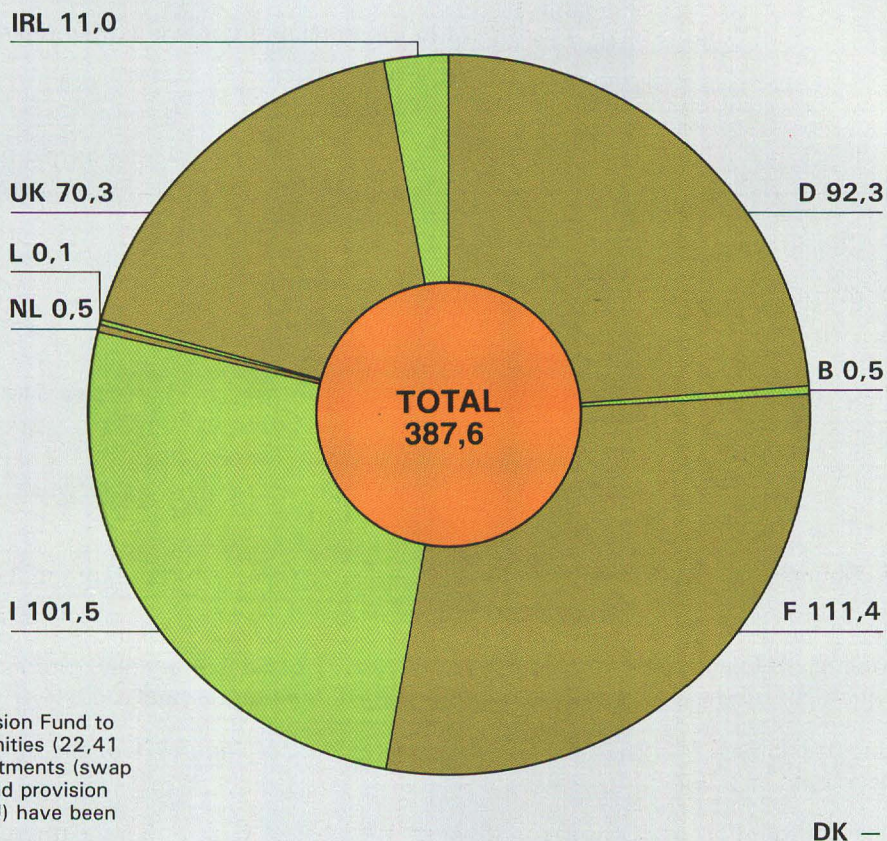
	1977	1978	1979	1980	1981
Coal industry	0,8	0,9	1,2	1,7	1,8
Steel industry	2,4	2,0	2,1	2,4	2,9 ⁽²⁾

⁽¹⁾ See *Investment in the Community coalmining and iron and steel industries. Report on the 1981 survey*, November 1981, Commission.

⁽²⁾ The estimate relates to only nine Member States.

ECSC loans paid out in 1981

(Amount in million ECU)



NB. In this graph, loans from the Pension Fund to officials of the European Communities (22,41 million ECU), balance sheet adjustments (swap operation — 5,64 million ECU) and provision against debtors (9,65 million ECU) have been excluded.

ECSC loans outstanding at 31 December 1981

(Amount in million ECU)

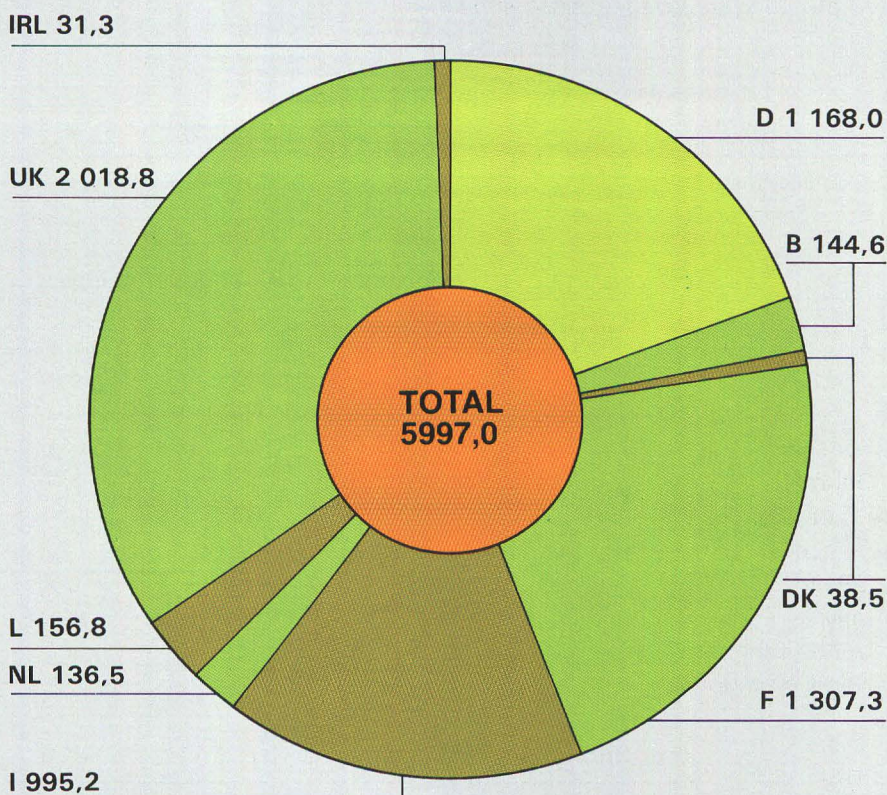


TABLE 6

Proportion of investment in the steel and coal industries financed by ECSC loans

(%)

	1977	1978	1979	1980	1981
Coal industry	26	28	21	14	0,2
Steel industry	5	18	15	18	8 ⁽¹⁾

⁽¹⁾ Steel industry investments in Greece have not been included since ECSC lending operations in Greece have only just commenced.

2. Financing of investments in the steel industry (Article 54, paragraph 1 of ECSC Treaty)

ECSC loans to the steel industry fell from 424,0 million ECU in 1980 to 223,6 million ECU in 1981. A total of 28 loans were made during the year, 13 of which received interest subsidies,⁽¹⁾ being for projects which contributed to the restructuring of the Community steel industry.

Undertakings in four Member States — Italy, France, Federal Republic of Germany and Ireland — received payments in 1981.

The contribution of ECSC loans towards the cost of financing investments in the steel industry remained modest, however, except in the cases of France (18%) and Italy (12%).

New decisions approving loans in the steel sector were limited to the part-financing of four projects, only two of which received interest subsidies.

TABLE 7

Loans paid to steel undertakings

(million ECU)

	1977	1978	1979	1980	1981
Benelux	15	115	15	64	—
Denmark	—	13	—	4	—
FR of Germany	28	53	114	91	46
France	110	58	72	121	77
Ireland	—	—	14	—	11
Italy	167	112	90	134	90
United Kingdom	173	19	11	4	—
Non-Community	—	—	—	6	—
Total	493	370	316	424	224

⁽¹⁾ These interest subsidies were granted in accordance with the terms of the Commission Communication of 22 July 1977 — OJ C 174, 22.7.1977.

TABLE 8

Proportion of investment in the steel industry financed by ECSC loans ⁽¹⁾

(%)

	1977	1978	1979	1980	1981
Benelux	6	45	3	14	—
Denmark		1977-1981 : 53			
FR of Germany	5	12	22	13	6
France	30	15	23	35	19
Ireland		1977-1981 : 31			
Italy	33	25	21	28	12
United Kingdom	24	4	4	1	—
Community	5	18	15	18	8

⁽¹⁾ Steel industry investments in Greece have not been included since ECSC lending operations in Greece have only just commenced.

Loans paid for steel industry investments in 1981 were allocated as follows:

TABLE 9

Loans made at rate of borrowing

Country	Date of payment	Date of Commission decision approving loan	Recipient - project	Total value of loans (million ECU)
D	16.3.1981 ⁽¹⁾	22.7.1975	<i>Krupp Stahl AG, Bochum</i> Construction of a large blast furnace at the Rheinhausen works. Various investments on rolling mills, in particular the construction of a pickling plant and a unit for the cutting of hot strip at the Bochum works and extension of the production of cold-rolled strip of special steel at the Düsseldorf works	
	22.6.1981 ⁽¹⁾	21.5.1975	<i>Klöckner Werke AG, Duisburg</i> Completion of various investments aimed at increasing the output of the wide-strip mill	
	14.10.1981	24.7.1980	<i>Badische Stahlwerke AG, Kehl</i> Transformation of the continuous casting plant and the two rolling mills to obtain a selection of 120 mm ² billets. Installation of a heating unit beneath the two pusher furnaces; purchase of continuous casting ladles	
	18.12.1981 ⁽¹⁾	9.12.1974	<i>Badische Stahlwerke AG, Kehl</i> Installation of a new system for the teeming of steels; rationalization measures in the melting shop and investments for the improvement of the performance of the wire mill and the light section mill	

Country	Date of payment	Date of Commission decision approving loan	Recipient — project	Total value of loans (million ECU)
F	25.2.1981	27.11.1980	<i>Usinor, Paris</i> Installation of a third 85-tonne OBM converter, addition of a vacuum ladle refining unit and a continuous slab casting unit at the Réhon works	
	25.2.1981 22.5.1981	27.11.1980	<i>Sacilor, Paris</i> Rationalization of the pig iron capacity at the Gandrange-Rombas works; improvement of the sintering plant which supplies this works; construction of a continuous bloom casting plant.	
	15.4.1981 22.5.1981	17.3.1981	<i>Solmer, Paris</i> Recuperation of the gas produced in the LD converters, repair and improvement of No 1 blast furnace; installation of a reheating furnace at the Fos works.	
I	15.1.1981 14.7.1981	20.2.1979	<i>Irfird SpA, Rome</i> Completion of the construction of a new direct reduction plant.	
	2.2.1981 28.7.1981	16.11.1979	<i>La Magona d'Italia SpA, Florence</i> Installation of a pre-lacquering line.	
	27.2.1981	15.12.1980	<i>Falck SpA, Milan</i> Installation of a continuous bloom casting plant; modernization of the hoop, billet and light section mills.	
	14.7.1981	26.9.1979	<i>Dalmine SpA, Milan</i> New rolling plant including a modern process for the production of seamless tubes.	
Total of loans made at rate of borrowing under Article 54, paragraph 1 — steel industry				102,5

(¹) Loans already made for a duration of less than eight years which have been extended for a limited period by reference to the original timescale of the investment.

**Loans at reduced interest rates granted in accordance with the communication of 22 July 1977(¹)
(steel industry restructuring projects)**

Country	Date of payment	Date of Commission decision approving loan	Recipient — project	Total value of loans (million ECU)
D	24.8.1981	27.11.1980	<i>Thyssen Edelstahlwerke AG, Düsseldorf</i> Structural adaptation measures in the special steels sector of the Thyssen Group at Krefeld, Witten and Schalmühle-Dahlerbruck.	

Country	Date of payment	Date of Commission decision approving loan	Recipient – project	Total value of loans (million ECU)
D	13.11.1981	26.7.1979	<i>Klöckner Werke AG, Duisburg</i> Construction of a KS plant (Klöckner steelmaking process) at the Georgsmarienhütte works, following shutdown of the OH melting shop.	
F	16.1.1981	27.11.1980	<i>Usinor, Paris</i> (for description, see 'Loans made at rate of borrowing')	
	14.4.1981	27.11.1980	<i>Sacilor, Paris</i> (for description, see 'Loans made at rate of borrowing')	
IRL	8.5.1981	5.6.1979	<i>Irish Steel Ltd, Hawbowline</i> Modernization of the works by the installation of a new electric furnace, a continuous billet casting plant and a section mill.	
I	15.1.1981	4.7.1979	<i>Acc. Piombino SpA, Piombino</i> Construction of a new blast furnace to replace two old blast furnaces; installation of a tree-strand continuous casting plant for blooms and a new 850 and 550 mill.	
	15.1.1981	4.9.1980	<i>Teksid SpA, Turin</i> Installation of a five-strand continuous casting plant for billets.	
	15.1.1981 } 14.7.1981 }	4.9.1980	<i>Acc. Ferrero SpA, Turin</i> Installation of a 30-tonne electric furnace and a four-strand continuous casting plant for billets to replace obsolete plant.	
	5.3.1981 } 14.7.1981 }	19.12.1980	<i>Ilssa Viola SpA, Milan</i> Replacement of an old hot rolling mill by a Steckel mill for the production of stainless steel coils.	
	23.3.1981	27.11.1980	<i>Italsider SpA, Genoa</i> Restructuring and modernization programme for the steel centre at Bagnoli.	
	27.5.1981	15.12.1980	<i>Acc. Ferr. Lombarde, Falck SpA, Milan</i> (for description, see 'Loans made at rate of borrowing')	
Total of loans at reduced interest rates under Article 54, paragraph 1 — steel industry				121,1
Total of all loans under Article 54, paragraph 1 — steel industry				223,6

(1) OJ C 174, 22.7.1977; OJ C 99, 22.4.1980.

