

ECSC

FINANCIAL REPORT 1985

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of the European Communities



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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'. On 1 January 1986 Spain and Portugal joined the Community.

Commission The 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.

On 31 December 1985, the Members of the Commission were:

Jacques Delors	President
Frans Andriessen	Vice-President
Lord Cockfield	Vice-President
Karl-Heinz Narjes	Vice-President
Lorenzo Natali	Vice-President
Henning Christophersen	Vice-President
Claude Cheysson	Member
Stanley Clinton Davis	Member
Willy De Clerq	Member
Nicolas Mosar	Member
Alois Pfeiffer	Member
Carlo Ripa di Meana	Member
Grigoris Varfis	Member
Peter Sutherland	Member

The credit and investments sector was the special responsibility of Mr Alois Pfeiffer.

On 6 January 1986 the composition of the Commission was changed to include three new members following the accession of Spain and Portugal:

Manuel Marín	Vice-President
António José Baptista Cardoso e Cunha	Member
Abel Matutes	Member

The credit and investments sector has been the special responsibility of Mr Abel Matutes since 6 January 1986.

Directorate-General for Credit and Investments

The Directorate-General for Credit and Investments conducts the ECSC's main financial operations, under the authority of Mr Enrico Cioffi, Director-General, Mr Antoine Van Goethem, Director, Borrowings and Administration of Funds, and Mr Ottokar Hahn, Director, Investments and Loans, until 9 April 1985 when he was replaced by Mr Philippe Werthauer, who has since been acting Director.

Address: Jean Monnet Building, 2920, Luxembourg. Tel. 4 30 11.

ECU By virtue of the Commission Decision of 19 December 1980¹ the ECU replaced the EUA for operations under the ECSC Treaty from 1 January 1981.

The ECU is a composite monetary unit made up of a basket of the following amounts of Member States' currencies²:

BFR	3,71	FF	1,31	LFR	0,14
DKR	0,219	IRL	0,00871	HFL	0,256
DM	0,719	LIT	140	UKL	0,0878
DR	1,15				

The equivalent of the ECU in any currency is equal to the sum of the equivalents in that currency of the amounts of each of the currencies making up the ECU.

Each day the Commission calculates the rate of the ECU against 21 currencies on the basis of the exchange rates recorded at 14.30 hours by each central bank. The rates are available after 15.30 hours and are sent to the national monetary authorities and to the EMCF secretariat, which uses them in the accounts for operations under the European Monetary System. These rates may be obtained each day by telex automatic answering service (Telex 23789, Brussels type CCCC to engage the automatic system) and are published in the C series of the Official Journal of the European Communities.

The ECU conversion rates used for the various Community and non-Community currencies are listed on page 45.

¹ OJ L 349, 23.12.1980.

² OJ L 247, 16.9.1984.

Activities

Economic background and developments in ECSC industries

General economic situation¹

The recovery of economic growth observed in the Community in 1984, continued in 1985. Gross domestic product grew by 2,2 %, the same rate as in the United States.

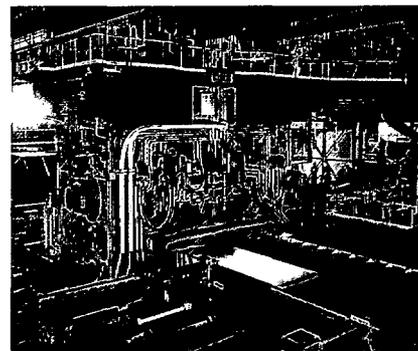
The index of industrial output rose from 117,7 in 1984² to 121,4. The production index for capital goods rose from 110,9 in 1984 to 117,2, while the production index for consumer goods reached 123,2 as against 120,1 in 1984. The decline in investment observed since the beginning of the eighties has obviously resulted in obsolescence and a need for modernization accentuated by the development of new technologies, in particular in the electronics sector, but the improvement in the economy in 1984 and the substantial fall in interest rates also helped to encourage investment.

The economic upturn and the various measures taken by the public authorities produced a slight increase in employment in most countries. However, the increase in the supply of labour continued and, consequently, the overall unemployment rate did not fall.

The rise in consumer prices slackened further (from 6,3 % in 1984 to 5,6 % in 1985); this movement became more pronounced in the second half of the year following the drop in oil prices.

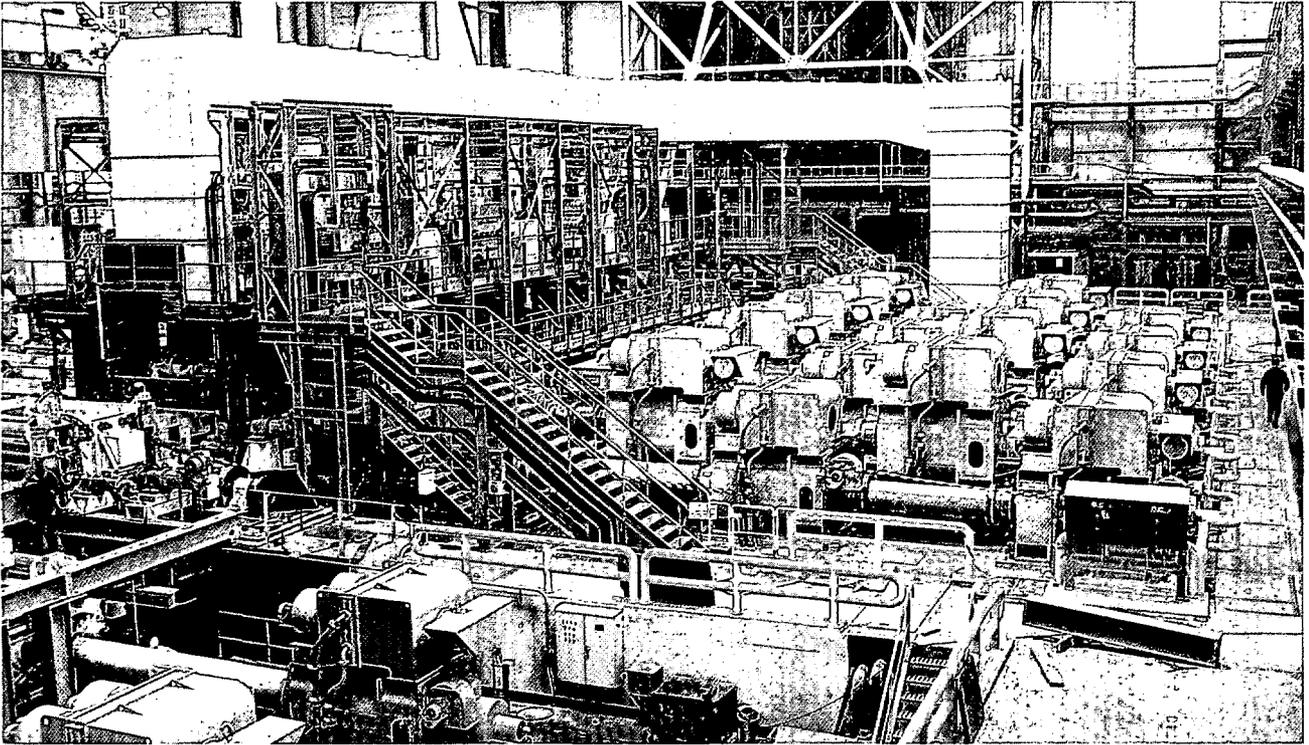
Export demand suffered from slower expansion in the United States, the lower dollar rate and the reduced resources available in the oil-exporting countries.

The fall in interest rates, a movement which was just beginning in the Community at the end of 1984, spread to most financial markets. It was more evident in countries where inflation had been high and therefore dropped more appreciably.



¹ Assessment based on the revised figures for 1984 and provisional figures for 1985.

² Base 1975 = 100, Eurostat statistics.



Cold wide-strip mill, Sollac —
Sainte Agathe, France

Developments in recent months suggest that growth in gross domestic product will be a little higher in 1986 than in 1985.

Measures to reduce public expenditure and slow down inflation should help ease interest rates further. The various incentives adopted by the authorities coupled with some degree of moderation in wage costs could soon produce increased employment in service industries and in small businesses in particular, resulting in a drop in unemployment.

Coal industry¹

The increase in Community energy consumption recorded in 1984 continued in 1985, when the growth rate was 3,3 %. The sharp increase in coal consumption (up by 11 %) and deliveries to consumers (up by 20 %) was mainly due to the resumption of normal working in the British mines after the strike.

¹ Assessment based on revised figures for 1984 and provisional figures for 1985.

Coal requirements were covered by Community production (212 million tonnes) and by imports (88 million tonnes), which accounted for 71 % and 29 % respectively of the total, as against 67 % and 33 % in 1984.

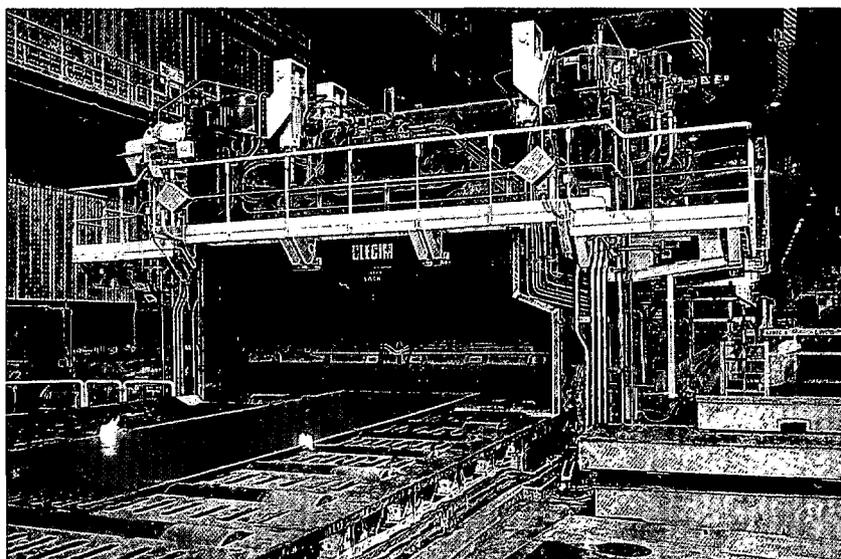
Community production increased from 157 million tonnes in 1984 to 201 million tonnes, well below the 229 million tonnes recorded in 1983. Imports, which fell in relative value, increased in absolute terms by 9 million tonnes and large quantities were taken from pithead stocks, which fell from 42,6 to 32,1 million tonnes.

The number of underground workers fell by 24 000 (20 000 in the United Kingdom alone) from 228 200 to 264 200. Average productivity continued to rise, reaching 474 kg per man-hour compared with 466 kg in 1984.

Multiple wire-drawing plant at the Tréfilunion plant, Marnaval, France



Heavy sheet leveller, Usinor, Dunkirk, France



According to information supplied by the companies, investment expenditure, after falling to 1 000 million ECU in 1984, increased to 1 600 million ECU in 1985, below the 1 800 million ECU recorded in 1982 and 1983.

Mining capacity dropped substantially in the Federal Republic of Germany and France to 2,2 million and 1,5 million tonnes a year respectively. The drop in the United Kingdom will doubtless have been greater but it cannot yet be accurately assessed because of the strike.

Steel industry ¹



Crude steel production in the Community in 1985 was much the same as in 1984, increasing from 120,1 to 120,5 million tonnes, a small increase of 0,3 %. Similarly, apparent crude steel production increased by only 0,4 %. By contrast, trade with non-Community countries increased; exports rose by 12,4 % from 22,4 to 25,2 million tonnes, a far higher rise than for imports, which increased by 6,5 % from 8,1 to 8,6 million tonnes. The increase in the positive balance of net exports reflects the improved competitive position following restructuring.

¹ Assessment based on the revised figures for 1984 and provisional figures for 1985.

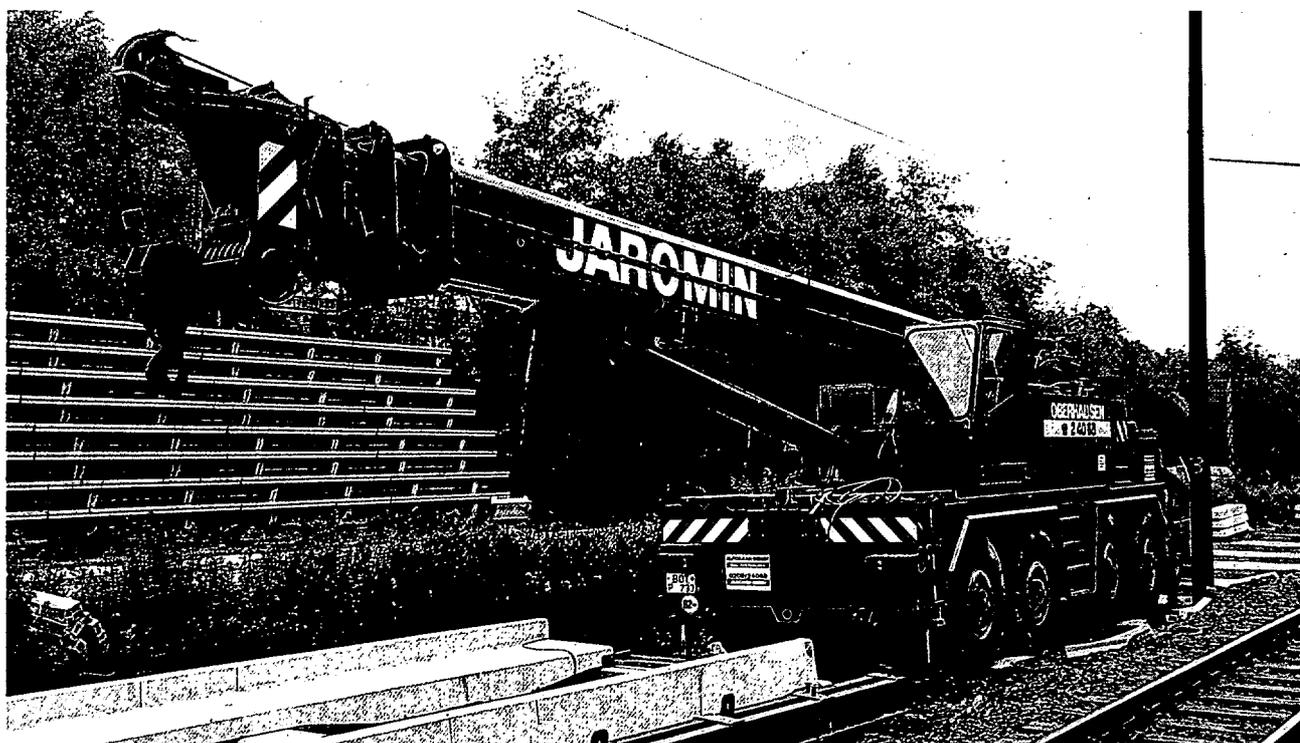
The number of jobs dropped once again, with the number of workers in the ten-nation Community falling from 450 000 in 1984 to 426 100 in 1985.

Information supplied by the companies would suggest that investment expenditure, after recovering to 2 900 million ECU in 1984, showed a further substantial increase in 1985, rising to 3 700 million ECU (up by 29 %).

The continuing reduction in production capacity for hot-rolled products demanded by the Commission was even more marked in 1985. According to the companies, maximum production capacity fell from 159,0 million tonnes in 1984 to 145,4 million tonnes in 1985, and the aim of cutting surplus capacity by 30 to 35 million tonnes in relation to the situation at 1 January 1980 was undoubtedly achieved by the end of 1985.

As a result of the measures taken during this period of restructuring — e.g. reduction of capacity, modernization and improvement of productivity, accompanied by an upturn in steel prices — more and more companies were able to move into the black in 1985. It was therefore possible to discontinue the quotas for the production and delivery to the common market of some categories of product at the end of 1985 as a first step in the gradual dismantling of the quota system.

Mobile crane service, Jaromin GmbH,
Germany



ECSC lending and guarantee operations

The general trend in 1985

At 1 010,6 million ECU, the total amount of loans disbursed by the ECSC in 1985 was 22,4 % higher than the 1984 figure of 825,5 million ECU.

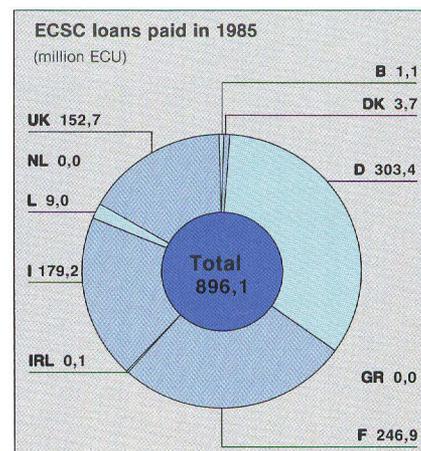
This overall increase was made up of various contrasting movements. Loans to the steel industry and for conversion increased considerably while loans for the coal industry, thermal power stations and workers' housing declined.

