

EECS

FINANCIAL REPORT 1986

Commission
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. On 1 January 1986 Spain and Portugal joined the Community. The 12 member countries are hereinafter referred to as the 'Member States.'

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 1986, 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
Manuel Marín	Vice-President
Claude Cheysson	Member
Stanley Clinton Davis	Member
Willy De Clercq	Member
Nicolas Mosar	Member
Alois Pfeiffer	Member
Carlo Ripa di Meana	Member
Grigoris Varfis	Member
Peter Sutherland	Member
Antonio José Baptista Cardoso e Cunha	Member
Abel Matutes	Member

The credit and investments sector was the special responsibility of Mr Abel Matutes.

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 Philippe Werthauer, acting Director, Investments and Loans.

Mr Dieter R. Engel took up the post of Director, Investments and Loans, on 1 November 1986.

Address: Jean Monnet Building, 2920, Luxembourg. Tel. 43011.

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' currencies:²

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

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 47.

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

Overall economic growth for the Twelve remained steady in 1986. Gross domestic product grew by 2.6%, a slightly higher rate than in the United States.

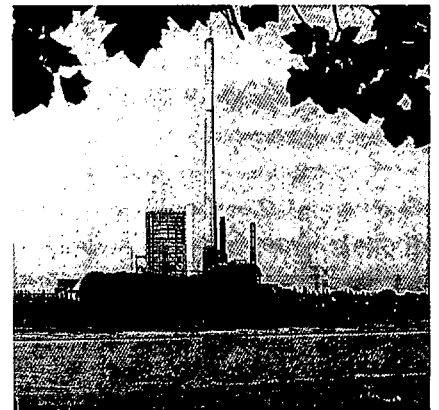
The index of industrial output rose from 103.5 in 1985² to 105.6, an increase of around 2%, approximately twice as much as in the United States. In Japan there was a drop of 0.5%. However, the growth in the production of capital goods slackened distinctly with the index rising from 104.6 to 107.3 (an increase of 2.6% as against 5.8% between 1984 and 1985), while the production index for consumer goods rose from 103.5 to 107.5 (an increase of 3.9% as against 1.8% between 1984 and 1985). These figures reflect the caution shown by investors in view of the considerable drop in foreign demand while the buoyancy of private consumption and the recovery in the building sector have aided general activity. The trend in recent months suggests that the growth in gross domestic product in 1987 will be similar to that of 1986.

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 increase in employment in small and medium-sized businesses and the incentive measures taken in favour of this sector should help reduce unemployment in several Community countries.

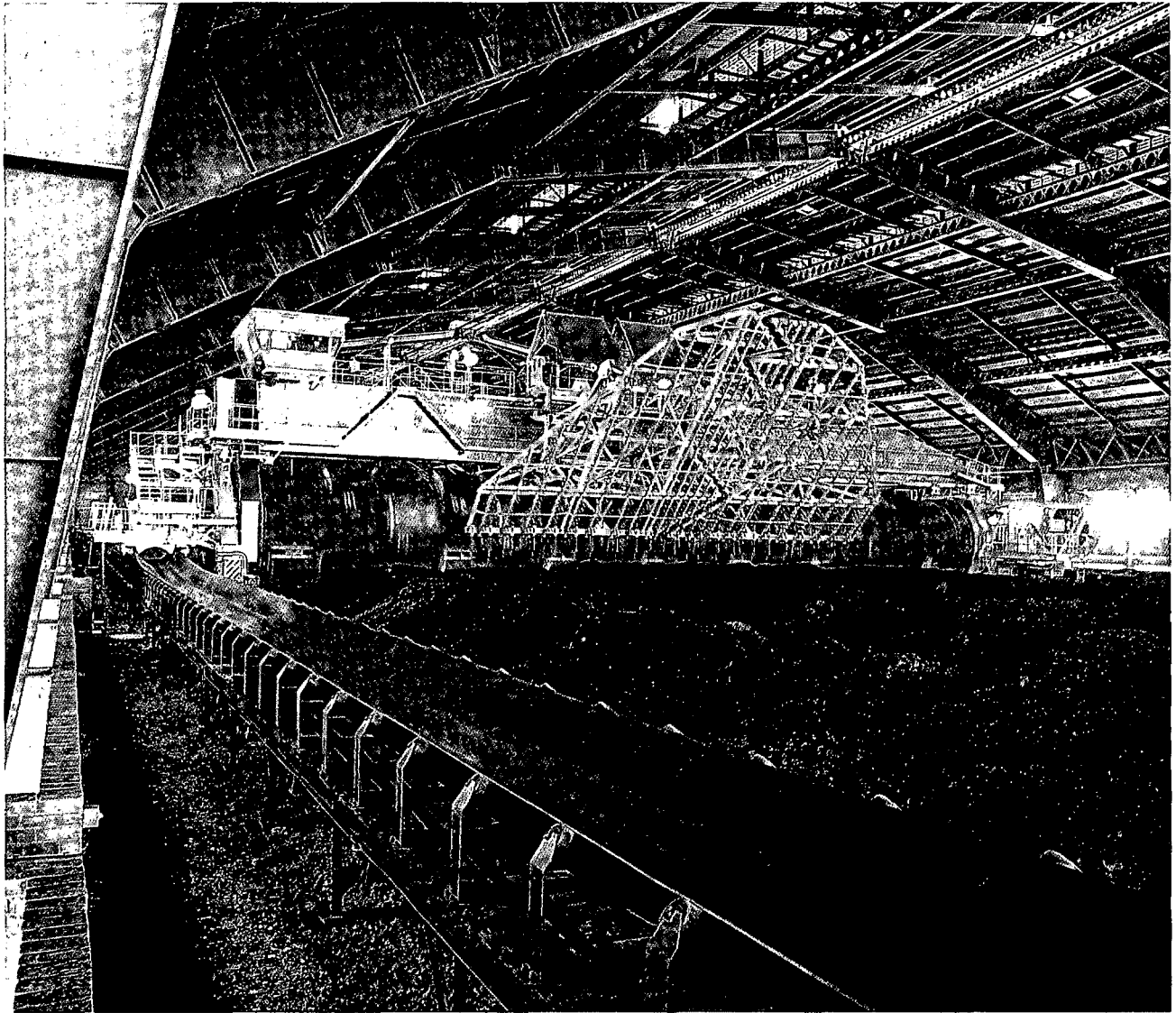
The rise in consumer prices in the Twelve fell to its lowest level for 25 years, with the index rising by only 2.8%. Because of the increase in nominal incomes, the rise in households' real disposable incomes quickened, thereby stimulating private consumer expenditure.

In these circumstances, and in view of the slackness of demand on the export markets caused by the fall in the dollar and a drop in the demand for imports from the main trading partners of Community industry, economic activity is now determined more by domestic demand.

Walsum thermal power station — Steag (Essen)



¹ Assessment based on the revised figures for 1985 and provisional figures for 1986.
² Base 1980 = 100. Eurostat statistics.



National Coal Board — Coal-stocking machine at work inside the covered storage area at Gascoigne Wood

The downward trend in interest rates observed in 1985 continued on most financial markets in 1986. This was encouraged by a general drop in inflation rates resulting from efforts to cut public expenditure. However, there were also spells of varying duration, when interest rates tended upwards, under the influence of the chaotic movements on the exchange markets. The same will probably apply in 1987.

Coal industry¹

The increase in Community energy consumption in 1986 was 1.2% as against 3.3% in 1985. Coal consumption and deliveries to consumers hardly changed.

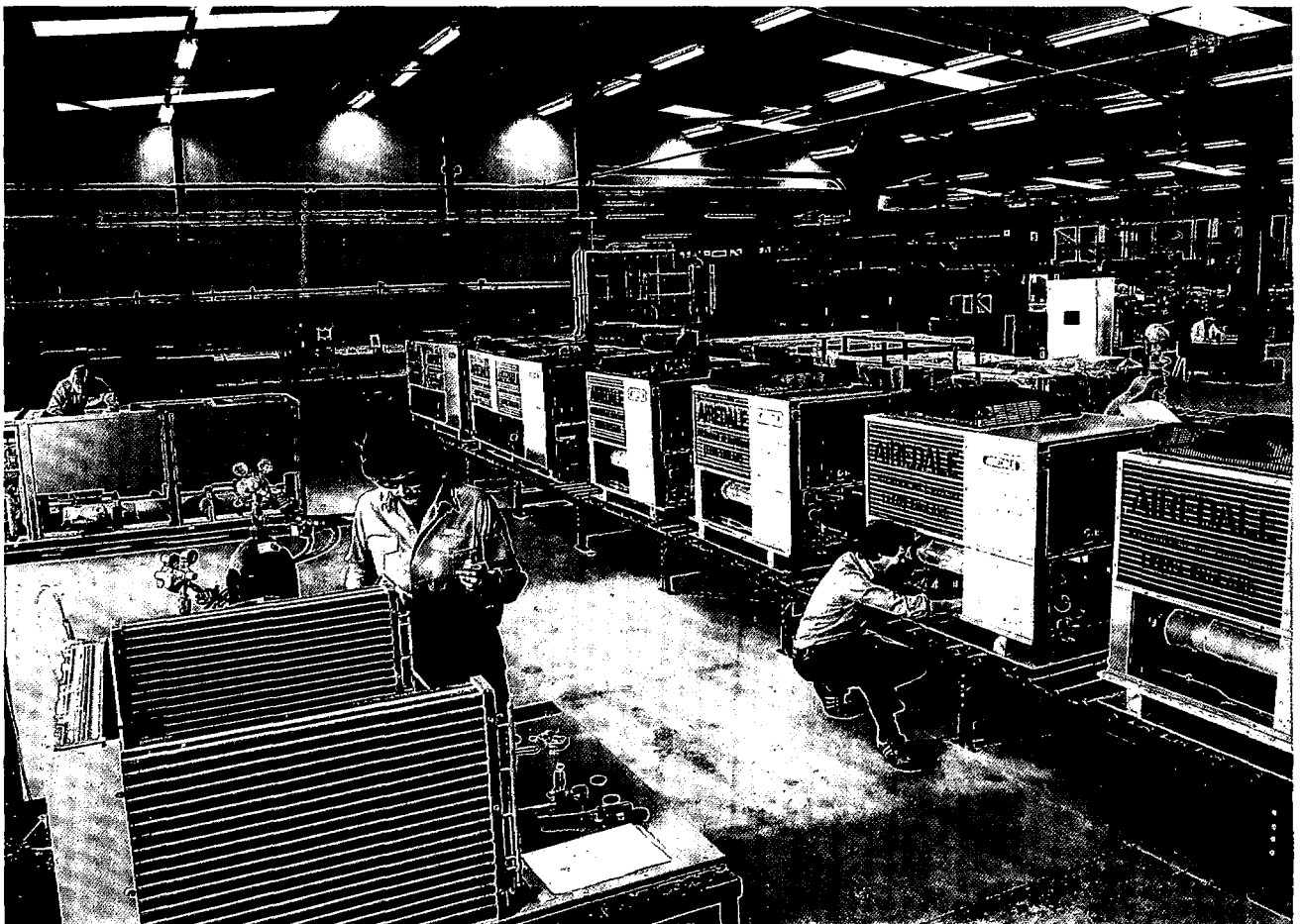
Deliveries came from Community pits (226 million tonnes) and imports (95 million tonnes), accounting for 70% and 30% respectively of the total.

¹ Assessment based on revised figures for 1985 and provisional figures for 1986.

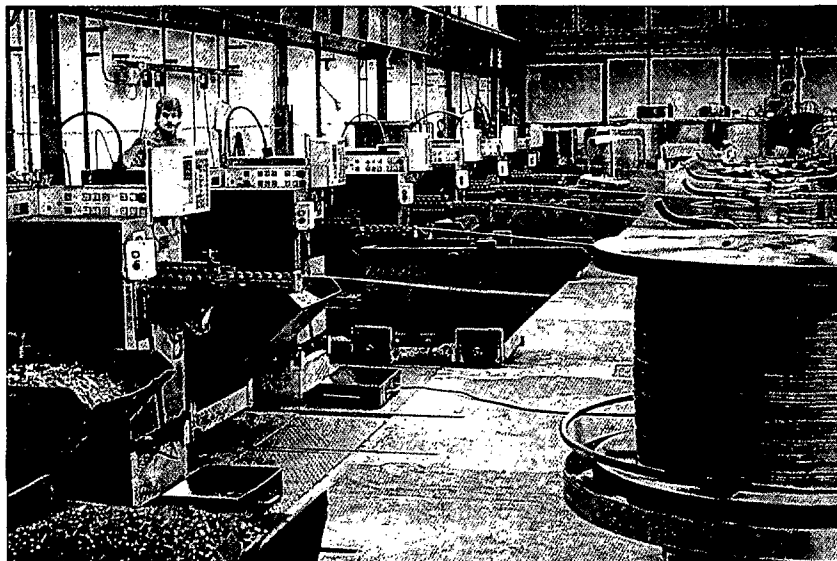
Community production increased from 201 million tonnes in 1985 to 212 million tonnes in 1986 (228 million tonnes for the Twelve). In this overall picture, falling production in most coalfields is masked by the recovery in the United Kingdom, where the effect of the strikes was still being felt in 1985. Imports into the Twelve from non-Community countries dropped slightly from 98 million tonnes in 1985 to 95 million tonnes in 1986, a fall of 3%. At the same time, pithead stocks hardly changed, remaining at around 33 million tonnes.

The number of underground workers again fell sharply; the total for the Twelve dropped from 299 000 at the end of 1985 to 269 000 at the end of 1986. Of these 30 000 (10%) job losses, 23 000 were in the

Airedale — International Air Conditioning



Wire-nail plant at the Tréfilunion works,
Marnaval (France)



United Kingdom alone. Coalface productivity rose to 505 kg per man-hour compared with 445 kg in 1985.

According to information supplied by the companies, investment expenditure in the Ten, which had risen to 13 000 million ECU in 1985, increased further to 18 000 million ECU in 1986, reaching the 1982 and 1983 levels.

Mining capacity in the Ten had been cut appreciably by 5.3% in 1985, mainly as a result of pit closures in the United Kingdom. According to information supplied by the companies, capacity remained virtually stable in 1986 at 214 million tonnes a year. The recent trend in energy prices and the dollar rate makes the prospects for the Community coal industry rather gloomy.

Steel industry¹

Crude steel production in the Community in 1986 was appreciably lower than in 1985, falling from 120.7 to 112.9 million tonnes (125.4 million tonnes for the Twelve), a drop of 6.5%. Apparent crude steel

¹ Assessment based on the revised figures for 1985 and provisional figures for 1986.

Walsum thermal power station — Steag (Essen)

production in the Community remained virtually stable. This contrast highlights the deterioration in the balance of trade with non-Community countries. Exports of ECSC steel products fell by 18% from 23,7 million tonnes to 19,5 million tonnes while imports increased by 17% from 8,3 million tonnes to 9,7 million tonnes. The decrease in the net export balance shows that the stronger competitive position acquired as a result of the restructuring of Community companies was outweighed by various factors like the fall in the value of the dollar against the ECU and the spectacular rise of the steel industry in developing or newly industrialized countries.

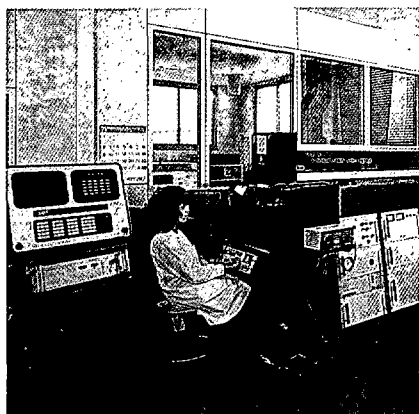
The number of jobs dropped once again, with the number of workers in the Ten falling by 6% from 426 000 in 1985 to 402 000 in 1986.

Information supplied by the companies would suggest that investment expenditure, after totalling 4 000 million ECU in 1985, fell by 25% to 3 000 million ECU in 1986 as the major investment programmes linked with the restructuring of the steel industry drew to a close.

The reduction in production capacity for hot-rolled products demanded by the Commission continued in 1986. According to the companies, maximum production capacity fell from 145,5 million tonnes in 1985 to 140,1 million tonnes in 1986. The capacity-reduction objectives originally set for the end of 1985 have been achieved and new closures going further than the Commission's demands are now in hand.

The gradual dismantling of the quota system for the production and delivery to the common market which the Commission started at the end of 1985 has now been held up by further deterioration of the steel market. In the medium term, the surplus of capacity over demand appears comparable to the volume of capacity eliminated over the past five years. A sustained restructuring effort appears essential if the industry is to be restored to a balanced position and be able to finance the investment needed to make it competitive.

Compel (Miku) — Redeployment aid



ECSC lending and guarantee operations

The general trend in 1986

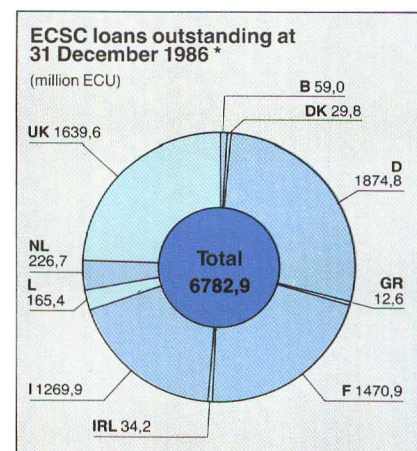
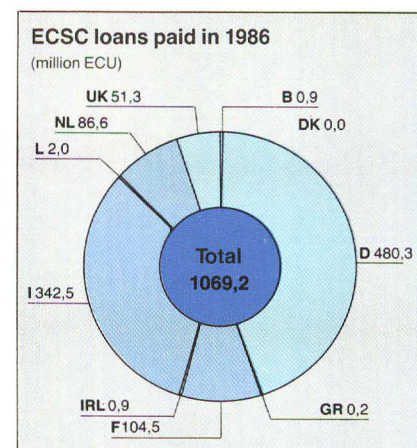
At 1 069,2 million ECU, the total amount of loans disbursed by the ECSC in 1986 was 5,8% higher than the 1985 figure of 1 010,6 million ECU.

This overall increase was made up of various contrasting movements. Loans to the steel industry and the coal industry increased considerably while loans for conversion declined sharply.

