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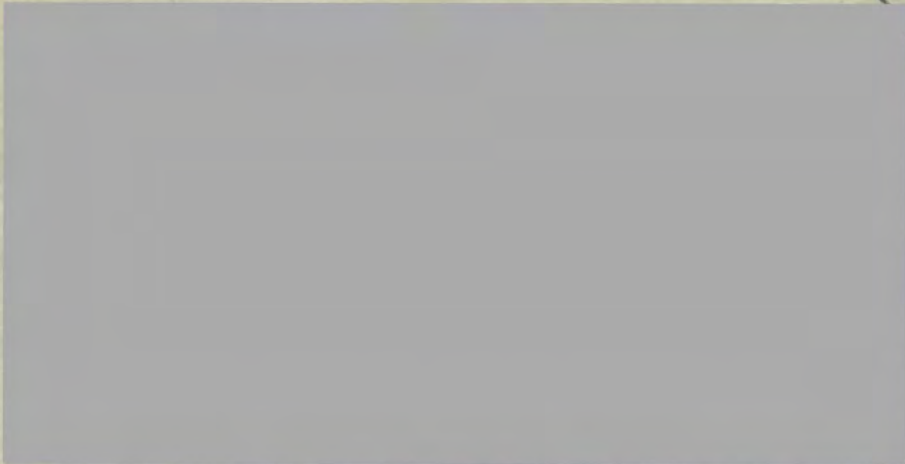
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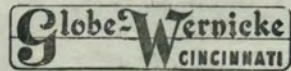


THE WORLD BANK
Washington, D.C.

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The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org



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Folder 2 of 7



1698008

A1995-053 Other #. 6 Box #170940B

Shipping Projects - Netherlands - (01) - Loan 0007 - P037453 / (02) - Loan
0008 - P037454 / (03) - Loan 0009 - P037455 / (04) - Loan 0010 - P037456 -

METH. SHIP.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **DECEMBER 19, 1951**

TO: **INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

FROM: **AMSTERDAM**

TEXT:

ROUTING	
ACTION COPY TO	MR. CRENA DE IONGH
INFORMATION COPY TO	
Decoded By	

**VESSELS RIOUW REMPANG WAR RISKS RENEWED THREE MONTHS FROM
JANUARY FIRST.**

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

DEC 20 12 38 PM 1951

FILE COPY

Make slip
7

FILES

December 13, 1951.

Virginia Morsey

Guarantee legislation covering
NETHERLANDS ship loans.

At the time that the Netherlands ship loans became effective, Mr. Broches obtained a commitment from the Minister of Communications and Inland Waterways and the Minister of Finance of the Netherlands, by letter dated July 30, 1948, that, as soon as possible, all necessary steps would be taken to cause an item covering any disbursements which might have to be made on account of such loans to be inserted in the State budget. The matter was followed up by letter of Mr. Hoar dated December 6, 1949. On January 17, 1950, Mr. W. Koster, then in the Ministry of Finance, advised that the matter had been delayed because of a misunderstanding between the Ministry of Communications and the Ministry of Finance but that introduction of the bill in parliament would follow within a short time. Our files do not indicate that any further action has occurred.

I therefore talked to Dr. L. R. W. Soutendijk at the Netherlands Embassy this morning. He agreed to make inquiries and to advise us of the present status of the matter.

VMorsey/mo.

cc: Mr. Broches
Legal Files. ✓

note slip
?

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **NOVEMBER 26, 1951 1705**

TO: **INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

FROM: **ROTTERDAM**

ROUTING	
ACTION COPY TO	MR. CRENA DE IONGH
INFORMATION COPY TO	
Decoded By	

TEXT:

OWNERS LETTER NINETEENTH WE CONFORM TWELVE MONTHS RENEWAL
 MARINERISKS FROM FIRST DECEMBER LIMBURG FRIESLAND DOLLARS
 7.760.000 HULL FLORINS 912.000 DISBURSEMENTS EACH VESSEL
 INSURED LONDON.

