

EUROPEAN COAL AND  
STEEL COMMUNITY

HIGH AUTHORITY

GENERAL SECRETARY

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LUXEMBOURG

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**RAPID INFORMATION**

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HIGH AUTHORITY ACTIVITIES IN INVESTMENT FINANCE

Basis of the ECSC's Action

Under the ECSC Treaty, special importance is given to the coordination and financing of investments as methods to promote the regular expansion and modernisation of production and to increase productivity.

The High Authority is responsible for drawing up at regular intervals general objectives for coal and steel concerning modernisation, long term needs and the development of output. This serves as a guide to the ECSC's industries and as the basis for the High Authority's own activity. In drawing up the general objectives, the High Authority consults with special committees at Community level and with the Consultative Committee. It also undertakes investment studies, and is informed of individual investment programmes on which, in the light of its wider knowledge of the situation, it formulates confidential advice.

The Community is also able to raise loans on the world's capital markets and to put this credit at the disposal of the industries under its care to help them with their investment programmes. It can also use its own resources-obtained from the levy on coal and steel production in the Community and interest on its investments. Investment aid by the ECSC can cover four main headings:

- assistance with coal and steel investment programmes within the Community;
- modernisation and rationalisation of coal and steel production, increase in productivity, and help to develop the market for coal and steel;
- construction of homes for coal and steel workers;
- creation of new activities for workers in coal and steel rendered redundant by technical progress.

Credit raised on the capital markets cannot be used for ECSC administrative expenses: nor can funds from the levy be used to help with investment programmes of individual firms.

Investment loans

In the early days of its activity, the High Authority could only raise capital on the United States' and Swiss market. A first loan for \$100 million was contracted with the United States government in 1954 and was followed by four loans on the New York market for \$35 million in 1957, \$50 million in 1958, \$35 million in 1960 and \$25 million in 1962. At this time the High Authority was the third most important foreign borrower on the New York market.

Since 1961, the High Authority has raised loans in Europe - in the Netherlands, in Belgium, in Luxembourg, in Italy, in Federal Germany and in Switzerland.

Today, the ECSC is raising its first loan on the Paris market. This loan, worth 150 million French francs (just over £11 million) is also the first public international loan made on the Paris market since 1939. It is thus a major step in opening the Paris market to the outside world.

Total loans raised by the High Authority since the beginning of its activity in this field will now have reached more than \$465 million (approximately £165 million), of which \$95 million has been raised in 1964 alone.

*(Longer text available in French)  
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