

EUROPEAN COAL AND STEEL COMMUNITY

COMMISSION OF THE EUROPEAN COMMUNITIES

# Financial Report

for the year 1972

No 18

EUROPEAN COAL  
AND STEEL COMMUNITY

COMMISSION OF THE EUROPEAN COMMUNITIES

<b>Franco Maria Malfatti</b>	President <sup>1</sup>
<b>Sicco L. Mansholt</b>	Vice-President <sup>2</sup>
<b>Raymond Barre</b>	Vice-President
<b>Wilhelm Haferkamp</b>	Vice-President
<b>Carlo Scarascia Mugnozza</b>	Vice-President <sup>3</sup>
<b>Albert Coppé</b>	Member
<b>Jean-François Deniau</b>	Member
<b>Altiero Spinelli</b>	Member
<b>Albert Borschette</b>	Member
<b>Ralf Dahrendorf</b>	Member

**Fabrizio Gillet**, Director-General of the "Credit and Investments" Department.

---

<sup>1</sup> up to 21 March 1972.

<sup>2</sup> President from 21 March 1972.

<sup>3</sup> took office on 21 March 1972.

The figures in this report and in the attached ECSC balance sheet and expenditure account, together with the main features of loans contracted, are expressed in units of account of the European Monetary Agreement (EMA). All such amounts are the equivalent of sums in national currencies computed at the following rates of exchange, as declared to the International Monetary Fund at 31 December 1972.

1 EMA unit =

US \$	1.08571
DM	3.66
BFr.	50.—
FFr.	5.55419
Lit.	625.—
LFr.	50.—
Fl.	3.62
SFr.	4.0841
£	0.41666

## CONTENTS

	Page
I — Short outline of the growth in investments by the Community coal and steel industries	7
II — Borrowing operations by the ECSC	11
III — Loans and guarantees	13
IV — Changes in reserves and provisions, management of liquid assets	21
 <i>ANNEXES:</i>	
I — Main characteristics of loans contracted to 31 December 1972	24
II — Balance sheet at 31 December 1972	27
III — Revenue and expenditure account for 1972	33

*LUXEMBOURG, JULY 1973*

This financial report covers the year 1972, the twentieth year of the European Coal and Steel Community's existence and the eighteenth year of its borrowing and lending operations.

It should be recalled that since the entry into force of the Treaty establishing a single Council and a single Commission of the European Communities (1967), the Commission exercises the powers vested in the former High Authority by the Treaty of Paris, each of the three Communities continuing to be governed by its own treaty. Consequently, this report refers only to the "Commission" of the European Communities unless it is absolutely necessary to use the name "High Authority".

This report is the last before the enlargement of the Community on 1 January 1973.

## **I — SHORT OUTLINE OF THE GROWTH IN INVESTMENTS IN THE COAL AND STEEL INDUSTRIES**

In order to guide the parties concerned and help the Community in its own courses of action, the ECSC Treaty provides for the following instruments, in addition to the general objectives which describe the broad outlines of investment policy:

- the annual survey of investment conducted directly among enterprises and the survey of investment financing conducted among professional associations of employers and workers;
- prior notification by enterprises of investment programmes in excess of certain estimated costs and the giving of reasoned opinions on these programmes.<sup>1</sup>

The details below, collected by the Commission from enterprises or their employers' and workers' associations, relate to capital expenditure, methods of financing and recent trends in the readiness of enterprises to embark on new programmes.

### *(a) Capital expenditure by enterprises*

During the year covered by this report, Community crude steel production rose by 9.7 million tonnes from 103.4 million tonnes in 1971 to 112.1 million in 1972. At the same time, coal production continued to decrease, totalling 145.7 million tonnes as compared with 158.6 million in 1971.

Capital expenditure in the Community coal and steel industries in 1972 can as yet be estimated only on the basis of the forecasts supplied to the Commission by ECSC enterprises on 1 January 1972.<sup>2</sup>

According to these estimates, 1972 capital expenditure in the coal sector should have totalled some 200 million units of account and 30 million units in iron ore mining. Experience shows, however, that in general only 85-90% of expenditure forecast for the ECSC mining industries at the beginning of the year is actually made.

After four years marked by high capital expenditures (averaging 1.3 thousand million units of account from 1961-1964), the years 1965, 1966 and 1967 saw a sharp downturn of investment in the iron and steel sector to 932, 848 and 730 million units of account respectively. After a slight recovery in 1968 (802 million units of account) the upward trend was maintained in 1969, 1970 and 1971 with capital expenditure of 1 039, 1 706 and 2 260 million units of account. This trend was even more pronounced in 1972: capital expenditure reached 2.628 million units of account, an all-time ECSC record.

---

<sup>1</sup> Articles 5, 46, 47 and 54 of the ECSC Treaty.

<sup>2</sup> Cf. 'Investments in the Community's coal and steel industries: Report on the 1972 survey', published July 1972.

TABLE 1

## Capital expenditure in the ECSC industries from 1954 to 1972

(in million units of account)

Sector	Actual expenditures													
	1954-1959 (annual average)	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
Coal industry	327	268	283	267	250	235	219	189	159	150	101	108	136	142
Briquette and low-temperature brown coal coke plants	5	6	4	6	9	8	8	4	5	4	4	2	7	9
Iron-ore mines	39	43	52	47	28	24	25	17	16	21	20	21	26	21
Iron and steel industry	581	775	1 123	1 230	1 480	1 315	932	848	730	802	1 039	1 706	2 266	2 628
Total	952	1 092	1 462	1 550	1 767	1 582	1 184	1 058	910	977	1 164	1 837	2 435	2 800

## (b) Recent trends

For the iron and steel industry as a whole, estimated expenditure as declared by enterprises in respect of their main investment programmes—not to be confused with actual expenditure recorded in the accounts for the same years—fell from 3 000 million on average for 1969 and 1970 to 669 million in 1971. In 1972 the total rallied somewhat, reflecting the readiness of enterprises to invest, to 806 million units of account.

Programmes submitted for the coal industry totalled 131 million units of account in 1972 as compared with 193 million in 1971.

The following two tables illustrate movements since 1959 in total planned expenditure for investment programmes submitted, on the one hand, and in the average FOB prices for exports of iron and steel (Treaty) products per tonne on the other hand. They reflect a close relation between readiness to invest and the prevailing economic climate (cf. also figure 2).

TABLE 2

## Planned expenditure for programmes declared

(in million units of account)

1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
503	1 808	1 371	553	131	501	509	338	697	669	1 848	3 994	669	806