MESBANK

DUPLICATE

INTERNATIONAL BANK FOR
RECONST. AND DEVEL.

NOV 27 9 23 AM 1951

November 14, 1951

Dear Mr. Peck:

Kindly find enclosed 15 copies of the financial statements, as of September 30, 1951, of United Netherlands Navigation Co., Royal Rotterdam Lloyd and S. M. "Nederland".

Very truly yours,

Joseph Fajans
Assistant Loan Officer

Enclosures

Mr. Hoyt Peck
International Bank for Reconstruction
and Development
33 Liberty Street
New York 5, N. Y.

/mm

NETH. SHIP
LN.

November 14, 1951

Dear Mr. Vrymoet:

This will acknowledge receipt of your letter of November 7, 1951, with which you forwarded statements relative to the financial position and the composition of the fleet of the United Netherlands Navigation Company, Royal Rotterdam Lloyd and S. M. "Nederland," and information on the use of the "Almkerk" and "Aagtekerk."

Yours very truly,

Joseph Fajans
Assistant Loan Officer

Mr. H. Vrymoet
Office of the Netherlands Ministry of Traffic
61 Broadway
New York 6, N. Y.

/mm

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC

DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

November 7, 1951

Mr. Joseph Fajans, Asst. Loan Officer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Dear Mr. Fajans:

With reference to our letter of October 26th, we
now enclose the following statements:

United Netherlands Navigation Co.:

25 Copies of Financial statement as of 9/30/51
Statement in duplicate of the use of the "ALMKERK"
during the third quarter of 1951
Statement in duplicate of the use of the "AAGTEKERK"
during the third quarter of 1951
Statement in duplicate of the "ALMKERK" as of 9/30/51.

Royal Rotterdam Lloyd:

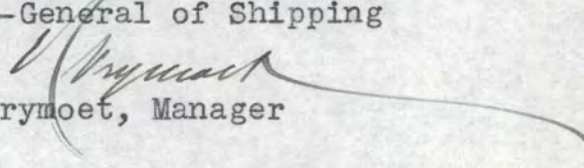
25 Copies of Financial Statement as of 9/30/51
Statement of the Composition of the Fleet on 9/30/51.

S.M. "Nederland":

25 Copies of Financial Statement as of 9/30/51
Statement of the Composition of the Fleet on 9/30/51.

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping


H. Vrymoet, Manager

Encls.

ack. 11/14/51

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

NOV 8 10 13 AM 1951

Statement of the composition of the Board as of 9/30/51
25 Copies of Financial Statement as of 9/30/51
Whether I have:

over 100 copies of the above:

Statement of the composition of the Board as of 9/30/51
25 Copies of Financial Statement as of 9/30/51
Whether I have:

Dear Mr. [Name]:
With reference to the letter of October 26th, 1951
enclosed the following information:

Washington, D. C.
International Bank for Reconstruction
and Development
Mr. Joseph [Name], Asst. Loan Officer

November 5, 1951

OUR REF: NY 111
YOUR REF: _____

NEW YORK 97 N. Y.
(GENERAL HEADQUARTERS)
61 BROADWAY

DIRECTORATE GENERAL OF SHIPPING
NETHERLANDS MINISTRY OF TRAFFIC
OFFICE OF THE

TELEPHONE 25250

NETHERLANDS
CABLE ADDRESS

Nett Slip
J. Howard
Am. C.

October 30, 1951

Dear Mr. Peck:

Kindly find enclosed 15 copies of the financial statement of the Holland-America Line, as of October 1, 1951, which were received yesterday from the Netherlands Ministry of Traffic.

Yours sincerely,

Joseph Fajans
Assistant Loan Officer

Enclosures

Mr. Hoyt Peck
International Bank for Reconstruction
and Development
33 Liberty Street
New York 5, N. Y.

JFajans/mm

note slip
Kalcanal
Am. line

October 30, 1951

Dear Mr. Vrymoet:

This will acknowledge with thanks the receipt of your letter of October 26, 1951, with which you enclosed 25 copies of the financial statement and two copies of the statement on the composition of the fleet, as of October 1, 1951, of the Holland-America Line.