Loans disbursed in 1986 — Breakdown by sector and by Member State

(million ECU)

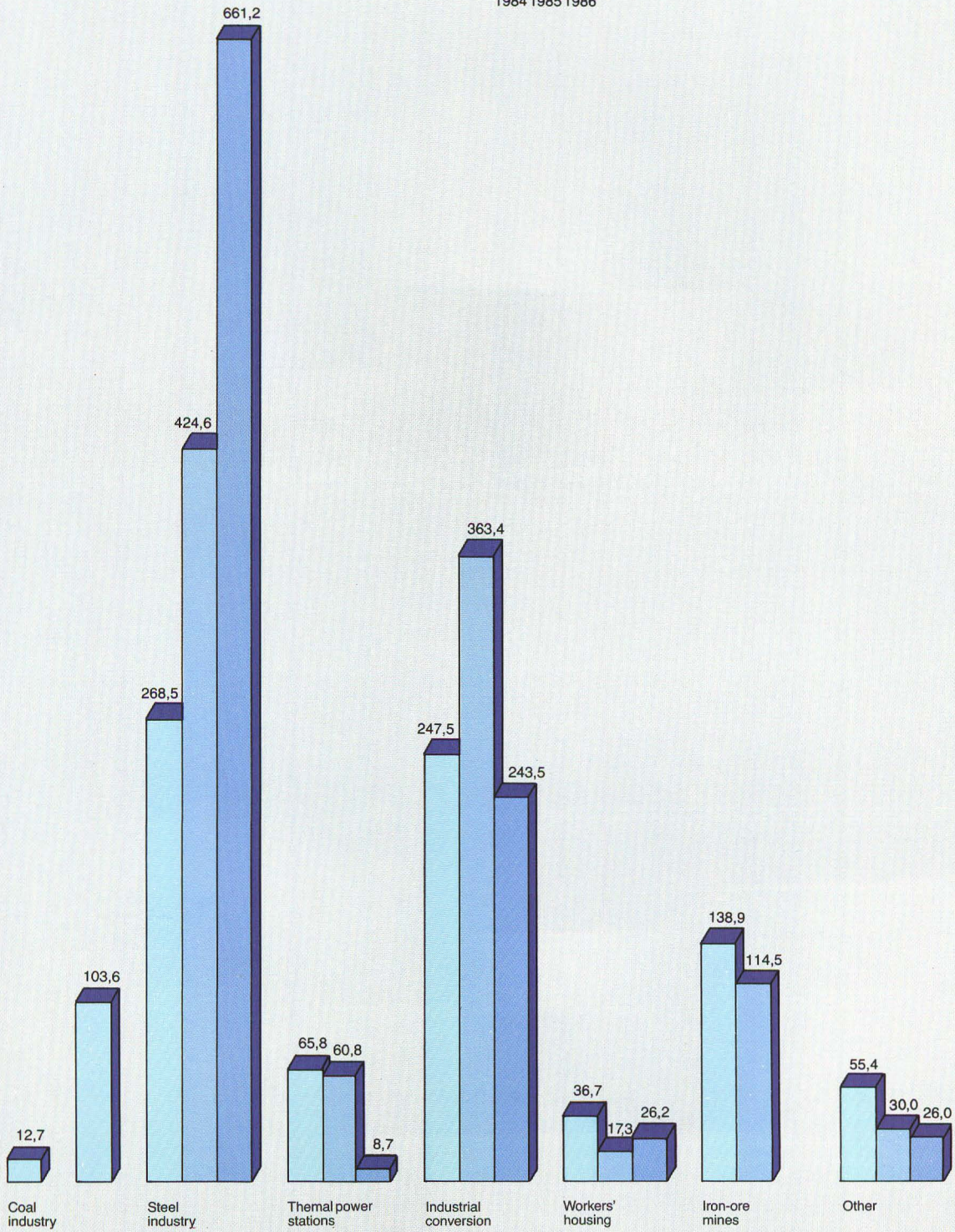
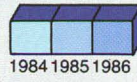
	I				Total I	II	III	Grand total I + II + III
	Coal industry (Art. 54(1))	Steel industry (Art. 54(1))	Thermal power stations (Art. 54(2))	Other (Article 54)		Industrial conversion (Article 56)	Workers' housing (Art. 54(2))	
Belgium	—	—	—	—	—	0,3	0,6	0,9
Denmark	—	—	—	—	—	—	—	—
FR of Germany	103,6	208,1	8,7	8,8	329,2	144,1	7,0	480,3
Greece	—	—	—	—	—	—	0,2	0,2
Spain	—	—	—	—	—	—	—	—
France	—	90,7	—	10,2	100,9	0,1	3,5	104,5
Ireland	—	—	—	0,8	0,8	—	0,1	0,9
Italy	—	279,8	—	6,2	286,0	46,3	10,2	342,5
Luxembourg	—	—	—	—	—	1,8	0,2	2,0
Netherlands	—	82,6	—	—	82,6	3,4	0,6	86,6
Portugal	—	—	—	—	—	—	—	—
United Kingdom	—	—	—	—	—	47,5	3,8	51,3
Community Total	103,6	661,2	8,7	26,0	799,5	243,5	26,2	1 069,2



* Excluding 365,2 million ECU outside Community

ECSC loans to the various sectors in 1984, 1985 and 1986

(million ECU)



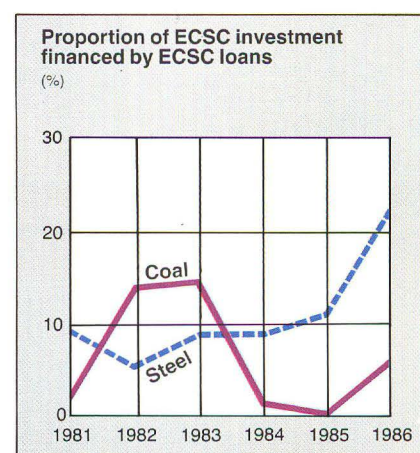
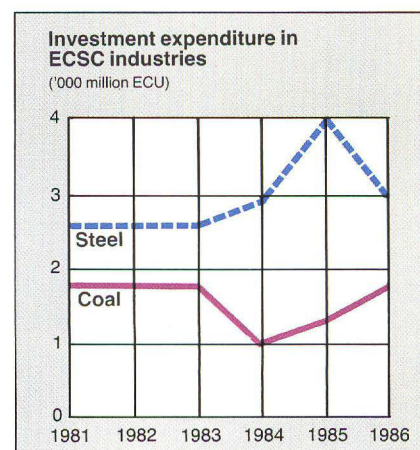
Financing of industrial investment (Article 54 of the ECSC Treaty)

ECSC loans for financing industrial investment (steel, coal, thermal power stations and other sectors) totalled 799,5 million ECU in 1986. This is 26,9% up on the 1985 figure of 629,9 million ECU.

Loans for industrial investment

	Total loans disbursed at 31 December 1985 ¹	New loans in 1986	Total loans disbursed at 31 December 1986	Balance outstanding at 31 December 1986
<i>(million ECU)</i>				
Belgium	227,8	—	227,8	30,1
Denmark	58,2	—	58,2	21,9
FR of Germany	2 699,6	329,2	3 028,8	1 180,5
Greece	12,1	—	12,1	12,1
Spain	—	—	—	—
France	2 117,3	100,9	2 218,2	1 328,2
Ireland	28,6	0,8	29,4	29,4
Italy	1 511,11	286,0	1 797,1	1 049,7
Luxembourg	239,8	—	239,8	143,0
Netherlands	270,0	82,6	352,6	213,2
Portugal	—	—	—	—
United Kingdom	2 469,6	—	2 469,6	1 069,7
Community	9 634,1	799,5	10 433,6	5 077,8
Non-Community	376,1	—	376,1	365,2
Total	10 010,2	799,5	10 809,7	5 443,0

¹ After adjustment for the new rates for converting national currencies into ECU (see p. 47).



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

ECSC loans to the steel industry increased by 55,7% from 424,6 million ECU in 1985 to 661,2 million ECU in 1986 (including 208,0 million ECU in rescheduling operations). Nineteen loans were disbursed during the year to firms in the Federal Republic of Germany, France, Italy and the Netherlands.

Loans to steel undertakings

(million ECU)

	1982	1983	1984	1985	1986
Belgium	—	—	—	—	—
Denmark	—	—	—	—	—
FR of Germany	40	49	100	97	208
Greece	—	—	—	—	—
France	7	127	99	183	91
Ireland	—	—	—	—	—
Italy	53	6	—	145	280
Luxembourg	—	—	69	—	—
Netherlands	40	39	—	—	82
United Kingdom	—	1	—	—	—
Community	140	222	268	425	661
Non-Community	—	—	—	—	—
Total	140	222	268	425	661

Proportion of steel industry investment financed by ECSC loans¹

(%)

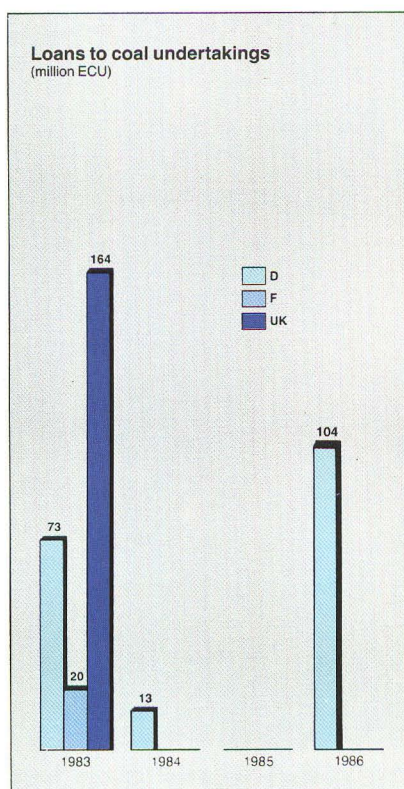
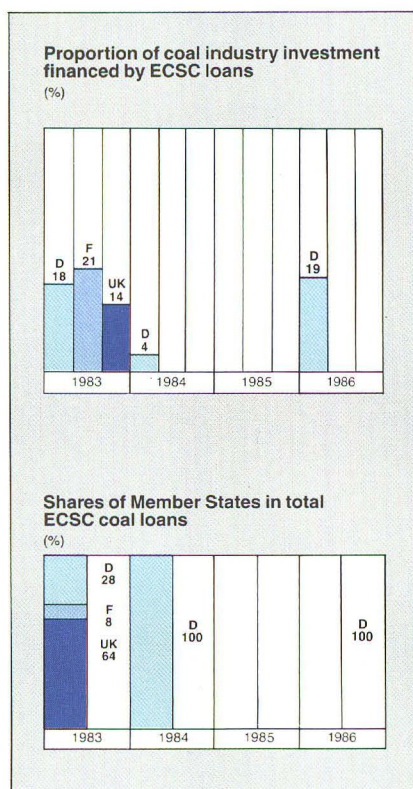
	1982	1983	1984	1985	1986
Belgium	—	—	—	—	—
Denmark	—	—	—	—	—
FR of Germany	6	7	11	6	23
Greece	—	—	—	—	—
Spain	—	—	—	—	—
France	2	27	14	28	17
Ireland	—	—	—	—	—
Italy	8	1	—	21	45
Luxembourg	—	—	162 ²	—	—
Netherlands	38	26	—	—	29
Portugal	—	—	—	—	—
United Kingdom	—	1	—	—	—
Total	5,5	9	9	11	22

¹ Assessment based on actual figures for 1982 to 1984 and planned expenditure for 1985 and 1986.

² Loan disbursed in 1984 to cover several financial years.

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

One loan — to a German firm — was disbursed to the Community coal industry in 1986.



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

ECSC loans to finance thermal power stations have been falling since 1984. Only one loan — to a German firm — was disbursed in 1986.

Loans to finance thermal power stations

	<i>(million ECU)</i>				
	1982	1983	1984	1985	1986
Belgium	—	—	—	—	—
FR of Germany	—	—	—	16	9
France	16	128	66	45	—
United Kingdom	25	—	—	—	—
Total	41	128	66	61	9

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

ECSC loans to other sectors dropped sharply from 144,5 million ECU in 1985 to 26 million ECU in 1986.

Three loans at the rate of borrowing totalling 16,4 million ECU were disbursed for an iron-ore project and two projects to promote the sale of Community steel.

Nine loans carrying interest subsidies and totalling 9,6 million ECU were disbursed for investments designed to promote the consumption of Community coal.

Loans to other sectors

(million ECU)

	1982		1983		1984		1985		1986	
	Iron ore	Other	Iron ore	Other	Iron ore	Other	Iron ore	Other	Iron ore	Other
FR of Germany	—	6	—	—	—	39	—	22	—	9
Greece	—	11	—	—	—	—	—	—	—	—
France	—	—	—	—	—	9	—	2	—	10
Ireland	—	—	—	—	—	—	—	—	—	1
Italy	—	9	—	—	—	—	—	—	—	6
Netherlands	—	—	—	—	—	—	—	—	—	—
United Kingdom	—	25	—	11	—	7	—	6	—	—
Community	—	51	—	11	—	55	—	30	—	26
Non-Community	72	—	—	—	139	—	115	—	—	—
Total	72	51	—	11	139	55	115	30	—	26

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

The 10th programme to finance housing for coal and steel workers continued in 1986. Loans for this purpose are drawn from the ECSC's own funds and borrowed funds. Loans from own funds carry an annual interest rate of 1% and are granted on a long-term basis. As a rule, they are made 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 1986 the Commission disbursed a total of 26,2 million ECU, 17,8 million ECU from own funds and 8,4 million ECU from borrowed funds. Apart from house building, ECSC funds were also used for the modernization and purchase of existing homes.

The amounts enabled the Commission to finance around 3 600 new dwellings, bringing the total number financed by the ECSC to over 192 000.

Construction of workers' housing —
Glückauf Dh — Homberg



Loans for workers' housing — Situation at end-1986

(million ECU)

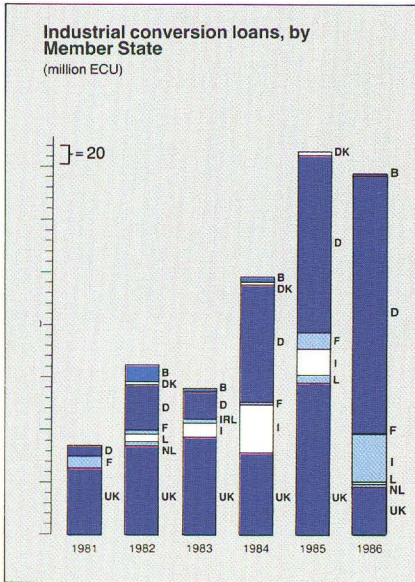
	Total loans disbursed at 31 December 1985 ¹	New loans in 1986	Total loans disbursed at 31 December 1986	Balance outstanding at 31 December 1986
Belgium	41.7	0.6	42.3	8.3
Denmark	1.7	—	1.7	0.6
FR of Germany	200.5	7.0	207.5	91.0
Greece	0.5	0.2	0.7	0.6
Spain	—	—	—	—
France	48.2	3.5	51.7	26.1
Ireland	1.0	0.1	1.1	0.8
Italy	79.7	10.2	89.9	72.8
Luxembourg	7.3	0.2	7.5	2.2
Netherlands	18.7	0.6	19.3	6.4
Portugal	—	—	—	—
United Kingdom	17.5	3.8	21.3	12.7
Community	416.8	26.2	443.0	221.5
Non-Community	—	—	—	—
Total	416.8	26.2	443.0	221.5

¹ After adjustment for the new rates for converting national currencies to ECU (see p. 47).

Loans for workers' housing 1982-86

(million ECU)

	1982	1983	1984	1985	1986
Belgium	1.1	0.9	1.0	1.1	0.6
Denmark	0.1	0.0	0.1	—	—
FR of Germany	5.0	2.2	10.2	1.8	7.0
Greece	0.4	0.4	0.1	—	0.2
France	3.7	2.1	3.9	1.8	3.5
Ireland	0.1	0.2	0.1	0.1	0.1
Italy	2.3	12.8	18.7	10.9	10.2
Luxembourg	0.3	0.1	0.2	0.1	0.2
Netherlands	0.4	0.0	0.7	—	0.6
United Kingdom	4.7	1.5	1.7	1.5	3.8
Total	18.1	20.2	36.7	17.3	26.2



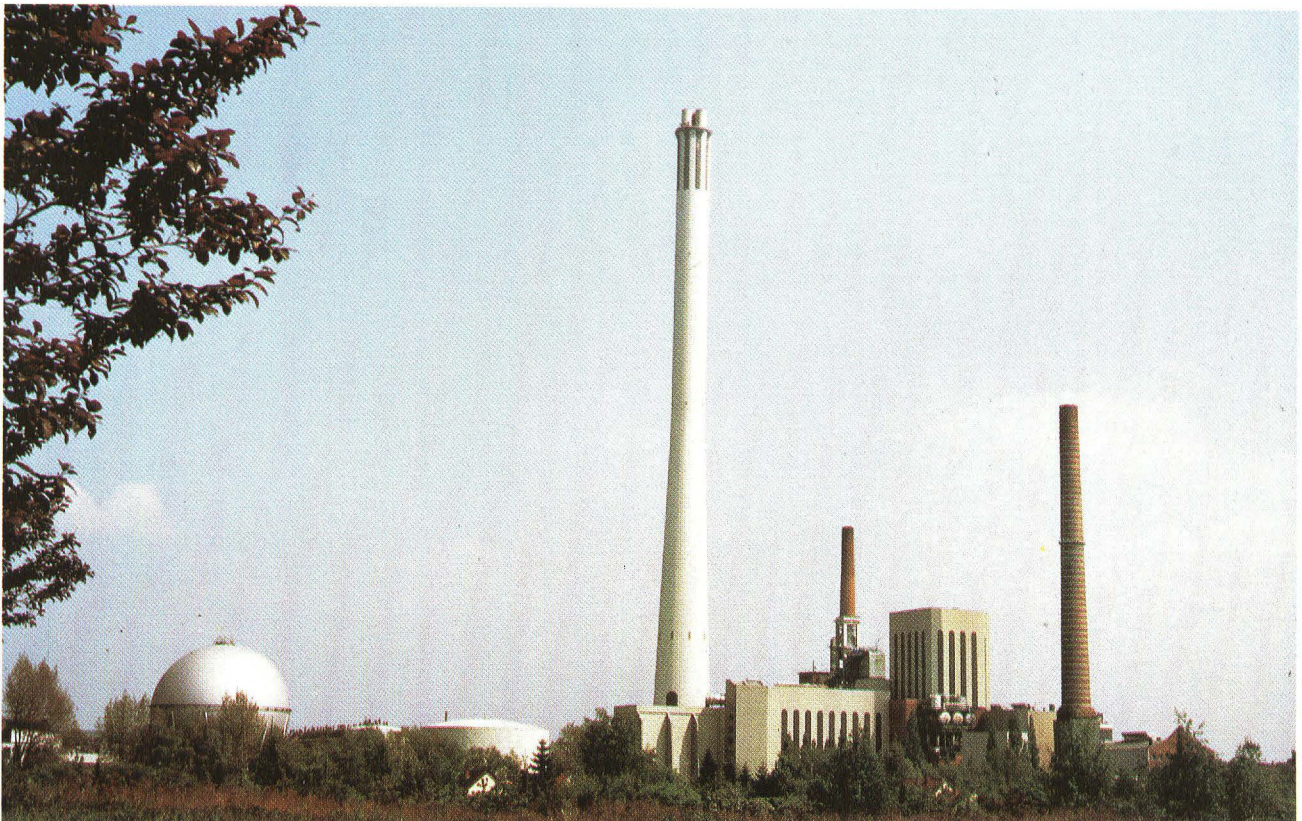
Financing of industrial conversion programmes (Article 56 of the ECSC Treaty)

The restructuring of the steel industry has already resulted in a considerable reduction in the number of jobs, which fell from 510 000 in 1984 to 459 000 in 1986 (EUR 12).