FIGURE 1

INVESTMENTS IN THE STEEL INDUSTRY OF THE COMMUNITY

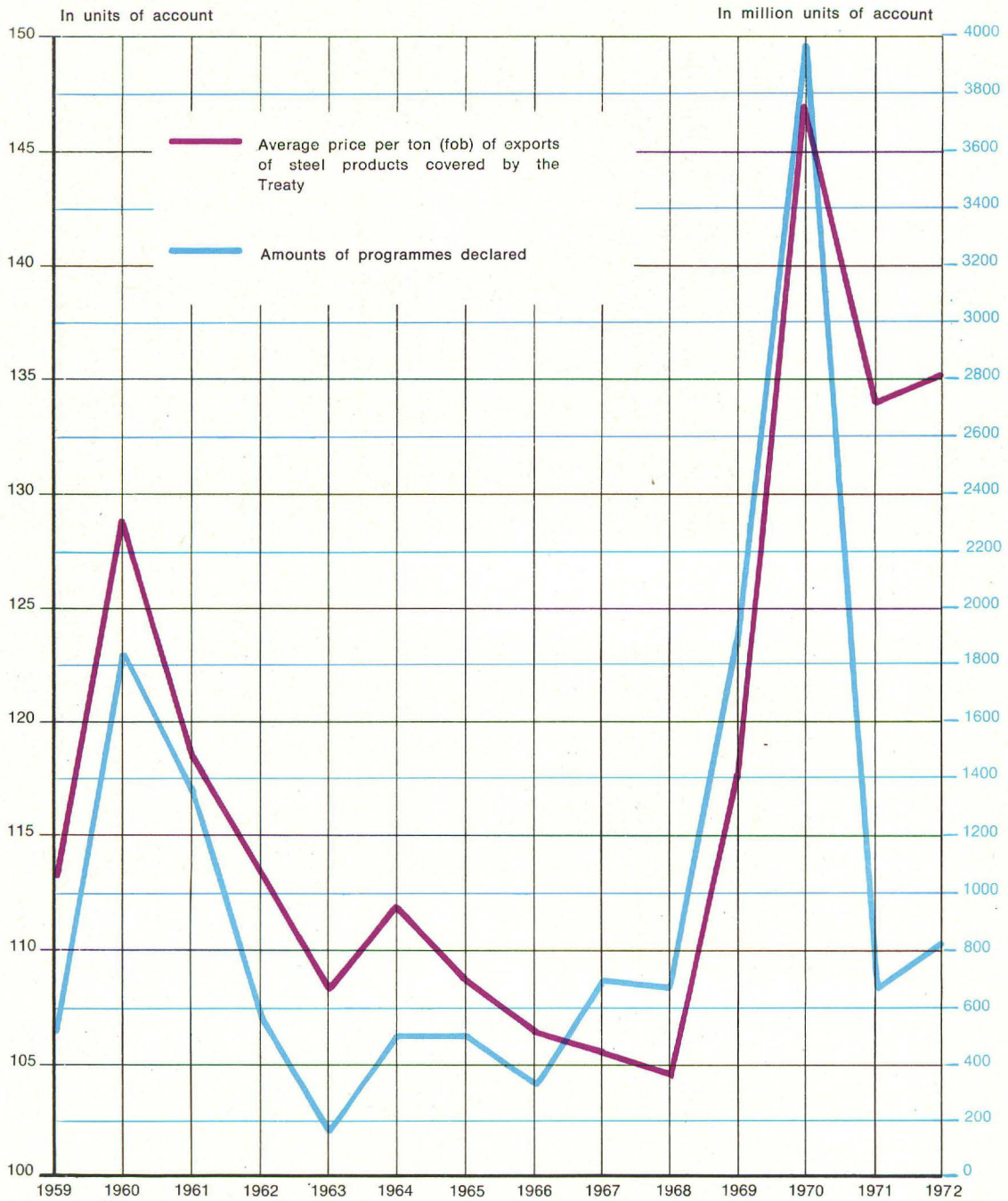




FIGURE 2

INVESTMENTS OF THE COMMUNITY STEEL INDUSTRY

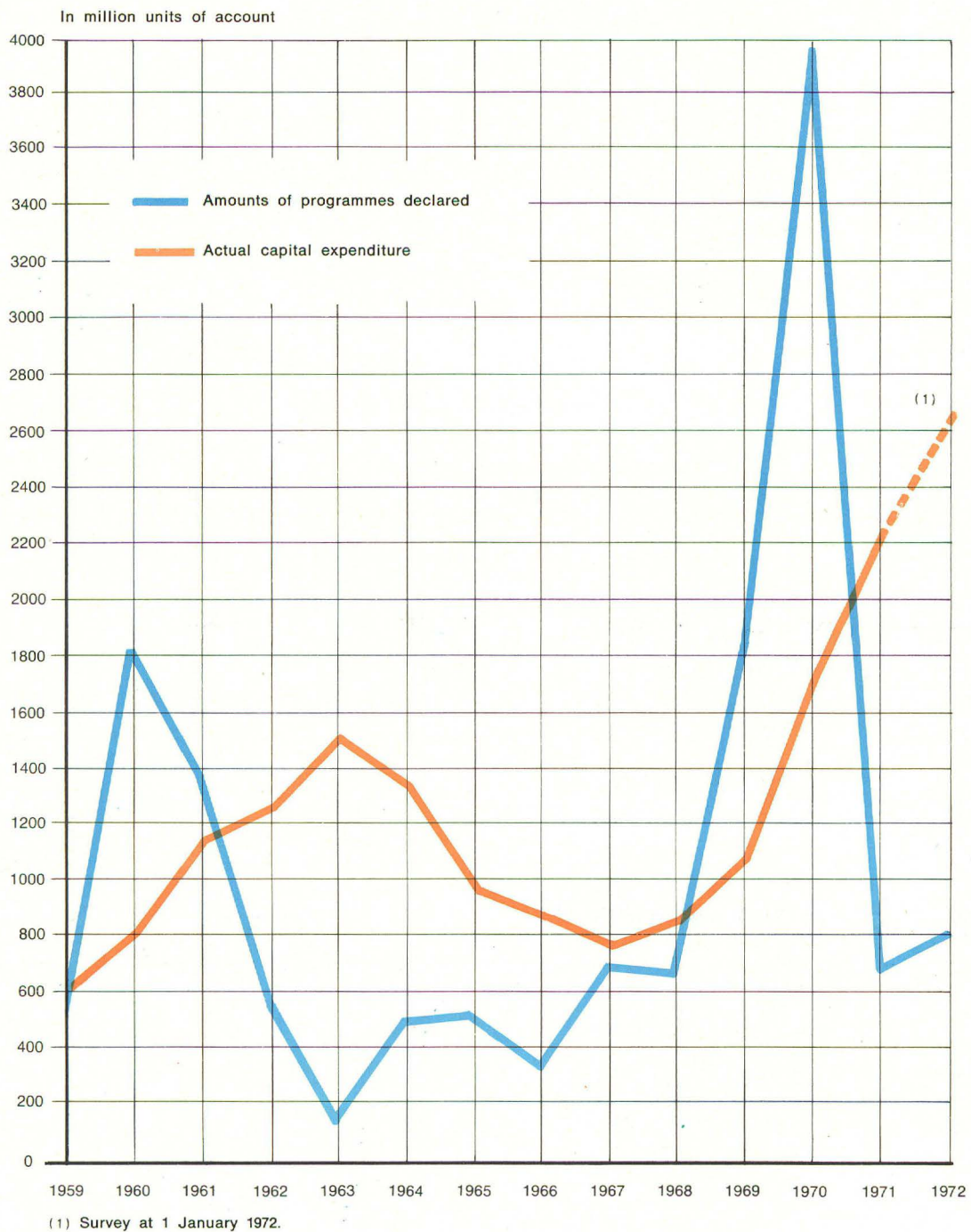


TABLE 3

Average FOB prices per tonne for exports of (Treaty) iron and steel products

(in units of account)

1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
113	129	118	113	108	114	108	106	105	105	117	147	134	135

The experience of the past decade as illustrated in figure 3 shows that actual capital expenditure reflects changes in the total value of investment decisions taken only after an interval of some 3 years, and no doubt in reduced measure. Forecasts for actual expenditure would seem to bear out that the peak in investments declared in 1970 is currently making itself felt after a comparable time lag. Thus it is not surprising that the number of applications to the ECSC for financial assistance is considerable and seems likely to remain so for the next few years.

## II — BORROWING OPERATIONS BY THE ECSC

The downward trend in interest rates which began at the end of 1970 generally persisted during 1971. It came to a halt in 1972, and at the end of the year rates were again tending upwards on a number of markets.

In view of the marked rise in the number of loan applications received in the year, the Commission tried to make the most of the favourable conditions prevailing on the world market and on most national markets during the greater part of the year. It thus floated eleven loans to a total value equivalent to 229.99 million units of account (against 102.33 million in 1971).

The loans floated or contracted during 1972 had the following characteristics:

- (1) 50 million SFr. : Private 12-year loan at 6 1/4% from a Swiss bank.  
(12 242 599 u.a.) Repayable in 8 more or less equal annual investments from 1977.
- (2) 20 000 million Lit. : 15-year debenture loan floated at 94.50% on the Italian market. The bonds bear 7% interest payable half-yearly. The loan will be repaid in 10 equal annual investments from 1978. It is quoted on the Milan and Rome stock exchanges.  
(32 000 000 u.a.)
- (3) 300 million LFr. : Private 12-year loan at 6 3/4% from a Luxembourg bank. Repayable in more or less equal annual instalments from 1976.  
(6 000 000 u.a.)
- (4) 150 million FFr. : 15-year debenture loan floated at 99% on the international market. The bonds bear 7 1/4% interest payable annually. The loan will be repaid in 10 equal annual instalments from 1978. It is quoted on the Luxembourg stock exchange.  
(27 006 638 u.a.)
- (5) 100 million DM : 15-year debenture loan floated at 99.50% on the German market. The bonds bear 6 1/2% interest payable annually. The loan will be repaid in 10 equal annual instalments from 1978. It is quoted on the five stock exchanges of the Federal Republic.  
(27 322 404 u.a.)
- (6) 20 000 million Lit. : Private 15-year loan at 7% from an Italian bank. Repayable in 10 equal annual instalments from 1978.  
(32 000 000 u.a.)
- (7) 400 million LFr. : 15-year debenture loan floated at 99% on the Luxembourg market. The bonds bear 6 3/4% interest payable annually. The loan will be repaid in 10 equal annual instalments from 1978. It is listed on the Luxembourg stock exchange.  
(8 000 000 u.a.)
- (8) 150 million DM : 15-year debenture loan floated at par on the German market. The bonds bear 7% interest payable annually. The loan will be repaid in 10 equal annual instalments from 1979. It is quoted on the five stock exchanges of the Federal Republic.  
(40 983 607 u.a.)
- (9) 30 million US \$ : Private 15-year loan on the world market, at 7%. Repayable in 10 annual instalments from 1978. It is listed on the Luxembourg stock exchange.  
(27 631 688 u.a.)