Very truly yours,

Joseph Fajans
Assistant Loan Officer

Mr. H. Vrymoet
Office of the Netherlands Ministry
of Traffic
61 Broadway
New York 6, N. Y.

JFajans/mm

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Date 9/29

T0-	Name	Room No.
1	Mr. Fajano	425
2		
3		
4		

FOR-

Action	Initialing
Approval	Preparing Reply
Comment	Previous Papers
Filing	Noting and Returning
Full Report	Recommendation
Information	Signature

REMARKS

Mr. Melabun:

Please acknowledge & prepare standard letter to Tech, enclosing 15 copies of fin. statements. Route extra copies to Fritz & Hubrig and a copy of final computation to Hubrig. Ret to files

FROM- GENERAL FILES AND CORRESPONDENCE, Archives Division

H

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC

DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALSYOUR REF. _____
OUR REF. HV:MW

October 26, 1951

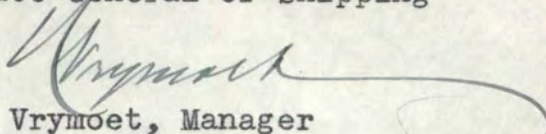
Mr. Joseph Fajans, Asst. Loan Officer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Dear Mr. Fajans:

With reference to our letter of July 25,
1951, we are now pleased to enclose herewith the
following statements of the Holland-America Line:

- ✓ 1. Financial Statement as of October 1, 1951
(25 copies)
- ✓ 2. Statement of the Composition of the Fleet
as of October 1, 1951 (in duplicate).

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping
H. Vrymoet, Manager

Encls.

Oct 19/30/51

RECEIVED
INTERNATIONAL BANK FOR
RECONST. AND DEVEL.

OCT 29 9 56 AM 1951

Director-General of Shipping
Ministry of Marine Affairs

Dear Sir:

Reference is made to your letter of the 27th October 1951, in which you request information regarding the possibility of chartering a ship for the transport of cargo from the port of ... to the port of ...

The information requested is as follows: ...

OCTOBER 29, 1951

Director-General of Shipping
Ministry of Marine Affairs
Office of the

MR. ...
...

...

note ship

OFFICE MEMORANDUM

Central files

TO: Mr. J. Fajans *JF*
FROM: Norman G. Jones *NJ*
SUBJECT: Netherlands Ships Loans

DATE: October 10, 1951

✓ Voyage acct file

You will find attached four voyage accounts which we have received from the N.V. Stoomvaart Maatschappij "Nederland" and the Holland America Line on the S.S. Raki and Roebiah, and S.S. Alblasserdijk respectively.

BPSpiro:ea

[Handwritten signature]

BOND
MADE IN U.S.

Handwritten notes

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **SEPTEMBER 26, 1951**

TO: **INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

FROM: **ROTTERDAM**

TEXT: **ALBLASSERDIJK WAR THREE MONTHS FROM FIRST OCTOBER COVERED
HULL 1.550.000 DOLLARS DISBURSEMENTS 1.710.000 FLORINS
OWNERS MAILING COVERNOTES
MEESASSURANTIE**

ROUTING
ACTION COPY TO MR. CRENA DE IONGH
INFORMATION COPY TO
Decoded By

Vertical stamp

INTERNATIONAL BANK FOR
RECONST. AND DEVEL.

SEP 27 9 49 AM 1951

with Slip Jan

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **SEPTEMBER 24, 1951**

TO: **INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

FROM: **AMSTERDAM**

ROUTING
ACTION COPY TO MR. CRENA DE IONGH
INFORMATION COPY TO
Decoded By

TEXT: **WARRISKS VESSELS RIOUW REMPANG EXPIRING SEPTEMBER THIRTIETH
RENEWED THREE MONTHS
COLLISION**

SEP 24 1951

INTERNATIONAL BANK FOR
RECONST. AND DEVEL.