3. Financing of investments in the coal industry (Article 54, paragraph 1 of ECSC Treaty)

Two loans, totalling 31 million ECU, were granted to the coal industry in 1981. One of these loans was granted at a reduced interest rate because the project financed will help to consolidate production in the coalfield in question and hence indirectly help to stabilize coal production in the Community at its present level.

Despite the slight increase in investment in the coal industry in 1981, only the Federal Republic of Germany received ECSC loans during the year. No loans were paid to the coal industries of the other Member States, although several decisions to grant loans were taken at the beginning of the year.

The interest subsidy was granted in accordance with the communication from the Commission of 29 March 1980⁽¹⁾ on the promotion of investment in the coal industry.

TABLE 10

Loans paid to the coal industry

(million ECU)

	1977	1978	1979	1980	1981
FR of Germany	82	18	9	6	31
France	48	3	—	—	—
United Kingdom	87	241	229	227	—
Community	217	262	238	233	31

TABLE 11

Proportion of investment in the Community coal industry financed by ECSC loans

(%)

	1977	1978	1979	1980	1981
B	—	—	—	—	—
D	33	9	3	2	7
F	98	6	—	—	—
UK	17	37	28	18	—
Community	26	28	21	14	9,2

⁽¹⁾ OJ C 79, 29.3.1980.

Loans paid for coal industry investments in 1981 were allocated as follows:

TABLE 12

Loans made at rate of borrowing

Country	Date of payment	Date of Commission decision approving loan	Recipient – project	Total value of loans (million ECU)
D	16.3.1981	4.12.1980	Increasing pit capacity and driving a connection to the Westfalen pit (Cologne, Munster).	
Total of loans made at rate of borrowing – coal industry				10,1

Loans at reduced interest rates in accordance with the Commission communication of 29 March 1980⁽¹⁾ (stabilization of coal production)

Country	Date of payment	Date of Commission decision approving loan	Recipient – project	Total value of loans (million ECU)
D	27.4.1981	4.12.1980	(For description, see 'Loans made at rate of borrowing')	
Total of loans at reduced interest rates – coal industry				20,5
Total of all loans under Article 54, paragraph 1 – coal industry				30,6

⁽¹⁾ OJ C 79, 29.3.1980.

4. Financing of thermal power stations under Article 54, paragraph 2 of ECSC Treaty

Three projects involving thermal power stations received ECSC loans (totalling 26,6 million ECU) in 1981. The total of loans granted under this heading was also considerably less than in 1980 (90,0 million ECU).

Only one new loan decision was taken by the Commission during the year. It concerns the building of a new thermal power station on the west coast of Ireland.

The loans paid under this heading were allocated as follows:

TABLE 13

Country	Date of payment	Date of Commission decision approving loan	Recipient — project	Total value of loans (million ECU)
D	18.12.1981	24.9.1979	<i>Steag, Essen</i> Construction of a new stack at the Walsum power station.	
F	29.7.1981	5.6.1980	<i>Richemont steelworks power station</i> Power station to generate electricity from blast-furnace gas produced by several steelworks: renovation of the power station.	
	20.11.1981	3.3.1978	<i>Charbonnages de France, Paris</i> Construction of a new 600 MW generating unit at Carling.	
Total of financing for thermal power stations				26,6

5. Financing for other sectors under Article 54, paragraph 2 of ECSC Treaty

In 1981 the Commission granted only one loan under paragraph 2 of Article 54 of the ECSC Treaty for areas other than thermal power stations. The loan in question was for the modernization of shipyards in Italy. It received an interest subsidy from special funds available in the general budget of the European Communities in view of the significant efforts being made in the shipyards in question to carry out restructuring operations.

Five decisions were taken in 1981 approving new loans under paragraph 2 of Article 54 of the ECSC Treaty. Two concern the conversion of industrial processes to coal, two others the supply of raw materials to the steel industry and the fifth is to finance railway wagons specially designed for the carriage of coking coal and steel products.

The loans paid for investments in other sectors (in this case the shipbuilding industry) were allocated as follows:

TABLE 14

Country	Date of payment	Date of Commission decision approving loan	Recipient — project	Total value of loans (million ECU)
I	27.5.1981	2.4.1980	Investment in the restructuring of shipyards ⁽¹⁾ .	
Total of financing for other sectors under Article 54, paragraph 2				6,1

⁽¹⁾ This loan received an interest subsidy from Article 772 of the general budget of the European Communities which contains an appropriation to promote the restructuring of shipyards.

6. Loans for industrial conversion (Article 56)

The restructuring of the steel industry has already resulted in a considerable reduction in the number of jobs, which fell from 792 000 in 1974 to 547 000 in 1981. As in the past, the Commission tried in 1981 to encourage the creation of new jobs in other sectors by means of loans at reduced rates of interest. It also increased its support for small and medium-sized businesses. For the sake of efficiency it acted through financial institutions, to which it granted global loans which were then on-lent to such businesses.

During 1981 the Commission paid 30 conversion loans, 17 of them in the form of global loans to promote investment by small and medium-sized businesses. Loans granted pursuant to Article 56 of the ECSC Treaty may qualify for interest subsidies on all or part of the amount. The interest rate payable on such loans for five years is then three points below the normal rate, which matches the rate on the borrowed funds. The reduced rate is granted on condition that some of the new jobs created will be reserved primarily for workers made redundant in the ECSC industries.

Under the Treaty, requests for loans of this type are submitted to the Commission by the government of the Member State concerned. The geographical distribution of the loans granted therefore largely reflects the national policies on conversion.

The Commission decided to grant 28 new conversion loans during the year: 11 global loans and 17 direct. They should create 13 580 new jobs.

TABLE 15

Loans for industrial conversion

(million ECU)

	1977	1978	1979	1980	1981
Belgium	—	—	—	—	—
Denmark	—	—	—	—	—
FR of Germany	—	63	8	8	8
France	15	32	27	116	8
Ireland	—	—	—	1	—
Italy	1	10	4	—	—
Luxembourg	—	—	4	5	—
Netherlands	—	—	—	—	—
United Kingdom	—	8	16	136	70
Community	16	113	59	266	86

TABLE 16

Loans for industrial conversion (Article 56)

A — Breakdown by country

(million ECU)

	Total loans paid at 31.12.1980 ⁽¹⁾	New loans in 1981 ⁽¹⁾	Total loans paid	Balance outstanding
			Position at 31.12.1981	
Belgium	56,35	—	56,35	15,75
Denmark	—	—	—	—
FR of Germany	223,92	7,57	231,49	111,70
Greece	—	—	—	—
France	285,46	8,22	293,68	226,81
Ireland	1,59	—	1,59	1,38
Italy	72,40	—	72,40	35,15
Luxembourg	8,82	—	8,82	7,73
Netherlands	28,95	—	28,95	8,70
United Kingdom	250,24	70,20	320,44	285,86
Community	927,73	85,99	1 013,72	693,08

⁽¹⁾ After adjustment for the new rates adopted for converting national currencies into ECU (see p. 64).

B — Breakdown by industry

Category	Total of loans paid at 31.12.1981 (million ECU)	%
Global loans	95,91	9,5
Iron and steel	163,61	16,0
Manufacture of motor vehicles and accessories	274,69	27,0
Coal, gas	69,45	6,9
Chemicals	65,26	6,4
Non-ferrous metals	52,61	5,2
Industrial estates	29,25	2,9
Rubber	24,07	2,3
Power stations	23,94	2,3
Mechanical engineering	29,29	2,9
Articles of cast iron, steel and other metals	20,85	2,1
Joinery and furniture manufacture	10,87	1,1
Ceramic ware, glass, lime and stone	11,84	1,1
Paper and printing	38,13	3,8
Electrical equipment	30,79	3,0
Textiles and clothing	12,68	1,2
Food industries	34,61	3,4
Processing of plastics	6,05	0,6
Metal engineering	1,62	0,2
Transport	2,79	0,3
Aircraft engineering	4,98	0,5
Miscellaneous	10,43	1,3
Total, excluding global loans	917,81	90,5
Grand total	1 013,72	100

TABLE 17

ECSC industrial conversion loans paid by the Commission in 1981 pursuant to Article 56

Country	Date of payment	Date of Commission decision approving loan	Recipient	Project	Total value of loans (million ECU)
D	27.2.1981	2.5.1980	Westfalenbank AG, Bochum	Small investment in steel industry for: — Thyssen Edelstahl — Works at Krefeld and Witten — Krupp, Essen	

Country	Date of payment	Date of Commission decision approving loan	Recipient	Project	Total value of loans (million ECU)
D	5.6.1981	2.5.1980	Westfalenbank AG, Bochum	For Lueg, Bochum (first global loan)	
	5.6.1981	19.12.1977	Saarländische Investitions-Kreditbank, Saarbrücken	For small and medium-sized businesses (first global loan)	
	30.6.1981	2.5.1980	Westfalenbank AG, Bochum	For Badische Stahlwerke, Kehl (first global loan)	
	9.11.1981	20.5.1980	Westfalenbank AG, Bochum	For Badische Stahlwerke, Kehl (first global loan)	
F	19.3.1981	9.11.1979	Société de développement régional du Nord et du Pas-de-Calais, Lille	For small and medium-sized businesses (first global loan)	7,6
	8.5.1981	18.7.1979/ 10.4.1981	Garolor SA, Metz	(Lorry grouping centre at Ennery)	
	8.5.1981	21.5.1980	Crédit national, Paris	For small and medium-sized businesses (first global loan)	
	15.5.1981	13.7.1979	Banque populaire du Nord, Lille	For small and medium-sized businesses (first global loan)	
	29.5.1981	5.11.1979	Société de développement régional de Lorraine (Lordex), Nancy	For small and medium-sized businesses (second global loan)	
UK	10.3.1981	13.7.1979	Finance for Industry, London	For small and medium-sized businesses (Kinloch Anderson Ltd) (second global loan)	8,2
	27.5.1981	13.7.1979	Finance for Industry, London	For small and medium-sized businesses (second global loan)	

Country	Date of payment	Date of Commission decision approving loan	Recipient	Project	Total value of loans (million ECU)
UK	5.6.1981	25.6.1980	Yates Circuit Foil Co. Ltd, Silloth, Carlisle	New works	
	16.7.1981	13.7.1979	Finance for Industry, London	For small and medium-sized businesses (second global loan)	
	4.8.1981	25.6.1980	Yates Circuit Foil Co. Ltd, Silloth, Carlisle	New works	
	4.8.1981	19.12.1980	Daniel Doncaster & Sons Ltd, Sheffield	New works in Leeds	
	11.11.1981	13.7.1979/ 18.7.1980	Finance for Industry, London	For small and medium-sized businesses (second and third global loans)	
	23.11.1981	18.7.1980	Oxford University Press, Corby	Book repository	
	23.11.1981	21.4.1980	Deeside Titanium, Gwent	Manufacture of titanium granules	
	23.11.1981	10.12.1979	McKellor Watt Ltd, Glasgow	Manufacture and deep freezing of meat products	
	23.11.1981	17.12.1979	Alfred Teves Ltd, London	Manufacture of disc brakes, etc.	
	7.12.1981	26.6.1981	Tetra Pak Ransing & Co. Ltd, London	Manufacture of printed cardboard, etc.	
	7.12.1981	3.7.1981	Barclays Bank Ltd, London	For small and medium-sized businesses, global loan	
	7.12.1981	3.7.1981	Welsh Development Agency, Cardiff	For small and medium-sized businesses, global loan	
	7.12.1981	19.12.1980	Scottish Development Agency, Glasgow	For small and medium-sized businesses, global loan	
	7.12.1981	22.7.1981	Cooperative Bank Ltd, Manchester	For small and medium-sized businesses, global loan	
	14.12.1981	10.4.1981	Mitel Telecom Ltd, Newport, Gwent	Telephone exchanges, microelectronic products	
	23.12.1981	28.7.1981	Optical fibres Ltd, Shotton, Clwyd	Manufacture of optical fibres for telecommunications	
	23.12.1981	28.11.1980	Sony UK Ltd, Bridgend	Television tubes	
Total — Community					70,19
					86

7. Housing loans (Article 54, paragraph 2 of ECSC Treaty)

The housing finance policy continued in 1981. Loans for this purpose are normally drawn from the ECSC's own funds at an interest rate of 1% per annum on a long-term basis. As a rule, they are granted in the currency of the country concerned to avoid exchange risks to recipients.

In 1981 the Commission paid out a total of 14,6 million ECU for ECSC subsidized housing, 9,3 million ECU under the eighth scheme and 5,3 million ECU under the ninth scheme which is now in operation.

The 1% loans paid from own funds totalled 9,4 million ECU in 1981; this was boosted by a further 5,4 million ECU from borrowed funds. These amounts enabled the Commission to finance around 3 000 new subsidized dwellings, bringing the total number financed by the ECSC to 170 000.

The very low interest rates charged enable borrowers to combine this type of loan with other loans raised on national markets on the prevailing terms. Borrowers thus have much larger sums to draw on but still benefit from an advantageous average rate.