- (10) 60 million FFr.: Private 15-year loan floated at 7.50% interest on the international market. Repayable in 10 equal annual instalments from 1979.  
(10 802 656 u.a.)
- (11) 300 million LFr.: Private 15-year loan at 6.75% interest from a Luxembourg bank. Repayable in 10 equal annual instalments from 1979.  
(6 000 000 u.a.)

Including operations in 1972, the total value of loans contracted by the ECSC from its inception up to 31 December 1972 was equivalent to 1 258.21 million u.a.

The following table shows the loan position at 31 December 1972.

TABLE 4<sup>1</sup>

(in million units of account)

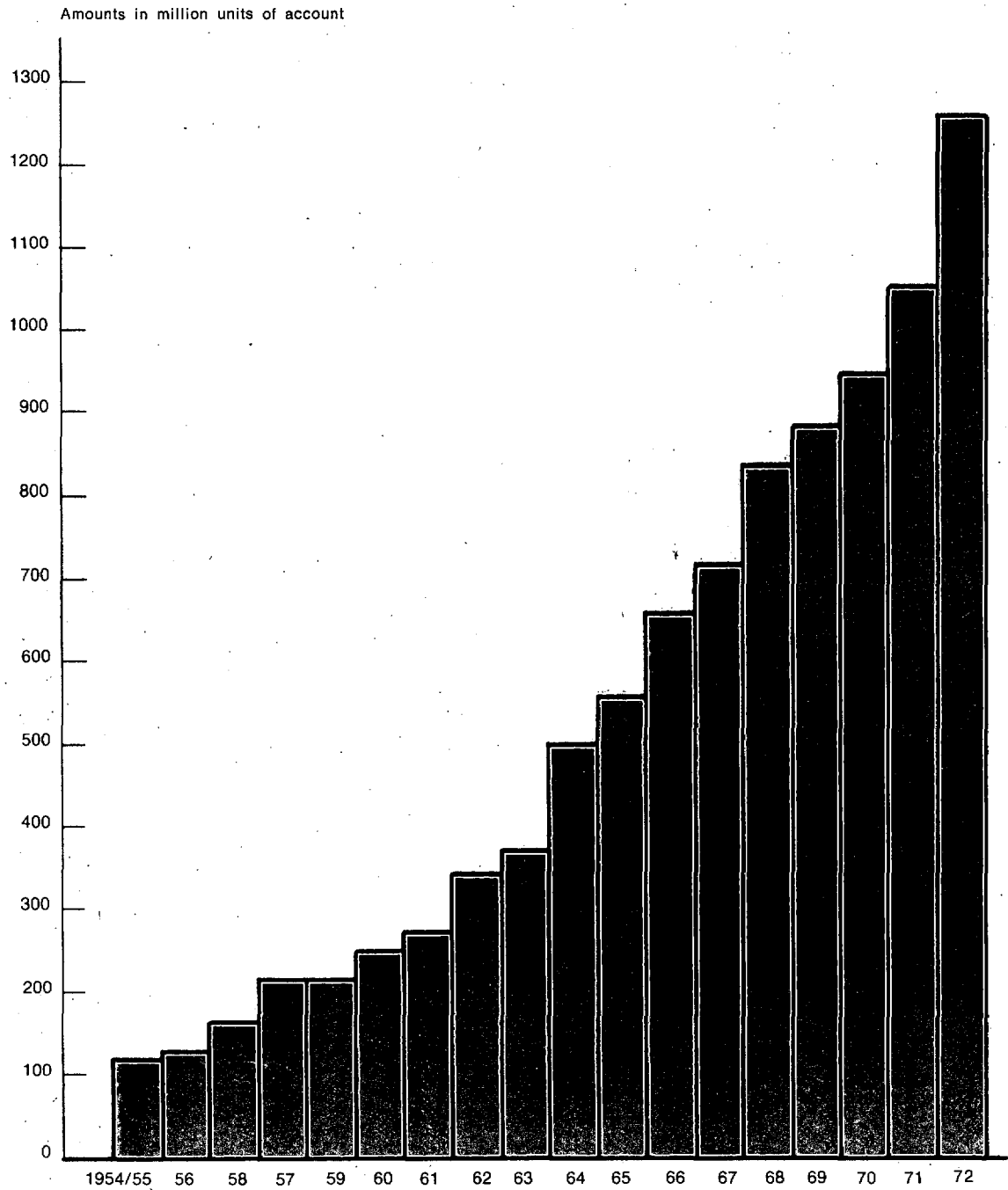
Currency borrowed	Total borrowed	Repayments	Balance outstanding
US \$	373.03 <sup>2</sup>	148.80	224.23
DM	315.84	70.66	245.18
Lit.	184.—	9.60	174.40
FFr.	91.82	6.75	85.07
Fl.	57.39	28.05	29.34
SFr.	56.63	18.37	38.26
BFr.	55.40	5.33	50.07
LFr.	54.10	6.32	47.78
£	50.—	—	50.—
units of account	20.—	1.30	18.70
	1 258.21	295.18	963.03

<sup>1</sup> The main characteristics of loans contracted by the ECSC to 31 December 1972, and the definitions of £ (European Monetary Units) and units of account, are given in Annex I.

<sup>2</sup> After adjustment for US \$ devaluation.

FIGURE 3

TOTAL AMOUNT OF BORROWINGS CONTRACTED AT 31 DECEMBER 1972



### III — LOANS AND GUARANTEES

Funds available to the Commission in 1972 for lending to enterprises totalled 235.76 million units of account, broken down as follows:

(1) <i>Borrowed funds</i>	
— available at beginning of year	45.29
— product of loans floated in 1972	185.56
— premature repayments	0.25
	231.10
(2) <i>Own funds</i>	
— repayments of earlier loans	4.66
	4.66
	235.76

As in 1971, these funds were used for loans to industry under Article 54 of the Treaty, for redevelopment and reconversion projects approved under Article 56 and the building of workers' housing. The loans to industry and those for redevelopment and reconversion projects were disbursed wholly from borrowed funds and the housing loans from the ECSC's own resources, except for a sum of 0.92 million units of account drawn from borrowed funds.

In the same period, total loans rose to 188.50 units of account (as against 112.19 million units of account in 1971).

The funds available at 31 December 1972 permitted substantial disbursements to be made in the first quarter of 1973 for a number of loans approved in the last few months of 1972.

TABLE 5

#### Loans paid out in 1972

(In million units of account)

Sector	Germany (F. Rep.)	Belgium	France	Italy	Netherlands	Luxembourg	Community
I — Coal industry	7.61	—	—	—	—	—	7.61
Iron and steel industry	43.37	15.33	41.09	24.29	9.50	—	133.58
Generating plants	—	—	7.06	—	—	—	7.06
Total	50.98	15.33	48.15	24.29	9.50	—	148.25
II — Industrial redevelopment and reconversion	18.66	—	12.43	—	1.31	—	32.40
III — Workers' housing	2.26	1.20	2.66	1.44	—	0.29	7.85
Grand Total	71.90	16.53	63.24	25.73	10.81	0.29	188.50

## 1. Industrial loans (Article 54)

1972 was marked by a considerable increase in the loans granted for industrial programmes, as provided for in Article 54 of the ECSC Treaty. This increase applied both absolutely and as a percentage of total lending.

Loans of this type disbursed in the course of the year totalled 148.25 million units of account (as against 66.99 million units of account in 1971).

The normal interest rate of 8 1/4%, fixed in March 1970, was reduced to 7 3/4% as from 1 March 1972 and then to 7 1/2% as from 13 July 1972.

Pursuant, however, to a decision by the Commission published in the Official Journal of the European Communities on 18 June 1970, certain loans are eligible for a reduced rate of interest for the financing of investment which is deemed to be of particular advantage to the Community.

In 1972 this preferential rate was reduced from 5 1/2% to 4 3/4% and then to 4 1/2%; it is fixed at 3 points below the normal rate.

Loans to industry which may be granted by the Commission at the reduced rate must be intended either:

- for investment resulting from government measures in the interests of safety and health (nuisance control, for example), particularly when the cost of such investments imposes an excessively unequal burden on the existing installations of similar enterprises in the various regions;
- for investment of a multinational nature which, conforming to the criteria laid down by the Commission as regards structures, would help to promote the Community integration of ECSC enterprises, on condition that projects of this nature are still subject to tax, legal or administrative disadvantages;
- for investment having as its object the elimination of bottlenecks affecting an entire ECSC industry and which fall within the framework of the general objectives and Community policies laid down for the sectors in question;
- for investment having as its object the establishment of research or vocational training centres within the ECSC field.

The loans to industry disbursed in 1972 were earmarked for financing the following programmes:

In the coal-mining industry:

- Pithead power plant using low-grade products of the coal-mining industry: Charbonnages de France, Paris (Houillères du Bassin de Lorraine), Charbonnages de France, Paris (Houillères du Bassin de Blanz);
- Modernization of coking plant: Ruhrkohle Aktiengesellschaft, Essen (coking plant near Oberhausen, Essen and Dortmund).