SEP 25 9 20 AM 1951

*High - up Jan
Rotterdam
* Nederland*

August 24, 1951

Dear Mr. Peck:

Attached kindly find 15 copies each of the 1950 balance sheet and profit and loss statement of the Royal Rotterdam Lloyd and the Steam Navigation Company "Nederland," together with the quarterly financial statement, as of June 30, 1951, of the latter company.

Very truly yours,



Joseph Fajans
Assistant Loan Officer

Attachments

Mr. Hoyt Peck
International Bank for Reconstruction
and Development
33 Liberty Street
New York 5, N. Y.

JFajans/mm

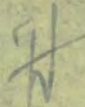
me
/ Rotterdam Loan 2
*Nederland

August 24, 1951

Dear Mr. Vrymoet:

I wish to acknowledge the receipt of your letter of August 22, 1951, with which you forwarded to the Bank 25 copies each of the balance sheet and profit and loss statement for 1950 of the Royal Rotterdam Lloyd and the Steam Navigation Company "Nederland" and the quarterly financial statement and the list of the ships, as of June 30, 1951, of the Steam Navigation Company "Nederland."

Yours very truly,


Joseph Fajans
Assistant Loan Officer

Mr. H. Vrymoet
Office of the Netherlands Ministry
of Traffic
61 Broadway
New York 6, N. Y.

JFajans/mm

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC
DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

August 22, 1951

Mr. Joseph Fajans, Asst. Loan Officer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Dear Mr. Fajans:

With reference to our letter of July 25th, we are
pleased to enclose the following statements:

S.M. "NEDERLAND":

*143
in individual
files*

1. Financial statement as of June 30, 1951 (25 copies) ✓
2. Statement of the composition of the Fleet as of June 30, 1951 ✓
3. Audited Balance Sheet and Profit and Loss Statement for 1950 (25 copies each). ✓

ROYAL ROTTERDAM LLOYD:

*individual
files*

Balance Sheet and Profit and Loss Statement for the year ending December 31, 1950 (25 copies each). ✓

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping

H. Vrymoet
H. Vrymoet, Manager

Encls.

Recd Aug 24, 1951

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

AUG 23 1 56 PM 1951

EX-102

H. J. ...

DIRECTORATE-GENERAL OF SHIPPING
NETHERLANDS MINISTRY OF TRAFFIC

Dez. 1950

... (25 copies each) ...
... and ... and ...

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... (25 copies each)

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3. (25 copies)

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Dez. 1950

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DIRECTORATE GENERAL OF SHIPPING

NETHERLANDS MINISTRY OF TRAFFIC

OFFICE OF THE

... ..
... ..

... ..
... ..

Note Ship's Journal
July 27, 1951

Dear Mr. Peck:

Kindly find enclosed 15 copies each of the balance sheet and profit and loss account for the year 1950 of the United Netherlands Navigation Company and the financial statements of the Royal Rotterdam Lloyd, Holland-America Line and the United Netherlands Navigation Company.

Very truly yours,



Joseph Fajans
Assistant Loan Officer

Enclosures

Mr. Hoyt Peck
International Bank for Reconstruction
and Development
33 Liberty Street
New York 5, N. Y.

/mm

Neth. Ship Jour

July 27, 1951

Dear Mr. Vrymoet:

I wish to acknowledge receipt of and thank you for your letter of July 25, 1951, enclosing documentation submitted by three shipping companies which are the Bank's borrowers under the loans of July 15, 1948.

Very truly yours,

Joseph Fajans
Assistant Loan Officer

Mr. H. Vrymoet
Office of the Netherlands
Ministry of Traffic
61 Broadway
New York 6, N.Y.

JF/pmk

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC

DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. MW

July 25, 1951

Mr. Joseph Fajans, Asst. Loan Officer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Dear Mr. Fajans:

With reference to our letter of June 8th, we are
now pleased to enclose herewith the following statements:

Royal Rotterdam Lloyd:

1. Financial statement as of June 30, 1951 (5 copies)
2. Statement of the Composition of the Fleet as per
June 30, 1951.

Holland-America Line:

1. Financial statement as of July 1, 1951 (25 copies)
2. Statement of the Composition of the Fleet as of
July 1, 1951 (in duplicate).