TABLE 18

Loans for subsidized housing (Article 54, paragraph 2)

(million ECU)

	Total loans paid at 31.12.1980 ⁽¹⁾	New loans	Total loans paid	Balance outstanding
			Position at 31.12.1981	
Belgium	37,99	0,48	38,47	9,98
Denmark	1,44	—	1,44	0,93
FR of Germany	144,83	5,88	150,71	82,88
Greece	—	—	—	—
France	37,67	2,33	40,00	21,85
Ireland	0,64	—	0,64	0,54
Italy	27,22	5,25	32,47	24,03
Luxembourg	6,61	0,11	6,72	3,12
Netherlands	14,45	0,54	14,99	7,17
United Kingdom	12,34	0,11	12,45	9,21
Community	283,19	14,70	297,89	159,71

⁽¹⁾ After adjustment for the new rates for converting national currencies to ECU (see p. 64).

8. Guarantees

Redemption of the initial loans granted by third parties and guaranteed by the ECSC under Article 54 of the Treaty reduced commitments to 4,44 million ECU at 31 December 1981.

9. Summary of lending and guarantee operations (1954-81)

From the start of its financing operations up to 31 December 1981 the ECSC granted loans totalling 8 417,6 million ECU, of which 8 177,9 million ECU was from borrowed funds and 239,7 million ECU from own resources (special reserve and former pension fund).

Guarantees provided over the same period bring the total amount of ECSC financial operations to 8 482,5 million ECU by the end of 1981 as compared with 7 316,7 million ECU at 31 December 1980. The significant difference between the figures for the two years reflects exchange rate adjustments (+ 778,2 million ECU) rather than new payments (+ 387,6 million ECU).

TABLE 19

Loans paid and guarantees granted up to 31 December 1981 by type of investment and country

Initial amounts ⁽¹⁾ (million ECU)						
Breakdown	Loans			Guarantees	Total loans and guarantees	%
	From borrowed funds	From own resources	Total			
<i>Type of investment</i>						
Coal industry	1 920,89	—	1 920,89	—	1 920,89	22,65
Iron-ore mines	126,32	—	126,32	—	126,32	1,49
Steel industry	4 673,81	3,45	4 677,26	64,81	4 742,07	55,90
Thermal power stations	332,34	—	332,34	—	332,34	3,92
Industrial conversion	1 010,35	3,36	1 013,71	—	1 013,71	11,95
Workers' housing	78,80	219,09	297,89	—	297,89	3,51
Miscellaneous	35,40	13,77	49,17	0,14	49,31	0,58
Total	8 177,91	239,67	8 417,58	64,95	8 482,53	100,00
<i>Country</i>						
Belgium	299,05	13,11	312,16	—	312,16	3,68
Denmark	55,48	1,44	56,92	—	56,92	0,67
FR of Germany	2 104,43	135,37	2 239,80	55,49	2 295,29	27,06
Greece	—	—	—	—	—	—
France	1 612,27	40,80	1 653,07	9,32	1 662,39	19,60
Ireland	30,98	0,64	31,62	—	31,62	0,37
Italy	1 339,92	15,76	1 355,68	0,14	1 355,82	15,98
Luxembourg	167,42	5,63	173,05	—	173,05	2,04
Netherlands	190,68	14,47	205,15	—	205,15	2,42
United Kingdom	2 370,72	12,45	2 383,17	—	2 383,17	28,10
Non-Community	6,96	—	6,96	—	6,96	0,08
Total	8 177,91	239,67	8 417,58	64,95	8 482,53	100,00

⁽¹⁾ After adjustment for the new rates for converting national currencies to ECU (see p. 64).

Changes in ECSC reserves and provisions between 31 December 1980 and 31 December 1981

TABLE 20

(million ECU)

	Position at 31.12.1980	Changes in 1981	Position at 31.12.1981
<i>Reserves</i>			
Guarantee fund	260,00	40,00	300,00
Special reserve	143,50	6,50	150,00
Former pension fund	41,85	1,00	42,85
<i>Budgetary provisions</i>			
(a) Redeployment of workers	215,28	36,45	251,73
(b) Social aspects of restructuring	—	48,63	48,63
(c) Technical and economic research	77,99	0,37	78,36
(d) Interest subsidies (Article 56)	43,71	-6,60	37,11
(e) Interest subsidies (Article 54)	35,88	-2,57	33,31
(f) Assistance to coking coal	3,88	-0,29	3,59
<i>Other provisions</i>	119,26	66,51	185,77
Total	941,35	190,00	1 131,35
Unallocated balance	0,14	0,32	0,46
Grand total	941,49	190,32	1 131,81

Revenue from the levy, which has been set at 0,31% since 1 January 1980, amounted to 126,5 million ECU in 1981, as compared with 114,5 million ECU in 1980. This is made up of 33,4 million ECU from coal production and 93,1 million ECU from steel production.

Income from the management of liquid assets, in other words interest on own resources invested, was 124,4 million ECU, and income from borrowed funds not yet disbursed was 17,4 million ECU.

In addition to contributing to an increase in reserves, interest on own resources enabled the Commission to grant non-repayable aid (redeployment, technical research, assistance to coking coal) and reduced interest loans, in line with the Community's social, regional and industrial objectives.

Borrowings

ECSC borrowing operations

Under the impact of inflationary pressures and of the highly restrictive monetary and fiscal policies pursued in the United States and elsewhere, interest rates on the capital markets in 1981 settled at very high levels. In addition, some capital markets, notably the dollar market, were generally unstable.

While the volume of business on international bond markets expanded briskly, variable-rate and 'zero' coupon operations showed even more rapid growth. Leaving aside public issues, a growing number of borrowers resorted to private placings, bank lending and government financing.

Under these difficult circumstances, the Commission contracted borrowings totalling 325,4 million ECU in 1981. Out of 23 borrowing operations (141,3 million ECU), 19 were on Member States' capital markets, three on the Swiss market and one on the Eurodollar market. Four were public issues and 19 were private placings (see p. 34).

The large share of the value of total borrowings accounted for by private placings (43%) and the relatively modest average size of each operation (14,2 million ECU) were due to a combination of factors: the slower rate and smaller volume of applications for payment in each currency from the firms receiving ECSC loans, very high interest rates and the generally unstable conditions on a number of capital markets.

The two currencies accounting for the largest shares of borrowed funds were the German mark (33,5%) and the Swiss franc (20,5%). Notable developments were the increase in the number of operations denominated in Dutch guilders (57,8 million ECU, or 7,8%) and in Luxembourg francs (33,5 million ECU, or 10,3%) and the appreciable decline in the volume and value of dollar-denominated operations.

TABLE 21⁽¹⁾

(million ECU)

Currencies borrowed	Total borrowings contracted ⁽²⁾	Repayments	Balance outstanding
USD	3 352,47	870,16	2 482,31
DM	2 163,56	670,57	1 492,99
SFR	1 257,78	646,30	611,48
FF	572,58	88,20	484,38
LFR	283,97	90,72	193,25
HFL	274,22	87,46	186,76
BFR	234,03	66,20	167,83
UKL	140,33	4,69	135,64
LIT	118,90	62,90	56,00
EMU £	74,87	74,87	0,00
CAD	58,26	0,00	58,26
u.a.	41,85	27,20	14,65
Total borrowings received at 31.12.1981	8 572,82	2 689,27	5 883,55 ⁽³⁾
Borrowings contracted but not yet received at 31.12.1981 FF	1,61		
Total	8 574,43		

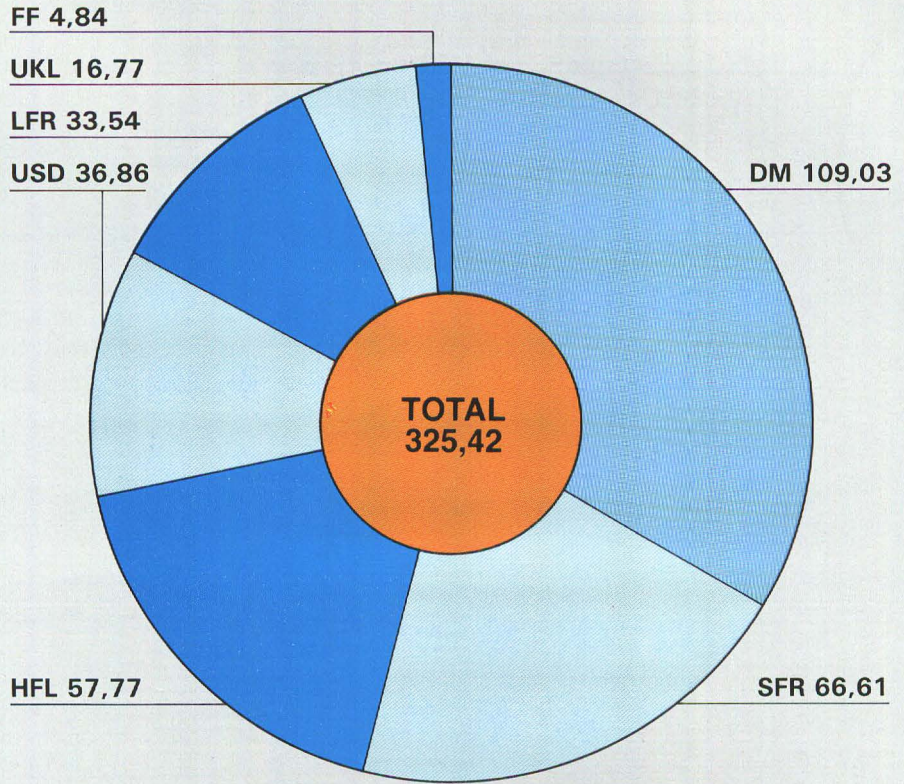
⁽¹⁾ The main characteristics of the borrowings issued and/or contracted by the ECSC up to 31 December 1981 and details of the u.a. and £ are given in Annex 4.

⁽²⁾ After adjustment for the new rates for converting national currencies into ECU (see p. 64).

⁽³⁾ In this table, repurchased bonds with a nominal value of 67,57 million ECU withdrawn from the market have been excluded.

ECSC borrowings in 1981

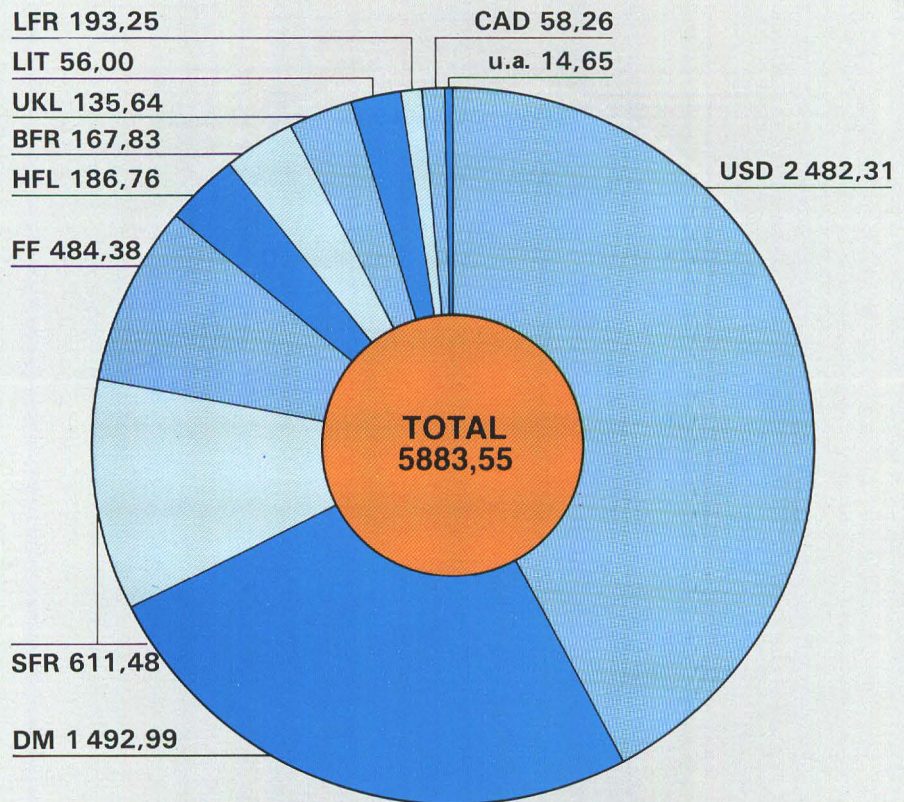
(Amounts in million ECU)



NB. In this graph repurchased bonds with a nominal value of 67,57 million ECU withdrawn from the market have been excluded.

