Long-term debt at December 31, excluding the current portion, follows (in millions):

	1995	1994
Notes of Employee Stock Ownership Plan due through 1999	$ 39	$ 66
6⅜% notes due 1999	100	100
9% notes due 2001	100	100
8% debentures due 2006		
(due 1996 at option of debenture holders)	86	86
8.9% debentures due 2006	100	100
7% debentures due 2011, net of unamortized discount of $92 million in 1995 and $93 million in 1994 (effective interest rate 14.6%)	108	107
8⅞% debentures due 2019		
(due 2004 at option of debenture holders)	38	38
8.1% debentures due 2022	100	100
7⅝% debentures due 2024	100	100
6½% debentures due 2025		
(due 2005 at option of debenture holders)	150	
Unsecured notes (5.6% to 6.1%)	142	210
Other	21	46
	$1,084	$1,053

The Company has a $500 million revolving credit agreement, which expires in 2000, to provide funds for working capital and general corporate purposes. The 8% debentures and unsecured notes are classified as long-term debt because the Company intends, and has the ability under the revolving credit agreement, to refinance these debts on a long-term basis.

Notes of the Employee Stock Ownership Plan, which are guaranteed by the Company, consist of $32 million at a floating interest rate (4.5% at December 31, 1995) based on LIBOR and $21 million at a fixed interest rate of 7.6% ($14 million of these notes are included in current portion of long-term debt). The Company has entered into a series of interest rate swaps, which expire ratably through 1999, and which change the interest rate on the $21 million of fixed interest rate notes to fixed interest rates of 7.1% and 6.9% as to $6 million and $13 million, respectively, and to a floating interest rate (4.6% at December 31, 1995) based on LIBOR as to $2 million.

In March 1995, the Company entered into an agreement that expires in 1998 which effectively converts $75 million of United States dollar fixed rate debt into Japanese Yen denominated debt. Interest is payable at 3.2% as to $50 million of debt and at a floating interest rate (0.9% at December 31, 1995) based on Yen LIBOR as to $25 million. In September 1995, the Company entered into agreements that expire in 1998 which fix the exchange rate on $50 million of the $75 million principal payment. In January 1996, the Company entered into an agreement that expires in 1998 which fixes the exchange rate on the remaining $25 million principal payment. The initial agreement was designated as a hedge of the Company's net investments in affiliated companies.

In June 1995, the Company entered into an agreement that expires in 1999 which effectively converts $40 million of United States dollar fixed rate debt into Dutch Guilder denominated debt with a fixed interest rate of 6.5%. This agreement has been designated as a hedge of the Company's net investment in a Netherlands subsidiary.

The Company has two interest rate swaps aggregating $50 million that expire in 2000 which partially offset the effect of a $100 million 9% interest rate swap also expiring in 2000. The net effect of these swaps at December 31, 1995 is to convert $50 million of floating rate debt to fixed rate debt at 9% and another $50 million of floating rate debt to LIBOR plus 3.1%.

In 1994, the Company terminated, and settled for cash, interest rate swap agreements with notional amounts totaling $200 million which hedged the issuance of the 6⅜% notes and 7⅝% debentures. The gain on the termination of the interest rate swap agreements is being amortized to interest expense over the life of the notes and debentures and effectively reduces the annual rate of the notes to 4.8% and the debentures to 7.1%.

Aggregate mandatory sinking fund requirements and annual maturities of long-term debt are as follows (in millions): 1996, $20; 1997, $20; 1998, $12; 1999, $107; and 2000, $143. The amount for 1999 includes the maturity of the $100 million 6⅜% notes. The amount for 2000 includes $142 million of unsecured notes due to the expiration of the five-year revolving credit agreement in 2000.

Interest capitalized as part of acquisition or construction of major fixed assets (in millions) was $10 in 1995 and 1994, and $12 in 1993. Interest paid (in millions) was $96, $93 and $83 in 1995, 1994 and 1993, respectively.

Financial instruments outstanding at December 31 are as follows (in millions):

	1995			1994		
	Notional amount	Carrying amount	Fair value	Notional amount	Carrying amount	Fair value
Cash and short-term investments		$ 84	$ 84		$ 41	$ 41
Marketable equity investments		42	42		51	51
Marketable debt securities		19	19		26	26
Short-term debt		(30)	(30)		(14)	(14)
Long-term debt, current portion of long-term debt and foreign currency principal swaps		(1,104)	(1,290)		(1,075)	(1,114)
Foreign currency forward exchange contracts and options	$150	(2)	(4)	$189	1	(1)
Interest rate swaps						
Fixed to floating	96	1	5	76		(5)
Floating to fixed	120	(1)	(16)	123	(1)	(4)
Fixed to fixed	90	1	4			
Interest rate caps						
Purchased				100		2
Sold				(100)		(2)

The fair values of short-term investments, marketable equity investments and debt securities, short-term and long-term debt, and interest rate swaps and caps are principally based on quoted market prices. The fair value of foreign currency forward exchange contracts and options, which primarily mature in 1996, and foreign currency principal and interest rate swaps are estimated based on quoted market prices of comparable contracts, adjusted through interpolation where necessary for maturity differences.