Expiry of the ECSC treaty: financial consequences and research fund for coal and steel

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PURPOSE : to present the draft decision of the representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council concerning the financial consequences of the expiry of the Treaty establishing the European Coal and Steel Community.
CONTENT : this draft decision sets out that the Commission shall be entrusted with winding up the financial operations of the European Coal and Steel Community which are still in progress when the ECSC Treaty expires. Where an ECSC debtor defaults during the liquidation period, the resulting loss shall be charged first to the existing capital and then to the revenue of the current year. Furthermore, the assets of the ECSC shall automatically devolve to the European Community, including all property, rights, duties, claims and actions as they exist on 23 July 2002, subject to any increase or decrease which may occur as a result of the liquidation period mentioned above. The Council, acting by qualified majority shall adopt multiannual financial guidelines for management of the assets. Net revenue from the investments shall constitute revenue which shall be earmarked for a specific purpose, namely financing research projects in the coal and steel sectors not covered by the framework programme. It shall form a Coal and Steel Research Fund and shall be managed by the Commission. The amounts yielded by the fund shall be distributed, 27.2% being allocated to the coal sector and 72.8% to the steel sector. Finally, administrative expenditure resulting from the liquidation and from the investment and management of the Coal and Steel Research Fund shall be met by the Commission from the general budget of the European Communities.