The number of workers employed in the Community's coal industry also dropped from 498 000 in 1984 to 420 800 in 1986.

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. For the sake of efficiency it acted through financial institutions, to which it granted global loans which were then on-lent to small businesses.

Braunschweig thermal power plant, financed by funds from the ECSC programme to promote the use of coal



Despite these efforts, there was a sharp decrease in conversion loans, which fell by 33% from 363,4 million ECU in 1985 to 243,5 million ECU in 1986.

During 1986 the Commission disbursed 71 conversion loans, 68 of them in the form of global loans totalling 235 million ECU to promote investment by small businesses and three direct loans totalling 8,5 million ECU. They should help create some 12 000 jobs.

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. The Commission decided in July 1986 to reduce the subsidy from 3% to 2% for direct loans and from 5% to 3% for sub-loans (subsidiary loans) under global loans. The decision taken at the same time to revise the operating principles for conversion loans could be the cause of the delays in these financial operations and explain the drop in disbursements in 1986. However, in view of the considerable increase in applications and Commission decisions in 1986, disbursements can be expected to increase in 1987. 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-1986

(million ECU)

	Total loans disbursed at 31 December 1985 ¹	New loans in 1986	Total loans disbursed at 31 December 1986	Balance outstanding at 31 December 1986
Belgium	88,9	0,3	89,2	20,6
Denmark	9,1	—	9,1	7,2
FR of Germany	645,8	144,1	789,9	603,3
Greece	—	—	—	—
Spain	—	—	—	—
France	316,2	0,1	316,3	116,7
Ireland	5,1	—	5,1	4,0
Italy	163,9	46,3	210,2	147,4
Luxembourg	23,2	1,8	25,0	20,2
Netherlands	35,7	3,4	39,1	7,1
Portugal	—	—	—	—
United Kingdom	737,8	47,5	785,3	557,2
Community	2 025,7	243,5	2 269,2	1 483,7
Non-Community	—	—	—	—
Total	2 025,7	243,5	2 269,2	1 483,7

¹ After adjustment for the new rates adopted for converting national currencies into ECU (see page 47).

Summary of lending and guarantee operations (1954-86)

From the start of its financing operations up to 31 December 1986 the ECSC disbursed loans totalling 13 506,9 million ECU, of which 13 184,6 million ECU was from borrowed funds and 322,3 million ECU from its own funds (special reserve and former pension fund).

Guarantees provided over the same period bring the total amount of ECSC financial operations to 13 580,4 million ECU at the end of 1986 as compared with 12 899 million ECU at 31 December 1985.

The difference between the figures for the two years reflects new loans disbursed (1 069,2 million ECU) and exchange-rate adjustments (– 387,8 million ECU).

Loans disbursed and guarantees granted up to 31 December 1986 — Breakdown by Member State

Initial amounts¹

(million ECU and %)

	Loans			Guarantees	Total loans and guarantees	%
	From borrowed funds	From own funds	Total			
Belgium	336,4	16,8	353,2	—	353,2	2,6
Denmark	82,3	1,7	84,0	—	84,0	0,6
FR of Germany	3 837,0	186,6	4 023,6	65,0	4 088,6	30,1
Greece	12,1	0,7	12,8	—	12,8	0,1
France	2 519,6	51,4	2 571,0	8,4	2 579,4	19,0
Ireland	34,6	1,0	35,6	—	35,6	0,3
Italy	2 076,2	20,4	2 096,6	0,1	2 096,7	15,4
Luxembourg	266,8	6,3	273,1	—	273,1	2,0
Netherlands	388,6	16,1	404,7	—	404,7	3,0
United Kingdom	3 254,9	21,3	3 276,2	—	3 276,2	24,1
Non-Community	376,1	—	376,1	—	376,1	2,8
Total	13 184,6	322,3	13 506,9	73,5	13 580,4	100,0

¹ After adjustment for the new rates for converting national currencies to ECU (see p. 47).

ECSC borrowing operations

In 1986 the volume of operations on the international financial markets continued to increase, but at a more moderate rate (32%) than in previous years. The most notable feature of the year was the fundamental change in the panoply of instruments used. The volume of syndicated credits remained relatively stable, but there was a boom in short-term operations, Eurocommercial paper and certificates of deposit. In particular, the issues market recorded a spectacular increase from USD 160 000 million to over USD 220 000 million, the drop in rates encouraging fixed-rate operations while the market for variable-rate operations was in the doldrums.

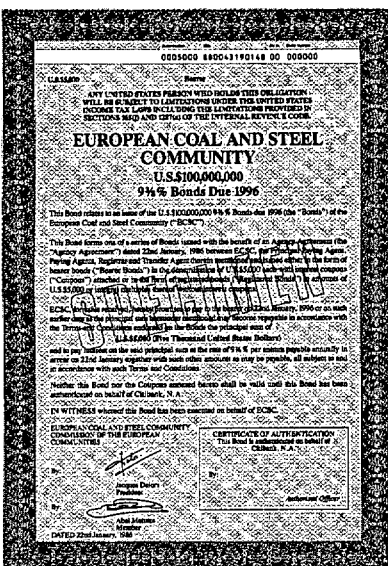
The volatility of the exchange markets had considerable effects on borrowings; in particular, it explains the number of operations with currency swap arrangements and the various innovations generally involving exchange-rate options. For this same reason, the dollar's role declined because of its weakness in relation to other currencies. The dollar accounted for only 51 % of Euroborrowings, followed by the yen, the Swiss franc and the mark. The ECU was in sixth place in a market which had a number of difficult moments, and it settled at 71 000 million ECU as against 89 000 million ECU in 1985.

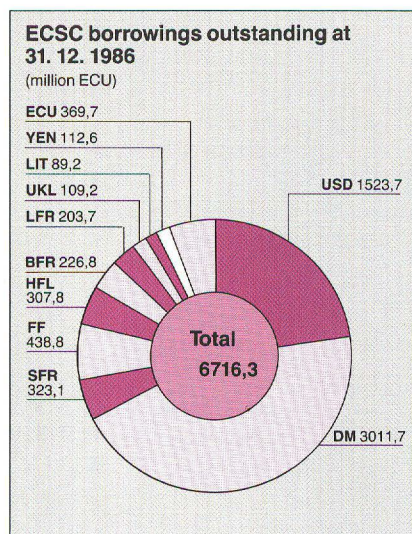
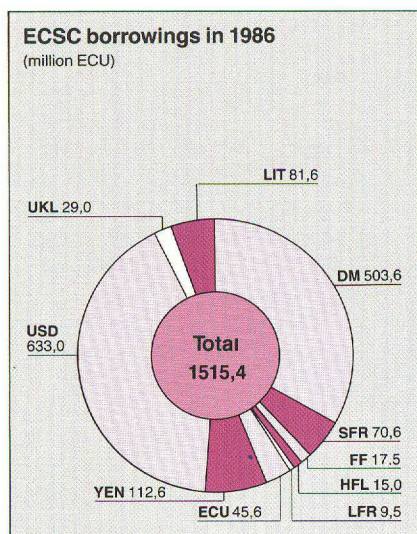
In 1986 the European Communities borrowed a total of 4 011 million ECU (of which 3 408 million ECU was received in 1986). Of this total 24,4% was to refinance earlier operations.

ECSC borrowing operations in 1986 totalled 1 739,6 million ECU as against 1 264,8 million ECU in 1985; of this total, 981,2 million ECU was to refinance earlier, more expensive operations.

As in the past, most use was made of private placings or bank loans (58 out of 66 operations in 1986).

Interest or currency swaps were used for the first time and were particularly well suited to the needs of ECSC customers. Taking these swap operations into account, the mark was the currency most used (37,8%), followed by the US dollar (16,6%), the ECU (12,3%) and the French franc (6,3%).





Total ECSC borrowings at 31 December 1986

(million ECU)

Borrowing currency	Total borrowings received at 31 December 1986 ¹	Repayments	Balance outstanding at 31 December 1986 ²
US dollar (USD)	4 316,8	2 793,1	1 523,7
German mark (DM)	5 070,1	2 058,4	3 011,7
Swiss franc (SFR)	1 662,7	1 339,6	323,1
French franc (FF)	780,7	341,9	438,8
Guilder (HFL)	502,3	194,5	307,8
Belgian franc (BFR)	423,8	197,0	226,8
Luxembourg franc (LFR)	417,4	213,7	203,7
Sterling (UKL)	190,4	81,2	109,2
Lira (LIT)	188,8	99,6	89,2
Canadian dollar (CAD)	50,8	50,8	0,0
Yen	171,0	58,4	112,6
EMU	88,1	88,1	0,0
ECU	369,7	—	369,7
Unit of account (u.a.)	47,1	47,1	0,0
Total borrowings received at 31 December 1986	14 279,7	7 563,4	6 716,3³

¹ After adjustment for the new rates for converting national currencies into ECU (see page 47).

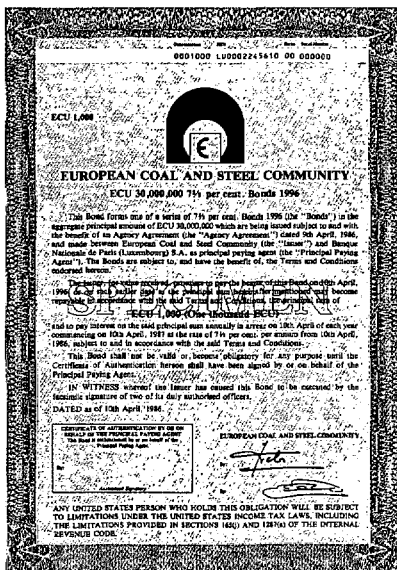
² The main characteristics of the borrowings outstanding at 31 December 1986 and of the unit of account (u.a.) are given on pages 69-75.

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

ECSC borrowings received in 1986

(million ECU)

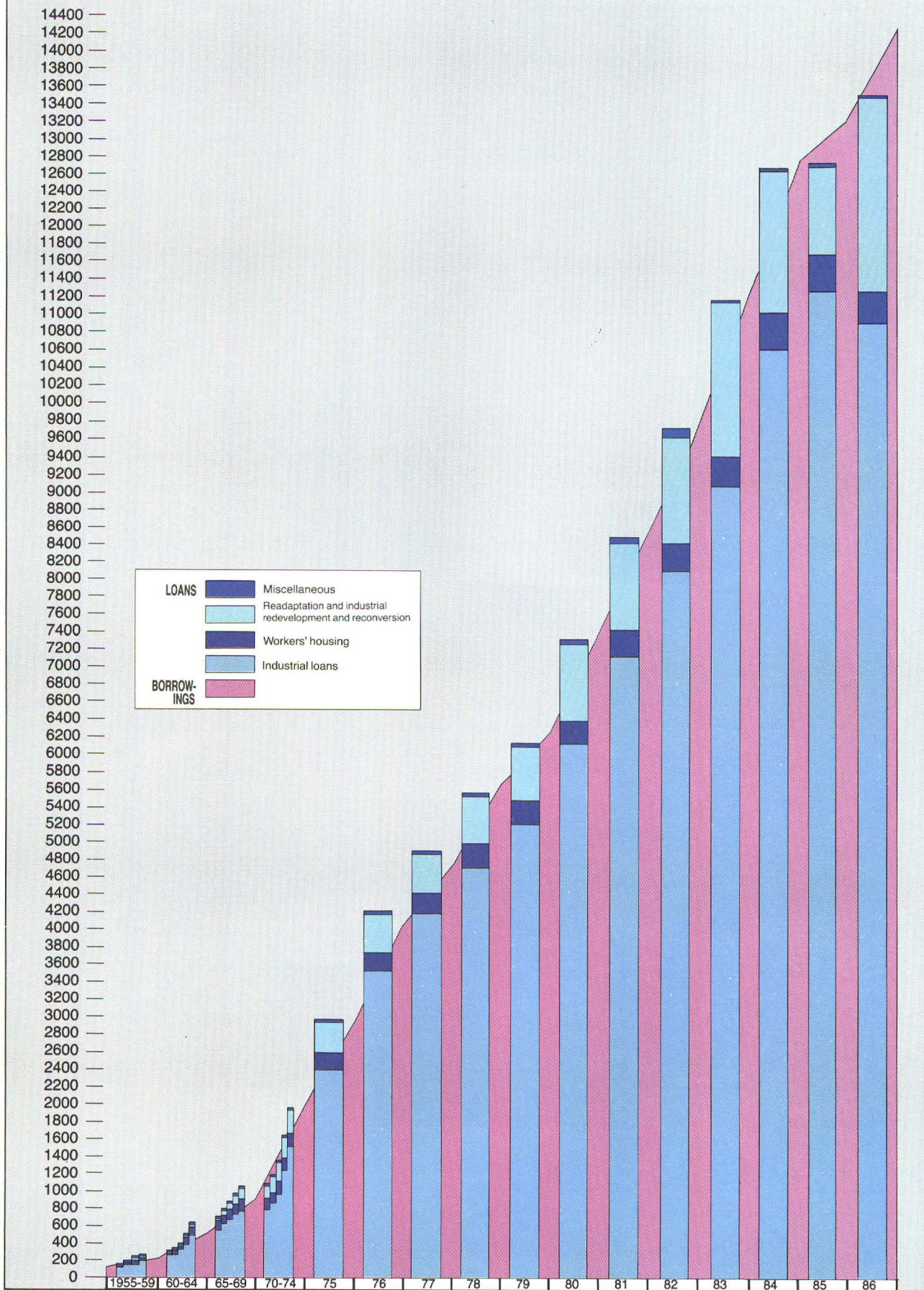
Type of borrowing	Currency	Amount (millions)		Coupon (%)	Duration	Issue price (%)
		In borrowing currency	Equivalent in ECU			
Public issues	ECU	30	30	7.625	86-92-96	100
	LIT	100 000	8,298	9.25	86-93-94	98.50
	USD	100	93,425	7.75	86-88-91	100,375
	USD	75	70,069	7.00	86-89-89	101
	USD	108	100,899	8.25	86-96-96	101,125
	USD	85	79,411	8.25	86-96-96	104,2
	USD	100	93,425	9.375	86-92-96	100,75
Private placing	DM	50	24,084	6.10	86-91-94	100
	DM	104	50,094	5.50	86-91-91	98,93
	DM	20	9,633	6,125	86-92-96	99,23
	DM	18	8,670	5,25	86-91-91	98,95
	DM	75	36,125	5,625	86-89-92	99,50
	DM	25	12,042	5,99	86-91-91	100
	DM	145	69,842	6,00	86-92-96	99,75
	DM	100	48,167	5,10	86-88-88	99,95
	DM	44	21,194	6,00	86-91-94	99,75
	DM	49,556	23,870	5,78	86-92-92	100
	DM	11,800	5,684	4,65	86-87-87	100
	DM	15,100	7,273	4,79	86-88-88	100
	DM	50	24,084	5,10	86-88-88	95,95
	DM	40,600	19,556	6,60	86-92-96	100
	DM	17,500	8,429	7,00	86-92-2001	99,64
	DM	37,500	18,063	4,60	86-87-87	100
	DM	37,500	18,063	4,76	86-88-88	100
	DM	44,300	21,338	5,95	86-91-91	100
	DM	20	9,633	6,50	86-92-96	100
	DM	11,450	5,515	5,87	86-92-92	100
	DM	50	24,084	5,75	86-91-91	100
	DM	50	24,084	5,80	86-91-91	100,50
	DM	17,479	8,419	5,80	86-91-91	100,05
	DM	3,951	1,903	4,95	86-87-87	100
	DM	7,750	3,732	4,68	86-86-86	100
	ECU	15	15	8,00	86-92-96	100,875
	FF	0,500	0,073	12,75	86-88-93	100
	FF	60	8,727	8,40	86-88-88	100
	FF	60	8,727	8,50	86-89-89	100
	LFR	300	6,939	7,50	86-90-91	100
	LFR	110	2,544	7,625	86-88-90	100
	SFR	41,200	23,738	4,75	86-91-91	100
	SFR	7,600	4,379	4,75	86-87-88	100
SFR	43,800	25,236	4,75	86-90-90	100,50	
SFR	30	17,285	4,75	86-87-89	100	
HFL	15	6,397	7,375	86-87-2001	99,75	
HFL	3	1,279	7,375	86-87-2001	99,75	
HFL	1,072	0,457	6,00	86-91-91	100	
HFL	9,337	3,982	6,00	86-87-90	100	
HFL	6,877	2,933	6,25	86-91-91	100	
LIT	12 000	8,298	10,00	86-92-96	100	
LIT	6 000	4,149	10,00	86-92-96	100	
UKL	20	27,588	9,93	86-88-88	100	
UKL	1	1,379	11,70	86-91-91	100	
USD	20	18,685	9,50	86-87-88	100	
USD	6	5,605	7,8125	86-89-89	100	
USD	7	6,540	7,50	86-88-88	100	
USD	7	6,540	7,1875	86-87-87	100	
USD	25	23,356	7,687	86-87-87	100	
USD	25	23,356	7,875	86-88-88	100	
USD	10	9,342	7,1875	86-87-87	100	
USD	24	22,422	7,1875	86-87-87	100	
USD	20	18,685	7,75	86-88-88	100	
USD	25	23,356	7,8125	86-88-88	100	
USD	40,600	37,930	6,165	86-87-90	100	
Yen	10 250	59,925	6,40	86-91-91	100	
Yen	4 000	23,386	6,40	86-89-89	100	
Yen	5 000	29,232	6,40	86-87-90	100	



Total ECSC borrowings received in 1986 — 1 517,4 million ECU out of a total of 1 736,6 million ECU concluded.