Current ECSC borrowings at 31 December 1981

(Amounts in million ECU)



£ 0,00

TABLE 22
ECSC borrowings in 1981

Type of borrowing and redemption	Date of contract	Currency	Amount (millions)		Coupon (%)	Duration (years)	Issue price	Stock exchange listing
			in borrowing currency	equivalent in ECU ⁽¹⁾				
<i>Public issues</i>								
From 1987, five equal instalments	18.2.	DM	120	49,09	10	10	100	Frankfurt—Berlin—Munich—Hamburg—Dusseldorf
From 1986, five instalments of 8 million and one of 40 million	1.4.	SFR	80	40,99	6 ³ / ₄	10	100 ¹ / ₂	Zurich—Basle—Geneva—Lausanne—Bern
Whole amount in 1988	3.4.	USD	40	36,86	14	7	99 ¹ / ₂	Luxembourg
From 1983, five instalments of 30 million, three of 60 million and one of 270 million	15.10.	LFR	600	14,37	13	10	100	Luxembourg
<i>Private placings</i>								
Whole amount in 1986	23.2.	FF	20	3,22	15	5	—	—
From 1986, three equal instalments	12.3.	LFR	300	7,19	13 ¹ / ₂	7	—	—
From 1986, one instalment of 50 million and two of 100 million, four instalments of 0,06 million, one of 0,08 million, four of 0,2 million and one of 0,88 million	3.4.	LFR	250	5,99	13 ¹ / ₄	7	—	—
	7.4.	UKL	2	3,53	14 ¹ / ₄	9	—	—
From 1987, four equal instalments	15.4.	HFL	60	22,36	11 ⁵ / ₈	10	—	—
From 1986, four equal instalments	25.5.	DM	10	4,09	11 ¹ / ₄	8	—	—
From 1987, five equal instalments	10.6.	HFL	50	18,64	11 ⁷ / ₈	10	—	—
From 1984, ten equal instalments	24.6.	HFL	45	16,77	12 ⁷ / ₈	12	—	—
Whole amount in 1986	29.6.	SFR	30	15,37	7 ³ / ₄	5	—	—
From 1986, four equal instalments	13.7.	DM	26	10,64	11 ¹ / ₂	8	—	—
Whole amount in 1986	30.7.	DM	30	12,27	11 ¹ / ₂	5	—	—

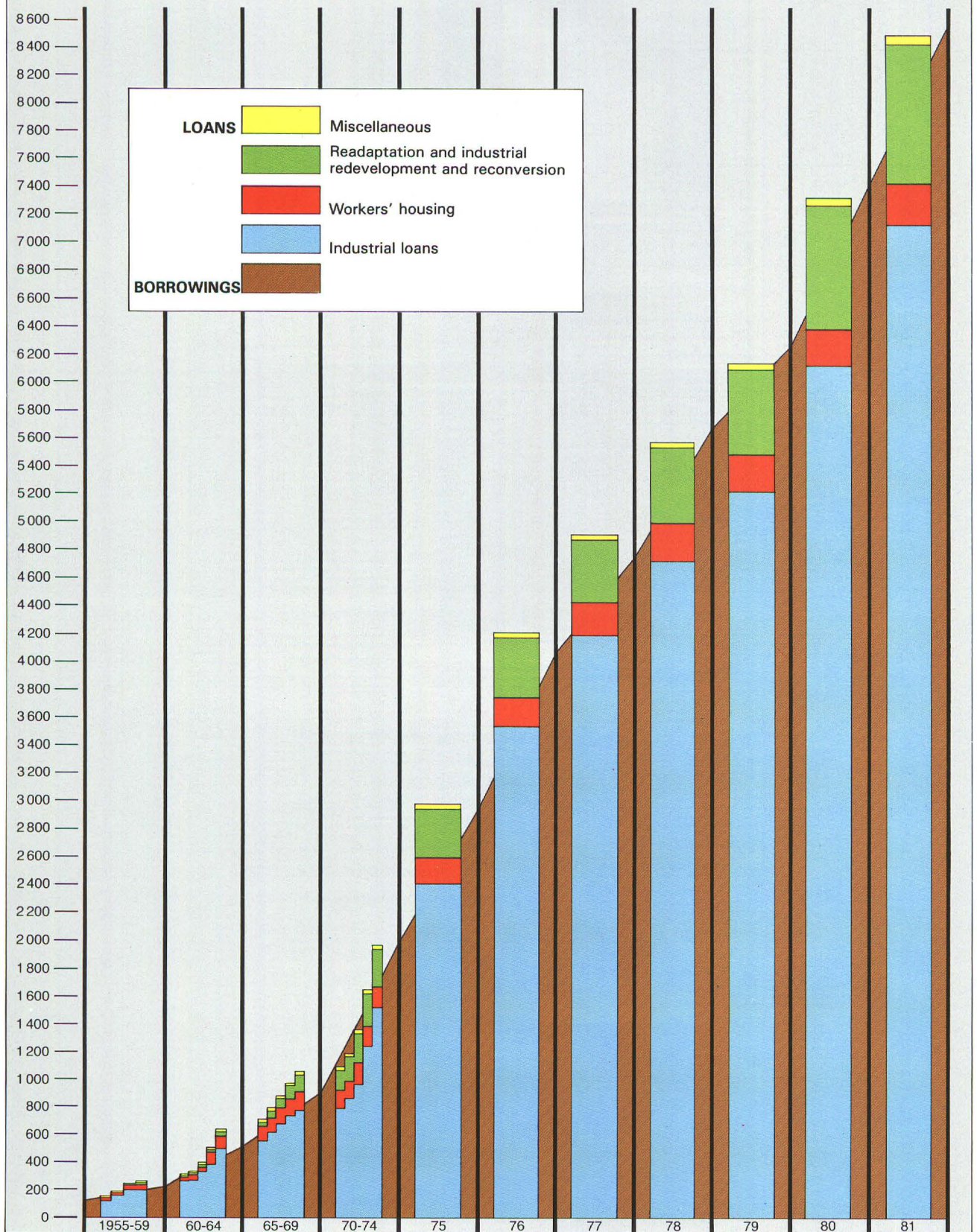
From 1983, five equal instalments	15.10.	LFR	150	3,59	15	6	—	—
From 1986, four equal instalments	16.10.	DM	70	28,64	10,39	8	—	—
From 1986, four equal instalments	2.11.	UKL	7,5	13,24	16 ^{3/8}	8	—	—
Whole amount in 1987	5.11.	SFR	20	10,25	6 ^{1/2}	6	—	—
Ten equal half-yearly instalments	3.12.	FF	5 ⁽²⁾	0,81	14 ^{3/4}	7	—	—
Ten equal half-yearly instalments	3.12.	FF	5 ⁽²⁾	0,81	14 ^{3/4}	7	—	—
From 1986, two instalments of 30 million and one of 40 million	3.12.	LFR	100	2,40	15	7	—	—
Whole amount in 1986	15.12.	DM	10,5	4,30	9 ^{3/4}	5	—	—
				<u>325,42</u>				

(¹) Parity on 31 December 1981.

(²) Borrowings contracted but not yet received.

Total borrowings and breakdown of loans up to 31 december 1981

Amounts in million European units of account



Other ECSC activities

These activities are not financed through the ECSC's borrowing and lending operations but through the ECSC operating budget. They involve aid for the redeployment of workers, for coal and steel research and for social research.

Aid for the redeployment of workers

(Article 56(2)(b) of the ECSC Treaty)

The ECSC gives financial assistance to alleviate the hardship suffered by workers made redundant as a result of restructuring operations and to redeploy them in other sectors of the economy. The detailed rules for this financial assistance are laid down in a series of bilateral conventions with the Member States.

Redeployment aid largely takes the form of income support for the workers affected, whether they are unemployed, employed in a different job or undergoing vocational training. The ECSC also contributes towards the cost of organizing training courses and helps to facilitate re-employment by paying travel or re-settlement allowances for redeployed workers.

In 1981 aid applications granted under the bilateral conventions totalled a record 124 million ECU, compared with no more than 67 million ECU in both 1979 and 1980. This increase was particularly marked in the steel industry, where commitments of 110 million ECU reflect the scale of the labour movements in this sector in recent years. A breakdown by country and sector of commitments in 1981 is given in Table 38.

With the introduction by the Council in June 1981 of the steel industry social measures to accompany the market control measures, it has been possible to widen the range of redeployment aids by adding a number of temporary measures. In order to cover the cost of early retirement and short-time working by workers affected by restructuring programmes, the Commission has requested an exceptional additional sum of 212 million ECU spread over a period going up to the end of 1984. The Council has granted a first instalment of 50 million ECU on the basis of national *ad hoc* contributions, of which 48,6 million ECU had actually been allocated before the end of the year to aid programmes in different Member States.

Table 37 shows provisions for redeployment aid (traditional aid as well as steel industry social measures) at 31 December 1981.

Steel industry research

(Article 55 of the ECSC Treaty)

A total of 172 proposals for steel research projects were submitted to the Commission under Article 55(2)(c) of the ECSC Treaty for financial aid under the 1981 budget. After detailed examination by Commission departments and the Iron and Steel Technical Research Committee, 71 proposals were given a priority rating.

In examining the aims of the various projects and assessing the extent to which they are likely to enhance the competitiveness of the steel industry, the Commission gave particular attention to applications for projects concerned with reducing running and production costs (including energy saving measures and alternative energy sources) and with improving product quality and in-service performance of steels.

Financial aid for the 71 research proposals approved amounted to 19 364 000 ECU. It breaks down as follows:

- (i) iron production (5%),
- (ii) steel production (31%),
- (iii) rolling mills and mechanical working (12,4%),
- (iv) measurements and analyses (13%),
- (v) properties and in-service behaviour (34,2%),
- (vi) plant availability (3,6%).

Coal industry research

(Article 55 of the ECSC Treaty)

Acting under Article 55(2) of the ECSC Treaty, the Commission, after consulting the ECSC Consultative Committee and with the assent of the Council, decided, on 20 May 1981, to grant 15 867 300 ECU for the execution of 37 projects and to allocate 132 700 ECU to the dissemination of research results and related costs.

In pursuance of this decision the Commission has signed contracts worth 15 867 300 ECU for 19 projects on mining engineering and 18 projects on product beneficiation. From 1981 onwards the Commission no longer counts the value of the investment in equipment as the research cost, but the depreciation of the investment. This provides a reasonable solution to the sore problem of assessing the residual value of equipment at the end of the research project.

Social research

(Article 55 of the ECSC Treaty)

ECSC research in the social field developed in 1981 under the outline programmes adopted by the Commission.

During the year the Commission granted financial aid to research in the following fields:

Mining safety	12 projects	683 650 ECU
Industrial hygiene in mines	14 projects	2 097 400 ECU
Anti-pollution measures in the steel industry	22 projects	2 553 530 ECU
Fourth ergonomics programme	32 projects	3 665 420 ECU
Total	80 projects	9 000 000 ECU

In the same year the Commission authorized the implementation of a fourth five-year medical research programme to which it has allocated 9 million ECU.

ECSC financial statements

ECSC balance sheets at 31 December 1981 and at 31 December 1980

TABLE 23

(ECU)

	1981	1980
<i>Assets</i>		
Cash in hand and balances with central banks	4 169 589	5 760 379
Claims on credit institutions		
— repayable on demand	29 810 005	24 838 983
— with agreed maturity dates or periods of notice	567 947 306	523 345 753
	597 757 311	548 184 736
Debt securities held in portfolio (Notes 2 and 3)	288 063 142	264 243 139
Loans outstanding (Note 4)	6 011 262 106	5 514 673 415
Recoverable issuing costs and redemption premiums (Note 2)	62 233 630	72 722 065
Bank deposits for coupons and bonds due but not yet presented for payment	45 020 909	55 471 293
Land and buildings (Note 5)	345 626	286 389
Other assets (Note 6)	54 610 710	25 201 409
Accruals and deferred income (Note 7)	198 976 051	155 563 851
	7 262 439 074	6 642 106 676
<i>Liabilities</i>		
Coupons and bonds due but not yet presented for payment	45 015 376	55 471 223
Long-term and medium-term debts (Note 8)	5 815 974 032	5 405 735 297
Other liabilities	15 242 985	14 823 929
Accruals and deferred income (Note 9)	254 398 040	224 587 699
Total liabilities towards third parties	6 130 630 433	5 700 618 148
Commitments for ECSC operating budget (Note 10)		
— financial assistance	452 734 774	376 741 857
— other	185 766 737	119 259 059
	638 501 511	496 000 916
Reserves (Note 11)		
— Guarantee fund	300 000 000	260 000 000
— Special reserve	150 000 000	143 500 000
— Former pension fund	42 850 240	41 847 043
	492 850 240	445 347 043
Unallocated balance	456 890	140 569
	7 262 439 074	6 642 106 676

NB. The notes on page 64 are an integral part of these financial statements.