In the iron and steel industry:

- Establishment of coking capacities: August Thyssen-Hütte A.G., Duisburg-Hamborn (Duisburg-Hamborn works); Sidmar Maritieme Staalnijverheid, Ghent; Société Dunkerquoise de Cokéfaction S.A. Paris (Dunkerque works); Société Marseillaise de Cokéfaction "Marcoke" S.A. Paris (Fos-sur-Mer works); Italsider S.p.A., Genoa (Taranto works); Koninklijke Nederlandsche Hoogovens en Staalfabrieken N.V., IJmuiden.

- Production of pig-iron and steel:  
Fried. Krupp Hüttenwerke A.G., Bochum (Rheinhausen works);  
Mannesmann A.G., Düsseldorf (Huckingen works);  
Fabbrica Italiana Ferrotubi S.p.A., Milan (Trigoso works).
- Manufacture of long products:  
Stahlwerke Röchling-Burbach GmbH, Völklingen/Saar (Burbach works);  
S.A. Cockerill-Ougrée-Providence et Espérance-Longdoz, Seraing-Liège (Marchienne and Athus works);  
S.A. Usines Métallurgiques de St. Eloi, Thy-le-Château;  
Wendel-Sidélor S.A., Hayange (St. Jacques rolling mill in Hayange).
- Manufacture of flat products:  
A.G. der Dillinger Hüttenwerke, Dillingen/Saar;  
Rasselstein A.G., Neuwied/Rhine;  
Stahlwerke Bochum A.G., Bochum.
- Comprehensive programmes in coastal works:  
Italsider S.p.A., Genoa (Taranto works);  
Solmer—Société Lorraine et Méridionale de Laminage Continu, Paris (Fos-sur-Mer works).
- Manufacture of high-carbon steels and special steels:  
Compagnie des Forges de Châtillon-Commentry-Biache S.A., Paris (Isbergues works);  
Péchiney-Ugine-Kuhlmann, Paris (Fos-sur-Mer works).

Some of these loans were eligible for the reduced rate of interest. As in 1971, the Commission continued to encourage the establishment of coking capacity to compensate for current or imminent closures. The same financing facilities were granted to multinational projects which helped to promote the Community integration of ECSC enterprises. For the first time, a decision was taken by the Commission to grant a reduced-rate loan to an investment programme for environmental protection.

TABLE 6

Loans for industrial investment (Article 54)

(in million units of account)

Country	Total loaned at 31 December 1971 <sup>1</sup>	New loans in 1972 <sup>1</sup>	Total loaned	Balance outstanding
			Position at 31 December 1972 <sup>1</sup>	
Germany (Fed. Rep.)	392.04	50.98	443.02	281.13
Belgium	53.76	15.33	69.09	52.29
France	148.65	48.15	196.80	148.68
Italy	156.39	24.29	180.68	126.25
Luxembourg	2.92	—	2.92	2.00
Netherlands	25.33	9.50	34.83	32.45
Community	779.09	148.25	927.34	642.80

<sup>1</sup> After adjustment for US \$ devaluation.



## 2. Loans for industrial redevelopment and reconversion (Article 56)

Financing of redevelopment and reconversion projects decreased slightly in 1972. Loans disbursed totalled 32.40 million units of account (as against 44.69 million units of account in 1971).

Redevelopment and reconversion loans may enjoy special terms, as described above. The annual interest payable on them is 4 1/2% for all or part of the loan granted. This preferential rate is given for the first five years of the loan, with special regard to the number of jobs which will be created. The normal rate of 7 1/2% is payable from the sixth year. As in the previous year, redevelopment and reconversion projects were financed out of borrowed funds.

In accordance with the undertakings given by the new industries or other bodies receiving loans, a proportion of the new jobs created is reserved in the first instance for workers made redundant by industries falling within the scope of the ECSC Treaty.

Applications for redevelopment and reconversion loans are submitted to the Commission, under the terms of the Treaty, by the Government of the Member Country concerned. The geographical distribution of loans granted largely complies with national policies for the redevelopment of mining, and sometimes steel, areas in decline. ECSC financial aid for redevelopment and reconversion in Germany has concentrated mainly in the Ruhr Basin, where loans granted are helping to improve the under-diversified nature formerly characteristic of the structure of this basin. In the Netherlands, this aid has centred on Limburg province and is now drawing to a close with the completion of redevelopment in the area. In France, where coal resources are spread over several areas of varying size, the loans were more widely distributed.

The Commission made 16 loans for industrial redevelopment and reconversion, to the following recipients, grouped by region:

*Germany (Fed. Rep.)*

- North Rhine—Westphalia Ceramic ware, glass, lime and stone
  - Erste Deutsche Floatglass GmbH & Co.
- Chemicals
  - Schering A.G., Berlin and Bergkamen (Bergkamen works);
  - Veba-Chemie A.G., Gelsenkirchen/Buer;
- Mechanical engineering
  - GEA Luftkühlergesellschaft Happel GmbH & Co (Wanne-Eickel works);
  - W. Schlafhorst & Co., Mönchengladbach (Ubach-Palenberg works);
- Motor vehicle manufacture
  - A. Ehrenreich & Co., Düsseldorf/Oberkassel;
  - Hackforth & Co., Wanne-Eickel;
- Paper, graphic industries
  - Fritz Peters & Co., K.G., Kapellen, Kreis Moers (Gelsenkirchen works);
- Iron and steelworks
  - Stahlwerke Bochum A.G., Bochum
  - Fried. Krupp Hüttenwerke A.G., Bochum (Rheinhausen works).
- Saar Iron and steelworks
  - A.G. des Dillinger Hüttenwerke, Dillingen.

*France*

- Northern region Motor vehicle manufacture
  - S.A. Simca-Nord, Paris (Valenciennes works);
  - Chausson-Carosserie S.A., Asnières-sur-Seine (Maubeuge works);
- Rhône-Alpes region Motor vehicle manufacture
  - Automobiles M. Berliet, Lyon (Andrezieux-Boutheon works).

*Netherlands*

- Limburg province Textiles and clothing
  - N.V. Ornatex, Kerkrade;
- Articles of cast iron, steel and other metals
  - B.V. Nederlandse Draadindustrie, Blerick.

Table 7 below summarises these types of loans both by country and by industry.

TABLE 7

**Loans for industrial redevelopment and reconversion (Article 56)**

*A — Breakdown by country*

(in million units of accounts)

Country	Total loaned at 31 December 1971 <sup>1</sup>	New loans in 1972	Total loaned	Balance outstanding
			Situation at 31 December 1972 <sup>1</sup>	
Germany (Fed. Rep.)	66.07	18.66	84.73	80.81
Belgium	33.98	—	33.98	29.12
France	41.81	12.43	54.24	51.58
Italy	26.37	—	26.37	18.51
Luxembourg	—	—	—	—
Netherlands	25.13	1.31	26.44	22.95
Community	193.36	32.40	225.76	202.97

<sup>1</sup> After adjustment for US \$ devaluation.

*B — Breakdown by industry*

Type	Amount (in units of acc.)	%
Motor vehicle manufacture	49.89	22.10
Chemicals	34.17	15.13
Iron and steel works	22.02	9.75
Non-ferrous metals	21.93	9.71
Industrial estates	21.80	9.66
Power stations	17.52	7.76
Rubber	15.88	7.03
Electrical equipment	7.36	3.26
Paper and printing	6.81	3.02
Mechanical engineering	5.78	2.56
Articles of cast iron, steel and other metals	5.65	2.50
Ceramic ware, glass, lime and stone	5.63	2.49
Textiles and clothing	2.45	1.09
Conversion of plastics	1.76	0.78
Aeronautical engineering	1.60	0.71
Foodstuff industries	1.15	0.51
Steel construction	1.09	0.48
Transport	0.94	0.42
Joinery and furniture manufacture	0.89	0.40
Miscellaneous	1.45	0.64
Total	225.77	100.00

**3. Loans for housing (Article 54, 2)**

1972 saw a continuation in the policy of financing housing. These loans are generally granted from the ECSC's own funds at a rate of 1% and on a long term basis. As a rule they are furnished in the currency of the country concerned to avoid any exchange risks to the recipients. They are sometimes combined with loans granted

either by financial establishments or by the ECSC at the normal rate from borrowed funds.

Own resources paid out by the Commission in 1971 and 1972 for the implementation of the 7th ECSC housing programme totalled 13 million units of account, of which 1.6 million were allotted to the experimental programme for renovating old accommodation. In connection with contracts concluded within this programme, 5 million units of account were paid out in 1972, depending on the stage of construction reached in the projects, as part of the normal programme, and 0.64 million units of account were paid out as part of the experimental programme. To fulfill earlier commitments under the 6th programme, a total of 1.29 million units of account was made available to the recipients.