Total borrowings and loan allocations to 31. 12. 1986

(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.

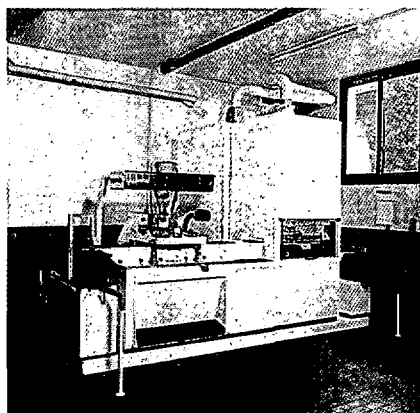
Redeployment aid Article 56(2) (b) of the ECSC Treaty)

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. These traditional aids, which are governed by regularly amended bilateral conventions concluded between the Commission and the Member States, form a flexible and adaptable instrument which has enabled the Community to adjust its social measures to changes in the situation: structure and qualifications of ECSC workers, employment policy and social support arrangements. The Commission 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.

In view of the increase in the number of persons receiving aids as the restructuring process in the steel industry was speeded up and the Community coal industry introduced modernization and rationalization measures, the ECSC own resources used to finance these redeployment aids were boosted by special transfers from the EEC (social measures) between 1981 and 1984.

The tables on pages 77 and 78 provide a breakdown by Member State of the loans granted in 1986 and the cumulative situation at 31 December 1986 (traditional aid and social measures).

Compel (Miku) — Redeployment aid

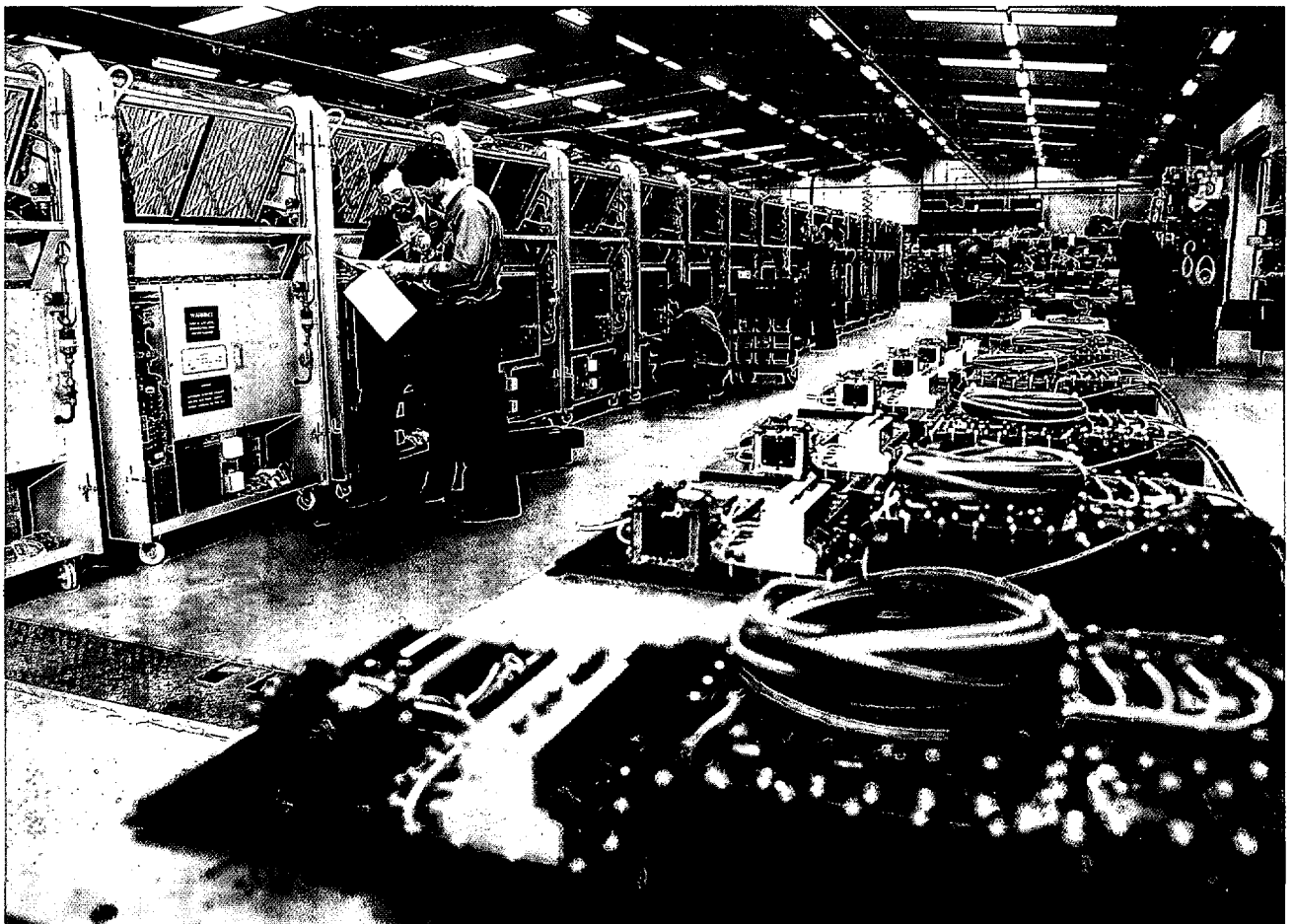


Coal industry research (Article 55 of the ECSC Treaty)

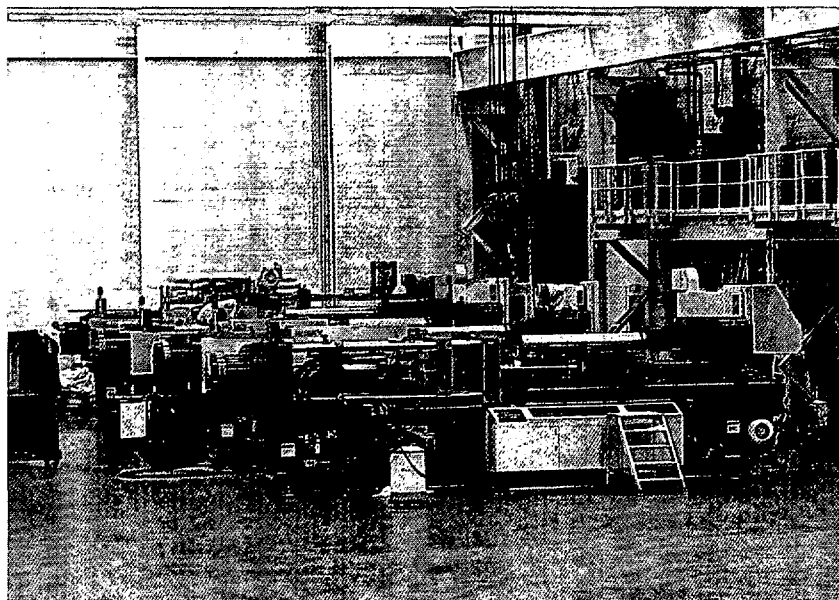
Sixty-two projects in the coal sector were financed in 1986, involving a total of 22 279 500 ECU, plus 164 200 ECU for the dissemination of research findings and related costs.

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

Airedale — International Air Conditioning



Husky Injection Molding Systems SA,
Dudelange (Grand Duchy of Luxembourg)



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

Sector	Number of projects	Percentage of aid
Development systems	8	15,7
Ventilation, firedamp and climate	3	2,2
Coal-winning techniques	11	22,3
Outbye operations	5	6,0
Modern pit management	12	17,8
Mining technology	39	64,0
Coal preparation	7	13,0
Coking	12	15,1
Utilization of coal	4	7,1
	23	35,2
Dissemination of information	—	0,8
Total	62	100,0

The total of 22 million ECU provided for in the budget was exceeded since in 1986, for the first time, amounts not spent (443 700 ECU) could be reused.

Steel industry research (Article 55 of the ECSC Treaty)

Of the 179 proposals submitted to the Commission for financial aid under Article 55 of the ECSC Treaty, 82 were selected in the 1986 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.

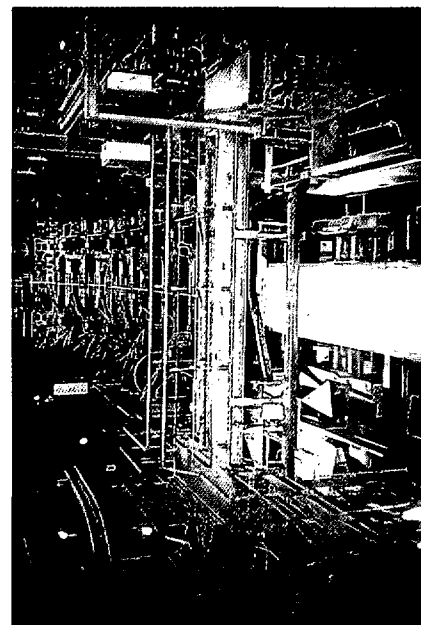
Financial assistance totalled 19 569 700 ECU, plus 499 250 ECU for the dissemination of research findings and related costs.

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

Iron working	9.8%
Steel production	15.2%
Rolling and mechanical forming	22.8%
Measurement and analyses	19.3%
Properties and performance	32.0%
Other	0.9%

Also under Article 55 of the ECSC Treaty, the Commission in 1986 continued the programme of pilot and demonstration projects launched in 1983. Thirteen of the 23 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 8 251 150 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:

Ore preparation and reduction	23.4%
Steel production	29.0%
Processing	30.3%
Treatment	7.9%
Measurement and analyses	9.4%



Continuous casting of steel at the Solmer plant (France)

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 granted 9 496 325 ECU for 52 projects and 150 000 ECU for 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	(6 projects)	9.5%
Fifth ergonomics programme	(16 projects)	28.6%
Fourth programme on technical control of nuisances and pollution at the place of work in the environment or iron and steel works	(7 projects)	15.8%
Second mining safety programme	(17 projects)	27.2%
Fifth programme on industrial hygiene in mines	(6 projects)	18.9%

Out-turn of ECSC operating budget

The out-turn of the operating budget was 329,3 million ECU as against the 479,2 million ECU contained in the amending general budget.

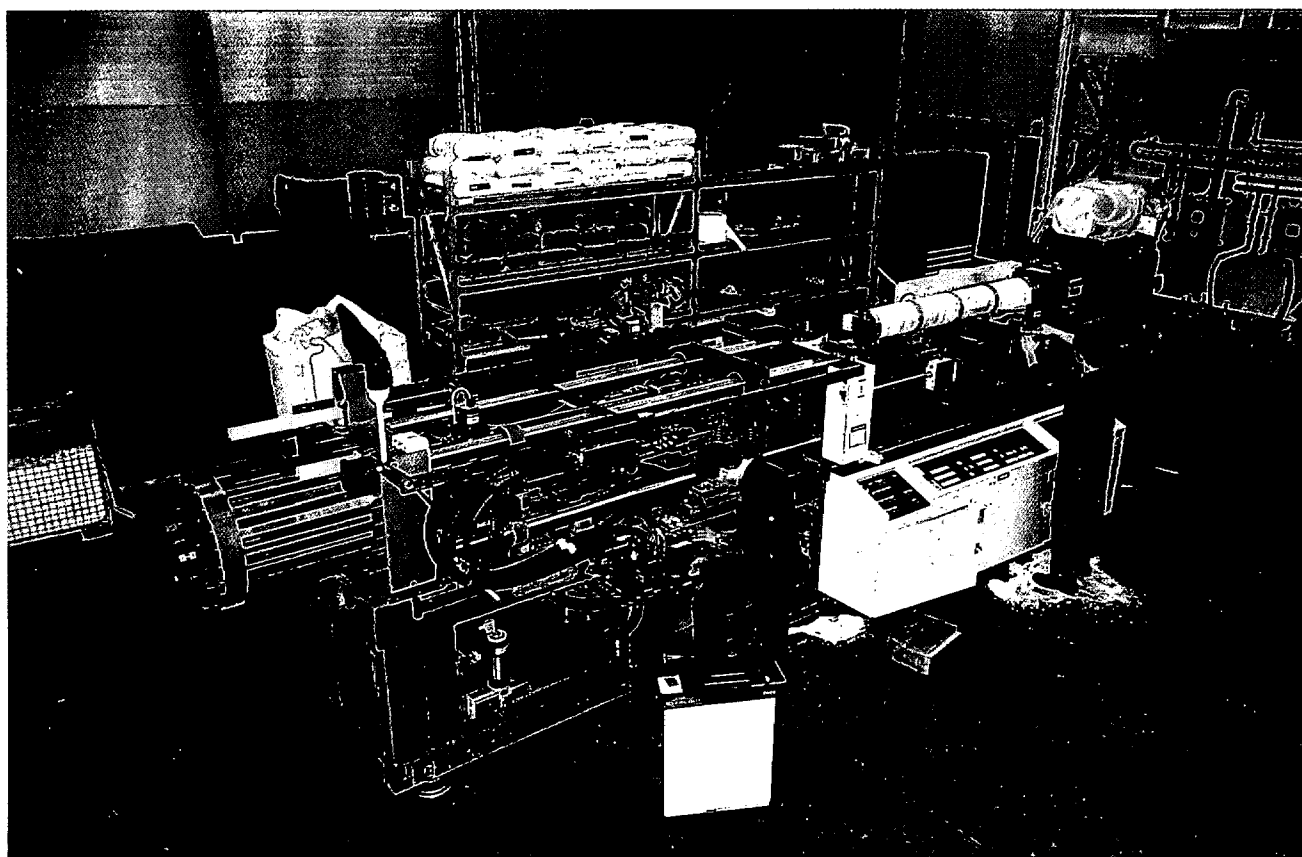
The budget out-turn showed a balance, as follows:

Resources

On 16 December 1986 the Council refused to authorize the transfer of the extraordinary receipts from the general budget to the ECSC. The implementation of social measures linked with the restructuring of the coal and steel industries was conditional upon these receipts being made available.

As compared with the estimates for traditional resources, there is a fall of 3,5 million ECU in the yield from the levy and a drop of 10,6 million

Husky Injection Molding Systems SA,
Dudelange (Grand Duchy of Luxembourg)



ECU in revenue from fines and surcharges for late payments (connected with the fact that fines due are not entered until they are actually paid) and an increase in 8,7 million ECU over the original entry for cancellations of commitments from previous years. There are also various other resources amounting to 0,5 million ECU.

Taking into account an increase in the amount drawn from the contingency reserve, the result is a total of 329,3 million ECU.

Requirements

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 estimated figures for traditional aids were exceeded by a total of 10,1 million ECU as a result, in general, of the recommitment of the appropriations which had become available again as a result of cancellations of commitments for amounts higher than the initial estimate.

The out-turn of the ECSC budget for 1986 thus shows a total balance of 329,3 million ECU.

Commitments for budget aid

The table on page 79 shows the total commitments for budget aid awaiting payment at 31 December 1986 and indicates for each type of aid the years in which the commitments were entered into and the foreseeable schedule of payments.

Out-turn of the ECSC operating budget for 1986

(million ECU)

Requirements	Fore-cast ¹	Out-turn	Resources	Fore-cast ¹	Out-turn
Operations to be financed from current resources (non-repayable)			Resources for the financial year		
1. Administrative expenditure	5	5	1. Current resources		
2. Aid for redeployment (Art. 56)	170	171.9	1.1. Yield from levy at 0,31%	170	166.5
3. Aid for research (Art. 55)	60	61.6	1.2. Interest on investments and on loans from non-borrowed funds	100	100
3.1. Steel	28.5	28.9	1.3. Fines and surcharges for late payment ²	27	16.4
3.2. Coal	22	22.4	1.4. Miscellaneous	p.m.	0.5
3.3. Social	9.5	10.3	2. Cancellation of commitments unlikely to be implemented	10	-18.7
4. Aid in the form of interest subsidies	78.2	84.8	3. Revaluation of assets and liabilities	p.m.	—
4.1. Investment (Art. 54)	13.2	14.3	4. Resources from 1985 not used	p.m.	—
4.2. Conversion (Art. 56)	65	70.5	5. Exceptional revenue		
5. Aid for coking coal and metallurgical coke (Art. 95)	6	6	5.1. Measures connected with restructuring of steel industry	[100]	—
6. Measures connected with restructuring of steel industry	[100]	—	5.2. Measures connected with restructuring of coal industry	[60]	—
7. Measures connected with restructuring of coal industry	[60]	—	6. Drawings on contingency reserve	12.2	27.2
Total	479.2	329.3	Total	479.2	329.3
Operations financed by loans from non-borrowed funds			Origin of non-borrowed funds		
Subsidized housing	13	13	Special reserve and former ECSC pension fund	13	13

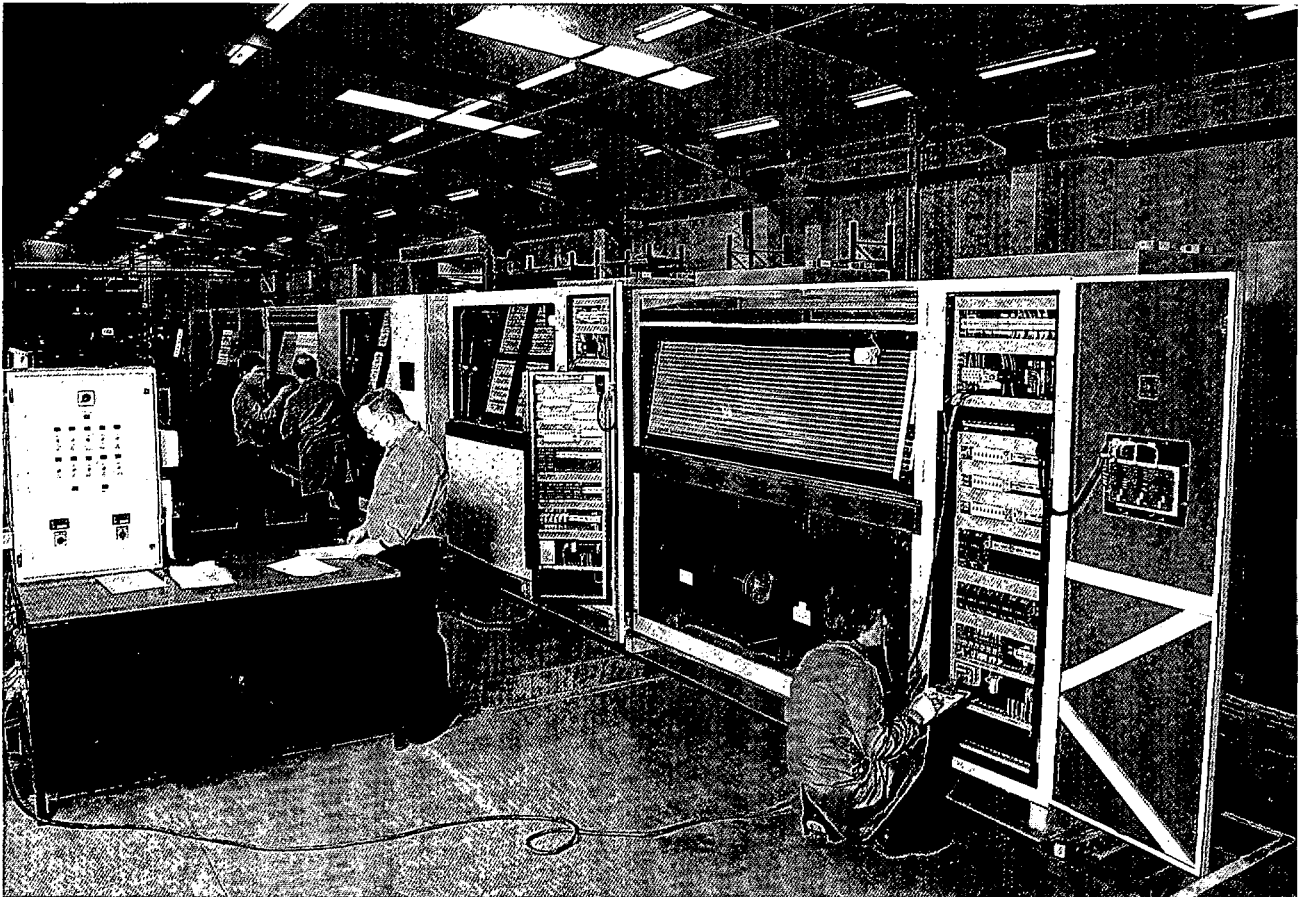
¹ On the basis of the Commission's forecasts of 31 July 1986.

