



**European
community**

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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THE EUROPEAN COMMUNITY BORROWS 50 MILLION EMU'S

WASHINGTON, D.C., December 15 -- The European Community has issued the first international loan denominated in a new European monetary unit, the EMU (E), it was announced in Brussels on December 11.

The issue by the European Coal and Steel Community for 50 million E (E currently equals \$1) is for 15 years at 8 per cent. The securities are being offered in fractional shares of 100 E and 1,000 E. Subscriptions are being accepted in any one of the currencies of the six Common Market countries (Belgium, France, Germany, Italy, Luxembourg, and the Netherlands). The unit binds these currencies for the entire term of the loan at their official parities on the day of issue. Interest payments and capital redemption will be paid in any of the six currencies desired by the holder at this official parity.

The issue in the new EMU offers the investor a choice among the currencies of the Six when he buys and when he receives his interest and capital. Thus, the holder is protected against any devaluation of one member country's currency, as he may choose another at the set parity. Similarly, he can benefit from one country's revaluation, by choosing to receive his interest or capital redemption in that currency at the set parity. The holder gets the security of always dealing in the strongest European currency at any given time.

This loan, in a new European monetary unit, is an important first step toward the creation of a common European capital market; and the EMU, practically speaking, corresponds to the eventual common currency planned for a completed economic union of the Six.

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