The loans disbursed at a rate of 1% thus totalled 6.93 million units of account in 1972 (as against 0.52 million units of account in 1971), which was supplemented by a total of 0.92 million units of account from borrowed funds, at the normal rate applicable at the time the contract was concluded.

TABLE 8

Loans for workers' housing (Article 54, 2)

(in million units of account)

Country	Total loaned at 31 December 1971 <sup>1</sup>	New loans in 1972	Total loaned	Balance outstanding
			Position at 31 December 1972 <sup>1</sup>	
Germany (Fed. Rep.)	64.81	9.26	67.07	48.14
Belgium	23.46	1.20	24.66	16.13
France	21.65	2.66	24.31	18.07
Italy	14.14	1.44	15.58	10.97
Luxembourg	3.11	—	3.71	2.71
Netherlands	6.97	0.29	7.26	5.17
Community	134.74	7.85	142.59	101.19

<sup>1</sup> After adjustment for US \$ devaluation.

4. Guarantees

The ECSC Treaty provides that the Commission may also facilitate the implementation of enterprises' investment programmes by guaranteeing loans obtained by them from outside sources.

Since the Commission studies both the technical and financial aspects of the investment programme before making a decision, such a guarantee has the advantage of providing lenders with full financial security as well as a prior economic evaluation of the project, particularly regarding the compliance of iron and steel and colliery projects with the General Objectives issued under Article 46, and of redevelopment and reconversion projects with the Community's industrial, regional and social policy.

This type of financial backing was not only intended to cover lenders' risks; it also enables the firms concerned to raise loans on capital markets outside their own countries, to which access would otherwise be difficult for them.

This kind of objective is clearly not exclusive, since the Treaty gave the Commission the task of assisting the financing of investment by enterprises by this method as well as by the granting of loans. The risks involved in the use of this method could not, however, be borne by the joint assets of the ECSC unless it were impossible to finance certain investment projects by other means, either at national or Community level, or unless the general interest recommended that these projects be completed in the shortest possible time and at minimum expense.

The Commission charged for such guarantees has been kept so low that its effect on these operations has been extremely small. No new requests for guarantees were received in 1972. As a result, regular and accelerated repayments on loans previously granted, to a total of 48.53 million units of account, reduced the remaining commitment to 24.14 million units of account at 31 December 1972.

### 5. Overall survey of direct lending operations and guarantees (1954-1972)

From the start of its financing activities to 31 December 1972, the ECSC granted loans to a total of 1 305.76 million units of account: 1 192.98 million from borrowed funds and 112.78 million from its own resources.

Including guarantees furnished over the same period, the total amount of ECSC financial assistance was 1 354.29 million units of account (as against 1 196.15 million to the end of 1971).

Table 9 below gives a detailed breakdown of this assistance by sector and by country.

**TABLE 9**  
**Loans paid out and guarantees granted up to 31 December 1972**  
**by investment category and country**  
**(initial amounts) <sup>1</sup>**

*(in million units of account)*

	Loans			Guarantees	Total loans + guarantees	%
	from borrowed funds	from own resources	Total			
<b>A — Type of investment</b>						
Coal industry	290.39	—	290.39	—	290.39	21.44
Iron-ore mines	28.10	—	28.10	—	28.10	2.07
Iron and steel industry	601.94	—	601.94	48.23	650.17	48.01
Industrial redevelopment and reconversion	218.75	7.02	225.77	—	225.77	16.67
Workers' housing	46.89	95.69	142.58	—	142.58	10.53
Miscellaneous	6.91	10.07	16.98	0.30	17.28	1.28
<b>Total</b>	<b>1 192.98</b>	<b>112.78</b>	<b>1 305.76</b>	<b>48.53</b>	<b>1 354.29</b>	<b>100.00</b>
<b>B — Country</b>						
Germany (Fed. Rep.)	540.93	61.12	602.05	37.82	639.87	47.25
Belgium	123.62	4.57	128.19	—	128.19	9.46
France	250.67	25.80	276.47	10.41	286.88	21.18
Italy	213.97	8.88	222.85	0.30	223.15	16.48
Luxembourg	4.62	2.80	7.42	—	7.42	0.55
Netherlands	59.17	9.61	68.78	—	68.78	5.08
<b>Community</b>	<b>1 192.98</b>	<b>112.78</b>	<b>1 305.76</b>	<b>48.53</b>	<b>1 354.29</b>	<b>100.00</b>

<sup>1</sup> After adjustment for US \$ devaluation.

FIGURE 4

LOANS PAID OUT AT 31 DECEMBER 1972, BROKEN DOWN ACCORDING TO SECTORS

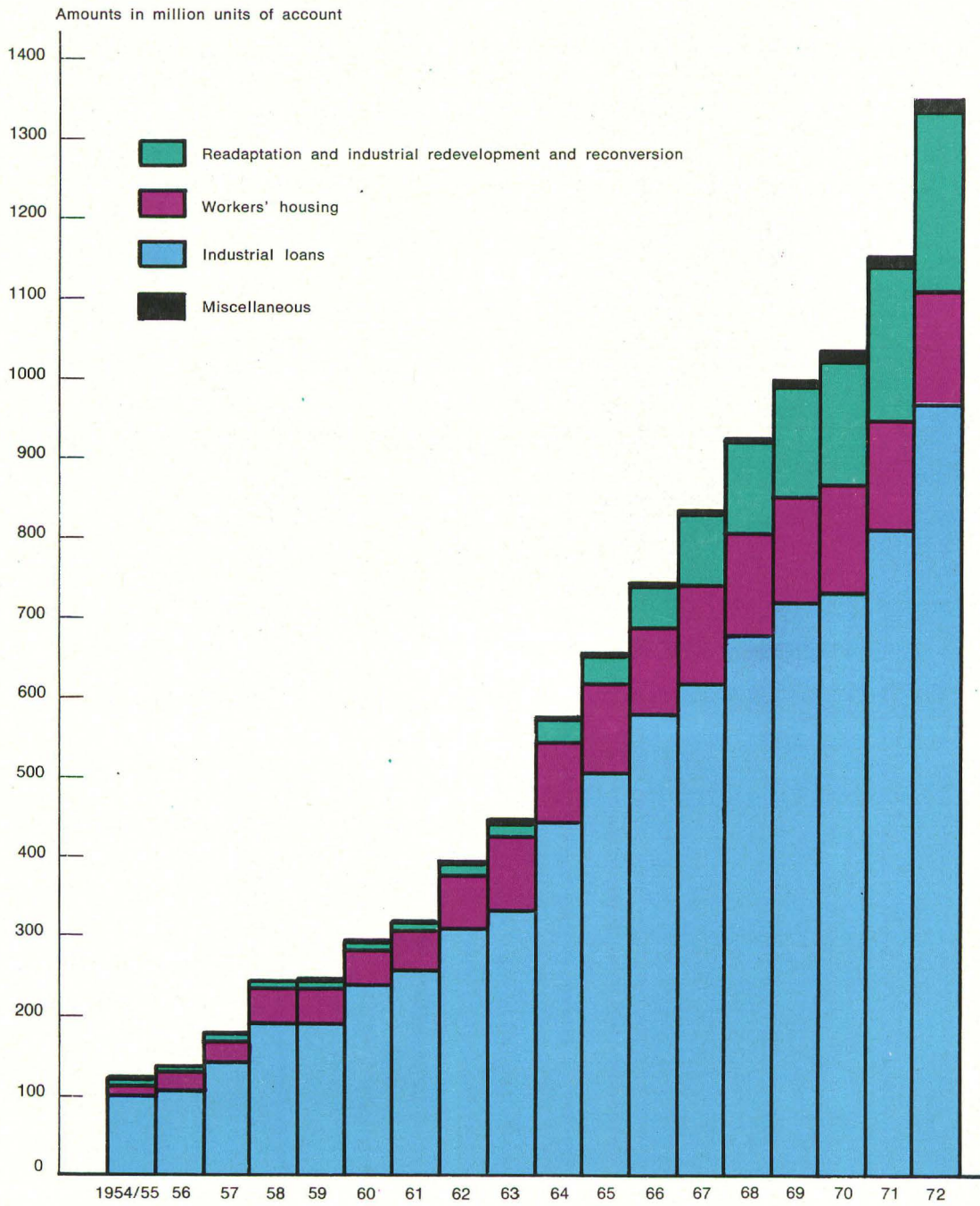
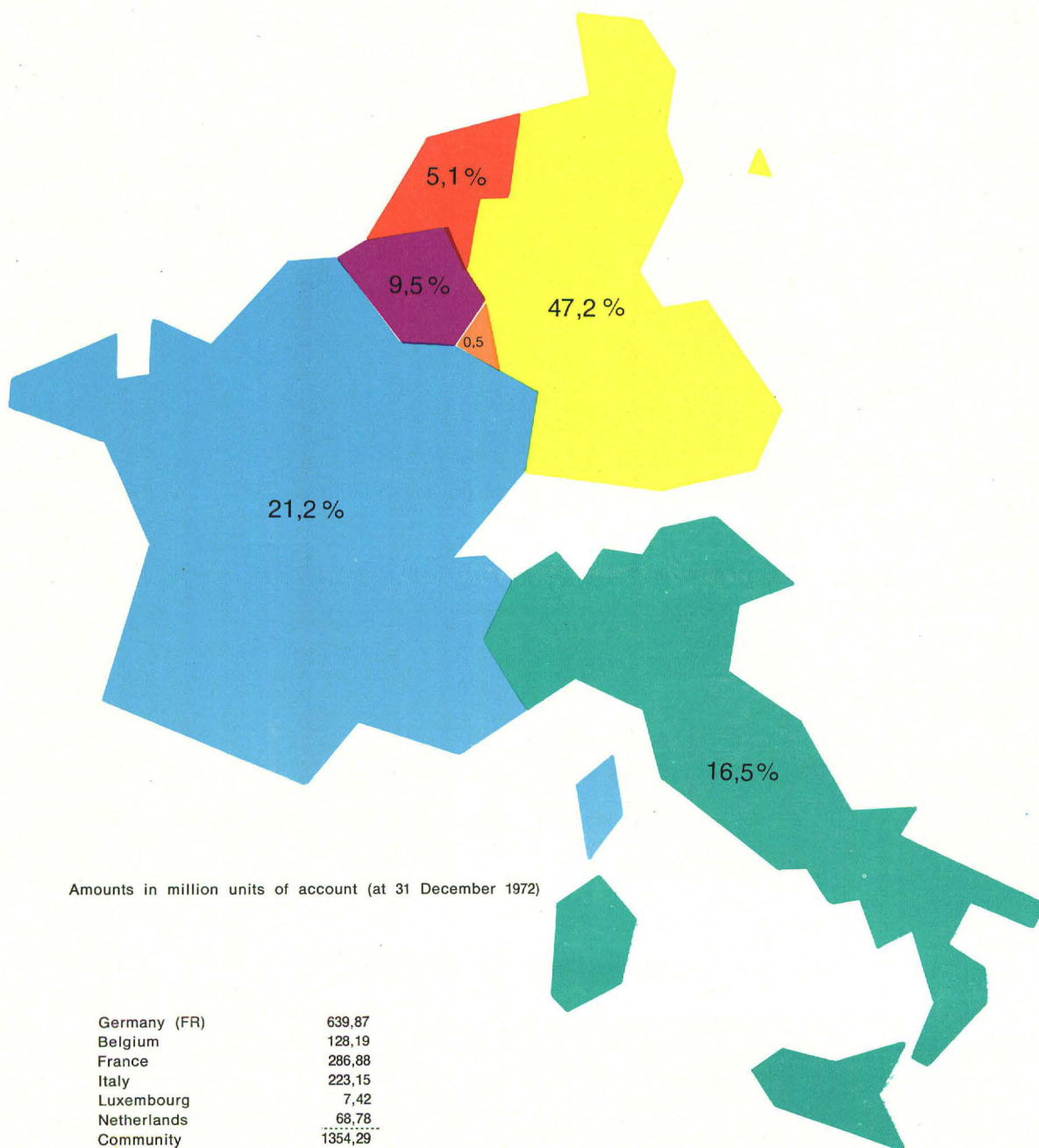