Loans in 1985 by Member State

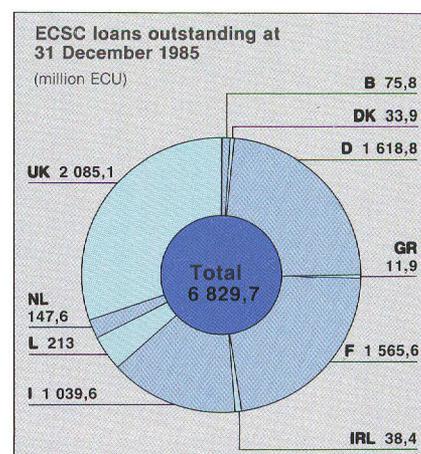
(million ECU)

Member State	I				Total I	II	III	Grand Total I + II + III
	Coal industry (Art. 54(1))	Steel industry (Art. 54(1))	Thermal power stations (Art. 54(2))	Other (Art. 54(2))		Industrial conversion (Article 56)	Workers' housing (Art. 54(2))	
Belgium	—	—	—	—	—	—	1,1	1,1
Denmark	—	—	—	—	—	3,7	—	3,7
FR of Germany	—	97,2	16,0	21,7	134,9	166,7	1,8	303,4
Greece	—	—	—	—	—	—	—	—
France	—	182,8	44,8	1,8	229,4	15,7	1,8	246,9
Ireland	—	—	—	—	—	—	0,1	0,1
Italy	—	144,6	—	—	144,6	23,7	10,9	179,2
Luxembourg	—	—	—	—	—	8,9	0,1	9,0
Netherlands	—	—	—	—	—	—	—	—
United Kingdom	—	—	—	6,5	6,5	144,7	1,5	152,7
Community	—	424,6	60,8	30,0	515,4	363,4	17,3	896,1
Non-Community ¹	—	—	—	114,5	114,5	—	—	114,5
Total	—	424,6	60,8	144,5	629,9	363,4	17,3	1 010,6

¹ Investment in an iron-ore mine in Brazil.



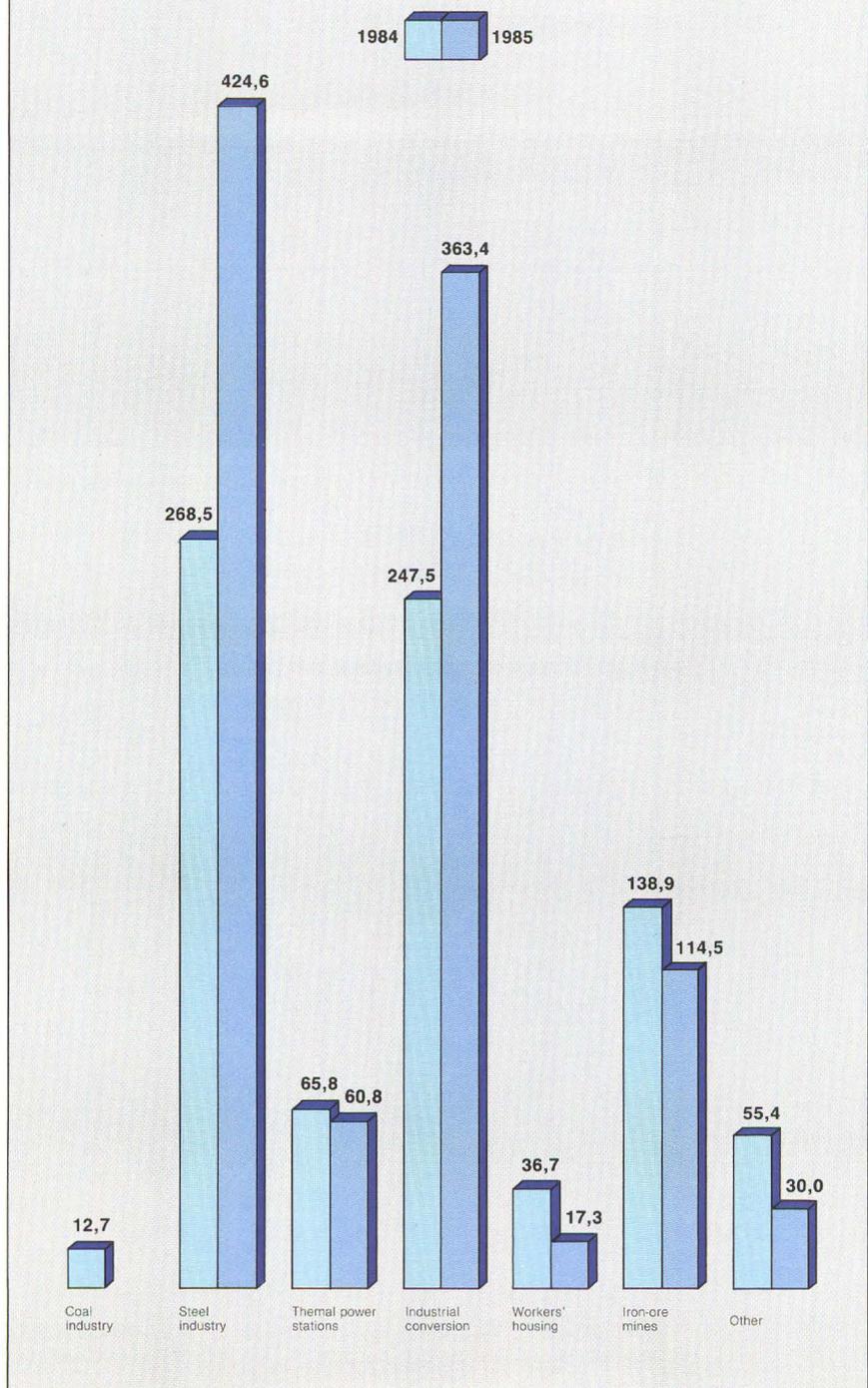
* Excluding 114,5 million ECU outside Community



* Excluding 337,8 million ECU outside Community

ECSC loans to the various sectors in 1984 and 1985

(million ECU)



Financing of industrial investment (Article 54 of the ECSC Treaty)

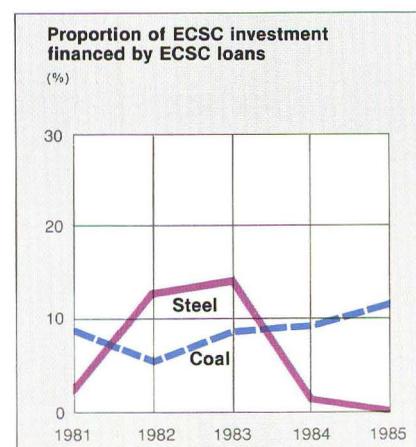
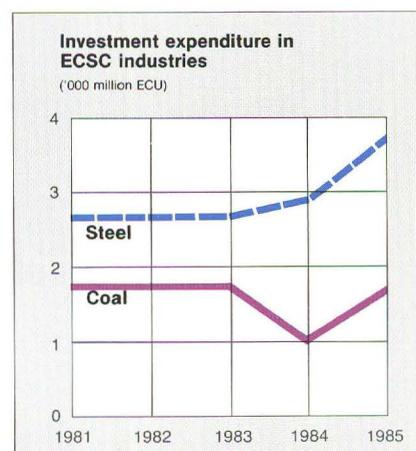
ECSC loans for financing industrial investment (steel, coal, thermal power stations and other sectors) totalled 629,9 million ECU in 1985. This is 16,4 % up on the 1984 figure of 541,3 million ECU.

Loans for industrial investment

(million ECU)

Member State	Total loans paid at 31 December 84 ¹	New loans in 1985	Total loans paid at 31 December 1985	Balance outstanding at 31 December 1985
Belgium	224,0	—	224,0	46,1
Denmark	63,0	—	63,0	26,2
FR of Germany	2 484,5	134,9	2 619,4	1 087,4
Greece	11,5	—	11,5	11,5
France	1 911,8	229,4	2 141,2	1 376,9
Ireland	32,7	—	32,7	32,7
Italy	1 499,3	144,6	1 643,9	868,5
Luxembourg	262,1	—	262,1	192,2
Netherlands	256,8	—	256,8	136,4
United Kingdom	2 812,4	6,5	2 818,9	1 510,6
Community	9 558,1	515,4	10 073,5	5 288,5
Non-Community	225,3	114,5	339,8	337,8
Total	9 783,4	629,9	10 413,3	5 626,3

¹ After adjustment for the new rates for converting national currencies into ECU (see p. 45).



Financing of investment in the steel industry (first paragraph of Article 54 of the ECSC Treaty)

ECSC loans to the steel industry increased by 58,1 % from 268,5 million ECU in 1984 to 424,6 million ECU in 1985. A total of 24 loans, two with interest subsidies, were made during the year to undertakings in the Federal Republic of Germany, France and Italy.

Compared with total investment expenditure of 3 689,2 million ECU in 1985, the contribution of ECSC loans towards financing investments increased in relation to the previous year.

Loans to steel undertakings

(million ECU)

Member State	1981	1982	1983	1984	1985
Belgium	—	—	—	—	—
Denmark	—	—	—	—	—
FR of Germany	46	40	49	100	97
Greece	—	—	—	—	—
France	77	7	127	99	183
Ireland	11	—	—	—	—
Italy	90	53	6	—	145
Luxembourg	—	—	—	69	—
Netherlands	—	40	39	—	—
United Kingdom	—	—	1	—	—
	224	140	222	268	425
Community	—	—	—	—	—
Non-Community					
Total	224	140	222	268	425

Proportion of steel industry investment financed by ECSC loans

(%)

Member State	1981	1982	1983	1984	1985
Belgium	—	—	—	—	—
Denmark	—	—	—	—	—
FR of Germany	6	5	8	13	7
Greece	—	—	—	—	—
France	20	2	24	18	28
Ireland	44	—	—	—	—
Italy	14	9	1	—	21
Luxembourg	—	—	—	146 ¹	—
Netherlands	—	38	26	—	—
United Kingdom	—	—	1	—	—
Total	9	5	9	9	11,5

¹ Loan paid in 1984 to cover several financial years.

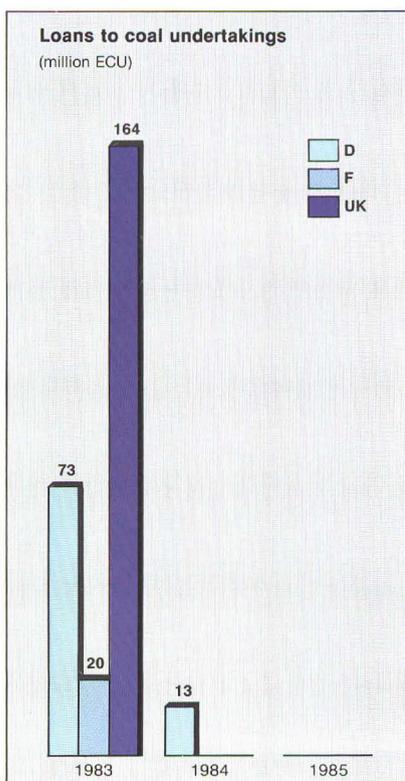
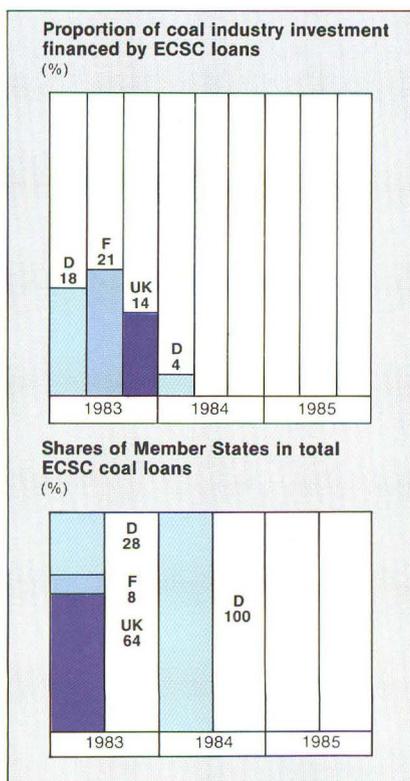
Financing of investment in the coal industry (first paragraph of Article 54 of the ECSC Treaty)

No loans were made to the Community coal industry in 1985.

According to information from the undertakings at the start of the year, investment expenditure in the Community coal industry totalled 1 558,0 million ECU in 1985. The contribution made by ECSC loans towards financing this investment dropped from 0,8 % in 1984 to 0 % in 1985.

No loans were made available for investment in the coal industry in 1985. However, loans of this type are being considered at present and payment should be staggered over 1986 and 1987.

As can be seen from the graphs below, the ECSC has made a significant contribution to the financing of coal industry investment.



Financing of thermal power stations (second paragraph of Article 54 of the ECSC Treaty)

ECSC loans to finance thermal power stations dropped from 65,8 million ECU in 1984 to 60,8 million ECU in 1985. The ECSC financed two projects — one in Germany and one in France.

Loans to finance thermal power stations

(million ECU)

Member State	1981	1982	1983	1984	1985
Belgium	—	—	—	—	—
FR of Germany	3	—	—	—	16
France	24	16	128	66	45
United Kingdom	—	25	—	—	—
Total	27	41	128	66	61

Financing of investments in other sectors (second paragraph of Article 54 of the ECSC Treaty)

ECSC loans to other sectors dropped from 194,3 million ECU in 1984 to 144,5 million ECU in 1985. One loan at the rate of borrowing totalling 114,5 million ECU was paid to a firm in Brazil (to operate an iron-ore mine).

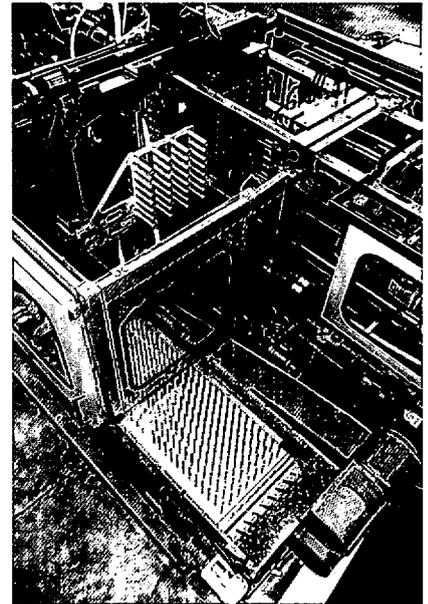
Ten loans carrying interest subsidies and totalling 30 million ECU were paid to companies in France, the Federal Republic of Germany and the United Kingdom. These loans were granted in accordance with the criteria and provisions of the decision taken by the Commission in 1982 concerning investment designed to promote the consumption of Community coal.¹

¹ OJ C 343, 31.12.1982.

Loans to other sectors

(million ECU)

Member State	1981		1982		1983		1984		1985	
	Iron ore	Other	Iron ore	Other	Iron ore	Other	Iron ore	Other	Iron ore	Other
FR of Germany	—	—	—	6	—	—	—	39	—	22
Greece	—	—	—	11	—	—	—	—	—	—
France	—	—	—	—	—	—	—	9	—	2
Italy	—	6	—	9	—	—	—	—	—	—
Netherlands	—	—	—	—	—	—	—	—	—	—
United Kingdom	—	—	—	25	—	11	—	7	—	6
Community	—	6	—	51	—	11	—	55	—	30
Non-Community	—	—	72	—	—	—	139	—	115	—
Total	—	6	72	51	—	11	139	55	115	30



Husky Injection Molding Systems SA,
Dudelange, Luxembourg

Financing of workers' housing (second paragraph of Article 54 of the ECSC Treaty)

The tenth programme to finance housing for coal and steel workers started in 1985. Loans for this purpose are drawn from the ECSC's own funds and borrowed funds. They carry an annual interest rate of 1 % and are granted on a long-term basis. As a rule, they are granted in the currency of the country concerned to avoid exchange risks for recipients.

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.

In 1985 the Commission paid out a total of 17,3 million ECU. Apart from house building, ECSC funds were also used for the modernization and purchase of existing homes. The loans paid from own funds totalled 6,9 million ECU; a further 10,4 million ECU was granted from borrowed funds.

These amounts enabled the Commission to finance around 2 150 new dwellings, bringing the total number financed by the ECSC to over 189 000.

Construction of workers' housing, Volos, Greece



Loans for workers' housing — situation at end-1985

(million ECU)

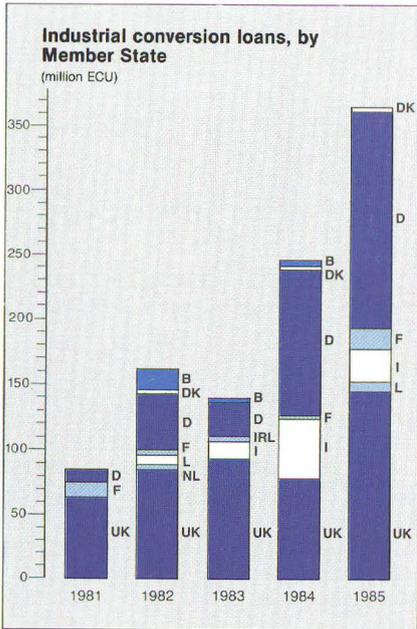
Member State	Total loans paid at 31 December 1984 ¹	New loans in 1985	Total loans paid at 31 December 1985	Balance outstanding at 31 December 1985
Belgium	39,3	1,1	40,4	8,4
Denmark	1,7	—	1,7	0,8
FR of Germany	188,7	1,8	190,5	90,2
Greece	0,5	—	0,5	0,4
France	47,6	1,8	49,4	25,1
Ireland	0,9	0,1	1,0	0,8
Italy	65,5	10,9	76,4	62,5
Luxembourg	6,9	0,1	7,0	2,3
Netherlands	17,9	—	17,9	6,3
United Kingdom	19,2	1,5	20,7	11,7
Total	388,2	17,3	405,5	208,5

¹ After adjustment for the new rates for converting national currencies to ECU (see p. 45).