Revenue and expenditure accounts for years ending 31 December 1981 and 31 December 1980

TABLE 24

(ECU)

	1981	1980
<i>Expenditure</i>		
Interest payable	530 613 518	429 401 595
Commissions payable	4 738 377	3 870 354
Administrative expenditure (fixed amount) (Note 12)	5 000 000	5 000 000
Value adjustment for losses on claims and provisions for general risks connected with ECSC operations (Note 2)	—	11 572 097
Value adjustments in respect of securities	1 214 330	580 265
Capital losses on securities	256 452	941 235
Amortization of issuing costs and redemption premiums (Note 2)	15 764 106	16 052 529
Other expenditure	1 236 291	439 909
Research expenditure	40 539 845	40 962 596
Redeployment expenditure	64 870 914	35 667 540
Expenditure on coking coal and metallurgical coke	6 134 678	10 942 478
Expenditure on interest subsidies (Article 54)	10 257 451	7 437 504
Expenditure on interest subsidies (Article 56)	12 867 705	10 593 799
Exchange losses	—	1 691 396
Surplus of revenue over expenditure	190 199 113	114 483 290
	883 692 780	689 636 587
<i>Revenue</i>		
Interest receivable (Note 13)	677 420 627	538 682 392
Gains on repurchased bonds (Note 3)	11 117 285	4 110 303
Issuing premiums	4 411 610	—
Other revenue	11 119	2 239 285
Levies and fines (Note 14)	138 567 937	116 604 607
Contributions from Member States	52 879 000	28 000 000
Exchange gains	9 285 212	—
	883 692 780	689 636 587

NB. The notes on page 64 are an integral part of these financial statements.

Allocation of surplus of revenue over expenditure for years ending 31 December 1981 and 31 December 1980

TABLE 25

(ECU)

	1981	1980
Surplus not allocated at 1 January	140 569	419 033
Surplus for the year to be allocated	190 199 113	114 483 290
Total for allocation	190 339 682	114 902 323
Allocations (Annex I, Table 28)		
Guarantee fund	40 000 000	30 000 000
Special reserve	6 500 000	3 500 000
Former pension fund	882 197	316 081
Financial assistance	75 992 917	66 720 520
Other	66 507 678	14 225 153
Total allocations	189 882 792	114 761 754
Surplus not allocated at 31 December	456 890	140 569

NB. The notes on page 64 are an integral part of these financial statements.

European Coal and Steel Community
Commission of the European Communities

F.-X. ORTOLI
Vice-President
of the Commission

A. NICOLETTI
Director-General
for Credit and Investments

ECSC budget 1981 — Implementation at 31 December 1981

At 31 December 1981 the rate of utilization was very low in relation to the Commission's forecast of 10 November 1981 (60,5 million ECU on the requirements side). The reason for this low rate is that the Council of Ministers did not agree to a transfer of 62 million ECU from Chapter 54 of the 1981 general budget to the ECSC operating budget; this amount represented the second tranche of appropriations to finance the steel industry social measures. Consequently the provision of appropriations for these social measures remained at 48,6 million ECU, financed by direct contributions from the Member States. Apart from this low utilization rate for the steel industry social measures, there was a small surplus of 1,3 million ECU made up as follows:

Requirements:

appropriations for conversion aid overspent by 1,2 million ECU plus an unforeseen 1,7 million ECU for the revaluation of assets and liabilities, giving a total of 2,9 million ECU.

Resources:

against a slight shortfall of 0,4 million ECU in the levy yield, revenue from fines was 1,9 million ECU above the Commission forecast and revenue from cancelled commitments 2,7 million ECU above the forecast, giving a total of 4,2 million ECU on the resources side.

The net surplus is therefore 1,3 million ECU.

TABLE 26

Implementation of the ECSC operating budget for 1981

(million ECU)

Requirements	Budget		Resources	Budget	
	Fore-cast ⁽¹⁾	Out-turn		Fore-cast ⁽¹⁾	Out-turn
1. Administrative expenditure	5	5	1. Current revenue		
2. Social expenditure	236		1.1. Yield from levy at 0,31%	127	126,6
2.1. Aid for redeployment (Article 56)	124	124	1.2. Interest on investments and on loans from non-borrowed funds	40	40
2.2. Social measures in connection with the restructuring of the steel industry	112	48,6	1.3. Fines and surcharges for late payment	—	1,9
3. Aid for research (Article 55)	44		1.4. Miscellaneous	—	—
3.1. Steel	19	19	2. Cancellation of commitments unlikely to be implemented	25	27,7
3.2. Coal	16	16	3. Revenue unused in 1981		
3.3. Social	9	9	3.1. Interest subsidies	10,7	10,7
4. Aid in the form of interest subsidies	32		3.2. Miscellaneous	0,7	0,7
4.1. Investment (Article 54)	7	7	4. Exceptional revenue	112	48,6
4.2. Conversion (Article 56)	25	26,2	5. Drawings on contingency reserve	7,6	7,6
5. Aid for coking coal and metallurgical coke (Article 95)	6	6	Subtotal	323	263,8
6. Revaluation of assets and liabilities	—	1,7	Deficit	—	—
Subtotal	323	262,5	Budget total	323	263,8
Surplus	—	1,3	Origin of non-borrowed funds		
Budget total	323	263,8	6. Special reserve and former ECSC pension fund	11	11
Operations financed by loans from non-borrowed funds					
7. Subsidized housing	11	11			

⁽¹⁾ In the light of the Commission's implementation forecasts of 10 November 1981.

Annexes to financial statements

Annex I

Changes in financial situation for the year ending 31 December 1981

TABLE 27

(million ECU)

	1981	1980
<i>Origin of funds</i>		
Surplus of revenue over expenditure	190,20	114,48
Items not involving a movement of funds		
Amortization of issuing charges and redemption premiums	15,76	16,05
Increase in interest and commissions payable	29,81	57,76
Increase in interest and commissions receivable	(43,41)	(27,21)
Gains on repurchased bonds	(11,12)	(4,11)
Reduction of portfolio to market value	1,21	0,58
Value adjustment for losses on claims	—	11,57
	182,45	169,12
<i>Other resources</i>		
Proceeds of borrowings	323,81	1 003,15
Loan repayments	494,84	437,18
Increase/decrease of the item 'Other liabilities'	(0,42)	26,07
Exchange adjustment in respect of borrowings	600,87	142,89
	1 601,55	1 778,41
<i>Use of funds</i>		
Resources were used for:		
Loan disbursements	387,64	1 025,79
Redemption of borrowings	513,54	415,34
Issuing costs in respect of borrowings	5,27	17,87
Increase/decrease of the item 'Other assets'	29,46	(5,48)
Decrease of credit lines	—	8,27
Exchange adjustment in respect of loans	603,75	142,36
Increase in bank balances and portfolio	61,89	174,26
	1 601,55	1 778,41

TABLE 28

(ECU)

	Amount on balance sheet at 31.12.1980	1981 Allocations					Amount on balance sheet at 31.12.1981	
		Allocations during the year				Allocations at 31.12.1981		Balance (Total allocated)
		New contracts or decisions	Cancellations	Payments	Parity changes			
<i>Reserves</i>	445 347 043	121 000				47 382 197	47 503 197	492 580 240
Guarantee fund	260 000 000					40 000 000	+ 40 000 000	300 000 000
Special reserve	143 500 000					6 500 000	+ 6 500 000	150 000 000
Former pension fund	41 847 043	121 000				882 197	+ 1 003 197	42 850 240
<i>Provisions</i>								
<i>Financial assistance</i>	376 741 857	234 505 890	25 541 029	134 670 593	+ 1 698 649	—	+ 75 992 917	452 734 774
Redeployment	215 278 490	123 986 750	24 297 809	64 870 914	+ 1 633 462	—	— 36 451 489	251 729 979
Redeployment (steel industry social measures)	—	48 631 444	—	—	—	—	+ 48 631 444	48 631 444
Research	77 991 683	42 003 697	1 087 384	40 539 845	— 3 777	—	+ 372 691	78 364 374
Interest subsidies, Art. 54 ECSC	35 879 757	7 578 160	—	10 257 450	+ 104 113	—	— 2 575 177	33 304 580
Interest subsidies, Art. 56 ECSC	43 709 213	6 305 839	—	12 867 706	— 35 149	—	— 6 597 016	37 112 197
Coke	30 882 714	6 000 000	155 836	6 134 678	—	—	— 290 514	3 592 200
<i>Other provisions</i>	119 259 059	78 594 556	117 082 230	—	— 4 648	105 000 000	+ 66 507 678	185 766 737
Redeployment (steel industry social measures)	—	1 368 556	—	—	—	—	+ 1 368 556	1 368 556
Research	8 557 536	44 000 000	42 962 153	—	—	—	+ 1 037 847	9 595 383
Interest subsidies, Art. 54 ECSC	15 045 160	7 000 000	7 578 160	—	—	—	— 578 160	14 467 000
Interest subsidies, Art. 56 ECSC	36 656 363	26 226 000	7 541 917	—	— 4 648	—	+ 18 679 435	55 335 798
Budget	40 000 000	—	40 000 000	—	—	75 000 000	+ 35 000 000	75 000 000
Contingencies	19 000 000	—	19 000 000	—	—	30 000 000	+ 11 000 000	30 000 000
Total allocated	941 347 959	313 221 446	142 623 259	134 670 593	1 694 001	152 382 197	190 003 792	1 131 351 751

Allocation of net income for 1981

Annex II

Statement of consolidated debt at 31 December 1981

TABLE 29

(million ECU)

Payable in	Debt outstanding at 31.12.1980	Operations		Exchange rate adjustment	Debt outstanding at 31.12.1981	
		Borrowings	Redemptions		Amount	Maturity
u.a.	14,64	—	2,72	2,73	14,65	1986
EMU (E)	—				—	
DM	1 482,77	109,03	1 72,32	73,51	1 492,99	1982/1994
FF	527,15	3,23	23,67	-22,33	484,38	1982/1995
UKL	123,93	16,77	1,25	- 3,81	135,64	1985/1990
LIT	71,27	—	10,55	- 4,72	56,00	1983/1989
BFR	180,95	—	11,33	- 1,79	167,83	1982/1990
HFL	130,30	57,77	6,54	5,23	186,76	1982/2001
LFR	181,96	33,54	20,45	- 1,80	193,25	1982/1991
CAD	48,09	—	—	10,17	58,26	1983/1984
USD	2 171,30	36,86	174,97	449,12	2 482,31	1982/1999
SFR	508,47	66,61	58,19	94,59	611,48	1982/1993
Total	5 440,83 ⁽¹⁾	323,81	481,99	600,90	5 883,55 ⁽¹⁾	
Redemption premiums	0,79	—	0,18	- 0,03	0,58	1984/1985
Grand total	5 441,62	323,81	482,17	600,87	5 884,13	

⁽¹⁾ Repurchased ECSC bonds in portfolio (at 31 December 1980 and 31 December 1981) with a nominal value of 35,09 million ECU and 67,57 million ECU respectively, have been deducted from this amount for the presentation of the balance sheet.

Main characteristics of borrowings outstanding at 31 December 1981

TABLE 30

Year of issue	Interest (% p.a.)	Term (years)	Initial amount		Balance outstanding at 31.12.1981 (in currency)	Equivalent in ECU
			in currency	equivalent in ECU		
1962	5 ¹ / ₄	20	USD 25 000 000		1 900 000	
1964	5 ¹ / ₄	20	30 000 000		6 000 000	
1966	6 ¹ / ₂	20	15 000 000		5 000 000	
1966	6 ¹ / ₂	20	20 000 000		6 500 000	
1967	6 ¹ / ₂	20	25 000 000		9 700 000	
1967	6 ⁵ / ₈	20	20 000 000		7 850 000	
1973	7	15	30 000 000		26 000 000	
1974	7 ³ / ₄	15	50 000 000		36 000 000	
1974	9 ¹ / ₄	8	100 000 000		100 000 000	
1974	9 ¹ / ₂	10	100 000 000		60 000 000	
1974	10	10	200 000 000		120 000 000	
1975	8 ³ / ₈	8	150 000 000		150 000 000	
1975	8 ³ / ₄	7	50 000 000		38 000 000	
1976	9 ¹ / ₄	10	60 000 000		47 500 000	
1976	9	7	50 000 000		50 000 000	
1976	8 ⁵ / ₈	8	75 000 000		75 000 000	
1976	9	20	100 000 000		100 000 000	
1976	8 ¹ / ₂	10	23 000 000		14 375 000	
1976	8 ¹ / ₈	8	75 000 000		75 000 000	
1976	8 ⁷ / ₈	20	75 000 000		75 000 000	
1976	8	7	30 000 000		30 000 000	
1977	7 ¹ / ₄	5	50 000 000		50 000 000	
1977	8 ¹ / ₄	10	10 000 000		10 000 000	
1977	7 ³ / ₄	5	25 000 000		25 000 000	
1977	9 ¹ / ₈	20	75 000 000		75 000 000	
1977	7 ⁵ / ₈	7	30 000 000		30 000 000	
1977	9	18	50 000 000		43 000 000	
1977	8 ¹ / ₈	5	20 000 000		20 000 000	
1977	8	19	25 000 000		13 000 000	
1977	8 ³ / ₄	15	42 000 000		42 000 000	
1977	8 ¹ / ₄	12	50 000 000		47 000 000	
1977	8 ³ / ₄	20	100 000 000		87 000 000	
1978	8 ³ / ₈	7	30 000 000		30 000 000	
1978	8 ¹ / ₂	8	40 000 000		40 000 000	
1978	8 ¹ / ₂	12	20 000 000		20 000 000	
1978	8 ³ / ₄	10	15 000 000		15 000 000	
1978	8 ³ / ₄	9	20 000 000		20 000 000	
1978	8 ³ / ₄	9	15 000 000		15 000 000	
1978	9	15	25 000 000		22 450 000	
1978	9 ¹ / ₄	20	25 000 000		22 450 000	
1978	9 ³ / ₈	15	30 000 000		30 000 000	
1978	9 ¹ / ₁₀	10	25 000 000		25 000 000	
1978	8 ³ / ₄	9	50 000 000		50 000 000	
1978	9	10	20 000 000		20 000 000	
1978	9 ¹ / ₂	15	25 000 000		25 000 000	
1978	9 ¹ / ₂	15	20 000 000		20 000 000	
1978	9 ¹ / ₂	15	20 000 000		20 000 000	
1978	9 ¹ / ₂	15	10 000 000		10 000 000	
1978	9 ¹ / ₄	12	18 000 000		18 000 000	
1978	9 ¹ / ₄	12	40 000 000		40 000 000	
1978	9—9 ³ / ₄	20	50 000 000		50 000 000	