FIGURE 5

LOANS PAID OUT AND GUARANTEES PROVIDED, BROKEN DOWN ACCORDING TO COUNTRIES  
AT 31 DECEMBER 1972



#### IV — CHANGES IN RESERVES AND PROVISIONS, MANAGEMENT OF LIQUID ASSETS

Table 10 below shows the changes in ECSC reserves and provisions between 31 December 1971 and 31 December 1972.

**TABLE 10**  
**Changes in reserves and provisions**

*(in million units of account)*

	Position at 31 December 1971	Changes in 1972	Position at 31 December 1972
I — a) Guarantee Fund	100.00	—	100.00
b) Special Reserve	87.00	—	87.00
II — Pension Funds	25.65	+ 0.21	25.86
III — Provisions			
a) for readaptation	67.05	+ 0.67	67.72
b) for research	23.05	+ 3.15	26.20
c) assistance (Art. 56)	9.98	+ 0.52	10.50
d) assistance (Art. 54)	3.03	+ 3.51	6.54
IV — Other provisions	14.57	+ 3.08	17.65
Total	330.33	+ 11.14	341.47
V — Unallocated balance	0.71	— 0.52	0.19
Grand Total	331.04	+ 10.62	341.66

As the table shows, the surplus of revenue over expenditure, amounting to 10.62 million units of account, plus a sum of 0.52 million units of account taken from the unallocated balance, was allocated to provisions and pension funds.

Revenue consisted mainly of:

(a) the levy, which has been fixed at the rate of 0.29% since 1 January 1972 (as against 0.30% in 1971).

Income from the levy totalled 47.21 million units of account in 1972<sup>1</sup> as against 37.77 million in 1971.

This increase of 9.44 million units of account is due, on the one hand, to the marked economic recovery in the iron and steel sector and, on the other, to the increase in all the average values used as the basis of assessment.

(b) income from the management of liquid assets.

Whilst their objective is an optimal yield on the assets of the ECSC, these activities have to take into account a number of restricting factors, viz.:

— the need to maintain sufficient liquid reserves, particularly in view of demands on the budget (readaptation, technical research, aid to coke and coking coal, etc.). Consequently a certain part of funds is invested short term and thus gives a lower yield than longer term investment;

<sup>1</sup> Comprising 8.39 million units of account from the coal industry and 38.82 million units of account from the iron and steel industry.



- the need for security. For this reason all short-term deposits are made with first-rate banks and longer-term investments are in government and other public bonds;
- the social aspects of certain financial assistance, for example loans for the construction of workers' housing which the ECSC grants out of its own funds at a reduced rate of interest considerably lower than the rates current on money markets.

Revenue from interest on funds invested totalled some 14.8 million units of account in 1972 as against 16 million in 1971. This reduction in revenue was due to the lowering of rates in the money markets of the Member States. An increase in the liquid assets available on these markets had already been noted towards the end of 1971, and this led to a reduction in interest rates in the first nine months of 1972.

Interest earned and revenue from the levy are complementary sources of funds; together they have been used to finance outright aid (readaptation, technical research, aid to coke and coking coal, etc.) and reduced rate loans, in accordance with the social, regional and industrial objectives of the Community.

The financial activities reviewed in this report were made possible by the active assistance of banking groups and ECSC agents in the various Member States, to whom the Commission expresses its sincere gratitude. At the same time it wishes to thank the Bank for International Settlements in Basle for its continued and efficient cooperation as a depository for transactions under the 'Act of Pledge.'<sup>1</sup>

---

<sup>1</sup> A contract of surety concluded by the ECSC at the start of its operations in favour of its fund raisers in order to provide access to the international market. The Act of Pledge governs all loans contracted before 1961, when the ECSC obtained the consent of its lenders to issue its loan stock without special surety.

## ANNEXES

- I. MAIN CHARACTERISTICS OF LOANS CONTRACTED TO 31 DECEMBER 1972.**
- II. BALANCE SHEET AT 31 DECEMBER 1972.**
- III. REVENUE AND EXPENDITURE FOR 1972.**