Loans for workers' housing — 1981-85

(million ECU)

Member State	1981	1982	1983	1984	1985
Belgium	0,5	1,1	0,9	1,0	1,1
Denmark	—	0,1	0,0	0,1	—
FR of Germany	5,9	5,0	2,2	10,2	1,8
Greece	—	0,4	0,4	0,1	—
France	2,3	3,7	2,1	3,9	1,8
Ireland	—	0,1	0,2	0,1	0,1
Italy	5,3	2,3	12,8	18,7	10,9
Luxembourg	0,1	0,3	0,1	0,2	0,1
Netherlands	0,5	0,4	0,0	0,7	—
United Kingdom	0,1	4,7	1,5	1,7	1,5
Total	14,7	18,1	20,2	36,7	17,3



Financing of industrial conversion programmes (Article 56 of the ECSC Treaty)

The restructuring of the steel industry has already resulted in a considerable reduction in the number of jobs, which fell from 796 000 in 1974 to 426 100 in 1985.

The number of workers employed in the Community's coal industry also dropped from 586 000 in 1975 to 421 500 in 1985.

As in the past, the Commission tried in 1985 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 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.

There was a sharp increase in conversion loans, which rose by 46,8 % from 247,5 million ECU in 1984 to 363,4 million ECU in 1985.

Companha Valle do Rio Doce, Carajas, Brazil

During 1985 the Commission paid 73 conversion loans, 65 of them in the form of global loans totalling 305,1 million ECU to promote invest-



ment by small businesses and eight direct loans totalling 58,3 million ECU. They should help create some 23 000 jobs for former ECSC workers.

Loans granted pursuant to Article 56 of the ECSC Treaty may qualify for interest subsidies on all or part of the amount. The Commission decided in July 1983 that the subsidy would be three points for direct loans and five points for sub-loans under global loans for a maximum of five years.¹ This benefit is granted in return for an undertaking 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.

Loans for industrial conversion — situation at end-1985

(million ECU)

Member State	Total loans paid at 31 December 1984 ¹	New loans in 1985	Total loans paid at 31 December 1985	Balance outstanding at 31 December 1985
Belgium	82,7	—	82,7	21,3
Denmark	5,0	3,7	8,7	6,9
FR of Germany	443,8	166,7	610,5	441,2
Greece	—	—	—	—
France	294,5	15,7	310,2	163,6
Ireland	5,7	—	5,7	4,9
Italy	142,5	23,7	166,2	108,6
Luxembourg	13,6	8,9	22,5	18,5
Netherlands	32,7	—	32,7	4,9
United Kingdom	614,6	144,7	759,3	562,8
Total	1 635,1	363,4	1 998,5	1 332,7

¹ After adjustment for the new rates adopted for converting national currencies into ECU (see p. 45).

¹ OJ C 191, 16.7.1983.

Loans for industrial conversion — breakdown by industry

Category	Total loans paid at 31 December 1985	
	million ECU	%
Global loans	766,2	38,3
Manufacture of motor vehicles and accessories	304,1	15,2
Iron and steel	189,7	9,5
Chemicals	97,5	4,9
Coal, gas	75,2	3,8
Non-ferrous metals	73,6	3,7
Articles of cast iron, steel and other metals	93,8	4,7
Electrical equipment	60,6	3,0
Food industries	53,9	2,7
Paper and printing	58,3	2,9
Mechanical engineering	37,6	1,9
Industrial estates	32,6	1,6
Other	155,4	7,8
Total, excluding global loans	1 232,3	61,7
Grand Total	1 998,5	100

Summary of lending and guarantee operations (1954-85)

From the start of its financing operations up to 31 December 1985 the ECSC granted loans totalling 12 827,9 million ECU, of which 12 526,5 million ECU was from borrowed funds and 301,4 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 12 899 million ECU at the end of 1985 as compared with 12 844,5 million ECU at 31 December 1984.

The difference between the figures for the two years reflects new loans granted (1 010,6 million ECU) and exchange rate adjustments (– 996,1 million ECU).

Loans paid and guarantees granted up to 31 December 1985 by type of investment and by Member State

Initial amounts¹

(million ECU and %)

Breakdown	Loans			Guarantees	Total loans and guarantees	%
	From borrowed funds	From own resources	Total			
<i>Type of investment</i>						
Coal industry	2 799,5	—	2 799,5	—	2 799,5	21,7
Iron-ore mines	474,4	—	474,4	—	474,4	3,7
Steel industry	6 292,8	3,0	6 295,8	71,0	6 366,8	49,4
Thermal power stations	654,7	—	654,7	—	654,7	5,1
Industrial conversion	1 995,6	2,9	1 998,5	—	1 998,5	15,5
Workers' housing	120,6	284,9	405,5	—	405,5	3,1
Other	188,9	10,6	199,5	0,1	199,6	1,5
Total	12 526,5	301,4	12 827,9	71,1	12 899,0	100,0
<i>Member State</i>						
Belgium	330,9	16,2	347,1	—	347,1	2,7
Denmark	71,7	1,7	73,4	—	73,4	0,6
FR of Germany	3 259,0	171,1	3 430,1	62,4	3 492,5	27,1
Greece	11,5	0,5	12,0	—	12,0	0,1
France	2 451,6	49,2	2 500,8	8,6	2 509,4	19,4
Ireland	38,4	1,0	39,4	—	39,4	0,3
Italy	1 868,0	18,6	1 886,6	0,1	1 886,7	14,6
Luxembourg	286,5	5,9	292,4	—	292,4	2,3
Netherlands	290,9	16,5	307,4	—	307,4	2,4
United Kingdom	3 578,2	20,7	3 598,9	—	3 598,9	27,9
Non-Community	339,8	—	339,8	—	339,8	2,6
Total	12 526,5	301,4	12 827,9	71,1	12 899,0	100,0

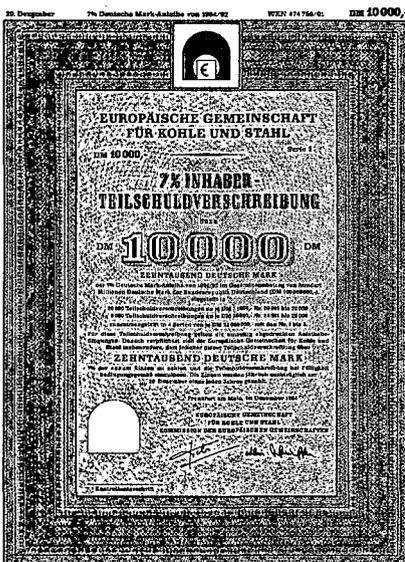
¹ After adjustment for the new rates for converting national currencies to ECU (see p. 45).

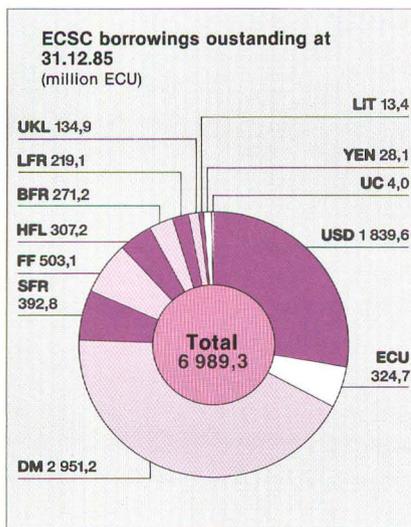
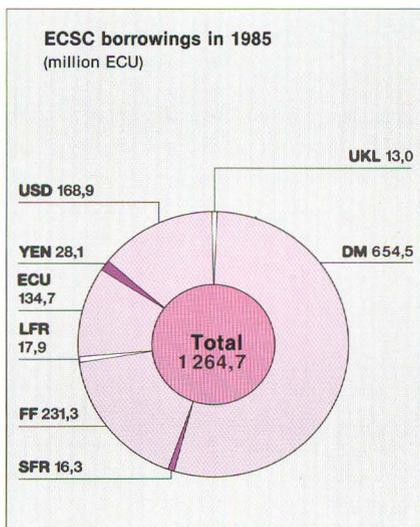
ECSC borrowing operations

In 1985 the volume of issues on the international financial markets was particularly high — 72 % more than in 1984. This impressive increase was offset by a virtual stagnation in syndicated loans and credits, with the result that the total volume raised on the international markets was practically the same as in 1984 (69 000 million ECU as against 67 000 million ECU). The drop in long-term interest rates favoured fixed-rate issues, some for very long terms of up to 25 or 30 years. However, the volume of variable-rate operations remained large (almost 40 % of USD operations) since several borrowers, including the EEC, replaced old variable-rate issues by new ones with smaller margins above Libor.

There were a number of innovations in connection with fixed-rate operations. Swap arrangements for interest or currencies increased considerably, leading to the appearance and rapid growth of issues in previously unused currencies such as the Australian and New Zealand dollars. The ECU continued to play an increasingly important role; it now occupies fourth place in the list of currencies used for issues after the dollar, yen and German mark, mainly because of the Commission's efforts to open new markets in the United States and Japan. The European Communities' borrowing activities made them the world's second or third largest borrower in 1985 in terms of volume (2 452 million ECU, plus 2 691 million ECU to refinance operations concluded in 1983 under the Community facility for balance of payments assistance). ECSC borrowing operations in 1985 totalled 1 264,8 million ECU as against 822,5 million ECU in 1984; of this total, 227 million ECU was to refinance earlier operations.

As in the past, most use was made of private placings or bank loans (48 out of 54 operations in 1985). The German mark was by far the most frequent currency used (52 %), followed by the French franc (18 %), the US dollar (13,3 %) and the ECU (10 %).





Total ECSC borrowings at 31 December 1985

(million ECU)

Borrowing currency	Total borrowings received at 31 December 1985 ¹	Repayments	Balance outstanding at 31 December 1985 ²
USD	4 440,7	2 601,1	1 839,6
DM	4 341,2	1 390,0	2 951,2
SFR	1 501,6	1 108,8	392,8
FF	782,6	279,5	503,1
HFL	464,2	157,0	307,2
BFR	410,3	139,1	271,2
LFR	395,1	176,0	219,1
UKL	190,1	55,2	134,9
LIT	104,0	90,6	13,4
CAD	60,4	60,4	—
Yen	56,1	28,0	28,1
EMU	83,8	83,8	—
ECU	324,7	—	324,7
Unit of account (u.a.)	44,4	40,4	4,0
Total borrowings received at 31 December 1985	13 199,2	6 209,9	6 989,3³

¹ After adjustment for the new rates for converting national currencies into ECU (see page 45).

² The main characteristics of the borrowings outstanding at 31 December 1985 and of the unit of account (u.a.) are given on pages 64-70.

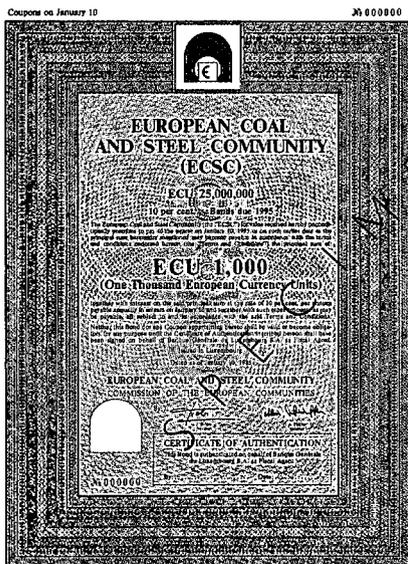
³ In this table redemption premiums of 45.0 million ECU have not been taken into account.

ECSC borrowings in 1985

(million ECU)

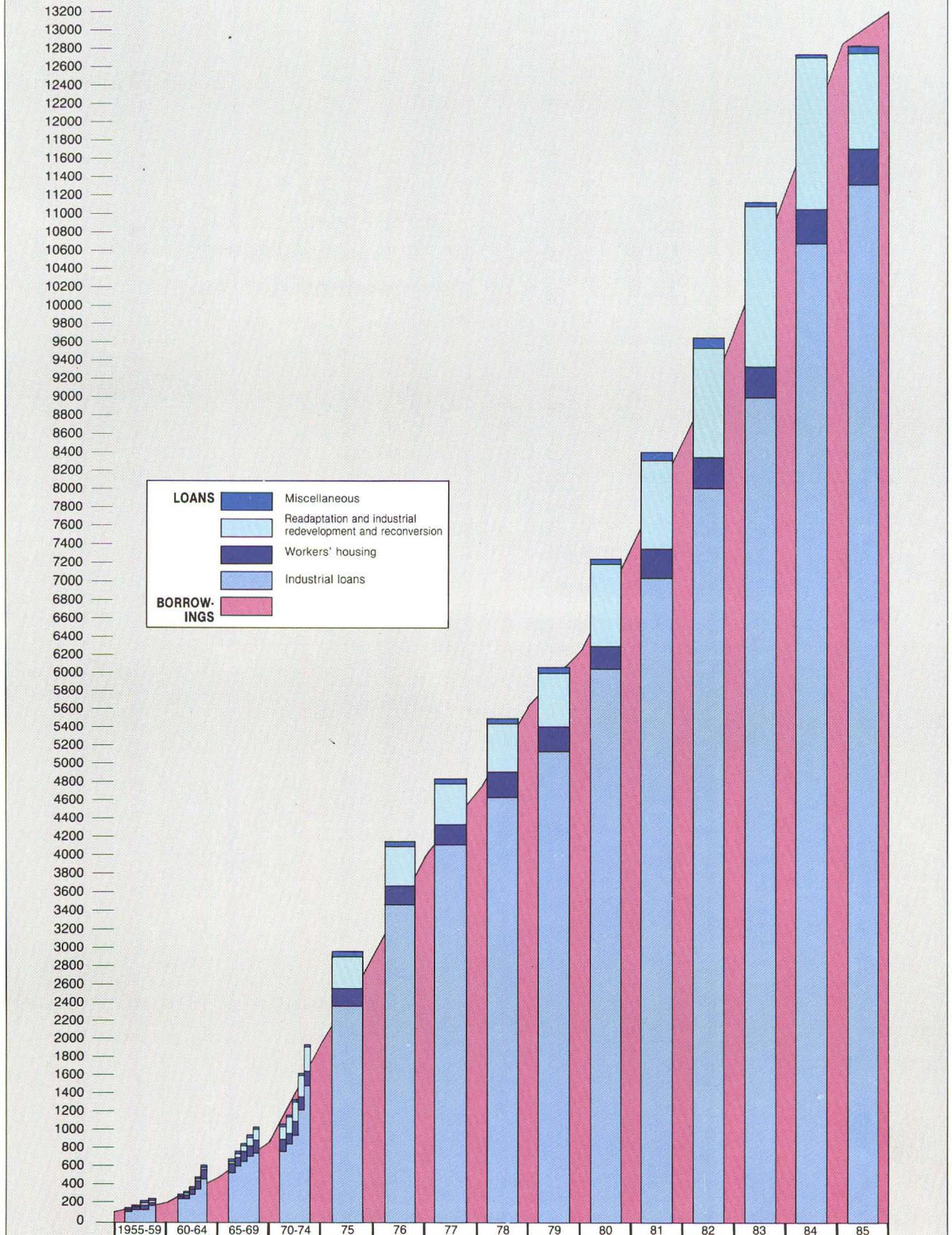
Type of borrowing	Currency	Amount (millions)		Coupon (%)	Duration	Issue price %
		In borrowing currency	Equivalent in ECU			
Public issues	DM	230	105,3	7,00	85-91-95	99,75
	DM	100	45,8	6,875	95-94-97	100
	ECU	25	25,0	10,00	85-91-95	100
	FF	800	119,3	12,20	85-95-97	99,53
	FF	300	44,7	11,25	85-92-92	100
	LFR	600	13,4	8,50	95-92-93	100,5
Private placings	DM	94	43,0	7,125	85-89-92	100
	DM	16	7,3	7,375	85-90-93	99,60
	DM	10	4,6	7,50	85-90-90	99,20
	DM	47	21,5	7,80	85-91-95	100
	DM	7,400	3,4	7,75	85-90-90	100
	DM	40	18,3	7,97	85-89-97	100
	DM	14	6,4	7,67	85-90-93	100
	DM	19	8,7	7,72	85-90-90	100
	DM	25	11,4	6,98	85-86-86	100
	DM	50	22,9	7,35	85-90-93	100
	DM	50	22,9	7,35	85-90-93	100
	DM	50	22,9	7,48	85-91-93	100
	DM	32	14,7	7,39	85-90-93	100
	DM	9,540	4,4	7,43	85-92-2000	100
	DM	17,048	7,8	6,10	85-86-86	100
	DM	100	45,8	7,00	85-90-90	100
	DM	10	4,6	6,90	85-90-90	100
	DM	76	34,8	6,75	85-90-90	99,26
	DM	20	9,2	6,625	85-90-90	99,72
	DM	21,8	10,0	7,25	85-95	100
	DM	10	4,6	6,50	85-90-93	98,70
	DM	40	18,3	7,00	85-97	99,05
	DM	12	5,5	6,25	85-90-90	99,375
	DM	12	5,5	6,25	85-90-90	99,375
	DM	32	14,7	6,50	85-90-93	99,30
	DM	30	13,7	6,20	85-90-90	99,58
	DM	10	4,6	5,00	85-88	} 98,683
	DM	10	4,6	5,00	85-87	
	DM	10	4,6	5,00	85-86	
	DM	32	14,7	7,00	85-89-95	100
	DM	30	13,7	6,60	85-90-90	99,59
	DM	55	25,2	6,75	85-90-90	100
	DM	8	3,7	6,75	85-90-90	100
DM	62	28,4	7,00	85-90-93	100	
DM	12	5,5	7,3	85-91-2000	100	
DM	25,540	11,7	5,05	85-86-86	100	
ECU	9,7	9,7	9,625	85-91-95	100	
ECU	100	100	8,625	85-92-95	99,50	
FF	300	44,7	11,125	85-86-97	100	
FF	1	0,1	12,75	85-92	100	
FF	75	11,2	12	85-86-86	100	
FF	75	11,2	11,875	85-86-86	100	
SFR	30	16,3	5,5	85-86-86	100	
LFR	200	4,5	9,125	85-92	100	
UKL	8	13,0	10,95	85-90-90	100	
USD	100	112,6	9,49	85-86-86	100	
USD	50	56,3	9,00	85-89-89	99,375	
YEN	5 000	28,1	7,40	85-87-90	100	

Total ECSC borrowings in 1985 — 1 264,8 million ECU



Total borrowings and loan allocations to 31.12.1985

(million ECU)



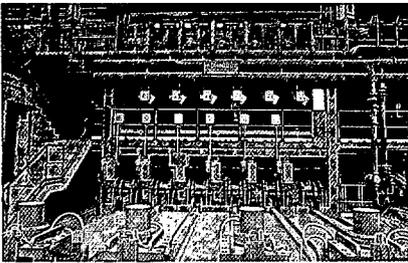
Other ECSC activities

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

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

Redeployment aid provides the essential social support for the Community's industrial policy in the ECSC sectors. With the introduction of production quotas, the control of subsidies and the restructuring of companies causing more and more job losses, the Commission attempts to mitigate the adverse social impact on workers through its redeployment measures. It also helps finance aid to provide income support for workers made redundant or to pay for training courses or contribute to resettlement allowances so that they will have a better chance of finding jobs in other sectors of the economy.