Main characteristics of borrowings outstanding at 31 December 1981

Year of issue	Interest (% p.a.)	Term (years)	Initial amount		Balance outstanding at 31.12.1981 (in currency)	Equivalent in ECU
			in currency	equivalent in ECU		
1979	11 ¹ / ₄ —9 ¹ / ₄	12	USD 15 000 000		15 000 000	
1979	9 ³ / ₄	10	10 000 000		10 000 000	
1979	11 ¹ / ₂ —9 ³ / ₈	10	20 000 000		20 000 000	
1979	10 ³ / ₄ —9 ¹ / ₄	12	150 000 000		150 000 000	
1979	9 ³ / ₄	20	125 000 000		125 000 000	
1979	12—10 ¹ / ₂	7	100 000 000		100 000 000	
1980	11 ¹ / ₂	8	40 000 000		40 000 000	
1980	11 ⁵ / ₈	10	50 000 000		50 000 000	
1980	11 ¹ / ₂	8	100 000 000		100 000 000	
1980	11	7	25 000 000		25 000 000	
1980	11 ¹ / ₄	10	50 000 000		50 000 000	
1981	14	7	40 000 000		40 000 000	
			3 003 000 000	2 767 308 348	2 693 725 000	2 482 306 920
1965	5 ¹ / ₂	18	DM 150 000 000		23 000 000	
1969	6 ¹ / ₄	15	40 000 000		12 000 000	
1969	6 ¹ / ₂	13	50 000 000		5 000 000	
1971	7 ¹ / ₂	15	100 000 000		50 000 000	
1972	6 ¹ / ₂	15	100 000 000		60 000 000	
1972	7	15	150 000 000		90 000 000	
1973	6 ¹ / ₂	15	150 000 000		105 000 000	
1973	7 ³ / ₄	15	100 000 000		70 000 000	
1975	8 ¹ / ₂	10	56 000 000		28 000 000	
1975	8 ¹ / ₂	7	20 000 000		20 000 000	
1975	8 ¹ / ₂	10	150 000 000		75 000 000	
1975	8	7	150 000 000		150 000 000	
1976	7 ³ / ₄	10	80 000 000		50 000 000	
1976	8 ¹ / ₄	10	45 000 000		11 250 000	
1976	7 ³ / ₄	7	125 000 000		125 000 000	
1976	7 ³ / ₄	10	75 000 000		75 000 000	
1977	7	12	81 630 000		72 560 000	
1977	7	12	19 800 000		17 600 000	
1977	6	12	16 000 000		16 000 000	
1977	6	12	32 000 000		32 000 000	
1977	5 ³ / ₄	8	20 000 000		10 000 000	
1977	5 ¹ / ₂	8	20 000 000		10 000 000	
1977	5 ¹ / ₂	8	20 000 000		10 000 000	
1977	5 ¹ / ₂	8	20 000 000		10 000 000	
1977	6	14	98 000 000		70 000 000	
1977	5 ¹ / ₂	8	18 000 000		9 000 000	
1977	5 ¹ / ₂	8	12 000 000		6 000 000	
1977	6 ¹ / ₃	10	25 000 000		25 000 000	
1978	5 ³ / ₄	10	30 000 000		30 000 000	
1978	5 ⁷ / ₈	10	20 000 000		20 000 000	
1978	5 ¹ / ₄	12	150 000 000		150 000 000	
1978	6 ¹ / ₂	15	15 000 000		15 000 000	
1978	6 ¹ / ₂	15	50 000 000		50 000 000	
1978	6 ¹ / ₄	10	15 000 000		13 125 000	
1978	6	12	70 000 000		70 000 000	
1978	6 ¹ / ₂	15	32 400 000		32 400 000	
1978	6 ¹ / ₄	10	9 000 000		7 785 000	
1978	6	10	150 000 000		150 000 000	
1978	6 ¹ / ₂	6	16 200 000		8 100 000	
1978	6 ¹ / ₂	12	20 000 000		20 000 000	
1978	6 ³ / ₄	10	20 000 000		20 000 000	
1978	6	6	20 000 000		20 000 000	
1979	6 ¹ / ₂ —6 ³ / ₄	6	34 000 000		34 000 000	

Main characteristics of borrowings outstanding at 31 December 1981

Year of issue	Interest (% p.a.)	Term (years)	Initial amount		Balance outstanding at 31.12.1981 (in currency)	Equivalent in ECU	
			in currency	equivalent in ECU			
1979	6 ³ / ₄	6	DM	50 000 000	50 000 000		
1979	6 ¹ / ₂ —6 ³ / ₄	7		10 000 000	10 000 000		
1979	7	12		150 000 000	150 000 000		
1979	8	10		25 000 000	25 000 000		
1979	8	10		25 000 000	25 000 000		
1979	7 ¹ / ₂	12		40 000 000	40 000 000		
1979	7 ³ / ₄	15		50 000 000	50 000 000		
1979	8 ¹ / ₄	10		40 000 000	40 000 000		
1979	8 ¹ / ₈	10		60 000 000	60 000 000		
1979	8 ¹ / ₄	10		12 000 000	12 000 000		
1980	7 ⁷ / ₈	10		150 000 000	150 000 000		
1980	8	10		40 000 000	40 000 000		
1980	9,65	10		50 000 000	50 000 000		
1980	8 ³ / ₄	8		40 000 000	40 000 000		
1980	8 ¹ / ₄	8		70 000 000	70 000 000		
1980	8 ¹ / ₈	8		35 000 000	35 000 000		
1980	8 ¹ / ₈	8		10 000 000	10 000 000		
1980	8 ¹ / ₈	8		50 000 000	50 000 000		
1980	8—10	12		12 000 000	12 000 000		
1980	8	12		12 000 000	12 000 000		
1980	8	12		12 000 000	12 000 000		
1980	7,9	12		12 000 000	12 000 000		
1980	7 ⁷ / ₈	12		150 000 000	150 000 000		
1980	8,35	8		250 000 000	250 000 000		
1980	9,5	8		150 000 000	150 000 000		
1981	10	10		120 000 000	120 000 000		
1981	11 ¹ / ₄	8		10 000 000	10 000 000		
1981	11 ¹ / ₂	8		26 000 000	26 000 000		
1981	11 ¹ / ₂	5		30 000 000	30 000 000		
1981	10,39	8		70 000 000	70 000 000		
1981	9 ³ / ₄	5		10 500 000	10 500 000		
				4 346 530 000	1 778 187 337	3 649 410 000	1 492 992 030
1963	5 ¹ / ₂	20	LIT	15 000 000 000	2 000 000 000		
1966	6	20		15 000 000 000	5 000 000 000		
1966	6	20		15 000 000 000	5 000 000 000		
1968	6	20		15 000 000 000	7 000 000 000		
1968	6	20		15 000 000 000	7 000 000 000		
1972	7	15		20 000 000 000	12 000 000 000		
1972	7	15		20 000 000 000	12 000 000 000		
1974	7	15		10 000 000 000	8 000 000 000		
1975	10	10		30 000 000 000	15 000 000 000		
				155 000 000 000	118 904 239	73 000 000 000	56 000 061
1957	3 ¹ / ₂	25	BFR	200 000 000	12 000 000		
1957	3 ¹ / ₂	25		20 000 000	1 200 000		
1962	5 ¹ / ₄	20		300 000 000	21 000 000		
1963	5 ¹ / ₂	20		300 000 000	42 000 000		
1968	6 ³ / ₄	15		750 000 000	180 000 000		
1970	8 ³ / ₄	20		500 000 000	300 200 000		
1971	7 ³ / ₄	15		700 000 000	350 000 000		
1973	7 ³ / ₄	12		1 000 000 000	500 000 000		
1975	8 ¹ / ₄	10		1 500 000 000	1 100 000 000		
1978	8 ¹ / ₂	8		2 000 000 000	2 000 000 000		
1980	13 ³ / ₈	8		2 000 000 000	2 000 000 000		
1980	13 ¹ / ₂	8		500 000 000	500 000 000		
				9 770 000 000	234 030 474	7 006 400 000	167 831 230

Main characteristics of borrowings outstanding at 31 December 1981

Year of issue	Interest (% p.a.)	Term (years)	Initial amount		Balance outstanding at 31.12.1981 (in currency)	Equivalent in ECU	
			in currency	equivalent in ECU			
1964	5	20	FF	150 000 000	28 125 000		
1971	8 $\frac{1}{2}$	18		150 000 000	92 500 000		
1972	7 $\frac{1}{4}$	15		150 000 000	90 000 000		
1973	7 $\frac{1}{2}$	15		60 000 000	42 000 000		
1973	7 $\frac{1}{2}$	18		150 000 000	140 000 000		
1975	10	7		125 000 000	100 000 000		
1976	10	7		50 000 000	50 000 000		
1976	10 $\frac{1}{5}$	18		250 000 000	250 000 000		
1976	10 $\frac{1}{2}$	7		50 000 000	20 000 000		
1977	11 $\frac{3}{8}$	5		60 000 000	60 000 000		
1977	11	12		300 000 000	266 700 000		
1978	11 $\frac{4}{10}$	6		4 000 000	4 000 000		
1978	11 $\frac{4}{10}$	7		4 000 000	4 000 000		
1978	10 $\frac{8}{10}$	15		275 000 000	253 847 000		
1978	10 $\frac{1}{2}$	7		50 000 000	50 000 000		
1978	10—9,5/10	12		50 000 000	45 000 000		
1978	10	10		300 000 000	300 000 000		
1979	9 $\frac{7}{10}$	15		325 000 000	325 000 000		
1979	11	20		100 000 000	87 633 718,31		
1979	11 $\frac{1}{2}$	20		23 000 000	20 221 403,20		
1980	10 $\frac{7}{8}$	8		20 000 000	20 000 000		
1980	12,225	12		20 000 000	20 000 000		
1980	12 $\frac{3}{4}$ + 13	15		80 000 000	80 000 000		
1980	14,25	6		150 000 000	150 000 000		
1980	14	12		400 000 000	400 000 000		
1980	13,30	5		20 000 000	20 000 000		
1980	13,60	5		10 000 000	10 000 000		
1980	13,95	8		20 000 000	20 000 000		
1980	14,30	7		15 000 000	15 000 000		
1980	14,30	7		20 000 000	20 000 000		
1981	15	5		20 000 000	20 000 000		
				<u>3 401 000 000</u>	<u>548 391 830</u>	<u>3 004 027 121,51</u>	<u>484 382 220</u>
1962	4 $\frac{3}{4}$	25	HFL	6 000 000	1 440 000		
1962	4 $\frac{3}{4}$	20		25 000 000	1 900 000		
1963	4 $\frac{5}{8}$	30		1 750 000	706 000		
1964	5 $\frac{3}{4}$	20		25 000 000	5 200 000		
1965	5 $\frac{3}{4}$	20		40 000 000	10 850 000		
1975	8 $\frac{1}{2}$	15		60 000 000	36 000 000		
1975	8 $\frac{5}{8}$	10		20 000 000	8 000 000		
1976	8	7		60 000 000	60 000 000		
1976	8 $\frac{3}{4}$	25		25 000 000	20 000 000		
1976	8 $\frac{5}{8}$	25		30 000 000	24 000 000		
1976	8 $\frac{3}{4}$	20		14 000 000	14 000 000		
1978	7 $\frac{1}{4}$	15		100 000 000	100 000 000		
1978	7 $\frac{5}{8}$	15		14 000 000	14 000 000		
1980	10 $\frac{7}{8}$	10		50 000 000	50 000 000		
1981	11 $\frac{7}{8}$	10		50 000 000	50 000 000		
1981	11 $\frac{5}{8}$	10		60 000 000	60 000 000		
1981	12 $\frac{7}{8}$	12		45 000 000	45 000 000		
				<u>625 750 000</u>	<u>233 219 907</u>	<u>501 096 000</u>	<u>186 760 787</u>