## Annex I

## MAIN CHARACTERISTICS OF LOANS

Year of issue	Interest % p.a.	Term (years)	Initial Amount		Balance outstanding at 31 December 1972 (in EMA units of account)	
			in currency of loan	equivalent in EMA of account		
1954	3 <sup>7</sup> / <sub>8</sub>	25	US \$	100 000 000	92 105 626	38 039 624
1957	5 <sup>1</sup> / <sub>2</sub>	18		25 000 000	23 026 407	5 526 338
1957	5	5		10 000 000	9 210 563	—
1958	5	20		35 000 000	32 236 969	13 171 105
1958	4 <sup>1</sup> / <sub>2</sub>	5		15 000 000	13 815 844	—
1960	5 <sup>3</sup> / <sub>8</sub>	20		25 000 000	23 026 407	12 388 207
1960	4 <sup>3</sup> / <sub>4</sub> -5	3-5		10 000 000	9 210 563	—
1962	5 <sup>1</sup> / <sub>4</sub>	20		25 000 000	23 026 407	15 427 692
1964	5 <sup>1</sup> / <sub>4</sub>	20		30 000 000	27 631 688	22 105 350
1966	6 <sup>1</sup> / <sub>2</sub>	20		15 000 000	13 815 844	12 894 788
1966	6 <sup>1</sup> / <sub>2</sub>	20		20 000 000	18 421 125	17 177 699
1967	6 <sup>1</sup> / <sub>2</sub>	20		25 000 000	23 026 407	23 026 407
1967	6 <sup>5</sup> / <sub>8</sub>	20		20 000 000	18 421 125	18 421 125
1971	7 <sup>3</sup> / <sub>4</sub>	15		20 000 000	18 421 125	18 421 125
1972	7	16		(*) 30 000 000	27 631 688	27 631 688
					373 027 788	224 231 148
1955	3 <sup>3</sup> / <sub>4</sub>	25	DM	50 000 000	13 561 202	5 435 738
1957	4 <sup>1</sup> / <sub>4</sub>	20		2 977 450	813 511	264 391
1964	5 <sup>3</sup> / <sub>4</sub>	12		100 000 000	27 322 404	12 295 082
1964	5 <sup>1</sup> / <sub>2</sub>	15		100 000 000	27 322 404	15 983 607
1964	5 <sup>3</sup> / <sub>4</sub>	12		30 000 000	8 196 722	3 278 689
1965	5 <sup>1</sup> / <sub>2</sub>	18		150 000 000	40 983 607	34 699 454
1965	5 <sup>1</sup> / <sub>2</sub>	5		23 000 000	6 284 153	—
1967	6 <sup>3</sup> / <sub>4</sub>	5		30 000 000	8 196 722	—
1968	6 <sup>1</sup> / <sub>2</sub> -6 <sup>7</sup> / <sub>8</sub>	10		120 000 000	32 786 885	24 590 164
1968	6 <sup>1</sup> / <sub>4</sub>	13		60 000 000	16 393 443	14 754 098
1969	6 <sup>1</sup> / <sub>4</sub>	15		40 000 000	10 928 961	10 928 961
1969	6 <sup>1</sup> / <sub>2</sub>	13		50 000 000	13 661 202	13 661 202
1969	6 <sup>3</sup> / <sub>4</sub>	15		50 000 000	13 661 202	13 661 202
1971	7 <sup>1</sup> / <sub>2</sub>	15		100 000 000	27 322 404	27 322 404
1972	6 <sup>1</sup> / <sub>2</sub>	15		100 000 000	27 322 404	27 322 404
1972	7	16		150 000 000	40 983 607	40 983 607
					315 840 833	245 181 003
1963	5 <sup>1</sup> / <sub>2</sub>	20	LIr.	15 000 000 000	24 000 000	17 600 000
1966	6	20		15 000 000 000	24 000 000	22 400 000
1966	6	20		15 000 000 000	24 000 000	22 400 000
1968	6	20		15 000 000 000	24 000 000	24 000 000
1968	6	20		15 000 000 000	24 000 000	24 000 000
1972	7	15		20 000 000 000	32 000 000	32 000 000
1972	7	15		20 000 000 000	32 000 000	32 000 000
					184 000 000	174 400 000
1957	3 <sup>1</sup> / <sub>2</sub>	25	BFr	200 000 000	4 000 000	2 044 000
1957	3 <sup>1</sup> / <sub>2</sub>	25		20 000 000	400 000	204 400
1962	5 <sup>1</sup> / <sub>4</sub>	20		300 000 000	6 000 000	4 200 000
1963	5 <sup>1</sup> / <sub>2</sub>	20		300 000 000	6 000 000	4 620 000
1968	6 <sup>3</sup> / <sub>4</sub>	15		750 000 000	15 000 000	15 000 000
1970	8 <sup>3</sup> / <sub>4</sub>	20		500 000 000	10 000 000	10 000 000
1971	7 <sup>3</sup> / <sub>4</sub>	15		700 000 000	14 000 000	14 000 000
					55 400 000	50 068 400
1970	8	15	£ 1	50 000 000	50 000 000	50 000 000
1964	5	20	FFr	150 000 000	27 006 638	20 254 978
1971	8 <sup>1</sup> / <sub>2</sub>	18		150 000 000	27 006 638	27 006 638
1972	7 <sup>1</sup> / <sub>4</sub>	15		150 000 000	27 006 638	27 006 638
1972	7 <sup>1</sup> / <sub>2</sub>	16		* 60 000 000	10 802 656	10 802 656
					91 822 570	85 070 910
				Carry forward	1 070 091 191	828 951 461

CONTRACTED TO 31 DECEMBER 1972

Year of issue	Interest % p.a.	Term (years)	Initial Amount		Balance outstanding at 31 December 1972 (in EMA units of account)	
			in currency of loan	equivalent in EMA of account		
				Brought forward	1 070 091 191	828 951 461
1961	4 <sup>1</sup> / <sub>2</sub>	20	Fl.	50 000 000	13 812 155	8 259 668
1961	4 <sup>1</sup> / <sub>2</sub>	5		10 000 000	2 762 431	—
1962	4 <sup>3</sup> / <sub>4</sub>	25		6 000 000	1 657 459	994 475
1962	4 <sup>3</sup> / <sub>4</sub>	20		25 000 000	6 906 077	4 627 072
1962	4 <sup>1</sup> / <sub>2</sub>	5		20 000 000	5 524 862	—
1963	4 <sup>1</sup> / <sub>2</sub>	5		10 000 000	2 762 431	—
1963	4 <sup>5</sup> / <sub>8</sub>	30		1 750 000	483 425	339 227
1964	5 <sup>3</sup> / <sub>4</sub>	20		25 000 000	6 906 077	5 538 674
1965	5 <sup>3</sup> / <sub>4</sub>	20		40 000 000	11 049 724	9 585 635
1967	6 <sup>3</sup> / <sub>8</sub>	5		20 000 000	5 524 862	—
					57 389 503	29 344 752
1957	3 <sup>1</sup> / <sub>2</sub>	25	LFr	5 000 000	100 000	—
1957	5 <sup>3</sup> / <sub>8</sub>	25		100 000 000	2 000 000	1 222 245
1961	5 <sup>1</sup> / <sub>4</sub>	25		100 000 000	2 000 000	1 553 340
1961	5	25		100 000 000	2 000 000	1 544 111
1962	4 <sup>3</sup> / <sub>4</sub>	15		300 000 000	6 000 000	3 000 000
1962	5 <sup>1</sup> / <sub>8</sub>	25		250 000 000	5 000 000	4 058 157
1964	5 <sup>3</sup> / <sub>8</sub>	20		150 000 000	3 000 000	2 400 000
1971	6 <sup>1</sup> / <sub>2</sub>	8		150 000 000	3 000 000	3 000 000
1971	7	15		250 000 000	5 000 000	5 000 000
1971	7 <sup>3</sup> / <sub>4</sub>	12		300 000 000	6 000 000	6 000 000
1972	6 <sup>3</sup> / <sub>4</sub>	14		300 000 000	6 000 000	6 000 000
1972	6 <sup>3</sup> / <sub>4</sub>	17		400 000 000	8 000 000	8 000 000
1972	6 <sup>1</sup> / <sub>4</sub>	18		* 300 000 000	6 000 000	6 000 000
					54 100 000	47 777 853
1956	4 <sup>1</sup> / <sub>4</sub>	18	SFr	50 000 000	12 242 600	2 142 455
1961	5 <sup>1</sup> / <sub>4</sub>	5		9 000 000	2 203 668	—
1961	4 <sup>1</sup> / <sub>2</sub>	5		2 290 000	560 711	—
1962	4 <sup>1</sup> / <sub>2</sub>	18		60 000 000	14 691 119	9 181 950
1969	5 <sup>1</sup> / <sub>2</sub>	18		60 000 000	14 691 119	14 691 119
1972	6 <sup>1</sup> / <sub>4</sub>	12		50 000 000	12 242 599	12 242 599
					56 631 816	38 258 123
1966	5 <sup>3</sup> / <sub>4</sub>	20	u.a. <sup>2</sup>	20 000 000	20 000 000	18 700 000
					1 258 212 510	963 032 189

<sup>1</sup> The European Monetary Unit (E) is a unit of account, the value of which is fixed invariably at DM 3.66 or Bfr. 50 or Ffr. 5.55419 or Lit. 625 or Lfr. 50 or Fl. 3.62 depending on the choice of the holder.

<sup>2</sup> 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. 0.88867088 grammes of fine gold. This value could change under certain circumstances.

\* Loans contracted in 1972 and paid out in 1973.

**BALANCE SHEET OF THE EUROPEAN COAL AND STEEL COMMUNITY  
AT 31 DECEMBER 1972**

All amounts are stated in EMA units of account and are the equivalent of the various currencies computed at the following rates: 1 EMA unit of account = US \$ 1.08571 = DM 3.66 = BFr. 50 = FFr. 5.55419 = Lit. 625 = LFr. 50 = Fl. 3.62 = SFr. 4.0841.