- 1 Rolling mill: four-high stand
- 2 Ferro-alloy loader



1



2

Since 1981 redeployment aid has been granted in two forms:

- (i) traditional aid financed from own resources accruing from the ECSC levy and governed by bilateral conventions;
- (ii) aid under the social measures, mainly for early retirement, financed by exceptional transfers from the general budget to the ECSC budget.

In 1985 only traditional aid was granted. This aid, some of which was granted under multiannual programmes for Italian and French steelworkers, went to 66 953 workers and reached a record 215 million ECU. Expenditure will be spread over periods of up to three years.

The tables on pages 72 and 73 provide a breakdown by Member State of the loans granted in 1985 and the cumulative situation at 31 December 1985 (traditional aid and social measures).

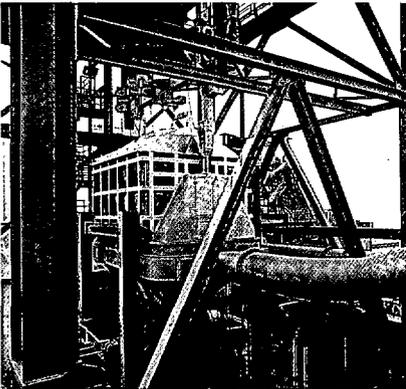
Coal industry research (Article 55 of the ECSC Treaty)

Fifty-four projects in the coal sector were financed in 1985, involving a total of 18 930 000 ECU, plus 70 000 ECU for the dissemination of research findings and related costs. Thirty projects concern mining technology.

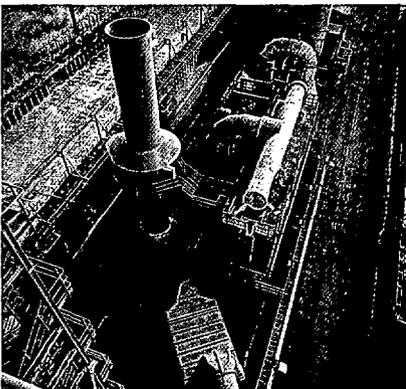
The main objectives of the projects backed are lower production costs, higher underground and pithead productivity, improved safety and

Picture 1-3:
Central area of coke dry cooling plant,
Duisburg, Germany





2



3

working conditions, the maintenance of existing markets and the opening of new outlets and, in particular, improved use of coal with a view to better environmental protection.

The financial aid can be broken down as follows by sector of research:

— Development systems	9,4 %
— Ventilation, firedamp and climate	5,7 %
— Rock pressure	9,2 %
— Coal-winning techniques	10,2 %
— Outbye operations	3,5 %
— Modern pit management	12,4 %
— Coal preparation	10,1 %
— Coking	16,3 %
— Upgrading of coal	13,2 %
— Utilization of coal	9,6 %
— Dissemination of information	0,4 %

Steel industry research (Article 55 of the ECSC Treaty)

Of the 155 proposals submitted to the Commission for financial aid under Article 55 of the ECSC Treaty, 74 were selected in the 1985 steel research programme. These projects are mainly concerned with reducing costs, increasing productivity, improving the quality and performance of products and expanding the uses of steel.

Financial assistance totalled 17 773 100 ECU, plus 341 900 ECU for the dissemination of research findings and related costs.

The financial aid can be broken down as follows by sector of research:

— Ore reduction	5,17 %
— Steel production	26,82 %
— Rolling and mechanical forming	19,20 %
— Measurement and analyses	7,56 %
— Properties and performance	40,17 %
— Other	1,08 %

Also under Article 55 of the ECSC Treaty, the Commission in 1985 continued the programme of pilot and demonstration projects launched in 1983. Eight of the 22 projects put forward by the steel industry were

selected. They are mainly concerned with the development of methods and processes representing innovations both in themselves and in their application. Financial assistance totalled 5 037 200 ECU, plus 41 400 ECU for the dissemination of research findings and related costs. It can be broken down as follows by sector of research:

— Steel production	25,36 %
— Processing	51,08 %
— Treatment	20,00 %
— Standards and analyses	3,56 %

Social research (Article 55 of the ECSC Treaty)

Under the various five-year research programmes concerning health, hygiene and safety at work in the coal and steel industry the Commission, applying its rules of budget restrictions, granted 7 664 540 ECU to 53 projects and 335 460 ECU to the dissemination of research findings and related costs.

— Fourth programme on effects on the health of workers of physical stress and other occupational factors at the workplace	(10 projects)	12,3 %
— Fifth ergonomics programme	(8 projects)	24,9 %
— Fourth programme on technical control of nuisances and pollution at the place of work and in the environment of iron and steel works	(5 projects)	12,4 %
— Second mining safety programme	(13 projects)	28,7 %
— Fifth programme on industrial hygiene in mines	(17 projects)	21,7 %

On 18 December 1985 the Commission, after obtaining the favourable opinion of the ECSC Consultative Committee and the assent of the Council, took the formal decision to implement from 1 January 1986 a fifth five-year research programme on technical control of nuisances and pollution at the place of work and in the environment of iron and steel works.¹ This programme has been allocated an overall 20 million ECU.



Rolling mill: four-high stand

¹ OJ C 338, 31.12.1985.

Out-turn of ECSC operating budget

The out-turn of the operating budget was 340,8 million ECU as against the 452,5 million ECU contained in the amending budget.

The budget out-turn showed a balance, as follows:

Resources

The levy yield was slightly higher (2 million ECU) than estimated, while fines, which were collected more quickly than expected, produced 7,6 million ECU more than estimated. There was also a surplus of 15,8 million ECU for the cancellation of commitments at the end of the year following a detailed review of existing commitments unlikely to be implemented (mainly for redeployment and interest subsidies).

Factory expanse Rogerstone —
AB Electronic Products, United Kingdom



The exceptional revenue to finance measures connected with the restructuring of the coal and steel industries was not made available during the financial year, since the Council failed to adopt the regulation to allow these appropriations to be transferred from the general budget to the ECSC; the Commission has therefore proposed a non-automatic carryover of these appropriations to 1986.

The 1,0 million ECU in miscellaneous revenue and the downward revision of the amount to be drawn from the contingency reserve gave a total of 340,8 million ECU.

Requirements

The amount spent on interest subsidies under Article 54 was 2,2 million ECU lower than estimated since two projects were postponed to 1986. The cancellation of existing commitments towards the end of the year made it possible to increase redeployment aid appropriations by 7 million ECU and the appropriations for interest subsidies for conversion projects (Article 56) by 6 million ECU.

The appropriations for measures connected with the restructuring of the coal and steel industries could not be committed as the corresponding revenue was not made available (see above).

The out-turn of the ECSC budget for 1985 thus balances at 340,8 million ECU.

Fines totalling 91,4 million ECU are still outstanding from steel companies judged to have infringed current price and quota rules. However, fines have hitherto not been included in the budget out-turn until they are collected.

Out-turn of the ECSC operating budget for 1985

(million ECU)

Requirements	Forecast ¹	Out-turn	Resources	Forecast ¹	Out-turn
Operations to be financed from 1985 resources (non-repayable)			Resources for the financial year		
1. Administrative expenditure	5	5	1. Current resources	147	149
2. Aid for redeployment (Art. 56)	208	215	1.1 Yield from levy at 0,31 %	70	70
3. Aid for research (Art. 55)	51	51	1.2 Interest on investments and on loans from non-borrowed funds	35	42,6
3.1 Steel	24	24	1.3 Fines and surcharges for late payment ²	p.m.	1
3.2 Coal	19	19	1.4 Miscellaneous	55	70,8
3.3 Social	8	8	2. Cancellation of commitments unlikely to be implemented		
4. Aid in the form of interest subsidies	60	63,8	3. Revaluation of assets and liabilities	p.m.	—
4.1 Investment (Art. 54)	6	3,8	4. Resources from 1984 not used	p.m.	—
4.2 Conversion (Art. 56)	54	60	5. Exceptional revenue		
5. Aid for coking coal and metallurgical coke (Art. 95)	6	6	5.1 Measures connected with restructuring of steel industry	62,5	—
6. Measures connected with restructuring of steel industry	62,5	—	5.2 Measures connected with restructuring of coal industry	60	—
7. Measures connected with restructuring of coal industry	60	—	6. Drawings on contingency reserve	23	7,4
Subtotal	452,5	340,8	Subtotal	452,5	340,8
Surplus	—	—	Deficit	—	—
Total	452,5	340,8	Total	452,5	340,8
Operations financed by loans from non-borrowed funds			Origin of non-borrowed funds		
Workers' housing	12	12	Special reserve and former ECSC pension fund	12	12

¹ On the basis of the Commission's forecasts of 5 August 1985.

² The 42,6 million ECU is the total collected in 1985 and does not include the 91,4 million ECU outstanding.

ECSC financial statements

The ECSC balance sheets and the profit and loss accounts for years ending 31 December 1985 and 31 December 1984 were submitted to the Commission for approval by written procedure (E/852/86) on 30 June 1986. They appear in this Financial Report as approved by the Commission.

Flowsolder Forest Farm — AB Electronic Products, United Kingdom



ECSC financial statements

ECSC balance sheets at 31 December 1985 and 31 December 1984 (Amounts expressed in ECU)

Before allocation of profit

Assets

	1985	1984
Cash in hand and balances with central banks	2 751 573	1 709 396
Balances with credit institutions:		
— repayable on demand	192 603 441	42 805 402
— with agreed maturity dates or periods of notice	1 065 613 596	1 018 812 461
Bank deposits for coupons and bonds due but not yet presented for payment	102 834 753	51 220 169
Debt securities held in portfolio (note 3)	509 089 878	619 248 668
Loans outstanding (note 4)	7 051 437 544	7 161 948 902
Issuing costs and redemption premiums for amortization	61 881 898	72 651 843
Land and buildings (note 5)	469 126	469 126
Other assets (note 6)	78 328 425	114 938 841
Accruals and deferred income (note 7)	215 358 105	215 168 904
	<u>9 280 368 339</u>	<u>9 298 973 712</u>

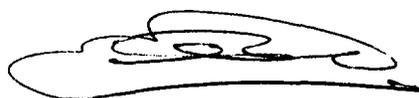
The notes on pages 45 to 53 are an integral part of these financial statements.

Before allocation of profit

Liabilities

	1985	1984
Amounts owed to credit institutions: with agreed maturity dates or periods of notice	5 965 929	44 195 479
Coupons and bonds due but not yet presented for payment	102 834 753	51 220 169
Long-term and medium-term debts (note 8)	7 034 265 716	7 118 762 833
Other liabilities	17 138 791	1 448 496
Accruals and deferred income (note 9)	349 853 516	415 224 972
Provision for losses and expenses	2 589 652	—
Commitments for ECSC Operating Budget (note 10):		
— legal commitments	752 450 177	700 600 303
— commitments not yet implemented	136 423 771	186 176 545
Total liabilities towards third parties	8 401 522 305	8 517 628 797
Provisions for the financing of the ECSC Operating budget (note 11)	218 100 000	113 200 000
Reserves (note 1)		
— guarantee fund	420 000 000	380 000 000
— special reserve	165 000 000	163 000 000
— former pension fund	45 639 268	44 742 334
Total reserves	630 639 268	587 742 334
Profit brought forward	105 647	78 665
Profit for the financial year	30 001 119	80 323 916
	9 280 368 339	9 298 973 712

European Coal and Steel Community



A. MATUTES
Member
of the Commission



E. CIOFFI
Director-General
for Credit and Investments

Profit and loss accounts for the years ending 31 December 1985 and 31 December 1984

(Amounts expressed in ECU)

Expenditure

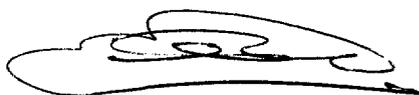
	1985	1984
Interest payable	629 550 113	625 889 826
Issuing costs and redemption premiums	25 660 540	21 806 582
Commission payable	5 173 068	5 053 521
Capital losses on securities	1 203 887	221 332
Other financial costs	389 410	349 365
Allocation to the provision for losses and expenses	2 589 652	—
Value adjustments in respect of claims	17 039 484	73 802 823
Administrative expenditure (fixed amount) (note 13)	5 000 000	5 000 000
Conversion differences (note 2)	12 368 477	—
Expenditure relating to fines, deposits and levies (note 16)	6 195 270	1 745 935
Legal commitments of the financial year (note 10):		
— Redeployment	215 000 000	140 000 000
— Social measures in connection with the restructuring of the steel industry	—	62 500 000
— Social measures in connection with the restructuring of the coal industry	—	60 000 000
— Research	69 886 779	39 190 401
— Interest subsidies (Art. 54)	3 585 669	6 243 389
— Interest subsidies (Art. 56)	74 861 326	34 018 024
— Coking coal and metallurgical coke	6 000 000	6 000 000
— Parity changes on legal commitments	34 318	87 238
Allocation to provision for commitments not yet implemented	—	55 365 906
Allocation to provisions for the financing of the ECSC Operating Budget (note 11)	67 500 000	1 980 754
Other expenditure	—	—
Total expenditure	1 142 037 993	1 139 255 096
Profit for the financial year	30 001 119	80 323 916
	1 172 039 112	1 219 579 012

The notes on pages 45 to 53 are an integral part of these financial statements.

Revenue

	1985	1984
Interest receivable (note 14)	825 451 956	803 287 504
Issuing and redemption premiums	13 080 574	11 353 320
Gains on own bonds	11 240 619	2 317 031
Gains on other securities	18 360 201	8 176 734
Income from value adjustments in respect of securities	6 073 241	4 066 438
Other financial revenue	182 765	788 244
Conversion differences (note 2)	—	2 635 040
Income from value adjustments in respect of claims	27 277 467	54 227 460
Levy (note 15)	149 044 836	136 761 312
Fines (note 16)	16 025 366	41 739 644
Deposits (in accordance with Decision 3717/83)	938 361	414 489
Contributions from the General Budget of the European Communities	—	122 500 000
Cancellations of legal commitments (note 10)	54 569 321	15 712 352
Cancellations of commitments not yet implemented (note 10)	16 222 280	15 550 648
Withdrawal from the provision for commitments not yet implemented (note 10)	33 530 494	—
Other revenue	41 631	48 796
	1 172 039 112	1 219 579 012

European Coal and Steel Community



A. MATUTES
Member
of the Commission



E. CIOFFI
Director-General
for Credit and Investments

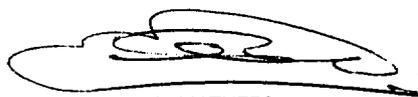
Allocation of profit for the years ending 31 December 1985 and 31 December 1984

(Amounts expressed in ECU)

	1985	1984
Profit not allocated at 1 January	105 647	78 665
Profit for the year to be allocated	30 001 119	80 323 916
	<u>30 106 766</u>	<u>80 402 581</u>
Allocations		
— Guarantee fund	20 000 000	40 000 000
— Special reserve	9 000 000	2 000 000
— Former pension fund	895 554	896 934
— To provisions for the financing of the ECSC Operating Budget	—	3 800 000
— To the heading 'fines to be allocated to the financing of the ECSC Operating Budget' (Note 2)	—	33 600 000
	<u>29 895 554</u>	<u>80 296 934</u>
Profit not allocated at 31 December	211 212	105 647

The notes on pages 45 to 53 are an integral part of these financial statements.