² The 16.4 million ECU is the total paid in 1986 and does not include the 85.7 million ECU due to the ECSC on 31 December 1986.

ECSC financial statements

The ECSC balance sheets and the profit and loss accounts for years ending 31 December 1986 and 31 December 1985 were submitted to the Commission for approval by written procedure (E/774/86) on 23 June 1986. They appear in this Financial Report as approved by the Commission.

Airedale — International Air Conditioning



ECSC financial statements

Balance sheets at 31 December 1986 and 1985

(Amounts expressed in ECU)

Before allocation of profit

Assets

	1986	1985 (note 2)
Balances with central banks (note 3)	19 874 654	2 751 573
Balances with credit institutions (note 3):		
— Repayable on demand	67 786 480	192 603 441
— With agreed maturity dates or periods of notice	1 071 711 246	1 065 613 596
Debt securities held in portfolio (notes 3 and 4)	636 788 961	509 089 878
Loans outstanding (note 5)	7 001 552 088	7 051 437 544
Issuing costs and redemption premiums for amortization	57 804 638	61 881 898
Land and buildings (note 6)	3 028 063	469 126
Other assets (note 7)	126 879 471	78 328 425
Accruals and deferred income (note 8)	203 617 928	215 358 105
	<u>9 189 043 529</u>	<u>9 177 533 586</u>

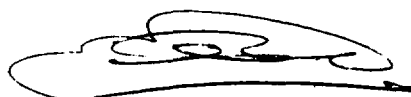
The notes on pages 47 to 59 are an integral part of these financial statements.

Before allocation of profit

Liabilities

	1986	1985 (note 2)
Liabilities towards third parties		
Amounts owed to credit institutions: with agreed maturity dates or periods of notice	217 470 984	5 965 929
Long-term and medium-term debts (note 9)	6 761 264 883	7 034 265 716
Other liabilities	6 759 216	17 138 791
Accruals and deferred income (note 10)	301 006 565	320 302 757
Provision for losses and expenses	2 674 261	2 589 652
Commitments for ECSC Operating Budget (note 11):		
— Legal commitments	901 605 714	752 450 177
— Commitments not yet implemented	—	136 423 771
Total liabilities towards third parties	8 190 781 623	8 269 136 793
Net assets		
Provision for changes in the ECU conversion rate (note 2)	—	29 550 759
Provision for the financing of the ECSC Operating Budget (note 12)	274 500 000	218 100 000
Reserves (note 13)		
— Guarantee fund	452 491 000	420 000 000
— Special reserve	178 939 000	165 000 000
— Former pension fund	47 856 905	45 639 268
— Contributions to the reserves from the new Member States not yet called in	38 122 917	—
Total reserves	717 409 822	630 639 268
Profit brought forward	211 212	105 647
Profit for the financial year	6 140 872	30 001 119
Total net assets	9 98 261 906	9 08 396 793
	9 189 043 529	9 177 533 586

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 1986 and 31 December 1985

(Amounts expressed in ECU)

Expenditure

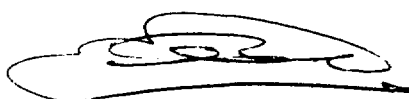
	1986	1985
Interest payable	601 196 233	629 550 113
Issuing costs and redemption premiums	23 314 914	25 660 540
Commission payable	2 744 725	5 173 068
Capital losses on securities	1 311 578	1 203 887
Other financial costs	5 397 943	389 410
Allocation to the provision for losses and expenses	84 609	2 589 652
Value adjustments in respect of securities (note 4)	6 886 658	—
Value adjustments in respect of claims	15 057 383	17 039 484
Administrative expenditure (fixed amount) (note 14)	5 000 000	5 000 000
Conversion differences (note 2)	29 839 423	12 368 477
Expenditure relating to fines, deposits and levy	168 303	6 195 270
Legal commitments for the financial year (note 11):		
— Redeployment	171 912 000	215 000 000
— Research	68 948 841	69 886 779
— Interest subsidies (Art. 54)	39 281 371	3 585 669
— Interest subsidies (Art. 56)	159 600 846	74 861 326
— Coking coal and metallurgical coke	6 000 000	6 000 000
— Parity changes on legal commitments	73 290	34 318
Allocation to provisions for the financing of the ECSC Operating Budget (note 12)	56 400 000	67 500 000
Total expenditure	1 193 218 117	1 142 037 993
Profit for the financial year	6 140 872	30 001 119
	1 199 358 989	1 172 039 112

The notes on pages 47 to 59 are an integral part of these financial statements.

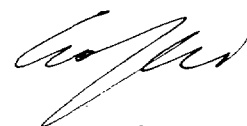
Revenue

	1986	1985
Interest receivable (note 15)	772 893 236	825 451 956
Issuing and redemption premiums	14 866 876	13 080 574
Gains on own bonds	8 514 768	11 240 619
Gains on other securities	25 470 350	18 360 201
Income from value adjustments in respect of securities (note 4)	7 872	6 073 241
Other financial revenue	1 120 956	182 765
Income from the provision for changes in the ECU rate (note 2)	29 550 759	—
Income from value adjustments in respect of claims	30 801 876	27 277 467
Levy (note 16)	166 477 516	149 044 836
Fines (note 17)	8 877 164	16 025 366
Deposits (in accordance with Decision 3717/83)	660 785	938 361
Cancellations of legal commitments (note 11)	3 649 212	54 569 321
Cancellations of commitments not yet implemented (note 11)	15 006 078	16 222 280
Withdrawal from the provision for commitments not yet implemented (note 11)	121 417 693	33 530 494
Other revenue	43 848	41 631
	1 199 358 989	1 172 039 112

European Coal and Steel Community



A. MATUTES
Member
of the Commission



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Director-General
for Credit and Investments

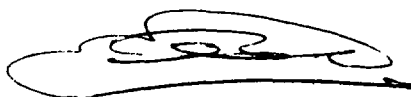
Allocation of profit for the years ending 31 December 1986 and 31 December 1985

(Amounts expressed in ECU)

	1986	1985
Profit not allocated at 1 January	211 212	105 647
Profit for the year to be allocated	6 140 872	30 001 119
	<u>6 352 084</u>	<u>30 106 766</u>
Allocations		
— Guarantee fund	5 000 000	20 000 000
— Special reserve	—	9 000 000
— Former pension fund	1 007 617	895 554
	<u>6 007 617</u>	<u>29 895 554</u>
Profit not allocated at 31 December	344 467	211 212

The notes on pages 47 to 59 are an integral part of these financial statements.

European Coal and Steel Community



A. MATUTES
Member
of the Commission



E. CIOFFI
Director-General
for Credit and Investments

Notes to financial statements at 31 December 1986 and 31 December 1985

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

In the financial statements at 31 December 1986, 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	
	1986	1985
Convertible Belgian and Luxembourg franc	43,2325	44,645
German mark	2,0761	2,18386
Dutch guilder	2,34488	2,46133
Pound sterling	0,724942	0,615334
Danish krone	7,86192	7,95672
French franc	6,87503	6,70474
Italian lira	1 446,19	1 489,94
Irish pound	0,764828	0,714055
Greek drachma	148,526	131,20
Spanish peseta	141,151	136,519
Portuguese escudo	156,382	140,736
u.a.	0,424970	0,450583
EMU	0,567240	0,596683
US dollar	1,07038	0,887927
Swiss franc	1,73562	1,84023
Canadian dollar	1,47766	1,24088
Japanese yen	171,046	178,207

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 methods

- *Conversion into ECU of balance sheet accounts in currency*

The re-evaluation figure in ECU at year-end rates of the balance sheet accounts in currency is now entered in its entirety in the profit and loss account, whereas until 31 December 1985 only part of this re-evaluation was entered in the profit and loss account, the opening balances of the accounts being re-evaluated directly via a balance sheet account. Using the new method, if there is a conversion gain at the end of the year, this gain is allocated to a provision for changes in the ECU rate. On the other hand, if there is a conversion loss, the provision for changes in the ECU rate is used to cover that loss. Thus, in 1986, 29 550 759 ECU of the total of 29 839 423 ECU conversion losses were covered by a withdrawal from the provision for changes in the ECU rate. Up to 1985, this provision was included in the liabilities side of accruals and deferred income. It is now shown under a separate heading, the figure for the year 1985 being reclassified under this new heading.

This change in accounting method made a difference of 17,9 million ECU in the profit, which would have been that much less if the former method had been used.

- *Accounts covering bonds and coupons relating to public loans*

In order to simplify accounting procedures, the balances of bank deposits opened in order to make debt service payments are now recorded as off-balance sheet commitments, the ECSC being discharged from its debt as soon as the amount of the bonds and coupons relating to that debt is paid into these bank accounts. This change reduces total assets and liabilities by 118 580 439 ECU. The 31 December 1985 figures (102 834 753 ECU) for these accounts have also been removed from the balance sheet to make the two financial years comparable.

2.2. Other accounting methods

- *Value adjustments*

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 undertaking 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.

- *Conversion to ECU of revenue and expenditure accounts*

Expenditure and revenue for the financial year are entered in currency and converted to ECU at the monthly accounting rate in force on the day of the transaction.

3. Liquid assets and investments

Liquid assets and investments are as follows:

	<i>(million ECU)</i>	
	31 December	
	1986	1985
Balances with central banks	19.9	2.7
Balances with credit institutions		
— repayable on demand	67.8	192.6
— with agreed maturity dates or periods of notice	1 071.7	1 065.6
Debts securities in portfolio	636.8	509.1
Total	1 796.2	1 770.0

These funds originate as follows:

	<i>(million ECU)</i>	
	31 December	
	1986	1985
— counterpart of the guarantee fund (prior to allocation)	452,5	420,0
— commitments for the ECSC operating budget	901,6	888,9
— provisions for the financing of the operating budget for the following year	274,5	218,1
— profit for the financial year	6,1	30,0
— other	161,5	213,0
Total	1 796,2	1 770,0

4. Debt securities in portfolio

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

The portfolio comprises mainly government bonds and repurchased ECSC bonds. It was made up as follows at 31 December:

	Allocation to the provision for depreciation in 1986 (withdrawal)	31 December	
		1986	1985
ECSC bonds			
— gross value	—	55 056 419	110 409 484
— provision for depreciation	(7 872)	(6 358)	(14 230)
— net value		55 050 061	110 395 254
Ordinary portfolio			
— gross value	—	589 808 263	399 877 329
— provision for depreciation	6 886 658	(8 069 363)	(1 182 705)
— net value		581 738 900	398 694 624
Total			
— gross value		644 864 682	510 286 813
— provision for depreciation	6 878 786	(8 075 721)	(1 196 935)
— net value		636 788 961	509 089 878

5. Loans outstanding

This item covers the following amounts:

	31 December	
	1986	1985
1. Loans paid from borrowed funds		
Amounts due, excluding redemption premiums	6 941 858 269	6 969 809 225
Redemption premiums	45 000 000	45 000 000
Parity adjustments for currency-changing transactions (Swaps)	(36 992 096)	(5 737 084)
Value adjustments	(135 437 214)	(134 325 976)
Subtotal	6 814 428 959	6 874 746 165
2. Loans paid from own funds		
Loans paid from the special reserve for the financing of workers' housing	158 343 066	149 488 179
Loans paid from the pension fund to officials of the European Communities for the construction of housing	25 845 279	23 924 579
Loans paid from the pension fund for the Friuli steel industry	1 586 384	1 812 154
Loans paid for technical and economic research	1 254 734	1 363 922
Loans paid for redeployment	93 666	102 545
Subtotal	187 123 129	176 691 379
Grand total	7 001 552 088	7 051 437 544

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 or by mortgages.

6. Land and buildings

The ECSC owns the following real estate:

	Year of purchase	31 December	
		1986	1985
Buildings			
— Paris building	1958	1	1
— Washington building	1971	882 653	469 125
— Lisbon building	1986	1 265 526	—
		<u>2 148 180</u>	<u>469 126</u>
Land			
— lease on Milan building	1986	879 883	—
		<u>879 883</u>	<u>—</u>
Total land and buildings		3 028 063	469 126

The Paris building is jointly owned with the European Atomic Energy Community and the European Economic Community. Its value was estimated at 2,2 million ECU as at 31 December 1985.

The value of the Washington building was estimated at 2,8 million ECU, also as at 31 December 1985.

In addition to a building in Lisbon, in 1986 the ECSC purchased the lease on a building in Milan, to be valid for 45 years. At the end of this period, the building will revert to its owner.

These buildings are made available to the Commission of the European Communities, rent being paid for those in Washington, Lisbon and Milan.

7. Other assets

	31 December	
	1986	1985
Levy receivable	11 642 847	6 962 549
Member States' contributions receivable		
— Contributions not called in from Spain and Portugal	38 122 917	—
— Other	—	29 445
Fines receivable (note 17)	83 959 823	89 171 915
Loans, payments due and not received	5 767 436	24 908 293
Other	16 480 259	3 712 975
	<u>155 973 282</u>	<u>124 785 177</u>
Cumulative value adjustments	(29 093 811)	(46 456 752)
Total	126 879 471	78 328 425

The item 'levy receivable' includes 2 554 697 ECU (1985 — 1 510 420 ECU) in respect of coal in stock, payment of which is temporarily deferred under a general decision taken in 1972. In addition, 1 978 343 ECU (1985 — 1 801 725 ECU) relates to claims on debtors against whom legal proceedings have been instituted. The balance of the levy receivable as at 31 December 1986 also includes 4,1 million ECU in payments entered in 1987 but value dated 1986.

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

8. Accruals and deferred income (assets)

This item is broken down as follows:

	31 December	
	1986	1985
— Interest on loans	133 621 142	145 572 609
— Interest on deposits and portfolio	42 531 563	44 071 045
— Levy declared for November and December but not payable until after 31 December	26 762 140	24 203 397
— Surcharges on fines and levy	1 921 729	2 212 164
— Other	120 358	130 684
Total prior to value adjustments	204 956 932	216 189 899
Value adjustments	(1 339 004)	(831 794)
Total following value adjustments	203 617 928	215 358 105

9. Long-term and medium-term debts

The debt consists of public or private loans maturing any time up to 2001.

10. Accruals and deferred income (liabilities)

This item is broken down as follows:

	31 December	
	1986	1985
Interest on loans and credit lines	258 577 625	279 500 095
Commission on loans	1 360 934	1 427 652
Reimbursement premiums on loans	32 762 500	37 262 500
Miscellaneous	8 305 506	2 112 510
Total	301 006 565	320 302 757

11. Commitments for ECSC operating budget

In 1986, commitments for the ECSC operating budget were as follows:

1. Legal commitments

Movements for 1986

	Commitments at 31.12.1985	New legal commitments	Cancellations	Payments	Parity changes	Commitments at 31.12.1986
Redeployment	428 663 512	171 912 000	(1 912 000)	(150 825 025)	76 097	447 914 584
Social measures, steel industry	60 503 056	—	—	(29 198 558)	—	31 304 498
Social measures, coal industry	41 450 000	—	—	(18 128 440)	—	23 321 560
Research	104 638 839	68 948 841	(1 737 212)	(48 086 121)	—	123 764 347
Interest subsidies Art. 54	13 045 931	39 281 371	—	(6 201 991)	410	46 125 721
Interest subsidies Art. 56	104 148 839	159 600 846	—	(34 571 464)	(3 217)	229 175 004
Coking coal	—	6 000 000	—	(6 000 000)	—	—
Total	752 450 177	445 743 058	(3 649 212)	(293 011 599)	73 290	901 605 714

2. Provision for commitments not yet implemented

Beginning with this financial year the heading 'provision for budgetary commitments not yet implemented' has been deleted and the commitment of appropriations is based only on a legal commitment.