**ASSETS**

I. Disbursed loans		958 433 510.17
II. Cash and banks		195 261 248.79
III. Short and medium term investments		27 149 488.91
IV. Portfolio		54 504 754.50
V. Real Estate		120 141.62
VI. Recoverable issuing costs		17 580 346.64
VII. Miscellaneous		28 486 476.65
VIII. Accrued income		25 661 159.34
		<u>1 307 197 126.62</u>
<b>Suspense accounts</b>		
I. Amount due on bonds	44 434 343.31	
II. Liability of enterprises under guarantees	24 137 367.89	

**Auditor's Note**

Having examined the books, vouchers and documents of the book-keeping and the explanations supplied to me, I herewith certify that the financial position of the European Coal and Steel Community at 31 December 1972 is correctly and properly reflected in the above document.

Luxembourg, 25 May 1973

**P. GAUDY**  
*Auditor*

		<b>LIABILITIES</b>
I. Borrowings		918 597 846.03
II. Reserves		
A. Guarantee fund	100 000 000.—	
B. Special Reserve	<u>87 000 000.—</u>	187 000 000.—
III. Provisions		
A. Financial Aid	110 614 973.10	
B. Other provisions	<u>18 008 491.15</u>	128 623 464.25
IV. Former Pension Fund		25 859 894.93
V. Miscellaneous		24 538 493.28
VI. Accrued liabilities		22 396 878.88
VII. Unallocated balance		180 549.25
		<u><u>1 307 197 126.62</u></u>
<b>Suspense accounts</b>		
I. Amount payable on bonds	44 434 343.31	
II. ECSC's liabilities under guarantees	24 137 367.89	

**European Coal and Steel Community  
For the Commission of the European Communities**

**F. GILLET**  
*Director General  
of Credit and Investments*

**G. MINES**  
*Director  
Borrowings and Liquid Assets*

Notes to the Balance Sheet at 31 December 1972

ASSETS

*I. Disbursed loans*

A. Loans from borrowed funds	Equivalent in u.a.	
— in US dollars	196 599 460.26	
— in (W.) German marks	204 197 396.54	
— in Italian lire	169 056 324.81	
— in Belgian francs	49 108 400.—	
— in Dutch guilders	29 344 751.41	
— in French francs	73 840 037.87	
— in units of account	18 700 000.—	
— in Swiss francs	38 258 122.98	
— in Luxembourg francs	40 177 853.16	
— in EMA units	50 000 000.—	
	<hr/>	869 282 347.03
B. Other loans		
— from the Special Fund for the financing of workers' housing projects	74 283 693.15	
— from the Social Fund for industrial redevelopment and reconversion	3 399 620.79	
— from funds allocated for readaptation	394 762.41	
— from funds allocated for technical research	2 308 795.49	
— miscellaneous	8 764 291.30	
	<hr/>	89 151 163.14

*IV. Portfolio*

Total investments amount to 54 504 754.50 units of account.

*V. Real Estate*

This item includes property owned by the ECSC. This consists of:

1. A building in Paris (in co-ownership with the other two European Communities);
2. A building in London held by the Community on long-lease tenure; and
3. A building in Washington, the purchase price of which has been written off by 2/3 of the total cost to a value of 120 140.62 units of account.

The purchase prices of the first two buildings have been written off to a value of one unit of account.



## VI. Recoverable issuing costs

The figure of 17 580 346.64 units of account represents the portion of issuing costs on current loans which has not yet been written off. Issuing costs are recovered in annual instalments throughout the term of the loans.

## VII. Miscellaneous

This entry of 28 486 476.65 units of account consists of:

1. 3 884 505.52 units of account due from debtors subject to the ECSC levy;
2. 986 484.55 units of account due from debtors various;
3. 23 615 489.58 units of account, funds earmarked for the payment of overdue coupons and drawn bonds.

## VIII. Accrued income

This item consists of:

1. 25 661 159.34 units of account, interest and fees receivable but not yet due on 31 December 1972.
2. 3 991 698.36 units of account, ECSC levy claimed over the month of December and falling due after 31 December 1972.

## LIABILITIES

### I. Loans

	Equivalent in u.a.	
— in US dollars	196 599 460.26	
— in (W.) German marks	245 181 003.11	
— in Italian lire	174 400 000.—	
— in Dutch guilders	29 344 751.40	
— in Belgian francs	50 068 400.—	
— in Swiss francs	38 258 122.97	
— in French francs	74 268 255.13	
— in units of account	18 700 000.—	
— in Luxembourg francs	41 777 853.16	
— in EMA units	50 000 000.—	
	<hr/>	918 597 846.03

### III. Provisions

#### A. Financial assistance

##### 1. For readaptation

— commitments entered into for outright grants 67 718 337.64

##### 2. For technical and economic research

— commitments entered into for outright grants 26 197 013.98

##### 3. Assistance under Art. 56

10 502 914.72

##### 4. Assistance under Art. 54

6 196 706.76

---

110 614 973.10

#### B. Other provisions

18 008 491.15

*IV. Former ECSC Pension Fund*

This item totals 26 859 894.93 units of account. From 5 March 1968 commitments for the payment of ECSC pensions were transferred to the Member States.

*V. Miscellaneous*

Of the total, a sum of 23 615 624.31 units of account refers to bonds and coupons due and commissions payable on them. The remainder of 922 868.97 units of account refers to miscellaneous credit-accounts at the end of the business year.

*VI. Accrued liabilities*

This item comprises interest and fees payable but not yet due on 31 December 1972, totalling 22 396 878.88 units of account.

*VII. Unallocated balance*

The sum of 180 549.25 units of account under this heading represents unallocated excess of income over expenditure.

*N.B.:* Until July 1961 the claims and related sureties under loans granted from funds borrowed as well as other assets are pledged to the Bank of International Settlements in Basle in favour of the holders of Secured Notes and Coupons issued by the ECSC. The amounts pledged are:

- assets: 90 251 510.63 units of account under item I, 133 210.70 units of account under item II and 1 683 062.17 units of account under item VII;
- liabilities: 90 251 510.61 units of account under item I and 1 609 957.37 units of account under item VI.

**EUROPEAN COAL AND STEEL COMMUNITY REVENUE  
AND EXPENDITURE FROM 1 JANUARY 1972 TO 31 DECEMBER 1972**

(including Revenue and Expenditure in connection with Borrowing and Lending  
Operations)

All amounts are stated in EMA units of account and are the equivalent of the various currencies computed at the following rates for 1 EMA unit of account: US \$ 1.00 up to May 9, 1972 and US \$ 1.08571 since that date = DM 3.66 = BFr. 50 = FFr. 5.55419 = Lit 625 = LFr. 50 = Fl. 3.62 = SFr. 4.0841

**EXPENDITURE**

A. Servicing of loans and guarantees		57 601 597.71
B. Budgetary expenditure		
— Administrative expenditure	18 000 000.—	
— Expenditure for research	11 638 789.78	
— Expenditure for readaptation	14 518 629.26	
— Assistance to coke	1 700 800.—	45 858 219.04
C. Other expenditure		
— Financial expenses	278 725.06	
— Assistance under Art. 56	2 462 908.78	
— Assistance under Art. 54	850 337.12	
— Miscellaneous	1 530 067.71	5 122 038.67
D. Excess of revenue over expenditure		10 618 304.17
		<u>119 200 159.59</u>

Transferred to unallocated balance	533 345.25	
Excess balance	10 618 304.17	
		<u>11 151 649.42</u>
New allocations for various provisions:		
— Pension Fund	208 449.32	
— Financial Assistance	7 498 452.34	
— Other Funds	3 444 747.76	
		<u>11 151 649.42</u>

**Auditor's Note**

Having examined the books, vouchers and documents of the book-keeping and the explanations supplied to me, I herewith certify that the revenues and expenditures of the European Coal and Steel Community at 31 December 1972 are correctly and properly reflected in the above document.

Luxembourg, 25 May 1973

P. GAUDY

*Auditor*

		<b>REVENUE</b>
A. Servicing of loans and guarantees		56 930 056.28
B. Levy income		47 208 889.77
C. Other revenue		
— Interest on deposits and portfolio investments	14 770 266.28	
— Miscellaneous	<u>290 947.26</u>	15 061 213.54
		<u><u>119 200 159.59</u></u>

**European Coal and Steel Community  
for the Commission of the European Communities**

**F. GILLET**  
*Director General  
of Credit and Investments*

**G. MINES**  
*Director  
Borrowings and Liquid Assets*

**Notes to the Statement of ECSC Revenue and Expenditure for the period 1 January 1972 to 31 December 1972 (units of account)**

**EXPENDITURES**

A. Expenditures on the servicing of loans and guarantees totalling 57 601 597.71 units of account is broken down as follows:

Interest on borrowed funds	53 177 636.94
Fees to agent banks	951 072.93
Miscellaneous	421 558.45
Repayment of recoverable issuing costs	3 051 329.39

**REVENUES**

B. Revenues from the servicing of loans and guarantees totalling 56 930 056.28 units of account is broken down as follows:

Interest on loans	52 145 340.32
Guarantee fees	121 949.46
Miscellaneous	4 662 766.50