European Coal and Steel Community



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Notes to financial statements at 31 December 1985 and 31 December 1984

(Amounts expressed 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, borrowings raised on the financial markets and direct bank loans.

In the financial statements at 31 December 1985, changes have been made in the accounting methods and these are explained in Note 2.

ECSC accounts are kept in the various currencies used for its financial activity. The financial statements are expressed in ECU.

The following rates have been used for converting year-end balance sheet amounts expressed in currency into ECU.

	31 December	
	1985	1984
Convertible Belgian and Luxembourg franc	44,645	44,7168
German mark	2,18386	2,23176
Dutch guilder	2,46133	2,51853
Pound sterling	0,615334	0,609846
Danish krone	7,95672	7,98805
French franc	6,70474	6,83069
Italian lira	1 489,94	1 371,10
Irish pound	0,714055	0,715023
Greek drachma	131,20	91,0428
Unit of account (u.a.)	0,450583	0,450111
US dollar	0,887927	0,708946
Swiss franc	1,84023	1,83830
Canadian dollar	1,24088	0,935808
EMU	0,596683	0,609770
Japanese yen	178,207	178,052

2. Accounting policies and methods

The financial statements are drawn up in accordance with generally recognized accounting principles. The changes in accounting methods introduced during the financial year are described in Section 2.1. below.

2.1 Changes in accounting method

ECSC operating budget

The changes in the accounting methods used for the financial statements at 31 December 1984 were intended to harmonize the methods used for the ECSC financial statements with the rules in force for the implementation of the operating budget. The work to bring the two into line continued with the financial statements at 31 December 1985, concentrating on the provisions for financing the operating budget. These provisions (investment interest, budgetary contingencies, fines to be paid) are now funded from an expenditure account and not by allocation of profits as was the case up to 31 December 1984. This change has led to a 67,5 million ECU drop in the profit for the 1985 financial year. If it had been used for the 1984 financial year, the result would have been a 37,4 million ECU fall in profits.

Interest on arrears of fines, loans and levy

Interest on arrears due from companies but not yet paid are now entered under revenue, whereas until 31 December 1984 only amounts actually paid were entered under this heading. This change has led to a 1,5 million ECU increase in the profit for the 1985 financial year.

2.2 Other accounting methods

The balances in currency are included in the balance sheets at the rates of exchange for the ECU at 31 December. The conversion differences due to the revaluation of the opening balance at the rates of exchange for the ECU at year-end are deferred and entered in the balance under accruals and deferred income. They do not, therefore, affect the result for the year. On the other hand, the conversion

differences relating to operations for the year are included in the Profit and Loss Accounts.

Value adjustments are made in respect of loans, fines receivable and levy payments receivable to allow for the potential risks of non-recovery. The criteria are as follows:

- a non-specific value adjustment covers the general risk of the non-recovery of loans;
- specific value adjustments are made when there is an actual risk in respect of given amounts outstanding, e.g. legal proceedings have been started, the company is in financial difficulties, an appeal has been brought before the Court of Justice in respect of fines receivable or there are other problems with debt recovery.

3. Debt securities held in portfolio

The securities in the portfolio are evaluated at the lower of average purchase cost or market value.

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

At 31 December 1985, the gross book value of repurchased ECSC bonds in portfolio is 110 395 254 ECU (1984: 117 652 726 ECU).

4. Loans outstanding

Repayments due on the loans but not yet paid at 31 December are entered under the heading 'Other assets'. These loans are usually secured by guarantees from the Member States, banks or companies and by mortgages.

This item covers the following amounts:

	31 December	
	1985	1984
Loans paid from borrowed funds		
Amounts due, excluding redemption premiums	6 969 809 225	7 093 353 034
Redemption premiums	45 000 000	45 000 000
Parity adjustments for currency-changing transactions (SWAPS)	(5 737 084)	(7 058 195)
Value adjustments	<u>(134 325 976)</u>	<u>(148 339 364)</u>
Subtotal	6 874 746 165	6 982 955 475
Loans paid from own funds		
Loans paid from the special reserve for the financing of workers' housing	149 488 179	152 017 095
Loans paid from the pension fund to officials of the European Communities for the construction of housing	23 924 579	23 087 490
Loans paid from the pension fund for the Friuli steel industry	1 812 154	2 297 425
Loans paid for technical and economic research	1 363 922	1 489 747
Loans paid for redeployment	<u>102 545</u>	<u>101 670</u>
Subtotal	176 691 379	178 993 427
Grand total	7 051 437 544	7 161 948 902

5. Land and buildings

The ECSC owns a building in Washington DC, entered in the ECSC books at 469 125 ECU. Its current value is estimated at 2,8 million ECU.

Another building in Paris is held jointly with the European Atomic Energy Community and the European Economic Community. It is entered in the ECSC books at a token value of 1 ECU. Its total current value is estimated at 2,2 million ECU.

6. Other assets

	31 December	
	1985	1984
Levy receivable	6 962 549	8 323 547
Member States' contributions receivable	29 445	6 786 429
Fines receivable (note 16)	89 171 915	121 146 184
Loans, payments due and not received	24 908 293	16 954 232
Other	3 712 975	5 280 050
	<u>124 785 177</u>	<u>158 490 442</u>
Cumulative value adjustments	(46 456 752)	(43 551 601)
	78 328 425	114 938 841

The item 'levy receivable' includes 1 510 420 ECU (1984: 3 524 838 ECU) in respect of coal in stock, payment of which is temporarily deferred under a general decision taken in 1972. In addition, 1 801 725 ECU (1984: 1 545 749 ECU) relate to claims on debtors against whom legal proceedings have been instituted.

The cumulative value adjustments refer to the items 'levy receivable', 'fines receivable' and 'loans, payments due and not received'.

7. Accruals and deferred income (assets)

This item comprises mostly accrued interest on loans, time deposits and the portfolio of bonds amounting to 189 643 654 ECU (1984: 193 305 910 ECU) together with levies declared for November and December but not payable until after 31 December.

8. Long-term and medium-term debts

The debt consists of private and public bond issues maturing between 1986 and 2001.

9. Accruals and deferred income (liabilities)

This item comprises mostly interest and commission on borrowings accrued at 31 December 1985, amounting to 280 927 747 ECU (1984: 294 281 382 ECU).

The conversion differences arising from the revaluation of the opening balances at the end-of-year ECU rate of exchange, amounting to 29 550 759 ECU (1984: 67 998 849 ECU), are also included in this item.

10. Commitments for ECSC operating budget

In 1985, commitments for the ECSC operating budget were as follows:

Legal commitments

Movements for 1985

	Commitments at 31.12.1984	New legal commitments	Cancellations	Payments	Parity changes	Commitments at 31.12.1985
Redeployment	329 589 716	215 000 000	(52 153 867)	(63 805 831)	33 494	428 663 512
Social measures, steel industry	157 642 186	—	—	(97 139 130)	—	60 503 056
Social measures, coal industry	60 000 000	—	—	(18 550 000)	—	41 450 000
Research	86 369 415	69 886 779	(1 317 255)	(50 300 178)	78	104 638 839
Interest subsidies Art. 54	16 839 551	3 585 669	(8 496)	(7 371 570)	777	13 045 931
Interest subsidies Art. 56	46 814 235	74 861 326	(947 642)	(16 579 049)	(31)	104 148 839
Coking coal	3 345 200	6 000 000	(142 061)	(9 203 139)	—	—
Total	700 600 303	369 333 774	(54 569 321)	(262 948 897)	34 318	752 450 177

Provision for commitments not yet implemented

Movements for 1985

	Commitments at 31.12.1984	Decisions	Transfers to legal commitments	Cancellations	Commitments at 31.12.1985
Research	26 872 132	51 000 000	(69 886 779)	(225 000)	7 760 353
Interest subsidies Art. 54	33 842 241	3 806 000	(3 585 669)	—	34 062 572
Interest subsidies Art. 56	125 462 172	59 997 280	(74 861 326)	(15 997 280)	94 600 846
Total	186 176 545	114 803 280	(148 333 774)	(16 222 280)	136 423 771
			(33 530 494)		

11. Provisions for the financing of the ECSC operating budget

	Provisions at 31.12.1984 before allocation of profit	Allocation for 1984 (by allocation of profit)	Provisions at 31.12.1984 after allocation of profit	Allocation for 1985 (charged to the current financial year)	Provisions at 31.12.1985
1. Financing of the Operating budget from ECSC interest income					
— 'interest on investments and on loans from non-borrowed funds'	70 000 000	—	70 000 000	30 000 000	100 000 000
— 'drawings on contingency reserve'	30 000 000	—	30 000 000	19 400 000	49 400 000
2. Provision for fines imposed but not yet paid:					
— fines expected to be paid the following year	—	17 000 000	17 000 000	12 000 000	29 000 000
— fines expected to be paid subsequently	—	33 600 000	33 600 000	6 100 000	39 700 000
3. Surplus for the budgetary year	13 200 000	(13 200 000)	—	—	—
Total	113 200 000	37 400 000	150 600 000	67 500 000	218 100 000

As the above headings show, ECSC interest income finances two of the resources items in the ECSC Operating Budget. Amounts allocated to provisions at 31 December are used in the following year's budget.

In addition, fines imposed but not yet paid are allocated to provisions, the Operating Budget using them as resources only when they are paid, whereas the fines are entered in the ECSC financial statements for the financial year during which the fine was imposed. A distinction is made between fines expected to be paid the following year, which will therefore be included under resources in the Operating Budget for that year, and fines which will be paid subsequently and which are not therefore included in the Operating Budget.

As indicated in Note 2, allocations for the financing of the ECSC Operating Budget are now entered via an expenditure account and not by allocation of profits as was the case up to 31 December 1984.

12. Reserves

The guarantee fund is intended to cover loans and borrowing operations.

The special reserve is used to grant loans from ECSC own funds to finance subsidized housing.

The former pension fund originally represented the total pension obligations covered by the ECSC prior to 5 March 1968. Since that date, the Member States have assumed responsibility for the payment of staff pensions. This fund is used to finance housing loans for officials of the European Communities, and has also been used to grant special loans to the coal and steel industries.

13. Administrative expenditure (fixed amount)

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

14. Interest received

At 31 December, this item comprised the following amounts:

	1985	1984
Interest on loans	658 568 671	653 326 872
Interest on deposits	101 954 548	86 700 695
Interest on fixed-income securities	64 928 737	63 259 937
Total	825 451 956	803 287 504

15. Levy

The ECSC is authorized under the Treaty to impose a levy on coal and steel produced by undertakings in the Community. The calculation is based on the Community average values of the products concerned. The levy rate has been 0,31 % since 1 January 1980.

16. Fines

This item comprises the revenue from fines imposed by the Commission in accordance with Articles 58 and 60 of the ECSC Treaty.

Some companies have appealed to the Court of Justice of the European Communities against fines. At 31 March 1986, six appeals, a total of 3 558 994 ECU, were still awaiting judgement from the Court of Justice.

In 1985 fines totalling 6 178 701 ECU were cancelled or reduced by the Court of Justice or the Commission of the European Communities. This amount is included in the item 'Expenditure relating to fines, deposits and levies'.

17. Other commitments

Loans granted

At 31 December 1985 the Commission had granted but not yet paid over loans as follows:

- loans from borrowing funds: 706 702 717 ECU (1984: 127 075 698 ECU)
- loans from own funds: 21 049 638 ECU (1984: 10 910 093 ECU).

Commitments arising from forward transactions

To cover borrowing operations leading to loans in different currencies (Swap operations), the ECSC committed itself to the forward purchase of currencies amounting to 109 635 479 ECU (1984: 138 522 541 ECU) and forward sales amounting to 114 998 310 ECU (1984: 144 702 514 ECU)

At 31 December 1985, the ECSC had bought forward securities to the value of 19 493 725 ECU (1984: 83 882 620 ECU).

Report of the Court of Auditors of the European Communities on the financial statements of the European Coal and Steel Community as at 31 December 1985

1. This report deals with the regularity of the accounting operations and the financial management of the Commission (High Authority) in accordance with Article 78f (5) of the Treaty establishing the European Coal and Steel Community, as amended by article 8 of 22 July 1975 amending certain financial provisions of the Treaty establishing the European Communities and of the Treaty establishing a single Council and a single Commission of the European Communities.

2. The Court has examined the accounting and the financial statements of the European Coal and Steel Community as at 31 December 1985. This examination was carried out in accordance with generally accepted auditing standards and included the audit procedures considered necessary.

3. In the opinion of the Court the attached financial statements (balance sheets at 31 December 1985 and 31 December 1984, profit and loss accounts for the years ending 31 December 1985 and 31 December 1984, allocation of profit for the years ending 31 December 1985 and 31 December 1984) drawn up in accordance with generally accepted accounting principles (and in particular the directives published by the Council), give a true and fair view of the financial position of the European Coal and Steel Community as at 31 December 1985 and of the results of its operations for the year ending at that date.

Luxembourg, 30 June 1986



M. Mart
*President of the Court of
Auditors*



L. Haase
*Member of the Court of
Auditors*

Annexes

Changes in financial situation for years ending 31 December 1985 and 31 December 1984

(million ECU)

	1985	1984
Origin of funds		
<i>Balance of profit and loss account</i>	30,0	80,4
Items not involving a movement of funds		
Amortization of issuing costs and redemption premiums	10,3	10,3
Gains on withdrawal of bonds	—	9,4
Value adjustments in respect of securities	(6,0)	(4,0)
Value adjustments in respect of claims (net)	1,7	19,7
Increase in items 'Commitments not yet implemented' and 'Provision for legal commitments'	2,1	121,9
Increase in item 'Provision for the financing of the ECSC operating budget'	55,5	—
Increase in accruals and deferred income (liabilities)	(60,8)	87,8
Decrease in accruals and deferred income (assets) and issuing costs and redemption premiums (increase)	(5,1)	(52,9)
Increase in item 'Other Liabilities' (decrease)	15,7	(73,0)
Decrease in items contained in 'Other assets' (increase)	33,7	25,7
Allocation to the provision for losses and expenses	2,6	—
	79,7	225,3
<i>Other resources</i>		
Proceeds of borrowings	1 264,7	822,5
Loan repayments	691,4	788,0
Exchange adjustment in respect of borrowings	(446,8)	460,3
Total	1 589,0	2 296,1
Use of funds		
Loan disbursements	1 011,4	828,3
Redemption of borrowings	902,4	817,4
Exchange adjustments in respect of losses (decrease)	(444,5)	461,3
Increase in bank balances and portfolio	119,7	189,1
Total	1 589,0	2 296,1

Statement of consolidated debt at 31 December 1985

(million ECU)

Payable in	Debt outstanding at 31.12.1984	Operations in 1985		Exchange rate adjustment	Debt outstanding at 31.12.1985	Maturity
		Borrowings	Redemptions			
USD	2 537,1	168,9	355,0	- 511,4	1 839,6	1986 — 1999
DM	2 471,3	654,5	228,8	+ 54,2	2 951,2	1986 — 2000
SFR	469,0	16,3	92,0	- 0,5	392,8	1986 — 1993
FF	332,0	231,3	66,5	+ 6,3	503,1	1986 — 1999
HFL	313,1	—	13,2	+ 7,3	307,2	1987 — 2001
LFR	221,6	17,9	20,8	+ 0,4	219,1	1986 — 1994
UKL	167,9	13,0	44,4	- 1,6	134,9	1987 — 1994
BFR	312,8	—	42,1	+ 0,5	271,2	1986 — 1995
CAD	—	—	—	—	—	—
LIT	23,9	—	8,6	- 1,9	13,4	1986 — 1989
Yen	28,1	28,1	28,1	- 0,0	28,1	1990
JC	6,9	—	2,9	- 0,0	4,0	1986
ECU	190,0	134,7	—	—	324,7	1989 — 1995
Total	7 073,7	1 264,7	902,4	- 446,7	6 989,3	
Redemption premiums	45,0	—	0,0	—	45,0	1994
Grand total	7 118,7	1 264,7	902,4	- 446,7	7 034,3	

Analysis of loans outstanding

Loans from borrowed funds

Breakdown by country and by guarantee received Amounts outstanding at 31 December 1985

(million ECU)

Member State	Guarantee by public authorities	Bank guarantee	Industrial groups		Charge on property	No guarantees ¹	Total
			Public	Private			
Belgium	32,9	33,4	—	1,6	—	—	67,9
Denmark	19,0	—	—	—	7,2	6,8	33,0
FR of Germany	76,6	52,0	1,0	11,2	1 002,3	389,6	1 532,7
Greece	—	11,5	—	—	—	—	11,5
France	1 194,9	164,9	5,0	106,4	—	24,4	1 495,6
Ireland	33,7	3,9	—	—	—	—	37,6
Italy	0,3	225,0	23,9	661,2	0,1	117,2	1 027,7
Luxembourg	177,5	9,6	—	19,4	—	4,4	210,9
Netherlands	0,1	81,5	—	5,7	49,7	4,7	141,7
United Kingdom	1 355,8	209,3	—	220,7	3,8	283,7	2 073,3
Non-Community	—	337,8	—	—	—	—	337,8
Total	2 890,8	1 128,9	29,9	1 026,2	1 063,1	830,8	6 969,7 ²

¹ 98% of this sum is accounted for by loans granted to financial institutions without an additional guarantee.

