



Recommendation 142 (1957)¹

Measures to be taken in order to permit of the floating of loans by local authorities on foreign and international capital markets

Parliamentary Assembly

The Assembly,

Considering that the social problem and the improvement of people's living conditions in towns and rural communities cannot be dissociated from the circumstance that it is important for the economic expansion of European municipalities and regions and for the general development of the continent of Europe that local communities and their national institutes should have power to borrow freely from private sources, whether national or foreign, the capital they need for the improvement and modernisation of public, social and cultural installations and the development and stimulation of local economic activities;

Considering that municipal loans can offer special guarantees and that the objectives attainable by such loans are particularly valuable,

Recommends that the Committee of Ministers should urge the Member Governments :

to establish a common basis for financing and extending municipal credit;

to take the necessary steps to enable municipalities, and national municipal credit institutes, to issue loans on foreign and international capital markets; and more particularly :

- a. *the Governments of lending countries to grant the necessary facilities for the raising of such Loans in their territory and for the export of capital for investment in those loans;*
- b. *the Governments of borrowing countries :*
 - to authorise the issue of such loans;*
 - to provide, in connection with these loans, due guarantees in respect of the transfer of annual instalments of redemption and interest payments;*
- c. *all the Governments to promote, where such do not already exist in their territories, the establishment of national institutes for municipal credit, administered by the local authorities, such as the Credit Communal de Belgique, the Bank voor Nederlandsche Gemeenten or the Danish Kommunal Laane-fond, which offer the advantage of enabling loans issued by small municipalities to be grouped together, and which serve as the necessary intermediary between these municipalities and the foreign investors.*

1. see [Doc. 638](#), Report of the Committee on Local Authorities This Recommendation was adopted by the Assembly at its 10th Sitting, on 4th May 1957