Movements for 1986

	Commitments at 31.12.1985	Decisions	Transfers to legal commitments	Cancellations	Commitments at 31.12.1986
Research	7 760 353	60 433 575	(67 718 128)	(475 800)	—
Interest subsidies Art. 54	34 062 572	14 253 500	(39 281 371)	(9 034 701)	—
Interest subsidies Art. 56	94 600 846	70 495 577	(159 600 846)	(5 495 577)	—
Total	136 423 771	145 182 652	(266 600 345)	(15 006 078)	—
		net (121 417 693)			

12. Provisions for the financing of the ECSC operating budget

	Provisions at 31.12.1985	Allocation for 1986 (withdrawal)	Provisions at 31.12.1986
1. Financing of the budget from ECSC interest income:			
— 'Interest on investments and on loans from non-borrowed' funds	100 000 000	101 000 000	201 000 000
— 'Drawings on contingency reserve'	49 400 000	(39 400 000)	10 000 000
2. Provision for fines imposed but not yet paid:			
— Fines expected to be paid the following year	29 000 000	(11 000 000)	18 000 000
— Fines expected to be paid subsequently	39 700 000	5 800 000	45 500 000
Total	218 100 000	56 400 000	274 500 000

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.

13. Reserves

Reserves were as follows:

	Reserves at 31 December 1985 prior to allocations	Allocations at 31 December 1985	Contributions from new Member States upon accession	Reserves at 31 December 1986 prior to allocations	Allocations at 31 December 1986	Reserves at 31 December 1986 after allocations
Guarantee fund	420 000 000	20 000 000	12 491 000	452 491 000	5 000 000	457 491 000
Special reserve	165 000 000	9 000 000	4 939 000	178 939 000	—	178 939 000
Former pension fund	45 639 268	895 554	1 322 083	47 856 905	1 007 617	48 864 522
Contributions from new Member States not yet called in	—	—	38 122 917	38 122 917	—	38 122 917
Total	630 639 268	29 895 554	56 875 000	717 409 822	6 007 617	723 417 439

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

The special reserve is used to grant loans from ECSC own funds to finance workers' 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.

The contributions not yet called in from the new Member States are: two tranches to be received in 1987 and 1988 from Spain and three tranches to be received in 1987, 1988 and 1989 from Portugal.

14. 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.

15. Interest received

At 31 December, this item comprised the following amount:

	1986	1985
Interest on loans	622 138 065	658 568 671
Interest on deposits	104 595 762	101 954 548
Interest on fixed income securities	46 159 409	64 928 737
Total	772 893 236	825 451 956

16. 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.

17. 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 30 April 1987, three appeals, for a total of 2 580 176 ECU, were still awaiting judgment from the Court of Justice.

In 1986, fines totalling 13 429 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 levy'.


18. Off-balance-sheet commitments

	31 December	
	1986	1985
(a) Loans granted		
— Global loan contracts, lines still to be used	1 110 930 899	669 902 141
— Loans from borrowed funds signed but not yet paid	39 666 562	36 800 576
— Loans from own funds signed but not yet paid	3 556 929	21 059 638
(b) Commitments from currency exchange operations (swaps) arising from loans paid out in a currency other than that of the loan received		
— Currency bought forward	885 095 126	109 635 479
— Currency sold forward	903 056 004	114 998 310
(c) Commitments on securities		
— Securities bought forward	14 658 813	19 493 725
— Securities sold forward	9 179 486	—
(d) Coupons and bonds due but not yet presented for payment	118 580 439	102 834 753

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 1986

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 1986. 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 1986 and 31 December 1985, profit and loss accounts for the years ending 31 December 1986 and 31 December 1985, allocation of profit for the years ending 31 December 1986 and 31 December 1985) 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 1986 and of the results of its operations for the year ending at that date.

Luxembourg, 30 June 1987



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 1986 and 31 December 1985

(million ECU)

	1986	1985
Origin of funds		
<i>Balance of profit and loss account</i>	6,1	30,0
Items not involving a movement of funds		
Amortization of issuing costs and redemption premiums	11,9	10,3
Value adjustments in respect of securities	6,9	(6,0)
Value adjustments in respect of claims (net)	(15,8)	1,7
Increase in items 'Commitments not yet implemented' and 'Provision for legal commitments'	12,7	2,1
Increase in item 'Provision for the financing of the ECSC operating budget'	56,4	55,5
Increase in accruals and deferred income (liabilities) (decrease)	(14,8)	(60,8)
Decrease in accruals and deferred income (assets) and issuing costs and redemption premiums (increase)	(1,0)	(5,1)
Increase in item 'Other liabilities' (decrease)	(10,3)	15,7
Decrease in items contained in 'Other assets' (increase)	(31,2)	33,7
Allocation to the provision for losses and expenses	0,1	2,6
Income from the provision for changes in the ECU rate	(29,6)	—
Contribution not yet received from new Member States	38,1	—
Exchange adjustments in respect of borrowings and loans	(11,1)	(2,3)
	18,4	77,4
<i>Other resources</i>		
Proceeds of borrowings	1 517,4	1 264,7
Loan repayments	984,9	691,4
Contribution by new Member States (paid up)	18,7	—
Total	2 539,4	2 033,5
Use of funds		
Loan disbursements	1 071,1	1 011,4
Redemption of borrowings	1 644,3	902,4
Increase in bank balances and portfolio (decrease)	(178,5)	119,7
Acquisition of buildings	2,5	—
Total	2 539,4	2 033,5

Statement of consolidated debt at 31 December 1986

(million ECU)

Payable in	Debt outstanding at 31.12.1985	Operations in 1986		Exchange rate adjustment	Debt outstanding at 31.12.1986	Maturity
		Borrowings	Redemptions			
USD	1 839.6	633.0	626.0	- 322.9	1 523.7	1987-1999
DM	2 951.2	503.6	596.2	+ 153.1	3 011.7	1987-1997
SFR	392.8	70.6	164.0	+ 23.7	323.1	1987-1993
FF	503.1	17.5	69.3	- 12.5	438.8	1987-1999
HFL	307.2	15.0	29.6	+ 15.2	307.8	1987-2001
LFR	219.1	9.5	32.0	+ 7.1	203.7	1987-1994
UKL	134.9	29.0	34.3	- 20.4	109.2	1987-1994
BFR	271.2	—	53.3	+ 8.9	226.8	1988-1994
u.a.	4.0	—	4.2	+ 0.2	0.0	—
LIT	13.4	81.6	6.2	+ 0.4	89.2	1987-1996
Yen	28.1	112.6	29.2	+ 1.1	112.6	1981-1991
ECU	324.7	45.0	—	—	369.7	1989-1996
Total	6 989.3	1 517.4	1 644.3	- 146.1	6 716.3	
Redemption premiums	45.0	—	—	—	45.0	1994
Grand total	7 034.3	1 517.4	1 644.3	- 146.1	6 761.3	

Analysis of loans outstanding¹

Loans from borrowed funds

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

(million ECU)

	Guarantee by public authorities	Bank guarantee	Industrial groups		Charge on property	No guarantee ²	Total
			Public	Private			
Belgium	23.2	26.7	—	0.5	—	0.3	50.7
Denmark	16.2	—	—	—	5.7	7.2	29.1
FR of Germany	75.2	49.3	—	3.7	1 104.2	551.4	1 783.8
Greece	—	12.1	—	—	—	—	12.1
France	1 301.2	57.0	5.2	70.9	—	10.7	1 445
Ireland	29.3	4.1	—	—	—	—	33.4
Italy	0.1	207.0	287.7	461.1	—	301.0	1 256.9
Luxembourg	149.3	9.6	—	0.1	—	4.3	163.3
Netherlands	—	85.3	—	4.4	123.7	7.1	220.5
United Kingdom	1 055.3	182.0	—	73.7	2.0	313.9	1 626.9
Non-Community	—	353.3	—	11.9	—	—	365.2
Total	2 649.8	986.4	292.9	626.3	1 235.6	1 195.9	6 986.9

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 1986

(million ECU)

	Guarantee by public authorities	Bank guarantee	Industrial groups		Charge on property	No guarantee ¹	Total
			Public	Private			
Belgium	0.2	—	—	—	—	8.1	8.3
Denmark	—	—	—	—	—	0.7	0.7
FR of Germany	2.5	—	—	1.2	19.4	67.9	91.0
Greece	—	—	—	—	—	0.6	0.6
France	0.3	0.4	7.6	0.1	—	17.6	26.0
Ireland	0.8	—	—	—	—	—	0.8
Italy	—	0.5	—	2.9	—	9.6	13.0
Luxembourg	—	—	—	—	—	2.2	2.2
Netherlands	—	—	—	5.4	0.7	0.0	6.1
United Kingdom	2.3	2.4	—	—	—	7.9	12.6
Total	6.1	3.3	7.6	9.6	20.1	114.6	161.3²

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

² Not including 3.3 million ECU from own funds other than the special reserve.

Main characteristics of loans paid in 1986

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

Member State	Date of payment	Date of Commission decision approving loan	Recipient
France	22.1.1986	31.10.1985	<i>Sollac SA</i>
	22.1.1986	17.12.1985	<i>Usinor SA</i>
	22.1.1986	31.10.1985	<i>Solmer SA</i>
	22.1.1986	19.12.1985	<i>Ugine Aciers</i>
	22.1.1986	27.10.1983	<i>Ugine Aciers</i>
FR of Germany	21.2.1986	8.5.1984	<i>Krupp Stahl AG</i>
	14.8.1986	28.7.1986	<i>Saarstahl Völklingen GmbH</i>
	22.12.1986	28.7.1986	<i>Saarstahl Völklingen GmbH</i>
	31.12.1986	18.12.1986	<i>Klöckner Werke AG</i>
	31.12.1986	18.12.1986	<i>Klöckner Werke AG</i>
	31.12.1986	18.12.1986	<i>Klöckner Werke AG</i>
	31.12.1986	18.12.1986	<i>Krupp Stahl AG</i>
Italy	31.12.1986	20.12.1986	<i>Maximilianshütte Eisenwerk GmbH</i>
	10.4.1986	27.11.1980	<i>Nuova Italsider SpA</i>
	30.6.1986	9.4.1986	<i>Nuova Italsider SpA</i>
	31.7.1986	9.4.1986	<i>Nuova Italsider SpA</i>
	10.10.1986	28.10.1985	<i>IMI</i>
Netherlands	10.10.1986	28.10.1985	<i>IMI</i>
	19.12.1986	5.6.1986	<i>Banco di Napoli</i>
	9.12.1986	29.7.1986	<i>Hoogovens Groep BV</i>

661,2 million ECU — Total 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	31.10.1986	21.12.1983	<i>Ruhrkohle AG</i>

103,6 million ECU — Total loans with interest subsidies — steel industry

C. Loans with interest subsidies to finance thermal power stations

Member State	Date of payment	Date of Commission decision approving loan	Recipient
FR of Germany	28.5.1986	14.1.1986	<i>Steag AG</i>

8,7 million ECU — Total loans with interest subsidies 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
France	22.1.1986	16.9.1985	<i>Trefilunion SA</i>
Italy	10.10.1986	26.7.1985	<i>IMI</i>

16,4 million ECU — Total 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
FR of Germany	8.4.1986	22.12.1983	<i>Westdeutsche Landesbank</i>
	8.4.1986	22.12.1983	<i>Deutsche Bank AG</i>
	8.4.1986	21.12.1984	<i>Westdeutsche Genossenschafts-Zentralbank AG</i>
	21.8.1986	21.12.1984	<i>SIKB AG</i>
	21.8.1986	21.12.1984	<i>Industriekreditbank AG</i>
	28.11.1986	17.12.1985	<i>Bank für Gemeinwirtschaft AG</i>
	28.11.1986	21.12.1984	<i>Westfalenbank AG</i>
Italy	10.10.1986	26.7.1985	<i>IMI</i>
Ireland	7.11.1986	21.12.1984	<i>Home Fuels Ltd</i>

9,6 million ECU — Total loans with interest subsidies — other sectors

F. Conversion loans paid in 1986

Member State	Date of payment	Date of Commission decision approving loan	Recipient
France	16.5.1986	26.6.1981	<i>Crédit ind. Alsace Lorraine</i> Global loan for small and medium-sized firms

0,1 million ECU — Total conversion loans to France

FR of Germany	8.4.1986	14.12.1981	<i>Bank für Gemeinwirtschaft AG</i> Global loan for small and medium-sized firms
	8.4.1986	29.7.1982	<i>Bayer. Landesbank Girozentrale</i> Global loan for small and medium-sized firms
	8.4.1986	11.11.1985	<i>Bayerische Vereinsbank AG</i> Global loan for small and medium-sized firms
	8.4.1986	16.11.1984	<i>Commerzbank AG</i> Global loan for small and medium-sized firms
	8.4.1986	23.11.1984	<i>Deutsche Bank AG</i> Global loan for small and medium-sized firms
	8.4.1986	11.11.1985	<i>Deutsche Bank AG</i> Global loan for small and medium-sized firms
	8.4.1986	18.10.1985	<i>Industriekreditbank AG</i> Global loan for small and medium-sized firms
	8.4.1986	19.12.1984	<i>Westd. Landesbank Girozentrale</i> Global loan for small and medium-sized firms
	8.4.1986	21.12.1984	<i>Westd. Genoss.-Zentralbank eG</i> Global loan for small and medium-sized firms
	8.4.1986	11.11.1985	<i>Westd. Genoss.-Zentralbank eG</i> Global loan for small and medium-sized firms
	24.6.1986	8.9.1982	<i>Dresdner Bank AG</i> Global loan for small and medium-sized firms
	24.6.1986	11.11.1985	<i>Westd. Genoss.-Zentralbank eG</i> Global loan for small and medium-sized firms
	24.6.1986	27.11.1985	<i>Westd. Genoss.-Zentralbank eG</i> Global loan for small and medium-sized firms
	24.6.1986	19.12.1984	<i>Westd. Landesbank Girozentrale</i> Global loan for small and medium-sized firms
	24.6.1986	15.4.1985	<i>Westd. Landesbank Girozentrale</i> Global loan for small and medium-sized firms
	24.6.1986	29.9.1981	<i>Westfalenbank AG</i> Global loan for small and medium-sized firms
	21.8.1986	14.12.1981	<i>Bank für Gemeinwirtschaft AG</i> Global loan for small and medium-sized firms
	21.8.1986	29.7.1982	<i>Bayer. Landesbank Girozentrale</i> Global loan for small and medium-sized firms
	21.8.1986	11.11.1985	<i>Bayerische Vereinsbank AG</i> Global loan for small and medium-sized firms
	21.8.1986	16.11.1984	<i>Commerzbank AG</i> Global loan for small and medium-sized firms
	21.8.1986	8.9.1982	<i>Dresdner Bank AG</i> Global loan for small and medium-sized firms
	21.8.1986	11.11.1985	<i>Deutsche Bank AG</i> Global loan for small and medium-sized firms
	21.8.1986	18.10.1985	<i>Industriekreditbank AG</i> Global loan for small and medium-sized firms
	21.8.1986	23.12.1985	<i>Nordd. Genossenschaftsbank</i> Global loan for small and medium-sized firms
	21.8.1986	11.11.1985	<i>Nordd. Landesbank Girozentrale</i> Global loan for small and medium-sized firms
	21.8.1986	15.4.1985	<i>Westd. Landesbank Girozentrale</i> Global loan for small and medium-sized firms
	21.8.1986	23.7.1984	<i>S.I.K.B. AG</i> Global loan for small and medium-sized firms
	21.8.1986	11.11.1985	<i>Westd. Genoss.-Zentralbank eG</i> Global loan for small and medium-sized firms
	28.11.1986	16.11.1984	<i>Commerzbank AG</i> Global loan for small and medium-sized firms
	28.11.1986	11.11.1985	<i>Deutsche Bank AG</i> Global loan for small and medium-sized firms
	28.11.1986	23.12.1985	<i>Nordd. Genossenschaftsbank</i> Global loan for small and medium-sized firms
	28.11.1986	11.11.1985	<i>Nordd. Landesbank Girozentrale</i> Global loan for small and medium-sized firms
28.11.1986	11.11.1985	<i>Westd. Genoss.-Zentralbank eG</i> Global loan for small and medium-sized firms	
28.11.1986	15.4.1985	<i>Westd. Landesbank Girozentrale</i> Global loan for small and medium-sized firms	

F. Conversion loans paid in 1986

Member State	Date of payment	Date of Commission decision approving loan	Recipient
FR of Germany <i>(continued)</i>	28.11.1986	14.12.1981	<i>Bank für Gemeinwirtschaft AG</i> <i>Global loan for small and medium-sized firms</i>
	28.11.1986	29.7.1982	<i>Bayer. Landesbank Girozentrale</i> <i>Global loan for small and medium-sized firms</i>
	28.11.1986	8.9.1982	<i>Dresdner Bank AG</i> <i>Global loan for small and medium-sized firms</i>
	28.11.1986	23.7.1984	<i>S.I.K.B. AG</i> <i>Global loan for small and medium-sized firms</i>
	28.11.1986	29.9.1981	<i>Westfalenbank AG</i> <i>Global loan for small and medium-sized firms</i>

144,1 million ECU — Total conversion loans to the Federal Republic of Germany

United Kingdom	26.3.1986	30.11.1984	<i>Magnet Joinery Ltd</i>
	14.4.1986	18.12.1984	<i>Cymric Hotel Partnership</i>
	14.8.1986	18.12.1984	<i>Cymric Hotel Partnership</i>
	26.3.1986	13.3.1985	<i>Barclays Bank PLC</i> <i>Global loan for small and medium-sized firms</i>
	26.3.1986	2.12.1985	<i>National Westminster Bank PLC</i> <i>Global loan for small and medium-sized firms</i>
	26.3.1986	27.6.1985	<i>Royal Bank of Scotland PLC</i> <i>Global loan for small and medium-sized firms</i>
	26.3.1986	13.3.1985	<i>Welsh Development Agency</i> <i>Global loan for small and medium-sized firms</i>
	26.3.1986	13.3.1985	<i>Welsh Development Agency</i> <i>Global loan for small and medium-sized firms</i>
	14.8.1986	24.10.1983	<i>Bank of Scotland</i> <i>Global loan for small and medium-sized firms</i>
	14.8.1986	13.3.1985	<i>Barclays Bank PLC</i> <i>Global loan for small and medium-sized firms</i>
	14.8.1986	2.12.1985	<i>National Westminster Bank PLC</i> <i>Global loan for small and medium-sized firms</i>
	14.8.1986	27.6.1985	<i>Royal Bank of Scotland PLC</i> <i>Global loan for small and medium-sized firms</i>
	14.8.1986	13.3.1985	<i>Welsh Development Agency</i> <i>Global loan for small and medium-sized firms</i>
	31.10.1986	13.3.1985	<i>Barclays Bank PLC</i> <i>Global loan for small and medium-sized firms</i>
	21.11.1986	13.3.1985	<i>Welsh Development Agency</i> <i>Global loan for small and medium-sized firms</i>