² Excluding 45 million ECU in redemption premiums.

Loans from the special reserve
Breakdown by country and by guarantee received
Amounts outstanding at 31 December 1985

(million ECU)

Member State	Guarantee by public authorities	Bank guarantee	Industrial groups		Charge on property	No guarantee ¹	Total
			Public	Private			
Belgium	0,8	—	—	—	—	7,0	7,8
Denmark	—	0,1	—	—	—	0,7	0,8
FR of Germany	0,8	5,6	0,9	0,4	20,0	57,6	85,3
Greece	—	—	—	—	—	0,4	0,4
France	0,2	3,4	6,8	0,4	0,4	13,5	24,7
Ireland	0,8	—	—	—	—	—	0,8
Italy	—	1,5	—	3,2	—	5,3	10,0
Luxembourg	0,8	—	—	—	—	1,4	2,2
Netherlands	—	—	—	4,9	0,9	—	5,8
United Kingdom	2,8	3,0	—	4,3	—	1,6	11,7
Total	6,2	13,6	7,7	13,2	21,3	87,5	149,5²

¹ Mainly loans granted to financial institutions for on-lending to final recipients.

² Including 3,3 million ECU of loans paid from own funds other than the special reserve.

Main characteristics of loans paid out in 1985

A. Loans made at rate of borrowing to the steel industry

Member State	Date of payment	Date of Commission decision approving loan	Recipient
France	11. 4.1985	20.12.1984	<i>Usinor SA</i>
	14. 5.1985	20.12.1984	<i>Usinor SA</i>
	14. 5.1985	17. 4.1985	<i>Sollac SA</i>
	8.11.1985	31.10.1985	<i>Sollac SA</i>
	17.12.1985	31.10.1985	<i>Solmer SA</i>
FR of Germany	1. 3.1985	4.10.1982	<i>Rogesa GmbH</i>
	3. 4.1985	22. 7.1975	<i>Krupp Stahl AG</i>
	7. 6.1985	14. 2.1979	<i>Klöckner Werke AG</i>
	28. 8.1985	19.12.1984	<i>Thyssen Stahl AG</i>
	20.12.1985	26. 7.1979	<i>Klöckner Werke AG</i>
	20.12.1985	26. 7.1979	<i>Klöckner Werke AG</i>
	20.12.1985	27. 6.1972	<i>Krupp Stahl AG</i>
	27.12.1985	22. 6.1978	<i>Badische Stahlwerke AG</i>
27.12.1985	22. 6.1978	<i>Badische Stahlwerke AG</i>	
Italy	10. 1.1985	10.12.1982	<i>Ols</i>
	30. 1.1985	27.11.1984	<i>Falck Acc. Ferr. Lombarde SpA</i>
	29.10.1985	27.11.1980	<i>Nuova Italsider SpA</i>
	29.10.1985	27.11.1984	<i>Falck Acc. Ferr. Lombarde SpA</i>
	29.10.1985	21.12.1984	<i>Venete Acciaierie</i>
	29.10.1985	1. 7.1985	<i>Acciaier. Ferr. di Crema SpA</i>
	31.10.1985	27. 6.1985	<i>Ferrero SpA</i>
4.12.1985	27.11.1980	<i>Nuova Italsider SpA</i>	

402,2 million ECU — Total of loans made at rate of borrowing — steel industry

B. Loans with interest subsidies to the steel industry

Member State	Date of payment	Date of Commission decision approving loan	Recipient
FR of Germany	6. 5.1985 6. 5.1985	19.12.1984 19.12.1984	<i>Peine Salzgitter Stahlwerke AG</i> <i>Thyssen Stahl AG</i>

22,4 million ECU — Total of loans with interest subsidies — steel industry

C. Loans made at rate of borrowing to finance thermal power stations

Member State	Date of payment	Date of Commission decision approving loan	Recipient
France	25. 9.1985	9. 9.1982	<i>Électricité de France</i>
FR of Germany	16.11.1985	10. 7.1984	<i>Elektromark</i>

60,8 million ECU — Total of loans made at rate of borrowing to finance thermal power stations

D. Loans made at rate of borrowing in other sectors

Member State	Date of payment	Date of Commission decision approving loan	Recipient
Overseas	15. 7.1985	31. 3.1982	<i>Com. Vale do Rio Doce</i>

114,5 million ECU — Total of loans made at rate of borrowing in other sectors

E. Loans with interest subsidies in other sectors

Member State	Date of payment	Date of Commission decision approving loan	Recipient
France	14. 5.1985	15.10.1982	<i>Charbonnages de France</i>
FR of Germany	26. 2.1985 13. 3.1985 2. 7.1985 29. 8.1985 22.10.1985 22.10.1985 12.12.1985	22.12.1983 8. 7.1983 21.12.1984 21.12.1984 21.12.1984 21.12.1984 21.12.1984	<i>Westdeutsche Landesbank</i> <i>Bayerische Landesanstalt für Aufbaufinanzierung</i> <i>Westfalenbank AG</i> <i>Industriekreditbank AG</i> <i>Commerzbank AG</i> <i>Westdeutsche Genossenschafts-Zentralbank eG</i> <i>Dresdner Bank</i>
United Kingdom	14. 2.1985 18.12.1985	9. 9.1982 9. 9.1982	<i>Investors in Industry</i> <i>Investors in Industry</i>

30,0 million ECU — Total of loans with interest subsidies — other sectors

F. Conversion loans paid in 1985

Member State	Date of payment	Date of Commission decision approving loan	Recipient
France	11. 4.1985	25. 3.1983	<i>SFME Fonderie Mécanique Est</i>
	29.10.1985	5.11.1979	<i>Lordex SdR Lorraine SA</i> <i>Global loan for small and medium-sized firms</i>
	23.12.1985	13. 7.1979	<i>Banque Populaire du Nord</i> <i>Global loan for small and medium-sized firms</i>
	23.12.1985	13. 7.1979	<i>Banque Populaire Lorraine</i> <i>Global loan for small and medium-sized firms</i>
	24.12.1985	26. 6.1981	<i>Crédit Industriel Alsace Lorraine</i> <i>Global loan for small and medium-sized firms</i>

15,7 million ECU — Total conversion loans to France

FR of Germany	20. 3.1985	22.11.1982	<i>Bergrohr GmbH</i>
	20. 3.1985	22.11.1982	<i>Bergrohr GmbH</i>
	3. 4.1985	14.12.1981	<i>Bank für Gemeinwirtschaft AG</i> <i>Global loan for small and medium-sized firms</i>
	3. 4.1985	22.12.1983	<i>Deutsche Bank AG</i> <i>Global loan for small and medium-sized firms</i>
	3. 4.1985	4. 6.1982	<i>Bayerische Vereinsbank AG</i> <i>Global loan for small and medium-sized firms</i>
	3. 4.1985	8. 9.1982	<i>Dresdner Bank AG</i> <i>Global loan for small and medium-sized firms</i>
	3. 4.1985	20.12.1982	<i>Westdeutsche Genossenschafts-Zentralbank eG</i> <i>Global loan for small and medium-sized firms</i>
	12. 6.1985	17.12.1984	<i>Industriekreditbank AG</i> <i>Global loan for small and medium-sized firms</i>
	1. 7.1985	4. 6.1982	<i>Bayerische Vereinsbank AG</i> <i>Global loan for small and medium-sized firms</i>
	2. 7.1985	16.11.1984	<i>Commerzbank AG</i> <i>Global loan for small and medium-sized firms</i>
	2. 7.1985	19.12.1984	<i>Westdeutsche Landesbank</i> <i>Global loan for small and medium-sized firms</i>
	2. 7.1985	21.12.1984	<i>Westdeutsche Genossenschafts-Zentralbank eG</i> <i>Global loan for small and medium-sized firms</i>
	2. 7.1985	14.12.1981	<i>Bank für Gemeinwirtschaft AG</i> <i>Global loan for small and medium-sized firms</i>
	2. 7.1985	22.11.1982	<i>Deutsche Bank AG</i> <i>Global loan for small and medium-sized firms</i>
	2. 7.1985	22.12.1983	<i>Deutsche Bank AG</i> <i>Global loan for small and medium-sized firms</i>
	29. 8.1985	19.12.1984	<i>Westdeutsche Landesbank</i> <i>Global loan for small and medium-sized firms</i>
	22.10.1985	14.12.1981	<i>Bank für Gemeinwirtschaft AG</i> <i>Global loan for small and medium-sized firms</i>
	22.10.1985	4. 6.1982	<i>Bayerische Vereinsbank AG</i> <i>Global loan for small and medium-sized firms</i>
	22.10.1985	22.12.1983	<i>Deutsche Bank AG</i> <i>Global loan for small and medium-sized firms</i>
	22.10.1985	23.11.1984	<i>Deutsche Bank AG</i> <i>Global loan for small and medium-sized firms</i>
	22.10.1985	21.12.1984	<i>Westdeutsche Genossenschafts-Zentralbank eG</i> <i>Global loan for small and medium-sized firms</i>
	22.10.1985	29. 9.1981	<i>Westfalenbank AG</i> <i>Global loan for small and medium-sized firms</i>
	22.10.1985	8. 9.1982	<i>Dresdner Bank AG</i> <i>Global loan for small and medium-sized firms</i>
	12.12.1985	14.12.1981	<i>Bank für Gemeinwirtschaft AG</i> <i>Global loan for small and medium-sized firms</i>
	12.12.1985	23.11.1981	<i>Bayerische Hypo & Wechselbank AG</i> <i>Global loan for small and medium-sized firms</i>
	12.12.1985	29. 7.1982	<i>Bayerische Landesbank</i> <i>Global loan for small and medium-sized firms</i>
12.12.1985	16.11.1984	<i>Commerzbank AG</i> <i>Global loan for small and medium-sized firms</i>	

F. Conversion loans paid in 1985 (continued)

Member State	Date of payment	Date of Commission decision approving loan	Recipient
FR of Germany (continued)	12.12.1985	8. 9.1982	<i>Dresdner Bank AG</i> <i>Global loan for small and medium-sized firms</i>
	12.12.1985	23. 7.1984	<i>S.I.K.B. AG</i> <i>Global loan for small and medium-sized firms</i>
	12.12.1985	15. 4.1985	<i>Westdeutsche Landesbank</i> <i>Global loan for small and medium-sized firms</i>
	12.12.1985	21.12.1984	<i>Westdeutsche Genossenschafts-Zentralbank eG</i> <i>Global loan for small and medium-sized firms</i>
	12.12.1985	29. 9.1981	<i>Westfalenbank AG</i> <i>Global loan for small and medium-sized firms</i>
166,7 million – Total conversion loans to the Federal Republic of Germany			
Denmark	12.12.1985	22.12.1983	<i>Finance for Danish Industry</i> <i>Global loan for small and medium-sized firms</i>
3,7 million ECU – Total conversion loans to Denmark			
United Kingdom	14. 2.1985	4. 5.1983	<i>Bristol-Myers Company Ltd</i>
	15. 3.1985	21.12.1983	<i>Warwick International Ltd</i>
	16. 8.1985	22.11.1983	<i>Shotton Paper Company Ltd</i>
	22. 1.1985	10. 9.1984	<i>National Westminster Bank PLC</i> <i>Global loan for small and medium-sized firms</i>
	14. 2.1985	3. 7.1981	<i>Barclays Bank Ltd</i> <i>Global loan for small and medium-sized firms</i>
	29. 3.1985	13. 3.1985	<i>Welsh Development Agency</i> <i>Global loan for small and medium-sized firms</i>
	19. 4.1985	24.10.1983	<i>Bank of Scotland</i> <i>Global loan for small and medium-sized firms</i>
	19. 4.1985	13. 3.1985	<i>Barclays Bank Ltd</i> <i>Global loan for small and medium-sized firms</i>
	19. 4.1985	6.10.1981	<i>Clydesdale Bank PLC</i> <i>Global loan for small and medium-sized firms</i>
	19. 4.1985	13. 3.1985	<i>Investors in Industry PLC</i> <i>Global loan for small and medium-sized firms</i>
	19. 4.1985	10. 9.1984	<i>National Westminster Bank PLC</i> <i>Global loan for small and medium-sized firms</i>
	21. 5.1985	13. 3.1985	<i>Investors in Industry PLC</i> <i>Global loan for small and medium-sized firms</i>
	21. 5.1985	29. 7.1982	<i>Royal Bank of Scotland PLC</i> <i>Global loan for small and medium-sized firms</i>
	20. 8.1985	19.12.1980	<i>Scottish Development Agency</i> <i>Global loan for small and medium-sized firms</i>
	20. 8.1985	10. 9.1984	<i>National Westminster Bank PLC</i> <i>Global loan for small and medium-sized firms</i>
	15.10.1985	13. 3.1985	<i>Investors in Industry PLC</i> <i>Global loan for small and medium-sized firms</i>
	15.10.1985	13. 3.1985	<i>Barclays Bank Ltd</i> <i>Global loan for small and medium-sized firms</i>
	18.12.1985	13. 3.1985	<i>Investors in Industry PLC</i> <i>Global loan for small and medium-sized firms</i>
	18.12.1985	24.10.1983	<i>Bank of Scotland</i> <i>Global loan for small and medium-sized firms</i>
	18.12.1985	6.10.1981	<i>Clydesdale Bank PLC</i> <i>Global loan for small and medium-sized firms</i>

F. Conversion loans paid in 1985 (continued)

Member State	Date of payment	Date of Commission decision approving loan	Recipient
United Kingdom (continued)	18.12.1985	13. 3.1985	<i>Barclays Bank Ltd.</i>
	18.12.1985	13. 3.1985	<i>Global loan for small and medium-sized firms Investors in Industry PLC</i>
	18.12.1985	24.10.1983	<i>Global loan for small and medium-sized firms Bank of Scotland</i>
	18.12.1985	19.12.1980	<i>Global loan for small and medium-sized firms Scottish Development Agency Global loan for small and medium-sized firms</i>

144,7 million ECU — Total conversion loans to the United Kingdom

Italy	10. 1.1985	19. 7.1982	<i>Seta Soc.Eur.Tubif.e Acc. SpA</i>
	19. 7.1985	7. 9.1983	<i>Mediocredito Lombardo Global loan for small and medium-sized firms</i>
	19. 7.1985	7. 9.1983	<i>Mediocredito Lombardo Global loan for small and medium-sized firms</i>
	19. 7.1985	21.12.1983	<i>Mediocredito Ligure Global loan for small and medium-sized firms</i>
	19. 7.1985	21.12.1983	<i>Mediocredito Ligure Global loan for small and medium-sized firms</i>
	19. 7.1985	23.12.1982	<i>Mediocredito Piemontese Global loan for small and medium-sized firms</i>
	19. 7.1985	23.12.1982	<i>Mediocredito Piemontese Global loan for small and medium-sized firms</i>
	19. 7.1985	14.12.1981	<i>Finlombarda SPA Global loan for small and medium-sized firms</i>
	19. 7.1985	14.12.1981	<i>Finlombarda SPA Global loan for small and medium-sized firms</i>

23,7 million ECU — Total conversion loans to Italy

Luxembourg	17.12.1985	18.12.1984	<i>Mecanarbed Dommeldange Sàrl</i>
	21. 8.1985	20. 7.1984	<i>Société Nationale de Crédit et d'Investissement Global loan for small and medium-sized firms</i>

8,9 million ECU — Total conversion loans to Luxembourg

G. Loans from own funds for workers' housing

Member State	Date of payment	Date of Commission decision approving loan	Recipient
France	28. 2.1985	27. 7.1984	<i>Banque Fédérale du Crédit Mutuel</i>
	22. 4.1985	21.12.1984	<i>HB Nord et Pas-de-Calais</i>
	9. 7.1985	21.12.1984	<i>HB Lorraine</i>
	7. 7.1985	21.12.1984	<i>HB Centre et Midi</i>
	9. 7.1985	21.12.1984	<i>Banque Fédérale du Crédit Mutuel</i>
	9. 7.1985	12.12.1983	<i>Banque Fédérale du Crédit Mutuel</i>
	9.12.1985	7. 5.1985	<i>HB Lorraine</i>
FR of Germany	18. 6.1985	27. 7.1984	<i>Landesbank Saar</i>

G. Loans from own funds for workers' housing (continued)

Member State	Date of payment	Date of Commission decision approving loan	Recipient
FR of Germany (continued)	8. 7.1985	21.12.1984	<i>Westdeutsche Landesbank</i> <i>Bank für Gemeinwirtschaft AG</i>
	1.10.1985	21.12.1984	
Belgium	15. 1.1985	6. 3.1984	<i>Société Nationale Terrienne</i>
	12. 6.1985	21.12.1984	<i>Société Nationale Terrienne</i>
	13.12.1985	7. 5.1985	<i>Société Nationale Terrienne</i>
	13.12.1985	7. 5.1985	<i>Société Nationale Terrienne</i>
United Kingdom	9. 5.1985	12.12.1983	<i>Sheerness Steel</i>
	12. 6.1985	27. 7.1984	<i>British Steel Corporation</i>
	28. 8.1985	21.12.1984	<i>Halifax Building Society</i>
	28. 8.1985	21.12.1984	<i>Halifax Building Society</i>
	28. 8.1985	21.12.1984	<i>Halifax Building Society</i>
	28. 8.1985	27. 7.1984	<i>South Wales Coal Mining</i>
	9.12.1985	7. 5.1985	<i>Halifax Building Society</i>
Ireland	9. 7.1985	27. 7.1984	<i>National Building Agency</i>
Italy	17. 6.1985	20. 1.1982	<i>Banca Nazionale del Lavoro</i>
	16.12.1985	20. 7.1983	<i>Banca Nazionale del Lavoro</i>
Luxembourg	13. 5.1985	27. 7.1984	<i>Caisse d'Épargne de l'État</i>
Netherlands	9. 7.1985	27. 7.1984	<i>Breesaap Huizenbezit</i>