Main characteristics of borrowings outstanding at 31 December 1981

Year of issue	Interest (% p.a.)	Term (years)	Initial amount		Balance outstanding at 31.12.1981 (in currency)	Equivalent in ECU	
			in currency	equivalent in ECU			
1957	5 ³ / ₈	25	LFR	100 000 000	7 648 011		
1961	5 ¹ / ₄	25		100 000 000	34 278 002		
1961	5	25		100 000 000	33 768 204		
1962	5 ¹ / ₈	25		250 000 000	99 664 037		
1964	5 ³ / ₈	20		150 000 000	30 000 000		
1971	7	15		250 000 000	180 000 000		
1971	7 ³ / ₄	12		300 000 000	85 000 000		
1972	6 ³ / ₄	12		300 000 000	102 000 000		
1972	6 ³ / ₄	15		400 000 000	240 000 000		
1973	6 ³ / ₄	15		300 000 000	210 000 000		
1973	7	12		800 000 000	400 000 000		
1973	7	15		800 000 000	560 000 000		
1973	8	12		300 000 000	135 000 000		
1973	8	12		200 000 000	90 000 000		
1973	7 ¹ / ₄	15		500 000 000	450 000 000		
1975	9	10		500 000 000	340 000 000		
1975	9	9		100 000 000	60 000 000		
1976	9 ¹ / ₂	8		500 000 000	460 000 000		
1976	9 ¹ / ₂	8		200 000 000	50 000 000		
1977	8 ¹ / ₂	10		500 000 000	500 000 000		
1978	7 ³ / ₄	10		250 000 000	250 000 000		
1978	7 ³ / ₄	10		600 000 000	550 000 000		
1978	8	6		200 000 000	150 000 000		
1979	8 ³ / ₄	8		500 000 000	500 000 000		
1980	10	10		500 000 000	500 000 000		
1980	12 + 10	8		250 000 000	250 000 000		
1980	11,75	8		400 000 000	400 000 000		
1981	13 ¹ / ₂	7		300 000 000	300 000 000		
1981	13 ¹ / ₄	7		250 000 000	250 000 000		
1981	13	10		600 000 000	600 000 000		
1981	15	6		150 000 000	150 000 000		
1981	15	7		100 000 000	100 000 000		
				<u>10 750 000 000</u>	<u>257 505 383</u>	<u>8 067 358 254</u>	<u>193 245 412</u>
1976	9	7	CAD	50 000 000	50 000 000		
1977	9	7		25 000 000	25 000 000		
				<u>75 000 000</u>	<u>58 264 646</u>	<u>75 000 000</u>	<u>58 264 646</u>
1975	7 ³ / ₄	15	SFR	80 000 000	79 425 000		
1976	6 ¹ / ₂	7		30 000 000	30 000 000		
1976	5 ³ / ₄	15		80 000 000	76 000 000		
1977	4 ¹ / ₂	8		65 000 000	65 000 000		
1977	4 ¹ / ₂	16		80 000 000	80 000 000		
1978	3 ³ / ₄	4		100 000 000	100 000 000		
1978	3 ³ / ₈	4		57 500 000	57 500 000		
1978	3 ⁵ / ₈	5		37 500 000	37 500 000		
1978	3 ¹ / ₈	5		25 000 000	25 000 000		
1978	3 ¹ / ₄	6		25 000 000	25 000 000		
1978	3	5		20 000 000	20 000 000		
1979	2 ¹ / ₂	3		100 000 000	100 000 000		
1979	3	8		123 500 000	123 500 000		
1979	3	5		45 000 000	40 000 000		
1979	2 ⁹ / ₁₀ - 3 ¹ / ₄	4		25 000 000	12 500 000		
1979	4 ³ / ₄	10		7 000 000	7 000 000		
1980	5 ¹ / ₄	6		38 000 000	38 000 000		

Main characteristics of borrowings outstanding at 31 December 1981

Year of issue	Interest (% p.a.)	Term (years)	Initial amount		Balance outstanding at 31.12.1981 (in currency)	Equivalent in ECU
			in currency	equivalent in ECU		
1980	5 ¹ / ₄	6	SFR 17 000 000		17 000 000	
1980	6 ¹ / ₄	5	30 000 000		30 000 000	
1980	6	10	80 000 000		80 000 000	
1980	5 ⁷ / ₈	5	20 000 000		20 000 000	
1981	6 ³ / ₄	7	80 000 000		80 000 000	
1981	7 ³ / ₄	5	30 000 000		30 000 000	
1981	8 ¹ / ₂	6	20 000 000		20 000 000	
			<u>1 215 500 000</u>	<u>622 793 579</u>	<u>1 193 425 000</u>	<u>611 482 869</u>
1966	5 ³ / ₄	20 u.a. ⁽¹⁾	20 000 000	41 851 949	7 000 000	14 648 182
1977	9 ⁵ / ₈	12	UKL 20 000 000		17 400 000	
1979	13 ¹ / ₈ —11 ¹ / ₂	10	5 000 000		5 000 000	
1980	17—14 ³ / ₄	5	25 000 000		25 000 000	
1980	13 ¹ / ₂	8	20 000 000		20 000 000	
1981	14 ¹ / ₄	9	2 000 000		1 940 000	
1981	16 ³ / ₈	8	7 500 000		7 500 000	
			<u>79 500 000</u>	<u>140 329 695</u>	<u>76 840 000</u>	<u>135 634 387</u>
Borrowings contracted but not yet received at 31.12.1981						
1981	14 ³ / ₄	9	FF 10 000 000	1 612 443 ⁽²⁾	10 000 000	1 612 443
		Total:		<u>6 802 399 830</u>		<u>5 885 161 187</u>

⁽¹⁾ At present, this unit of account has the same value as that used by the former European Payments Union, as defined in Article 26(a) of its Charter, i. e. 8,88867088 grams of fine gold. This value could change under certain circumstances.

⁽²⁾ Total amount of borrowings contracted by the ECSC since its inception = 8 574 431 865 ECU (including borrowings redeemed).

TABLE 31

Loans from borrowed funds: Breakdown by country and by guarantee received
 Amounts outstanding at 31 December 1981

(million ECU)

Nature of guarantee	Belgium	Denmark	FR of Germany	France	Ireland	Greece	Italy	Luxembourg	Netherlands	United Kingdom	Non-Community	Total
Member State guarantees	59,76	18,56	117,56	669,45	30,78	—	6,23	145,09	—	1 713,55	—	2 760,98
Loans secured by financial institutions	66,82	—	91,95	375,69	—	—	162,21	7,72	12,24	155,09	6,95	878,67
Loans secured by financial and mortgage institutions	—	—	2,05	—	—	—	—	—	0,04	—	—	2,09
First mortgages	—	19,06	842,48	0,06	—	—	0,49	—	107,45	0,66	—	970,20
Second mortgages	—	—	8,69	—	—	—	—	—	—	—	—	8,69
Loans secured by industrial concerns and negative pledge clause	—	—	—	1,35	—	—	33,17	—	—	15,75	—	50,27
Loans secured by industrial concerns	11,39	—	15,44	166,13	—	—	781,17	0,50	9,92	124,58	—	1 109,13
Negative pledge clause and others	—	—	2,07	1,01	—	—	—	0,90	0,08	—	—	4,06
Registered mortgage security	—	—	—	—	—	—	—	—	0,25	—	—	0,25
Loans with undertaking of bank security	—	—	8,72	71,35	—	—	—	—	—	—	—	80,07
Loans without guarantee	0,03	—	—	0,27	—	—	0,17	—	—	—	—	0,47
Total for each country and for the Community	138,00	37,62	1 088,96	1 285,31	30,78	—	983,44	154,21	129,98	2 009,63	6,95	5 864,88 ⁽¹⁾

⁽¹⁾ In this table, balance sheet adjustments (swap operation: 5,64 million ECU) and provision against debtors (9,65 million ECU) have been excluded.

TABLE 32

Loans from the special reserve: Breakdown by country and by guarantee received

(million ECU)

Nature of guarantee	B	DK	D	F	IRL	GR	I	L	NL	UK	Total
Member State guarantees	0,70	—	1,31	0,50	0,54	—	1,84	1,51	—	3,67	10,07
Loans secured by financial institutions	0,48	—	17,09	3,88	—	—	—	0,11	0,16	2,08	23,80
Second mortgages	—	—	0,10	—	—	—	—	—	—	—	0,10
Loans by industrial concerns and negative pledge clause	—	—	0,20	—	—	—	—	—	—	—	0,20
Loans secured by industrial concerns	—	—	1,49	5,25	—	—	5,04	—	4,91	—	16,69
Registered mortgage security	—	—	24,83	—	—	—	—	—	1,30	—	26,13
Loans without guarantee	5,17	0,93	32,99	11,95	—	—	1,38	0,91	—	3,46	56,79
Total for each country and for the Community	6,35	0,93	78,01	21,58	0,54	—	8,26	2,53	6,37	9,21	133,78

Operations under the ECSC operating budget⁽¹⁾

TABLE 33
Levy: Revenue in 1981

Breakdown by sector and country

	Coal		Steel		Total	
	Amount (ECU)	%	Amount (ECU)	%	Amount (ECU)	%
Belgium	866 275	2,60	8 850 470	9,48	9 716 745	7,67
Denmark	—	—	464 561	0,50	464 561	0,37
FR of Germany	13 902 804	41,77	30 418 478	32,59	44 321 282	35,00
Greece	3 978	0,01	791 704	0,85	795 682	0,63
France	2 624 185	7,89	16 275 633	17,44	18 899 818	14,93
Ireland	6 969	0,02	22 054	0,02	29 023	0,02
Italy	—	—	18 720 901	20,06	18 720 901	14,79
Luxembourg	—	—	2 810 747	3,01	2 810 747	2,22
Netherlands	—	—	3 858 460	4,13	3 858 460	3,05
United Kingdom	15 877 011	47,71	11 122 803	11,92	26 999 814	21,32
Community total	33 281 222	100,00	93 335 811	100,00	126 617 033	100,00

(1) For fuller details of ECSC operations, see the 'Fifteenth General Report on the Activities of the European Communities', point 272.

TABLE 34

Levy: Percentage of levy revenue contributed by each country from 1977 to 1981

	1977	1978	1979	1980	1981
Belgium	7,6	8,0	7,9	7,7	7,7
Denmark	0,4	0,5	0,4	0,4	0,4
FR of Germany	32,6	33,4	34,7	35,7	35
Greece	—	—	—	—	0,6
France	15,9	15,6	15,5	15,8	14,9
Ireland	0,1	0,1	0,1	0,0	0,1
Italy	15,1	14,3	13,9	15,7	14,7
Luxembourg	2,5	2,8	2,7	2,7	2,2
Netherlands	2,7	3,2	3,1	2,9	3,1
United Kingdom	23,1	22,1	21,7	19,1	21,3
Total	100,0	100,0	100,0	100,0	100,0

TABLE 35

Levy: Revenue by sector from 1977 to 1981

(million ECU)

	1977	1978	1979	1980	1981
Coal	20,2	21,9	23,9	27,8	33,3
Steel	66,6	78,9	79,4	86,7	93,3
Total	86,8	100,8	103,2	114,5	126,6

TABLE 36

Levy: Levy rate and net scales per tonne for each product category from 1976 to 1981

Period	% rate	Brown-coal briquettes and semi-coke derived from brown coal	Hard coal	Pig iron other than for ingots	Steel in ingots	Finished products and end-products of iron and steel
(EUA)						
1.1.1976	0,29	0,05385	0,08802	0,33324	0,41720	0,18487
1.1.1977	0,29	0,06081	0,10220	0,35027	0,38423	0,17409
1.1.1978	0,29	0,06983 ⁽¹⁾	0,11180 ⁽²⁾	0,33669	0,43962	0,19824
1.1.1979	0,29	0,07331 ⁽¹⁾	0,12131 ⁽²⁾	0,30613	0,41565	0,19029
1.1.1980	0,31	0,09033 ⁽¹⁾	0,14009 ⁽²⁾	0,34385	0,49190	0,22256
(ECU)						
1.1.1981	0,31	0,09678 ⁽¹⁾	0,16415 ⁽²⁾	0,36230	0,54494	0,24808

⁽¹⁾ To obtain the deductions provided for in Article 3 of Decision 2/52, the above levy should be applied to the total tonnage of brown coal briquettes and semi-coke derived from brown coal, less 3%.

⁽²⁾ To obtain the deductions provided for in Article 3 of Decision 2/52, the above levy should be applied to the total hard coal tonnage defined in Article 1 of that Decision, less 14%.