47,5 million ECU — Total conversion loans to the United Kingdom

Netherlands	29.4.1986	23.7.1984	<i>Rabobank Nederland</i> <i>Global loan for small and medium-sized firms</i>
	5.8.1986	23.7.1984	<i>Rabobank Nederland</i> <i>Global loan for small and medium-sized firms</i>
	5.8.1986	20.10.1980	<i>Nationale Investeringsbank</i> <i>Global loan for small and medium-sized firms</i>

3,4 million ECU — Total conversion loans to the Netherlands

Italy	10.4.1986	2.5.1980	<i>Banco di Napoli</i> <i>Global loan for small and medium-sized firms</i>
	10.4.1986	7.9.1983	<i>Mediocredito Lombardo</i> <i>Global loan for small and medium-sized firms</i>
	10.4.1986	21.12.1983	<i>IMI</i> <i>Global loan for small and medium-sized firms</i>
	10.4.1986	2.5.1980	<i>Banco di Napoli</i> <i>Global loan for small and medium-sized firms</i>
	10.4.1986	7.9.1983	<i>Mediocredito Lombardo</i> <i>Global loan for small and medium-sized firms</i>
	10.4.1986	21.12.1983	<i>IMI</i> <i>Global loan for small and medium-sized firms</i>
	7.11.1986	17.6.1985	<i>Interbanca</i> <i>Global loan for small and medium-sized firms</i>
	7.11.1986	14.12.1981	<i>Finlombarda SPA</i> <i>Global loan for small and medium-sized firms</i>

F. Conversion loans paid in 1986

Member State	Date of payment	Date of Commission decision approving loan	Recipient
Italy <i>(continued)</i>	7.11.1986	21.12.1983	<i>Mediocredito Ligure</i> <i>Global loan for small and medium-sized firms</i>
	17.12.1986	11.11.1985	<i>Mediocredito Piemontese</i> <i>Global loan for small and medium-sized firms</i>
	17.12.1986	11.11.1985	<i>Mediocredito Piemontese</i> <i>Global loan for small and medium-sized firms</i>
46,3 million ECU — Total conversion loans to Italy			
Luxembourg	5.12.1986	20.7.1984	<i>Soc. nat. de crédit et d'investissement</i> <i>Global loan for small and medium-sized firms</i>
1,8 million ECU — Total conversion loans to Luxembourg			
Belgium	18.4.1986	7.9.1983	<i>Banque Bruxelles Lambert</i> <i>Global loan for small and medium-sized firms</i>
0,3 million ECU — Total conversion loans to Belgium			
243,5 million ECU — Total conversion loans paid in 1986			

G. Loans from own funds for workers' housing

Member State	Date of payment	Date of Commission decision approving loan	Recipient
France	25.2.1986	7.5.1985	<i>HB Lorraine</i>
	13.1.1986	7.5.1985	<i>Banque féd. du crédit mutuel</i>
	13.1.1986	7.5.1985	<i>HB Nord et Pas-de-Calais</i>
	25.2.1986	7.5.1985	<i>Banque féd. du crédit mutuel</i>
	20.5.1986	7.5.1985	<i>HB Centre et Midi</i>
FR of Germany	14.2.1986	7.5.1985	<i>Bank für Gemeinwirtschaft AG</i>
	11.3.1986	7.5.1985	<i>Landesbank Saar Girozentrale</i>
	6.5.1986	7.5.1985	<i>Westd. Landesbank Girozentrale</i>
Belgium	13.1.1986	7.5.1985	<i>Société nationale terrienne (steel)</i>
	13.1.1986	7.5.1985	<i>Société nationale terrienne (coal)</i>
United Kingdom	13.1.1986	7.5.1985	<i>Halifax Building Society</i>
	3.2.1986	7.5.1985	<i>British Steel Corporation</i>
	3.2.1986	7.5.1985	<i>Halifax Building Society</i>
	26.2.1986	7.5.1985	<i>Halifax Building Society</i>
	2.6.1986	7.5.1985	<i>Sheerness Steel</i>
Ireland	22.9.1986	7.5.1985	<i>Banks of Wear Co-op Hous.Serv.</i>
	22.9.1986	7.5.1985	<i>National Building Agency</i>
Italy	14.1.1986	20.1.1982	<i>Banca Nazionale del Lavoro</i>
	3.1.1986	20.7.1983	<i>Banca Nazionale del Lavoro</i>
Luxembourg	21.4.1986	7.5.1985	<i>Caisse d'Épargne de l'État</i>
Netherlands	25.2.1986	7.5.1985	<i>Breesaap Huizenbezit</i>
Greece	13.7.1986	7.5.1985	<i>Banque nationale foncière</i>
17,8 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	21.11.1986	20.7.1983	<i>Banca Nazionale del Lavoro</i>
	21.11.1986	22.12.1983	<i>Cariplo</i>
8,4 million ECU — Total loans from borrowed funds for workers' housing			

Main characteristics of borrowings outstanding at 31 December 1986

Year of issue	interest (% p.a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1986	
				In borrowing currency	Equivalent in ECU
1972	6.50	15	DM 100 000 000	10 000 000	
1972	7.00	15	150 000 000	15 000 000	
1973	6.50	15	150 000 000	30 000 000	
1977	7.00	12	81 630 000	27 210 000	
1977	7.00	12	19 800 000	6 600 000	
1977	6.00	12	16 000 000	6 000 000	
1977	6.00	12	32 000 000	12 000 000	
1977	6.00	14	98 000 000	35 000 000	
1977	6.25	10	25 000 000	25 000 000	
1978	5.75	10	30 000 000	30 000 000	
1978	5.75	10	20 000 000	20 000 000	
1978	5.25	12	150 000 000	120 000 000	
1978	6.50	15	15 000 000	10 500 000	
1978	6.50	15	50 000 000	35 000 000	
1978	6.25	10	15 000 000	3 750 000	
1978	6.00	12	70 000 000	35 000 000	
1978	6.50	15	32 400 000	18 900 000	
1978	6.25	10	9 000 000	2 250 000	
1978	6.50	12	20 000 000	10 000 000	
1978	6.75	10	20 000 000	8 000 000	
1979	7.00	12	150 000 000	120 000 000	
1979	8.00	10	25 000 000	25 000 000	
1979	8.00	10	25 000 000	25 000 000	
1979	7.50	12	40 000 000	25 000 000	
1979	7.75	15	50 000 000	40 000 000	
1979	8.25	10	40 000 000	40 000 000	
1979	8.25	10	60 000 000	36 000 000	
1979	8.25	10	12 000 000	7 200 000	
1980	8.00	10	40 000 000	32 000 000	
1980	9.65	10	50 000 000	50 000 000	
1980	8.75	8	40 000 000	20 000 000	
1980	8.25	8	70 000 000	35 000 000	
1980	8.25	8	35 000 000	17 500 000	
1980	8.25	8	10 000 000	5 000 000	
1980	8.25	8	50 000 000	25 000 000	
1980	8.00-10.00	12	12 000 000	9 000 000	
1980	8.00	12	12 000 000	9 000 000	
1980	8.00	12	12 000 000	9 000 000	
1980	7.90	12	12 000 000	9 000 000	
1980	8.35	8	250 000 000	125 000 000	
1981	10.00	10	120 000 000	120 000 000	
1981	11.25	8	10 000 000	7 500 000	
1981	11.00	8	26 000 000	19 500 000	
1981	10.39	8	70 000 000	52 500 000	
1982	9.75	12	185 000 000	185 000 000	
1982	9.75	5	22 000 000	22 000 000	
1982	9.25	5	100 000 000	100 000 000	
1982	9.25	5	50 000 000	50 000 000	
1982	8.80	10	37 000 000	37 000 000	
1982	9.20	12	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	8.00	12	200 000 000	200 000 000	
1982	8.375	10	150 000 000	150 000 000	
1982	8.10	5	985 000	246 250	
1982	8.10	5	25 000 000	25 000 000	
1982	8.10	10	80 000 000	80 000 000	
1983	9.50	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	7.50	10	200 000 000	200 000 000	
1983	8.00	10	62 000 000	62 000 000	
1983	8.00	10	600 000	600 000	
1983	8.00	8	47 000 000	47 000 000	
1983	8.40	10	12 080 000	11 815 000	
1983	8.50	10	4 400 000	4 400 000	
1983	8.00	7	160 000 000	160 000 000	

Main characteristics of borrowings outstanding at 31 December 1986 *(continued)*

Year of issue	interest (% p.a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1986	
				In borrowing currency	Equivalent in ECU
1983	8.25	5	DM 35 000 000	35 000 000	
1983	8.25	12	16 000 000	14 400 000	
1983	8.60	10	6 650 000	6 650 000	
1984	8.44	5	50 000 000	50 000 000	
1984	7.75	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	8.00	5	7 000 000	7 000 000	
1984	8.15	5	68 600 000	68 600 000	
1984	8.125	8	100 000 000	100 000 000	
1984	8.45	10	60 000 000	60 000 000	
1984	8.125	5	37 000 000	37 000 000	
1984	8.125	5	7 000 000	7 000 000	
1984	8.19	6	7 000 000	7 000 000	
1984	8.25	7	7 000 000	7 000 000	
1984	8.30	8	7 000 000	7 000 000	
1984	8.35	9	7 000 000	7 000 000	
1984	8.40	10	6 000 000	6 000 000	
1984	7.50	5	45 600 000	45 600 000	
1984	7.00	5	69 000 000	69 000 000	
1984	6.65	4	3 500 000	1 900 000	
1984	7.00	5	37 000 000	37 000 000	
1984	7.50	10	56 000 000	56 000 000	
1984	7.00	8	100 000 000	100 000 000	
1984	7.35	10	35 000 000	35 000 000	
1985	7.125	7	94 000 000	94 000 000	
1985	7.375	8	16 000 000	16 000 000	
1985	7.50	5	10 000 000	10 000 000	
1985	7.80	10	47 000 000	47 000 000	
1985	7.97	12	40 000 000	40 000 000	
1985	7.75	5	7 400 000	7 400 000	
1985	7.72	5	19 000 000	19 000 000	
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	
1985	7.48	10	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	7.00	5	100 000 000	100 000 000	
1985	6.90	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	7.00	10	230 000 000	230 000 000	
1985	6.625	5	20 000 000	20 000 000	
1985	6.50	8	10 000 000	10 000 000	
1985	5.00	3	30 000 000	20 000 000	
1985	7.00	12	40 000 000	40 000 000	
1985	6.25	5	12 000 000	12 000 000	
1985	6.25	5	12 000 000	12 000 000	
1985	6.20	5	30 000 000	30 000 000	
1985	6.50	8	32 000 000	32 000 000	
1985	7.00	10	32 000 000	32 000 000	
1985	6.575	12	100 000 000	100 000 000	
1985	6.60	5	30 000 000	30 000 000	
1985	6.75	5	55 000 000	55 000 000	
1985	6.75	5	8 000 000	8 000 000	
1985	7.30	15	12 000 000	12 000 000	
1985	7.00	8	62 000 000	62 000 000	
1986	6.25	10	20 000 000	20 000 000	
1986	6.10	8	50 000 000	50 000 000	
1986	5.50	5	104 000 000	104 000 000	
1986	5.25	5	18 000 000	18 000 000	
1986	5.625	6	75 000 000	75 000 000	
1986	5.99	5	25 000 000	25 000 000	
1986	6.00	10	145 000 000	145 000 000	
1986	5.10	2	150 000 000	150 000 000	
1986	6.00	8	44 000 000	44 000 000	
1986	5.78	6	49 556 653	49 556 653	

Year of issue	interest (% p.a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1986	
				In borrowing currency	Equivalent in ECU
1986	4.65	1	DM 11 800 000	11 800 000	
1986	4.79	2	15 100 000	15 100 000	
1986	4.60	1	37 500 000	37 500 000	
1986	4.76	2	37 500 000	37 500 000	
1986	6.60	10	40 600 000	40 600 000	
1986	7.00	15	17 500 000	17 500 000	
1986	5.95	5	44 300 000	44 300 000	
1986	6.50	10	20 000 000	20 000 000	
1986	5.87	6	11 450 518	11 450 518	
1986	5.75	5	50 000 000	50 000 000	
1986	5.80	5	67 479 296	67 479 296	
1986	4.95	1	3 951 448	3 951 448	
			7 268 272 915	6 252 649 165	3 011 728 320
1967	6.50	20	USD 25 000 000	1 200 000	
1967	6.625	20	20 000 000	1 100 000	
1973	7.00	15	30 000 000	9 000 000	
1974	7.75	15	50 000 000	13 500 000	
1976	9.00	20	100 000 000	66 675 000	
1976	8.875	20	75 000 000	50 000 000	
1977	8.25	10	10 000 000	10 000 000	
1977	9.125	20	75 000 000	55 000 000	
1977	9.00	18	50 000 000	34 250 000	
1977	8.75	15	42 000 000	22 910 000	
1977	8.75	20	100 000 000	69 500 000	
1978	8.75	12	20 000 000	10 000 000	
1978	8.75	10	15 000 000	15 000 000	
1978	8.75	9	20 000 000	5 000 000	
1978	8.75	9	15 000 000	3 750 000	
1978	9.00	15	25 000 000	18 200 000	
1978	9.25	20	25 000 000	18 200 000	
1978	9.375	15	30 000 000	19 092 000	
1978	9.50	15	25 000 000	16 000 000	
1978	9.50	15	20 000 000	12 800 000	
1978	9.50	15	20 000 000	12 800 000	
1978	9.50	15	10 000 000	6 400 000	
1979	9.00-9.75	20	50 000 000	47 000 000	
1979	11.25-9.25	12	15 000 000	15 000 000	
1979	9.75	20	125 000 000	125 000 000	
1980	11.00	7	25 000 000	25 000 000	
1980	11.25	10	50 000 000	26 000 000	
1981	14.00	7	40 000 000	40 000 000	
1982	14.75	5	50 000 000	50 000 000	
1982	14.75	5	30 000 000	30 000 000	
1983	11.875	7	75 000 000	75 000 000	
1985	9.00	4	50 000 000	50 000 000	
1986	9.50	2	20 000 000	20 000 000	
1986	9.375	10	100 000 000	100 000 000	
1986	7.687	1	25 000 000	25 000 000	
1986	7.125	2	25 000 000	25 000 000	
1986	7.812	3	6 000 000	6 000 000	
1986	7.50	2	7 000 000	7 000 000	
1986	7.187	1	7 000 000	7 000 000	
1986	7.75	5	100 000 000	100 000 000	
1986	7.75	2	20 000 000	20 000 000	
1986	7.187	1	10 000 000	10 000 000	
1986	7.187	1	24 000 000	24 000 000	
1986	7.812	2	25 000 000	25 000 000	
1986	7.00	3	75 000 000	75 000 000	
1986	6.165	4	40 600 000	40 600 000	
1986	8.25	10	108 000 000	108 000 000	
1986	8.25	10	85 000 000	85 000 000	
			1 989 600 000	1 630 977 000	1 523 736 430

**Main characteristics of borrowings outstanding
at 31 December 1986 (continued)**

Year of issue	interest (% p.a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1986	
				In borrowing currency	Equivalent in ECU
1971	8.50	18	FF 150 000 000	35 000 000	
1972	7.25	15	150 000 000	15 000 000	
1973	7.50	15	60 000 000	12 000 000	
1973	7.50	18	150 000 000	115 000 000	
1976	10.20	18	250 000 000	153 848 000	
1977	11.00	12	300 000 000	100 200 000	
1978	10.30	15	275 000 000	148 077 000	
1978	10.95	12	50 000 000	20 000 000	
1979	10.00	10	300 000 000	180 000 000	
1979	9.70	15	325 000 000	200 000 000	
1979	11.00	20	100 000 000	41 965 924	
1979	11.50	20	23 000 000	9 776 887	
1980	10.875	8	20 000 000	7 500 000	
1980	12.225	12	20 000 000	15 000 000	
1980	12.75-13.00	15	80 000 000	70 000 000	
1980	14.00	12	400 000 000	200 200 000	
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	5 000 000	
1982	17.25	5	10 000 000	10 000 000	
1982	17.50	10	18 000 000	18 000 000	
1982	17.00	5	10 000 000	10 000 000	
1982	17.25	10	18 000 000	18 000 000	
1982	14.75	7	2 000 000	924 000	
1984	12.00	8	87 000 000	87 000 000	
1985	12.75	7	1 000 000	1 000 000	
1985	12.20	12	800 000 000	800 000 000	
1985	11.25	7	300 000 000	300 000 000	
1985	11.125	12	300 000 000	287 799 800	
1986	12.75	7	500 000	500 000	
1986	8.40	2	60 000 000	60 000 000	
1986	8.50	3	60 000 000	60 000 000	
			4 374 500 000	3 016 791 611	438 804 138
1984	6.00	10	ECU 60 000 000	60 000 000	
1984	10.75	5	40 000 000	40 000 000	
1984	11.25	10	40 000 000	40 000 000	
1984	11.25	10	50 000 000	50 000 000	
1985	10.00	10	25 000 000	25 000 000	
1985	9.625	10	9 700 000	9 700 000	
1985	8.625	10	100 000 000	100 000 000	
1986	7.625	10	30 000 000	30 000 000	
1986	8.00	10	15 000 000	15 000 000	
			369 700 000	369 700 000	369 700 000
1977	4.50	16	SFR 80 000 000	68 000 000	
1979	3.00	8	123 500 000	38 000 000	
1979	4.75	10	7 000 000	4 200 000	
1981	6.75	7	80 000 000	72 000 000	
1982	7.25	5	40 000 000	40 000 000	
1982	6.375-6.625	6	30 000 000	25 000 000	
1983	5.50	6	52 000 000	52 000 000	

Year of issue	interest (% p.a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1986	
				In borrowing currency	Equivalent in ECU
1983	6.00	6	SFR 35 000 000	35 000 000	
1984	5.875	5	14 000 000	14 000 000	
1984	6.00	7	12 000 000	12 000 000	
1984	6.00	3	6 500 000	6 500 000	
1984	6.25	4	1 500 000	1 500 000	
1984	6.375	5	6 000 000	6 000 000	
1984	6.375	6	43 925 000	43 925 000	
1984	5.25	3	20 000 000	20 000 000	
1986	4.75	5	122 600 000	122 600 000	
			<hr/>	<hr/>	<hr/>
			674 025 000	560 725 000	323 068 990