6,9 million ECU — Total loans from own funds for workers' housing

H. Loans from borrowed funds for workers' housing

Member State	Date of payment	Date of Commission decision approving loan	Recipient
Italy	7. 6.1985	20. 1.1982	<i>Banca Nazionale del Lavoro</i>
	31. 8.1985	22.12.1983	<i>Cariplo Cassa Risparmio Lombarda</i>
	19.12.1985	20. 7.1983	<i>Banca Nazionale del Lavoro</i>

10,4 million ECU — Total loans from borrowed funds for workers' housing

Main characteristics of borrowings outstanding at 31 December 1985

Year of issue	Interest (% p.a.)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1985	
				In borrowing currency	Equivalent in ECU
1971	7½	15	DM 100 000 000	10 000 000	
1972	6½	15	100 000 000	20 000 000	
1972	7	15	150 000 000	30 000 000	
1973	6½	15	150 000 000	45 000 000	
1976	7¾	10	80 000 000	10 000 000	
1976	8¼	10	45 000 000	11 250 000	
1976	7¾	10	75 000 000	15 000 000	
1977	7	12	81 630 000	36 280 000	
1977	7	12	19 800 000	8 800 000	
1977	6	12	16 000 000	8 000 000	
1977	6	12	32 000 000	16 000 000	
1977	6	14	98 000 000	42 000 000	
1977	6⅙	10	25 000 000	25 000 000	
1978	5¾	10	30 000 000	30 000 000	
1978	5⅞	10	20 000 000	20 000 000	
1978	5¼	12	150 000 000	135 000 000	
1978	6½	15	15 000 000	12 000 000	
1978	6½	15	50 000 000	40 000 000	
1978	6¼	10	15 000 000	5 625 000	
1978	6	12	70 000 000	43 750 000	
1978	6½	15	32 400 000	21 600 000	
1978	6¼	10	9 000 000	3 375 000	
1978	6	10	150 000 000	150 000 000	
1978	6½	12	20 000 000	12 500 000	
1978	6¾	10	20 000 000	12 000 000	
1979	6½—6¾	7	10 000 000	5 000 000	
1979	7	12	150 000 000	130 000 000	
1979	8	10	25 000 000	25 000 000	
1979	8	10	25 000 000	25 000 000	
1979	7½	12	40 000 000	30 000 000	
1979	7¾	15	50 000 000	45 000 000	
1979	8¼	10	40 000 000	40 000 000	
1979	8⅙	10	60 000 000	48 000 000	
1979	8¼	10	12 000 000	9 600 000	
1980	7⅞	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	8¾	8	40 000 000	30 000 000	
1980	8¼	8	70 000 000	52 500 000	
1980	8⅙	8	35 000 000	26 250 000	
1980	8⅙	8	10 000 000	7 500 000	
1980	8⅞	8	50 000 000	37 500 000	
1980	8—10	12	12 000 000	10 500 000	
1980	8	12	12 000 000	10 500 000	
1980	8	12	12 000 000	10 500 000	
1980	7,9	12	12 000 000	10 500 000	
1980	7⅞	12	150 000 000	131 250 000	
1980	8,35	8	250 000 000	187 500 000	
1980	9,5	8	150 000 000	112 500 000	
1981	10	10	120 000 000	120 000 000	
1981	11¼	8	10 000 000	10 000 000	
1981	11½	8	26 000 000	26 000 000	
1981	11½	5	30 000 000	30 000 000	
1981	10,39	8	70 000 000	70 000 000	
1981	9¾	5	10 500 000	10 500 000	
1982	9¾	12	185 000 000	185 000 000	
1982	9⅞	5	22 000 000	22 000 000	
1982	9¼	5	100 000 000	100 000 000	
1982	9¼	5	50 000 000	50 000 000	
1982	8,8	10	37 000 000	37 000 000	

Year of issue	Interest (% p.a.)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1985	
				In borrowing currency	Equivalent in ECU
1982	9,2	12	DM 11 300 000	11 300 000	
1982	9,41	7	60 000 000	60 000 000	
1982	9,92	8	71 000 000	71 000 000	
1982	9,49	8	7 000 000	7 000 000	
1982	8	12	200 000 000	200 000 000	
1982	9 1/8	10	150 000 000	150 000 000	
1982	8,1	5	985 000	492 500	
1982	8,1	5	25 000 000	25 000 000	
1982	8,1	10	80 000 000	80 000 000	
1983	9,5	10	150 000 000	150 000 000	
1983	8,05	10	38 300 000	38 300 000	
1983	7,65	5	9 350 000	9 350 000	
1983	7,5	10	200 000 000	200 000 000	
1983	8	10	62 000 000	62 000 000	
1983	8	10	600 000	600 000	
1983	8	8	47 000 000	47 000 000	
1983	8,4	10	12 080 000	11 947 500	
1983	8,5	10	4 400 000	4 400 000	
1983	8	7	160 000 000	160 000 000	
1983	8,25	5	35 000 000	35 000 000	
1983	8,25	12	16 000 000	16 000 000	
1983	8,6	10	6 650 000	6 650 000	
1984	8,44	5	50 000 000	50 000 000	
1984	7 3/4	5	18 600 000	18 600 000	
1984	8,27	8	50 000 000	50 000 000	
1984	8,25	10	25 000 000	25 000 000	
1984	8	5	7 000 000	7 000 000	
1984	8,15	5	68 600 000	68 600 000	
1984	8 1/8	8	100 000 000	100 000 000	
1984	8,45	10	60 000 000	60 000 000	
1984	8 1/8	5	37 000 000	37 000 000	
1984	8 1/8	5	7 000 000	7 000 000	
1984	8,19	6	7 000 000	7 000 000	
1984	8 1/4	7	7 000 000	7 000 000	
1984	8,3	8	7 000 000	7 000 000	
1984	8,35	9	7 000 000	7 000 000	
1984	8,4	10	6 000 000	6 000 000	
1984	7 1/2	5	45 600 000	45 600 000	
1984	7	5	69 000 000	69 000 000	
1984	6,65	4	3 500 000	2 800 000	
1984	7	5	37 000 000	37 000 000	
1984	7,5	10	56 000 000	56 000 000	
1984	6,225	2	50 000 000	50 000 000	
1984	6,1	2	20 000 000	20 000 000	
1984	6,39	2	30 006 538	30 006 538	
1984	6 1/4	2	114 834 733	114 834 733	
1984	6,4	2	3 951 488	3 951 488	
1984	7	8	100 000 000	100 000 000	
1984	7,35	10	35 000 000	35 000 000	
1985	7 1/8	7	94 000 000	94 000 000	
1985	7 3/8	8	16 000 000	16 000 000	
1985	7 1/2	5	10 000 000	10 000 000	
1985	7,8	10	47 000 000	47 000 000	
1985	7,97	12	40 000 000	40 000 000	
1985	7 3/4	5	7 400 000	7 400 000	
1985	7,72	5	19 000 000	19 000 000	
1985	6,98	1	25 000 000	25 000 000	
1985	7,67	8	14 000 000	14 000 000	
1985	7,35	8	50 000 000	50 000 000	
1985	7,35	8	50 000 000	50 000 000	

Main characteristics of borrowings outstanding at 31 December 1985 (continued)

Year of issue	Interest (% p.a.)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1985	
				In borrowing currency	Equivalent in ECU
1985	7,48	10	DM 50 000 000	50 000 000	
1985	7,39	8	32 000 000	32 000 000	
1985	7,43	15	9 540 000	9 540 000	
1985	6,1	1	17 048 437	17 048 437	
1985	7,0	5	100 000 000	100 000 000	
1985	6,9	5	10 000 000	10 000 000	
1985	6,75	5	76 000 000	76 000 000	
1985	7,25	10	21 800 000	21 800 000	
1985	7	10	230 000 000	230 000 000	
1985	6½	5	20 000 000	20 000 000	
1985	6,5	8	10 000 000	10 000 000	
1985	5,0	3	30 000 000	30 000 000	
1985	7,0	12	40 000 000	40 000 000	
1985	6¼	5	12 000 000	12 000 000	
1985	6¼	5	12 000 000	12 000 000	
1985	6,2	5	30 000 000	30 000 000	
1985	6½	8	32 000 000	32 000 000	
1985	7	10	32 000 000	32 000 000	
1985	6⅞	12	100 000 000	100 000 000	
1985	6,6	5	30 000 000	30 000 000	
1985	6¼	5	55 000 000	55 000 000	
1985	6¼	5	8 000 000	8 000 000	
1985	7,3	15	12 000 000	12 000 000	
1985	7	8	62 000 000	62 000 000	
1985	5,05	1	25 540 932	25 540 932	
			<hr/>	<hr/>	<hr/>
			7 467 417 128	6 445 042 128	2 951 215 796
1966	6½	20	USD 15 000 000	1 000 000	
1966	6½	20	20 000 000	1 100 000	
1967	6½	20	25 000 000	2 900 000	
1967	6⅞	20	20 000 000	2 450 000	
1973	7	15	30 000 000	13 000 000	
1974	7¾	15	50 000 000	18 000 000	
1976	9¼	10	60 000 000	37 500 000	
1976	9	20	100 000 000	73 340 000	
1976	8½	10	23 000 000	2 875 000	
1976	8⅞	20	75 000 000	55 000 000	
1977	8¼	10	10 000 000	10 000 000	
1977	9⅞	20	75 000 000	60 000 000	
1977	9	18	50 000 000	36 000 000	
1977	8	19	25 000 000	1 000 000	
1977	8¾	15	42 000 000	26 728 000	
1977	8¼	12	50 000 000	35 000 000	
1977	8¾	20	100 000 000	73 000 000	
1978	8½	8	40 000 000	40 000 000	
1978	8½	12	20 000 000	12 500 000	
1978	8¼	10	15 000 000	15 000 000	
1978	8¼	9	20 000 000	10 000 000	
1978	8¾	9	15 000 000	7 500 000	
1978	9	15	25 000 000	19 050 000	
1978	9¼	20	25 000 000	19 050 000	

Year of issue	Interest (% p.a.)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1985	
				In borrowing currency	Equivalent in ECU
1978	9 ³ / ₈	15	USD 30 000 000	21 819 000	
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	18 250 000	
1978	9 ¹ / ₂	15	20 000 000	14 600 000	
1978	9 ¹ / ₂	15	20 000 000	14 600 000	
1978	9 ¹ / ₂	15	10 000 000	7 300 000	
1978	9 ¹ / ₄	12	18 000 000	14 400 000	
1978	9 ¹ / ₄	12	40 000 000	32 000 000	
1979	9—9 ³ / ₄	20	50 000 000	48 500 000	
1979	11 ¹ / ₄ —9 ¹ / ₄	12	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	16 000 000	
1979	10 ³ / ₄ —9 ¹ / ₄	12	150 000 000	120 000 000	
1979	9 ³ / ₄	20	125 000 000	125 000 000	
1979	12—10 ¹ / ₂	7	100 000 000	75 000 000	
1980	11 ¹ / ₂	8	40 000 000	30 000 000	
1980	11	7	25 000 000	25 000 000	
1980	11 ¹ / ₄	10	50 000 000	34 000 000	
1981	14	7	40 000 000	40 000 000	
1982	14 ³ / ₄	5	50 000 000	50 000 000	
1982	14 ³ / ₄	5	30 000 000	30 000 000	
1983	11 ⁷ / ₈	7	75 000 000	75 000 000	
1985	9,49	1	100 000 000	100 000 000	
1985	9	4	50 000 000	50 000 000	
			2 118 000 000	1 633 462 000	1 839 635 466
1971	8 ¹ / ₂	18	FF 150 000 000	46 500 000	
1972	7 ¹ / ₄	15	150 000 000	30 000 000	
1973	7 ¹ / ₂	15	60 000 000	8 000 000	
1973	7 ¹ / ₂	18	150 000 000	120 000 000	
1976	10 ¹ / ₅	18	250 000 000	173 075 000	
1977	11	12	300 000 000	133 500 000	
1978	10 ³ / ₁₀	15	275 000 000	169 231 000	
1978	10,95	12	50 000 000	25 000 000	
1979	10	10	300 000 000	240 000 000	
1979	9 ⁷ / ₁₀	15	325 000 000	225 000 000	
1979	11	20	100 000 000	53 181 068	
1979	11 ¹ / ₂	20	23 000 000	12 363 844	
1980	10 ⁷ / ₈	8	20 000 000	12 500 000	
1980	12,225	12	20 000 000	17 500 000	
1980	12 ³ / ₄ + 13	15	80 000 000	70 000 000	
1980	14	12	400 000 000	266 800 000	
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	10 000 000	
1981	15	5	20 000 000	20 000 000	
1982	17 ¹ / ₄	5	10 000 000	10 000 000	
1982	17,5	10	18 000 000	18 000 000	
1982	17	5	10 000 000	10 000 000	
1982	17 ¹ / ₄	10	18 000 000	18 000 000	
1982	14 ³ / ₄	7	2 000 000	1 232 000	
1984	12	8	87 000 000	87 000 000	
1985	12 ³ / ₄	7	1 000 000	1 000 000	
1985	12	1	75 000 000	75 000 000	

Main characteristics of borrowings outstanding at 31 December 1985 (continued)

Year of issue	Interest (% p.a.)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1985	
				In borrowing currency	Equivalent in ECU
1985	11 ⁷ / ₈	1	FF 75 000 000	75 000 000	
1985	12,2	12	800 000 000	800 000 000	
1985	11 ¹ / ₄	7	300 000 000	300 000 000	
1985	11 ¹ / ₈	12	300 000 000	300 000 000	
			4 424 000 000	3 372 886 912	503 060 061
1976	5 ³ / ₄	15	SFR 80 000 000	71 800 000	
1977	4 ¹ / ₂	16	80 000 000	72 000 000	
1979	3	8	123 500 000	58 500 000	
1979	4 ³ / ₄	10	7 000 000	5 600 000	
1980	6 ¹ / ₂	6	38 000 000	38 000 000	
1980	6 ¹ / ₂	6	17 000 000	17 000 000	
1980	6	10	80 000 000	80 000 000	
1981	6 ³ / ₄	7	80 000 000	80 000 000	
1982	7 ¹ / ₄	5	40 000 000	40 000 000	
1982	6 ³ / ₈ —6 ⁵ / ₈	6	30 000 000	30 000 000	
1983	5,5	6	52 000 000	52 000 000	
1983	6,0	6	35 000 000	35 000 000	
1984	5 ⁷ / ₈	5	14 000 000	14 000 000	
1984	6	7	12 000 000	12 000 000	
1984	5 ⁷ / ₈	2	9 000 000	9 000 000	
1984	6	3	6 500 000	6 500 000	
1984	6 ¹ / ₄	4	1 500 000	1 500 000	
1984	6 ³ / ₈	5	6 000 000	6 000 000	
1984	6 ³ / ₈	6	43 925 000	43 925 000	
1984	5 ¹ / ₄	3	20 000 000	20 000 000	
1985	5 ¹ / ₂	1	30 000 000	30 000 000	
			805 425 000	722 825 000	392 790 575
1984	6	10	ECU 60 000 000	60 000 000	
1984	10 ³ / ₄	5	40 000 000	40 000 000	
1984	11 ¹ / ₄	10	40 000 000	40 000 000	
1984	11 ¹ / ₄	10	50 000 000	50 000 000	
1985	10	10	25 000 000	25 000 000	
1985	9 ⁵ / ₈	10	9 700 000	9 700 000	
1985	8 ⁵ / ₈	10	100 000 000	100 000 000	
			324 700 000	324 700 000	324 700 000
1962	4 ³ / ₄	25	HFL 6 000 000	480 000	
1963	4 ⁵ / ₈	30	1 750 000	474 000	
1975	8 ¹ / ₂	15	60 000 000	20 000 000	
1976	8 ³ / ₄	25	25 000 000	16 000 000	
1976	8 ⁵ / ₈	25	30 000 000	19 200 000	
1976	8 ³ / ₄	20	14 000 000	10 266 400	
1978	7 ¹ / ₄	15	100 000 000	80 000 000	
1978	7 ⁵ / ₈	15	14 000 000	11 200 000	
1980	10 ¹ / ₈	10	50 000 000	50 000 000	
1981	11 ⁷ / ₈	10	50 000 000	50 000 000	
1981	11 ⁵ / ₈	10	60 000 000	60 000 000	

