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1959 ANNUAL REPORT OF THE EUROPEAN INVESTMENT BANK

WASHINGTON, April 26 -- Loans totaling 52.1 million dollars were made by the Common Market's European Investment Bank in 1959, it was reported here today from Brussels, following approval of the Bank's second annual report by the Board of Governors on April 25.

Wilfred Baumgartner, France's Finance Minister, presided over the Board meeting. Bank President Paride Formentini presented the report of the Bank which was established by the Rome Treaty creating the European Economic Community. The report highlighted progress in 1959 toward economic integration and cited the almost complete convertibility of the member countries' currencies by the end of 1958 as an important factor in the growth of the Bank's financing operations.

The Bank's 1959 loans were used mainly to finance development projects aimed at increasing basic production in the six-nation Community. Of a total of seven projects, four in which the Bank participated to the extent of \$35.1 million were in the field of power generation; the three others involved the chemical industry. The 52.1 million dollars were broken down in loans per country as follows:

Italy - Development of lignite (brown coal) pits in Southern Italy and construction of a thermal power plant to utilize the lignite:	9 million
Participation in the construction of two oil refinery installations in Sicily:	11 million
Construction of three hydroelectric plants in Sardinia:	12 million
France - Participation in the construction of an oil refinery in the South of France:	6 million
Construction in the South of France of a hydroelectric plant:	10.1 million
Luxembourg - Construction of a hydroelectric plant in the Grand Duchy of Luxembourg linked directly to the European power grid:	4 million

The cost of the seven projects in which the Bank participated is 288 million dollars. The Investment Bank loans accounted for 18 percent of the total amount. The loans were granted for periods varying between 12 and 20 years. The rate of interest is 5 and 5/8th percent or 5 and 1/4 percent -- the latter rate being applicable when borrowers left to the Bank the choice of the currency in which the loan is to be repaid.

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