1962	4.75	25	HFL 6 000 000	240 000	
1963	4.625	30	1 750 000	416 000	
1976	8.75	25	25 000 000	15 000 000	
1976	8.75	20	14 000 000	9 333 000	
1978	7.25	15	100 000 000	70 000 000	
1978	7.625	15	14 000 000	9 800 000	
1980	10.875	10	50 000 000	45 000 000	
1981	11.875	10	50 000 000	50 000 000	
1981	11.625	10	60 000 000	60 000 000	
1981	12.875	12	45 000 000	31 500 000	
1982	12.125	15	100 000 000	100 000 000	
1982	12.00	15	40 000 000	40 000 000	
1982	10.75	10	35 000 000	26 250 000	
1982	11.1875	7	11 200 000	8 400 000	
1982	9.125	15	15 000 000	15 000 000	
1983	7.75	5	100 000 000	100 000 000	
1983	8.00	15	23 000 000	23 000 000	
1983	9.625	15	17 760 000	17 760 000	
1983	9.00	11	10 000 000	10 000 000	
1983	9.00	15	12 200 000	12 200 000	
1984	8.75	15	22 000 000	22 000 000	
1984	9.25	15	12 700 000	12 700 000	
1984	7.875	15	7 930 000	7 930 000	
1986	7.375	15	18 000 000	18 000 000	
1986	6.00	5	10 409 500	10 409 500	
1986	6.25	5	6 877 000	6 877 000	
			<hr/>	<hr/>	<hr/>
			807 826 500	721 815 500	307 826 200

1970	8.75	20	BFR 500 000 000	133 700 000	
1980	13.375	8	2 000 000 000	1 000 000 000	
1980	13.50	8	500 000 000	500 000 000	
1983	13.00	12	936 000 000	936 000 000	
1983	12.00	5	100 000 000	100 000 000	
1983	12.00	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	2 825 000 000	
1983	11.50	10	900 000 000	900 000 000	
1984	12.10	10	870 000 000	870 000 000	
			<hr/>	<hr/>	<hr/>
			11 546 000 000	9 804 700 000	226 790 030

Main characteristics of borrowings outstanding at 31 December 1986 (continued)

Year of issue	interest (% p.a.)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1986	
				In borrowing currency	Equivalent in ECU
1962	5,125	25	LFR 250 000 000	18 752 997	
1972	6,75	15	400 000 000	40 000 000	
1973	6,75	15	300 000 000	60 000 000	
1973	7,00	15	800 000 000	160 000 000	
1973	7,25	15	500 000 000	200 000 000	
1977	8,50	10	500 000 000	300 000 000	
1978	7,75	10	250 000 000	250 000 000	
1978	7,75	10	600 000 000	325 000 000	
1979	8,75	8	500 000 000	500 000 000	
1980	10,00	10	500 000 000	400 000 000	
1980	12,00+10,00	8	250 000 000	125 000 000	
1980	11,75	8	400 000 000	200 000 000	
1981	13,50	7	300 000 000	200 000 000	
1981	15,00	7	100 000 000	70 000 000	
1982	14,75	8	520 000 000	520 000 000	
1982	11,00	10	600 000 000	520 000 000	
1983	13,625	8	340 000 000	340 000 000	
1983	11,875	8	750 000 000	750 000 000	
1983	10,00	8	600 000 000	600 000 000	
1984	12,75	7	151 500 000	151 500 000	
1984	10,50	10	1 000 000 000	950 000 000	
1984	12,00	10	85 000 000	85 000 000	
1984	12,25	4	200 000 000	200 000 000	
1984	12,00	3	60 000 000	30 000 000	
1984	17,875	10	600 000 000	600 000 000	
1985	9,125	7	200 000 000	200 000 000	
1985	8,50	8	600 000 000	600 000 000	
1986	7,50	5	300 000 000	300 000 000	
1986	7,625	4	110 000 000	110 000 000	
			11 766 500 000	6 805 252 997	203 672 075
1977	9,625	12	UKL 20 000 000	12 200 000	
1979	13,125-11,50	10	5 000 000	2 450 000	
1981	14,25	9	2 000 000	385 750	
1981	16,375	8	7 500 000	5 625 000	
1982	16,625	5	2 000 000	2 000 000	
1982	14,875	8	6 000 000	6 000 000	
1982	14,625	8	3 500 000	3 500 000	
1982	12,10	8	3 000 000	3 000 000	
1983	12,50	5	1 500 000	1 500 000	
1983	12,0625	5	3 000 000	3 000 000	
1983	11,375	5	4 000 000	4 000 000	
1984	11,375	10	4 500 000	4 500 000	
1984	13,125	5	2 000 000	2 000 000	
1985	10,95	5	8 000 000	8 000 000	
1986	9,93	2	20 000 000	20 000 000	
1986	11,70	5	1 000 000	1 000 000	
			93 000 000	79 160 750	109 195 977
1986	6,40	5	Yen 10 250 000 000	10 250 000 000	
1986	6,40	3	4 000 000 000	4 000 000 000	
1986	6,40	4	5 000 000 000	5 000 000 000	
			19 250 000 000	19 250 000 000	112 542 825

Year of issue	interest (% p.a)	Term (years)	Initial amount in borrowing currency	Balance outstanding at 31.12.1986	
				In borrowing currency	Equivalent in ECU
1968	6.00	20	LIT 15 000 000 000	2 000 000 000	
1968	6.00	20	15 000 000 000	2 000 000 000	
1972	7.00	15	20 000 000 000	2 000 000 000	
1972	7.00	15	20 000 000 000	2 000 000 000	
1974	7.00	15	10 000 000 000	3 000 000 000	
1986	9.25	8	100 000 000 000	100 000 000 000	
1986	10.00	10	12 000 000 000	12 000 000 000	
1986	10.00	10	6 000 000 000	6 000 000 000	
			<hr/>	<hr/>	<hr/>
			198 000 000 000	129 000 000 000	89 199 898
					<hr/>
					6 716 264 883 ¹

¹ Borrowings contracted by the ECSC since its inception total 14 324 667 623 ECU (including borrowings redeemed).
N.B. 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 1986 — Production declarations for 1986 (excluding surcharges for late payment) — Breakdown by industry and Member State

(ECU and %)

Member State	Coal (net of stocks)		Steel		Total	
	Amount (ECU)	%	Amount (ECU)	%	Amount (ECU)	%
Belgium	1 163 480	2,59	8 925 574	7,49	10 089 054	6,15
Denmark	—	—	629 022	0,53	629 022	0,38
FR of Germany	18 615 393	41,42	35 593 362	29,87	54 208 755	33,04
Greece	7 624	0,02	1 236 760	1,04	1 244 384	0,76
Spain	2 851 505	6,34	10 017 343	8,41	12 868 848	7,84
France	2 558 488	5,69	17 318 180	14,53	19 876 668	12,11
Ireland	4 723	0,01	208 629	0,18	213 352	0,13
Italy	—	—	22 093 228	18,54	22 093 228	13,46
Luxembourg	—	—	3 652 469	3,06	3 652 469	2,23
Netherlands	—	—	4 758 180	3,99	4 758 180	2,90
Portugal	49 772	0,11	756 619	0,64	806 391	0,49
United Kingdom	19 693 695	43,82	13 961 944	11,72	33 655 639	20,51
Total	44 944 680	100,00	119 151 310	100,00	164 095 990¹	100,00

¹ Following additional declarations relating to previous years and stock movements, total levies amount to 166 293 765 ECU.

Percentage of levy revenue contributed by each Member State from 1980 to 1986

(%)

Member State	1980	1981	1982	1983	1984	1985	1986	
							EUR 10	EUR 12
Belgium	7,7	7,7	6,8	7,1	8,0	7,2	6,7	6,2
Denmark	0,4	0,4	0,3	0,3	0,4	0,3	0,4	0,4
FR of Germany	35,7	35,0	35,5	35,1	38,1	37,0	36,1	33,0
Greece	—	0,6	0,6	0,7	0,6	0,8	0,8	0,8
Spain	—	—	—	—	—	—	—	7,8
France	15,8	14,9	14,0	14,0	15,1	13,7	13,2	12,1
Ireland	0,0	0,1	0,0	0,1	0,1	0,1	0,1	0,1
Italy	15,7	14,7	14,4	14,4	15,8	14,8	14,7	13,5
Luxembourg	2,7	2,2	2,1	2,1	2,6	2,5	2,4	2,2
Netherlands	2,9	3,1	2,6	2,8	3,6	3,2	3,2	2,9
Portugal	—	—	—	—	—	—	—	0,5
United Kingdom	19,1	21,3	23,7	23,4	15,7	20,4	22,4	20,5
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Levy revenue by industry from 1980 to 1986

(million ECU)

Section	1980	1981	1982	1983	1984	1985	1986	
							EUR 10	EUR 12
Coal	27,8	33,3	37,1	39,8	29,7	38,5	42,0	44,9
Steel	86,7	93,3	80,2	94,9	106,3	108,6	108,4	119,2
Total	114,5	126,6	117,3	134,7	136,0	147,1	150,4	164,1

Redeployment ('traditional aid')

Provisions by Member State and by industry

(amounts in ECU)

Member State and section	Amounts covered by provisions at 31 December 1985 (ECU)		Amounts covered by provisions at 31 December 1985 (ECU)	% for each country
	At ECU rate on			
	31.12.1985	31.12.1986		
Belgium				
Steel ¹	19 388 015	19 388 015	18 413 130	
Coal	7 464 165	7 464 165	6 236 158	
Total	26 852 180	26 852 180	24 649 288	5.50
FR of Germany				
Steel ¹	53 535 227	53 535 227	74 132 796	
Coal	72 122 854	72 136 760	68 905 836	
Total	125 658 081	125 671 987	143 038 632	31.93
Denmark				
Steel ¹	1 857 500	1 857 500	1 857 500	
Coal	—	—	—	
Total	1 857 500	1 857 500	1 857 500	0.42
France				
Steel ¹	68 322 774	68 322 774	61 199 453	
Coal	47 236 250	47 236 250	57 831 201	
Total	115 559 024	115 559 024	119 030 654	26.58
Ireland				
Steel ¹	680 352	680 352	278 521	
Coal	—	—	—	
Total	680 352	680 352	278 521	0.06
Italy				
Steel ¹	43 870 649	43 870 649	51 597 187	
Coal	—	—	—	
Total	43 870 649	43 870 649	51 597 187	11.52
Luxembourg				
Steel ¹	6 692 322	6 692 322	1 576 550	
Coal	—	—	—	
Total	6 692 322	6 692 322	1 576 550	0.35
Netherlands				
Steel ¹	3 613 750	3 613 750	3 591 250	
Coal	1 283 495	1 347 233	1 347 235	
Total	4 897 245	4 960 985	4 938 485	1.10
United Kingdom				
Steel ¹	47 073 145	47 073 145	41 254 186	
Coal	55 523 014	55 523 014	59 693 521	
Total	102 596 159	102 596 159	100 947 767	22.54
Community				
Steel ¹	245 033 734	245 033 734	253 900 573	
Coal	183 629 778	183 707 424	194 014 011	
Total	428 663 512	428 741 158	447 914 584	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 1986
	at 31.12.1981	at 31.12.1982	at 31.12.1983	at 31.12.1984	at 31.12.1985	at 31.12.1986	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	2 468 990	29 997 000	14,1	27 528 010
Denmark	—	—	1 638 000	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	17 916 000
Luxembourg	289 818	1 153 354	1 358 000	1 358 000	258 000	—	1 358 000	0,6	1 358 000
Netherlands	—	1 195 448	2 418 000	2 418 000	286 761	214 178	2 418 000	1,1	2 203 822
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	24 978 056	4 321 168	212 000 000	100,0	207 678 832

Breakdown of the appropriation of 212 000 000 ECU:

1st tranche: amount allocated: 48 631 444 ECU at 16 December 1981.

2nd tranche: amount allocated: 63 368 556 ECU at 23 July 1982.

3rd tranche: amount allocated: 50 000 000 ECU at 21 December 1982.

4th tranche: amount allocated: 50 000 000 ECU at 23 December 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 1986
	at 31.12.1984	at 31.12.1985	at 31.12.1986	ECU	%	
Belgium	4 160 000	2 080 000	413 330	4 160 000	6,7	35 746 670
FR of Germany	19 130 000	9 565 000	9 565 000	19 130 000	30,6	9 565 000
Denmark	280 000	280 000	280 000	280 000	0,4	—
France	13 170 000	13 170 000	6 585 000	13 170 000	21,1	6 585 000
Italy	15 940 000	7 970 000	7 970 000	15 940 000	25,5	7 970 000
Luxembourg	1 880 000	1 880 000	1 880 000	1 880 000	3,0	—
Netherlands	580 000	580 000	290 000	580 000	0,9	290 000
United Kingdom	7 360 000	—	—	7 360 000	11,8	7 360 000
Total	62 500 000	35 525 000	26 983 330	62 500 000	100,0	35 516 670

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 1986
	at 31.12.1984	at 31.12.1985	at 31.12.1986	ECU	%	
Belgium	1 000 000	515 000	515 000	1 000 000	1,7	485 000
FR of Germany	20 500 000	10 250 000	10 250 000	20 500 000	34,2	10 250 000
France	15 400 000	7 585 000	7 585 000	15 400 000	25,6	7 815 000
United Kingdom	23 100 000	23 100 000	4 971 560	23 100 000	38,5	18 128 440
Total	60 000 000	41 450 000	23 321 560	60 000 000	100,0	36 678 440

ECSC operating budget

Analysis of provisions for legal commitments awaiting payment at 31 December 1986

(million ECU)

Heading	Years in which commitments were entered into										Total	Foreseeable schedule of payments				
	Earlier years	1979	1980	1981	1982	1983	1984	1985	1986	1987		1988	1989	1990	Subsequent years	
Redeployment	6.8	18.4	9	14.4	21.5	30.8	55.3	166.1	125.61	147.91	243.2	104.8	56.8	32.2	10.91	
Social measures -- steel	—	—	—	—	—	4.3	27	—	—	31.30	19.6	10.1	0.1	—	—	
Social measures -- coal	—	—	—	—	—	—	23.32	—	—	23.32	8.5	14.82	—	—	—	
Research																
steel	0.02	0.02	0.76	0.67	2.37	3.39	12.41	14.68	26.58							
coal	0.03	0.02	0.18	0.26	1.06	3.93	5.55	9.43	18.92	123.76	52	35	20	10	6.76	
social	0.01	—	0.07	0.27	1.52	3.21	3.55	5.24	9.61							
Interest subsidies (Art. 54)	0.01	0.16	0.14	0.58	3.56	11.50	17.15	2.01	11.02	46.13	10.81	9.86	9.46	8.33	7.67	
Interest subsidies (Art. 56)	0.76	2.93	4.42	3.69	10.78	9.33	72.24	54.55	70.48	229.18	56.78	50.53	49.11	42.99	29.77	
Total	7.63	21.53	14.57	19.87	40.79	66.46	216.52	252.01	262.22	901.60	390.89	225.11	136.87	93.62	55.11	

'Traditional' redeployment aid (new allocations and the effect on employment) 1986

Member State and section		Number of people receiving aid	Allocations in 1986 (ECU)
Belgium	Steel ¹	332 ²	251 500
	Coal	—	—
	Total	332	251 500
FR of Germany	Steel ¹	9 133	26 152 000
	Coal	3 779	14 105 250
	Total	12 912	40 257 250
France	Steel ¹	—	7 455 000 ³
	Coal	5 403 ⁴	17 000 000
	Total	5 403	24 455 000
Italy	Steel ¹	7 078	16 334 500
	Coal	—	—
	Total	7 078	16 334 500
United Kingdom	Steel ¹	2 891	9 706 750
	Coal	34 371	80 907 000
	Total	37 262	90 613 750
Community	Steel ¹	19 434	59 899 750
	Coal	43 553	112 012 250
	Total	62 987	171 912 000

¹ Including iron-ore mines.

² Of this total 226 relate to previously committed appropriations.

³ Under a programme approved in 1985.

⁴ Of this total 849 relate to previously committed appropriations.

**Levy rate and net scales per tonne for each product category
from 1977 to 1986¹**

(%)

	% 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
1.1.1977	0,29	0,06081	0,10220	0,35027	0,38423	0,17409
1.1.1978	0,29	0,06983 ²	0,11180 ³	0,33669	0,43692	0,19824
1.1.1979	0,29	0,07331 ²	0,12131 ³	0,30613	0,41565	0,19029
1.1.1980	0,31	0,09033 ²	0,14009 ³	0,34385	0,49190	0,22256
1.1.1981	0,31	0,09678 ²	0,16415 ³	0,36230	0,54494	0,24808
1.1.1982	0,31	0,11265 ²	0,19725 ³	0,36820	0,51594	0,24191
1.1.1983	0,31	0,14449 ²	0,21911 ³	0,36416	0,63633	0,29430
1.1.1984	0,31	0,15587 ²	0,22754 ³	0,38923	0,65825	0,30438
1.1.1985	0,31	0,17428 ²	0,23628 ³	0,45177	0,66256	0,30779
1.1.1986	0,31	0,17692 ²	0,25262 ³	0,48596	0,70643	0,32840

¹ In EUA from 1977 to 1980 and in ECU from 1981.

² 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%.

³ 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 1985 and 31 December 1986

(ECU)

	Amounts covered by provisions at 31.12.1985	Amounts covered by provisions at 31.12.1986
Steel	50 496 076	59 606 902
Coal	36 381 320	39 092 931
Hygiene, safety and industrial medicine	17 176 392	22 719 151
Publication of research findings	585 053	2 345 363
Total	104 638 841	123 764 347

Technical and social research

New allocations by sector 1986

	New contracts		Ancillary cost for publication of research findings	Total
	Number	Allocations		
Steel	97	28 167 350	741 950	28 909 300
Coal	62	22 279 500	164 200	22 443 700
Hygiene, safety and industrial medicine	62	9 986 725	324 563	10 311 288
Total	221	60 433 375	1 230 713	61 664 088

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The 32nd annual financial report of the ECSC for the year 1986 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 1986 and 31 December 1985.



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