Year of issue	Interest (% p.a.)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1985	
				In borrowing currency	Equivalent in ECU
1981	12 ⁷ / ₈	12	HFL 45 000 000	36 000 000	
1982	12 ¹ / ₈	15	100 000 000	100 000 000	
1982	12	15	40 000 000	40 000 000	
1982	10,75	10	35 000 000	30 625 000	
1982	11 ³ / ₁₆	7	11 200 000	11 200 000	
1982	9 ¹ / ₈	15	15 000 000	15 000 000	
1983	7 ³ / ₄	5	100 000 000	100 000 000	
1983	8	15	23 000 000	23 000 000	
1983	9 ⁵ / ₈	15	17 760 000	17 760 000	
1983	9	11	10 000 000	10 000 000	
1983	9	15	12 200 000	12 200 000	
1984	8 ³ / ₄	15	22 000 000	22 000 000	
1984	9 ¹ / ₄	15	12 700 000	12 700 000	
1984	7 ⁷ / ₈	15	7 930 000	7 930 000	
			862 540 000	756 035 400	307 165 394
1970	8 ³ / ₄	20	BFR 500 000 000	167 000 000	
1971	7 ³ / ₄	15	700 000 000	70 000 000	
1978	8 ¹ / ₂	8	2 000 000 000	1 550 000 000	
1980	13 ³ / ₈	8	2 000 000 000	1 500 000 000	
1980	13 ¹ / ₂	8	500 000 000	500 000 000	
1983	13	12	936 000 000	936 000 000	
1983	12	5	100 000 000	100 000 000	
1983	12	10	40 000 000	40 000 000	
1983	11,75	10	2 500 000 000	2 500 000 000	
1983	11,19	10	3 200 000 000	2 975 000 000	
1983	11,5	10	900 000 000	900 000 000	
1984	12,1	10	870 000 000	870 000 000	
			14 246 000 000	12 108 000 000	271 206 182
1961	5 ¹ / ₂	25	LFR 100 000 000	7 574 519	
1961	5	25	100 000 000	7 428 160	
1962	5 ¹ / ₈	25	250 000 000	36 591 793	
1971	7	15	250 000 000	40 000 000	
1972	6 ³ / ₄	15	400 000 000	80 000 000	
1973	6 ³ / ₄	15	300 000 000	90 000 000	
1973	7	15	800 000 000	240 000 000	
1973	7 ¹ / ₄	15	500 000 000	250 000 000	
1977	8 ¹ / ₂	10	500 000 000	340 000 000	
1978	7 ³ / ₄	10	250 000 000	250 000 000	
1978	7 ³ / ₄	10	600 000 000	400 000 000	
1979	8 ³ / ₄	8	500 000 000	500 000 000	
1980	10	10	500 000 000	425 000 000	
1980	12 + 10	8	250 000 000	187 500 000	
1980	11,75	8	400 000 000	300 000 000	
1981	13 ¹ / ₂	7	300 000 000	300 000 000	
1981	13	10	600 000 000	510 000 000	
1981	15	7	100 000 000	100 000 000	
1982	14 ³ / ₄	8	520 000 000	520 000 000	
1982	11	10	600 000 000	560 000 000	
1983	13,625	8	340 000 000	340 000 000	
1983	11,875	8	750 000 000	750 000 000	
1983	10	8	600 000 000	600 000 000	

Main characteristics of borrowings outstanding at 31 December 1985 (continued)

Year of issue	Interest (% p.a.)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1985	
				In borrowing currency	Equivalent in ECU
1984	12 ³ / ₄	7	LFR 151 500 000	151 500 000	
1984	10 ¹ / ₂	10	1 000 000 000	1 000 000 000	
1984	12	10	85 000 000	85 000 000	
1984	12	4	250 000 000	250 000 000	
1984	12	3	90 000 000	60 000 000	
1984	11 ¹ / ₈	10	600 000 000	600 000 000	
1985	9 ¹ / ₈	7	200 000 000	200 000 000	
1985	8 ¹ / ₂	8	600 000 000	600 000 000	
			12 486 500 000	9 780 594 472	219 074 801
1977	9 ⁵ / ₈	12	UKL 20 000 000	13 500 000	
1979	13 ¹ / ₈ —11 ¹ / ₂	10	5 000 000	3 300 000	
1980	13 ¹ / ₂	8	20 000 000	20 000 000	
1981	14 ¹ / ₄	9	2 000 000	1 234 400	
1981	16 ³ / ₈	8	7 500 000	7 500 000	
1982	16 ³ / ₈	5	2 000 000	2 000 000	
1982	14 ⁷ / ₈	8	6 000 000	6 000 000	
1982	14 ⁵ / ₈	8	3 500 000	3 500 000	
1982	12,1	8	3 000 000	3 000 000	
1983	12,5	5	1 500 000	1 500 000	
1983	12 ¹ / ₁₆	5	3 000 000	3 000 000	
1983	11,375	5	4 000 000	4 000 000	
1984	11 ³ / ₈	10	4 500 000	4 500 000	
1984	13 ¹ / ₈	5	2 000 000	2 000 000	
1985	10,95	5	8 000 000	8 000 000	
			92 000 000	83 034 400	134 941 999
1985	6	5	Yen 5 000 000 000	5 000 000 000	28 057 259
1966	6	20	LIT 15 000 000 000	1 000 000 000	
1966	6	20	15 000 000 000	1 000 000 000	
1968	6	20	15 000 000 000	3 000 000 000	
1968	6	20	15 000 000 000	3 000 000 000	
1972	7	15	20 000 000 000	4 000 000 000	
1972	7	15	20 000 000 000	4 000 000 000	
1974	7	15	10 000 000 000	4 000 000 000	
			110 000 000 000	20 000 000 000	13 423 359
1966	5 ³ / ₄	20	RE ¹ 20 000 000	1 800 000	3 994 824
					6 989 265 716 ²

¹ The present value of this unit of account is the same as that of the unit of account used by the former European Payments Union, as defined in Article 6(a) of its Chapter, i.e. 0.88867088 grams of fine gold. This value could change under certain circumstances.

² Total amount of borrowings contracted by the ECSC since its inception is 13 199 246 731 ECU (including borrowings redeemed).

NB: In this table redemption premiums of 45.0 million ECU have not been taken into account.

Operations under the ECSC operating budget

Levy revenue in 1985 — Production declarations for 1985 — Breakdown by industry and Member State

(ECU and %)

Member State	Coal (net of stocks)		Steel		Total	
	Amount (ECU)	%	Amount (ECU)	%	Amount (ECU)	%
Belgium	1 124 945	2,92	9 437 543	8,69	10 562 488	7,18
Denmark	—	—	511 866	0,47	511 866	0,35
FR of Germany	18 328 139	47,63	36 045 621	33,19	54 373 760	36,97
Greece	8 171	0,02	1 104 133	1,02	1 112 304	0,76
France	2 722 369	7,08	17 443 411	16,06	20 165 780	13,71
Ireland	4 835	0,01	191 187	0,18	196 022	0,13
Italy	—	—	21 729 567	20,01	21 729 567	14,77
Luxembourg	—	—	3 613 294	3,33	3 613 294	2,46
Netherlands	—	—	4 678 674	4,31	4 678 674	3,18
United Kingdom	16 295 179	42,34	13 838 549	12,74	30 133 728	20,49
Total	38 483 638	100,00	108 593 845	100,00	147 077 483¹	100,00

¹ Following additional declarations relating to previous years and stock movements (+ 1 967 353 ECU), total levies amount to 149 044 836 ECU.

Percentage of levy revenue contributed by each Member State from 1981 to 1985

(%)

Member State	1981	1982	1983	1984	1985
Belgium	7,7	6,8	7,1	8,0	7,2
Denmark	0,4	0,3	0,3	0,4	0,3
FR of Germany	35,0	35,5	35,1	38,1	37,0
Greece	0,6	0,6	0,7	0,6	0,8
France	14,9	14,0	14,0	15,1	13,7
Ireland	0,1	0,0	0,1	0,1	0,1
Italy	14,7	14,4	14,4	15,8	14,8
Luxembourg	2,2	2,1	2,1	2,6	2,5
Netherlands	3,1	2,6	2,8	3,6	3,2
United Kingdom	21,3	23,7	23,4	15,7	20,4
Total	100,0	100,0	100,0	100,0	100,0

Levy revenue by industry from 1981 to 1985

(million ECU)

	1981	1982	1983	1984	1985
Coal	33,3	37,1	39,8	29,7	38,5
Steel	93,3	80,2	94,9	106,3	108,6
Total	126,6	117,3	134,7	136,0	147,1

Redeployment ('traditional aid')
Provisions by Member State and by industry

(amounts in ECU)

	Amounts covered by provisions at 31 December 1984 (ECU)		Amounts covered by provisions at 31 December 1985 (ECU)	% for each country
	At ECU rate on			
	31.12.1984	31.12.1985		
Belgium				
Steel ¹	11 614 905	11 615 074	19 388 015	
Coal	7 497 425	7 497 425	7 464 165	
Total	<u>19 112 330</u>	<u>19 112 499</u>	<u>26 852 180</u>	6,27
FR of Germany				
Steel ¹	46 489 045	46 489 045	53 535 227	
Coal	38 949 742	38 955 492	72 122 854	
Total	<u>85 438 787</u>	<u>85 444 537</u>	<u>125 658 081</u>	29,31
Denmark				
Steel ¹	1 857 500	1 857 500	1 857 500	
Coal	—	—	—	
Total	<u>1 857 500</u>	<u>1 857 500</u>	<u>1 857 500</u>	0,43
France				
Steel ¹	22 120 024	22 120 024	68 322 774	
Coal	29 914 067	29 914 067	47 236 250	
Total	<u>52 034 091</u>	<u>52 034 091</u>	<u>115 559 024</u>	26,96
Ireland				
Steel ¹	76 352	76 352	680 352	
Coal	—	—	—	
Total	<u>76 352</u>	<u>76 352</u>	<u>680 352</u>	0,16
Italy				
Steel ¹	980 332	980 332	43 870 649	
Coal	—	—	—	
Total	<u>980 332</u>	<u>980 332</u>	<u>43 870 649</u>	10,24
Luxembourg				
Steel ¹	9 057 071	9 057 071	6 692 322	
Coal	—	—	—	
Total	<u>9 057 071</u>	<u>9 057 071</u>	<u>6 692 322</u>	1,56
Netherlands				
Steel ¹	2 156 250	2 156 250	3 613 750	
Coal	1 254 365	1 283 495	1 283 495	
Total	<u>3 410 615</u>	<u>3 439 745</u>	<u>4 897 245</u>	1,14
United Kingdom				
Steel ¹	86 485 462	86 485 462	47 073 145	
Coal	71 137 176	71 137 176	55 523 014	
Total	<u>157 622 638</u>	<u>157 622 638</u>	<u>102 596 159</u>	23,93
Community				
Steel ¹	180 836 941	180 837 110	245 033 734	
Coal	148 752 775	148 787 655	183 629 778	
Total	<u>329 589 716</u>	<u>329 624 765</u>	<u>428 663 512</u>	100,00

¹ Including iron-ore mines.

Redeployment (Social measures I Steel)

(amounts in ECU)

Member State	Amounts covered by provisions					Amounts allocated for the four tranches at 31 December 1983		Payments at 31 December 1985
	at 31.12.81	at 31.12.82	at 31.12.83	at 31.12.84	at 31.12.85	ECU	%	
Belgium	4 753 014	12 382 706	7 926 770	—	—	22 786 000	10,8	22 786 000
FR of Germany	811 494	8 982 695	27 825 781	20 831 467	10 314 912	29 997 000	14,1	19 682 088
Denmark	—	—	1 638 000	1 638 000	1 638 000	1 638 000	0,8	—
France	21 388 559	58 164 423	62 486 352	19 886 351	—	68 517 000	32,3	68 517 000
Italy	2 115 674	15 970 171	17 916 000	17 916 000	12 480 383	17 916 000	8,5	5 435 617
Luxembourg	289 818	1 153 354	1 358 000	1 358 000	258 000	1 358 000	0,6	1 100 000
Netherlands	—	1 195 448	2 418 000	2 418 000	286 000	2 418 000	1,1	2 131 239
United Kingdom	19 272 885	57 187 861	67 370 000	31 094 368	—	67 370 000	31,8	67 370 000
Total	48 631 444	155 036 658	188 938 903	95 142 186	24 977 295	212 000 000	100,0	187 021 944

Breakdown of the appropriation of 212 000 000 ECU:

1st tranche: amount allocated: 48 631 444 ECU at 16.12.1981.

2nd tranche: amount allocated: 63 368 556 ECU at 23. 7.1982.

3rd tranche: amount allocated: 50 000 000 ECU at 21.12.1982.

4th tranche: amount allocated: 50 000 000 ECU at 23.12.1983.

Redeployment (Social measures II Steel)

(amounts in ECU)

Member State	Amounts covered by provisions		Amounts in provision at 31.12.1984 First tranche 1984		Payments at 31 December 1985
	at 31.12.1984	at 31.12.1985	ECU	%	
Belgium	4 160 000	2 080 000	4 160 000	6,7	2 080 000
FR of Germany	19 130 000	9 565 000	19 130 000	30,6	9 565 000
Denmark	280 000	280 000	280 000	0,4	—
France	13 170 000	13 170 000	13 170 000	21,1	—
Italy	15 940 000	7 970 000	15 940 000	25,5	7 970 000
Luxembourg	1 880 000	1 880 000	1 880 000	3,0	—
Netherlands	580 000	580 000	580 000	0,9	—
United Kingdom	7 360 000	—	7 360 000	11,8	7 360 000
Total	62 500 000	35 525 000	62 500 000	100,0	26 975 000

Redeployment (Social Measures I Coal)

(amounts in ECU)

Member State	Amounts covered by provisions		Amounts in provision at 31.12.1984 First tranche 1984		Payments at 31 December 1985
	at 31.12.1984	at 31.12.1985	ECU	%	
Belgium	1 000 000	515 000	1 000 000	1,7	485 000
FR of Germany	20 500 000	10 250 000	20 500 000	34,2	10 250 000
France	15 400 000	7 585 000	15 400 000	25,6	7 815 000
United Kingdom	23 100 000	23 100 000	23 100 000	38,5	—
Total	60 000 000	41 450 000	60 000 000	100,0	18 550 000

'Traditional' redeployment aid (new allocations and the effect on employment) 1985

Member State	Number of people receiving aid	Allocations in 1985 (ECU)	%	
			People receiving aid	Allocations in 1985
Belgium				
Steel ¹	4 285	9 283 000	100,0	100,0
Coal	—	—	—	—
Total	4 285	9 283 000	100,0	100,0
FR of Germany				
Steel ¹	10 490	17 219 250	49,6	28,5
Coal	10 676	43 255 000	50,4	71,5
Total	21 166	60 474 250	100,0	100,0
France				
Steel ¹	17 062	46 202 750	84,8	64,1
Coal	3 060	25 830 500	15,2	35,9
Total	20 122	72 033 250	100,0	100,0
Ireland				
Steel ¹	156	713 500	100,0	100,0
Coal	—	—	—	—
Total	156	713 500	100,0	100,0
Italy				
Steel ¹	15 392	42 900 250	100,0	100,0
Coal	—	—	—	—
Total	15 392	42 900 250	100,0	100,0
Luxembourg				
Steel ¹	—	4 815 250 ²	—	100,0
Coal	—	—	—	—
Total	—	4 815 250	—	100,0
Netherlands				
Steel ¹	874	1 457 500	100,0	100,0
Coal	—	—	—	—
Total	874	1 457 500	100,0	100,0
United Kingdom				
Steel ¹	4 477	19 226 500	90,3	82,4
Coal	481	4 096 500 ³	9,7	17,6
Total	4 958	23 323 000	100,0	100,0
Community				
Steel ¹	52 736	141 818 000	78,8	66,0
Coal	14 217	73 182 000	21,2	34,0
Total	66 953	215 000 000	100,0	100,0

¹ Including iron-ore mines.

² Under a programme approved in 1984.

³ Including 3 016 500 ECU under a programme approved in 1984.

**Levy rate and net scales per tonne for each product category
from 1976 to 1985**

(%)

	% 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
1.1.1982	0,31	0,11265 ¹	0,19725 ²	0,36820	0,51594	0,24191
1.1.1983	0,31	0,14449 ¹	0,21911 ²	0,36416	0,63633	0,29430
1.1.1984	0,31	0,15587 ¹	0,22754 ²	0,38923	0,65825	0,30438
1.1.1985	0,31	0,17428 ¹	0,23628 ²	0,45177	0,66256	0,30779

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 %.

**Technical and social research
Amounts covered by provisions at 31 December 1984 and 31 December 1985**

(ECU)

	Amounts covered by provisions at 31.12.1984	Amounts covered by provisions at 31.12.1985
Steel	34 650 483	50 496 076
Coal	34 931 726	36 381 320
Hygiene, safety and industrial medicine	16 098 566	17 176 392
Publication of research findings	688 640	585 053
Total	86 369 415	104 638 841

**Technical and social research
New allocations by sector 1985**

	Unit of measurement	Coal	Steel	Hygiene, safety and industrial medicine	Total
New contracts	number	54	83	53	190
Supplements to existing contracts	number	15	50	51	116
Allocations	ECU	18 930 000	23 616 700	7 664 540	50 211 240
Ancillary costs for publication of research findings	ECU	70 000	383 300	335 460	788 760
Sum total in ECU		19 000 000	24 000 000	8 000 000	51 000 000

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The 31st annual financial report of the ECSC for the year 1985 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 EC 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 1985 and 31 December 1984.



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