TABLE 37
Redeployment⁽¹⁾: Provisions by country and by sector⁽²⁾ at 31 December 1981

Article 56	Amounts covered by provisions at 31 December 1980 at the ECU rate on 31 December 1981	Amounts covered by provisions at 31 December 1981 (ECU)		Percentage for each country	
		Traditional aid	Steel industry social measures	Traditional aid	Steel industry social measures
<i>Belgium</i>					
Steel	6 084 714	6 793 028			
Coal	6 590 300	3 524 600			
Total	12 675 014	10 317 628	4 753 014	4,10	9,77
<i>FR of Germany</i>					
Steel	7 098 631	22 323 315			
Coal	57 871 412	32 969 301			
Total	64 970 043	55 292 616	811 494	21,97	1,67
<i>France</i>					
Steel	33 975 915	26 805 327			
Coal	9 467 612	12 329 503			
Total	43 443 527	39 134 830	21 388 559	15,55	43,98
<i>Italy</i>					
Steel	1 320 750	2 176 498			
Coal	—	—			
Total	1 320 750	2 176 498	2 115 674	0,86	4,35
<i>Luxembourg</i>					
Steel	5 000 745	2 299 049			
Coal	—	—			
Total	5 000 745	2 299 049	289 818	0,91	0,60
<i>Netherlands</i>					
Steel	—	1 750 000			
Coal	9 867 485	7 555 509			
Total	9 867 485	9 305 509	—	3,70	—
<i>United Kingdom</i>					
Steel	68 966 305	120 438 210			
Coal	10 446 041	12 579 270			
Total	79 412 346	133 017 480	19 272 885	52,84	39,63
<i>Ireland</i>					
Steel	339 000	186 369			
Coal	—	—			
Total	339 000	186 369	—	0,07	—
<i>Community</i>					
Steel	122 786 060	182 771 796			
Coal	94 242 850	68 958 183			
Total	217 028 910	251 729 979	48 631 444	100,00	100,00

(1) For fuller details of ECSC redeployment operations, see the 'Fifteenth General Report on the Activities of the European Communities', point 272.

(2) 'Steel' includes iron-ore mines and steel-industry coking plants. 'Coal' includes coal-industry coking plants.

TABLE 38

Redeployment: ⁽¹⁾ New allocations and the effect on employment by country and sector⁽²⁾

	Numbers of people receiving aid			New allocations (ECU)			%
	Coal	Steel	Total	Coal	Steel	Total	
Belgium	—	2 354	2 354	—	2 444 250	2 444 250	1,97
FR of Germany	—	10 783	10 783	—	16 543 500	16 543 500	13,34
France	1 059	—	1 059	4 866 250	—	4 866 250	3,93
Italy	—	987	987	—	916 250	916 250	0,74
Luxembourg	—	193	193	—	280 750	280 750	0,23
Netherlands	—	700	700	—	1 750 000	1 750 000	1,41
United Kingdom	2 426	29 258	31 684	8 986 000	88 199 750	97 185 750	78,38
Total	3 485	44 275	47 760	13 852 250	110 134 500	123 986 750	100,00

⁽¹⁾ For fuller details of ECSC redeployment operations, see the 'Fifteenth General Report on the Activities of the European Communities', point 272.

⁽²⁾ 'Steel' includes iron-ore mines and steel-industry coking plants. 'Coal' includes coal-industry coking plants.

TABLE 39

Research⁽¹⁾ (Article 55 of the ECSC Treaty): Provisions by sector

(ECU)

	Amounts covered by provisions at 31 December 1980	Amounts covered by provisions at 31 December 1981
Steel	34 735 958	36 016 211
Ores	271 430	132 800
Coal	28 342 842	30 347 347
Hygiene, safety and industrial medicine	13 772 855	11 311 508
Publication of results	862 660	556 508
Total	77 985 745	78 364 374

⁽¹⁾ For fuller details of ECSC research operations, see the 'Fifteenth General Report on the Activities of the European Communities', points 516 and 593.

TABLE 40

Research:⁽¹⁾ New allocations in 1981 by sector

	Unit	Coal	Steel	Hygiene, safety, industrial medicine	Total (ECU)
New contracts	number	36	70	48	—
Supplements to contracts	number	10	49	24	—
Allocations for above items	ECU	15 867 300	19 344 800	6 028 200	41 232 300
Ancillary costs for publication of research results	ECU	88 359	267 808	415 231	771 398
Total	ECU	15 955 659	19 612 608	6 435 431	42 003 698

⁽¹⁾ For fuller details of ECSC research operations, see the 'Fifteenth General Report on the Activities of the European Communities', points 516 and 593.

Notes to financial statements at 31 December 1981 and 1980

(All amounts given in ECU)

1. Presentation of financial statements

The European Coal and Steel Community (ECSC) was established by the Treaty of 18 April 1951. According to the Treaty, the task of the ECSC is to contribute to the economic expansion of the Member States through the establishment of a common market for coal and steel. Most of the ECSC's funds come from levies, loans raised on the financial markets and direct bank loans.

The layout of the annual accounts is based on a Commission proposal for a Council directive concerning the annual accounts of banks and other financial institutions.

The financial statements at 31 December 1981 include the allocation of the surplus of revenue over expenditure for 1981. At the end of the year the commitments financed by the allocation of this surplus are those entered into during the year for operations to be carried out by the ECSC for the redeployment of workers and for technical and economic research. Actual expenditure for these operations appears in the profit and loss accounts of the year in which the commitment is paid.

All ECSC accounts are kept in ECU.

The following rates have been used for converting amounts expressed in currency in end-of-year balance sheets into ECU:

Convertible Belgian and Luxembourg franc	41,7467
German mark	2,44436
Dutch guilder	2,68309
Pound sterling	0,566523
Danish krone	7,94077
French franc	6,20177
Italian lira	1 303,57
Irish pound	0,686819
Greek drachma	62,226300
u.a.	0,477875
US dollar	1,08517
Swiss franc	1,95169
Canadian dollar	1,28723
EMU (₣)	0,667858

2. Summary of accounting policies

Since 31 December 1980, the non-realized gain or loss resulting from the conversion at year-end of accounts in national currencies is deferred and entered in the balance sheet under 'Accruals and deferred income'.

Securities are valued at the lower of cost or market value. Repurchased ECSC bonds maturing in the year following the financial year of the balance sheet are deducted from bonds in circulation and withdrawn from the market.

Reduced values have been entered in the accounts to take into account potential risks involved in certain claims.

The item 'Land and buildings' consists of a building valued at cost in US dollars and converted into ECU at year-end.

Up to 31 December 1980 the recovery of issuing costs was spread over the term of the borrowing. Since 1 January 1981 these costs are met directly. Costs outstanding at 31 December 1980 (72 009 909) are recovered in seven equal yearly instalments.

3. Debt securities held in portfolio

The portfolio is made up mainly of government bonds and repurchased ECSC bonds.

At 31 December 1981 the book value of repurchased ECSC bonds in portfolio was 118 416 287.

In 1981 the ECSC made a profit of 11 117 285 on repurchased bonds, with a nominal value of 67 574 713, which were withdrawn from the market.

4. Loans outstanding

This item covers loans made mainly to firms in the steel industry and coalmining in the Member States and loans granted mainly to firms to finance conversion. These loans are paid out of borrowed funds and total 5 849 593 168.

These loans are usually secured by guarantees from the Member States, banks or firms and by mortgages.

This item also includes loans financed from the ECSC's own funds, as follows:

Loans paid from the special reserve for financing subsidized housing	133 781 234
Loans paid from the pension fund to officials of the European Communities for the construction of housing	22 412 182
Loans paid from the pension fund for the Friuli steel industry	3 452 059
Loans paid from the special reserve for technical and economic research	1 848 361
Loans paid from the special reserve for redeployment	175 102
	161 668 938

5. Land and buildings

The ECSC owns a building in Washington DC, which is part of the assets securing its operations. The building is leased to the European Communities.

6. Other assets

This item mainly comprises levies receivable (10 216 953) and the Member States' contributions receivable (39 466 951).

On 23 February 1982 the Council of the European Communities decided to grant the ECSC a contribution of 62 million for 1981 from the general budget of the Communities, for social measures connected with the restructuring of the European steel industry. This contribution will be entered into the accounts when the funds are placed at the disposal of the ECSC.

7. Accruals and deferred income (assets)

This item comprises interest and guarantee fees accrued but not due (177 754 411), and levies declared for November and December 1981 but not payable until after 31 December 1981.

8. Long-term and medium-term debts

The debt consists of 276 private and public bond issues maturing between 1982 and 2001.

9. Accruals and deferred income (liabilities)

This item comprises interest and commissions on borrowings accrued but not yet due at 31 December 1981, amounting to 237 210 588.

Non-realized gains from conversion, amounting to 17 187 455 at 31 December 1981, are also included in this item.

10. Commitments for ECSC operating budget

At 31 December 1981 the allocations approved by the Commission were to be used as follows:

Financial assistance (commitments entered into)

Redeployment measures	251 729 979
Technical and economic research	78 364 374
Interest subsidies on conversion loans (Article 56)	37 112 197
Interest subsidies on industrial loans (Article 54)	33 304 580
Aid for coking coal and metallurgical coke	3 592 200
Steel industry social measures	48 631 444
	<hr/>
	452 734 774

Other (commitments to be entered into)

Technical and economic research	9 595 383
Interest subsidies on conversion loans (Article 56)	55 335 798
Interest subsidies on industrial loans (Article 54)	14 467 000
Steel industry social measures	1 368 556
1982 budget	75 000 000
Contingencies	30 000 000
	<hr/>
	185 766 737

At 31 December 1981 the breakdown of allocations during the year and at year-end were as follows:

	Financial assistance	Other
	<hr/>	<hr/>
Balance at 31 December 1980	376 741 857	119 259 059
Allocations during the year	75 992 917	(38 492 322)
Allocations at year-end	—	105 000 000
	<hr/>	<hr/>
Balance at 31 December 1981	452 734 774	185 766 737

11. Reserves

The guarantee fund and the special reserve are built up with allocations from the surplus of ECSC revenue over expenditure. Allocations are decided by the Commission.

The former pension fund represents the balance of the pensions funded by the ECSC prior to 5 March 1968. From that date the Member States have assumed commitments for the payment of staff pensions.

12. Administrative expenditure (fixed amount)

The ECSC paid 5 000 000 to the administrative budget of the Commission of the European Communities to cover its administrative costs.

13. Interest receivable

At 31 December 1981 this item comprised 550 584 254 in interest received from loans, 88 154 844 in interest received from deposits and 38 087 751 in interest received from fixed-income securities.

14. Levies and fines

The ECSC is authorized under the Treaty to impose a levy on the average value of the production of coal and steel of the enterprises in the Community. The levy rate has been 0,31% since 1 January 1980.

15. Other commitments

At 31 December 1981 the Commission had 13 864 295 outstanding in loans irrevocably contracted but not yet paid over.

16. Guarantees given

The ECSC guarantees loans made to various coal and steel companies by third parties; such guarantees are in turn secured by guarantees received by the ECSC. Guarantees given amount to 4 422 426 at 31 December 1981.

17. Commitments arising from forward transactions

At 31 December 1981, the ECSC had entered into swap operations involving obligations for the forward purchase of currencies amounting to 79 295 136 and obligations for the forward sale of currencies amounting to 84 938 096.

Report of the Court of Auditors of the European Communities on the accounts of the European Coal and Steel Community as at 31 December 1981

1. The present report concerns the financial operations of the ECSC, excluding those relating to expenditure and revenue of an administrative nature, for the year ending 31 December 1981.

It has been compiled in accordance with Article 78f(5) of the Treaty establishing the European Coal and Steel Community, as amended by Article 8 of the Treaty of 22 July 1975, which modified certain financial provisions of the Treaties establishing the European Communities and of the Treaty establishing a single Council and a single Commission of the European Communities. As laid down in these provisions, this report concerns the regularity of the accounting operations and of the financial management of the High Authority relating to those operations, with the exception of administrative expenditure and revenue. These are included in the annual report of the Court of Auditors on the general budget of the Communities.

2. To accomplish this task, the Court has examined the accounting of the ECSC and its financial position as at 31 December 1981. The financial statements have been evaluated in accordance with the rules laid down in the Commission's proposals for a Council directive on the annual accounts of banks and other financial institutions.⁽¹⁾

3. The opinion of the Court is that the annual accounts for 1981 are a true and faithful reflection of the financial situation of the European Coal and Steel Community as at 31 December 1981, and the results of its operations for the year ending at that date.

Luxembourg, 17 June 1982

P. LELONG
President

P. GAUDY
Member

⁽¹⁾ Document COM(81)84 final of 9 March 1981, submitted by the Commission to the Council.

European Communities — Commission

Financial report 1981

European Coal and Steel Community

Luxembourg: Office for Official Publications of the European Communities

1982 — 69 pp., 5 ill. (col.), 3 graphs (col.) — 21.0×29.7 cm

DE, EN, FR, IT, NL

ISBN 92-825-3051-5

Catalogue number: CB-35-82-077-EN-C

Price (excluding VAT) in Luxembourg

ECU 7.78 BFR 350 IRL 5.40 UKL 4.40 USD 8

The twenty-seventh annual financial report of the ECSC for the year 1981 records the financial activity of the Commission in the field covered by the Treaty establishing the European Coal and Steel Community. The introductory chapter gives a summary account of the output of ECSC products and the volume of capital spending. The following chapters describe the main characteristics of the ECSC's loans and guarantees as well as its loans operations. They show the ECSC balance sheet and the receipts and payments for the years ending 31 December 1981 and 31 December 1980.

The annexes to the report contain, in order: the table of the changes in the financial situation, allocation of net operating income, statement of consolidated debt, main characteristics of borrowings outstanding, analysis of loans outstanding, operations under the ECSC operating budget and the notes to financial statements.