United Netherlands Navigation Co.:

1. Profit and Loss Account 1950 and Balance Sheet as of
January 1, 1951 (25 copies)
2. Financial Statement as of June 30, 1951 (25 copies)
3. Statement of the Composition of the Fleet as of
June 30, 1951 (in duplicate)
4. Statement re the use of the SS ALMKERK during the
first quarter of 1951 (in duplicate)
5. Statement re the use of the SS AAGTEKERK during the
first quarter of 1951 (in duplicate)
6. Provisional Voyage Account of the 6th voyage of the
SS ALMKERK (in duplicate).

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping

M. M. Thals
for H. Vrymoet, Manager

Encls.

*Filed
in
Business
Files*

ack. 7/27/51

RECEIVED
INTERNATIONAL BANK FOR
RECONST. AND DEVEL.

JUL 26 1 11 PM 1951

H. Vissers, Manager
Director-General of Shipping
DUTCH EAST INDIES MINISTRY OF TRADING

- 1. Provisional voters' account of the 1951 vote of the first district of 1951 (in duplicate)
- 2. Statement of the use of the 80 AGLIERS during the first quarter of 1951 (in duplicate)
- 3. Statement of the use of the 80 AGLIERS during the June 30, 1951 (in duplicate)
- 4. Statement of the composition of the fleet as of January 1, 1951 (25 copies)
- 5. Profile and loss account 1950 and balance sheet as of June 30, 1951 (25 copies)

THE NETHERLANDS NAVIGATION CO. I
JULY 1, 1951 (in duplicate)
Statement of the composition of the fleet as of July 1, 1951 (25 copies)

June 30, 1951.
Statement of the composition of the fleet as of June 30, 1951 (25 copies)
Financial statement as of June 30, 1951 (25 copies)

non pleased to enclose herewith the following statements with reference to our letter of June 28th, we are

Dear Mr. Vissers:
The Netherlands Navigation Co. I
and Development
International Bank for Reconstruction
and Development
The Netherlands, 1951, Post Office

JUL 26 1951

NEW YORK, N. Y.
61 B.R.C.A. 1951

NETHERLANDS MINISTRY OF TRADE

44-100-1000

Netherl. ship loan

V

files

OFFICE MEMORANDUM

[Handwritten signature]

TO: Mr. J. Fajans

DATE: July 10, 1951

FROM: Hugh B. Ripman

SUBJECT: Netherlands Ships Loans - Voyage Accounts

You will find enclosed provisional voyage accounts for the

- Alblasserdijk - Voyage No. 15
- Drente - Voyage No. 10
- Friesland - Voyage No. 10.

[Handwritten initials]
BPSpiro:ea

*Neth Ship Loan
files*

OFFICE MEMORANDUM

TO: Mr. J. Fajans *HBF*

DATE: July 9, 1951

FROM: Hugh B. Ripman *HBR*

SUBJECT: Netherlands Ships Loans

You will find enclosed two voyage accounts which we received from the N.V. Stoomvaart Maatschappij "Nederland" on the S.S. Raki and the S. S. Roebiah.

HBR
BFSpiro:ea

Mr. Hugh B. Ripman

MS/Gen
June 26, 1951

Benjamin P. Spiro

Stage 2 Supervision - Netherlands Ships

In connection with your memorandum of June 18, 1951, requesting data on the possibilities of extending supervision to Stage 2, I should like to point out that end use supervision of this loan is being carried out simultaneously at Stage 1 and at Stage 2. Stage 1 consists of the obtaining of the insurance and registration data of the ships while Stage 2 consists of the periodical gathering of use and financial reports on the ships financed by the Bank as well as on the vessels mortgaged to the Bank in their stead. It would, therefore, appear that no additional provisions have to be made to extend the present supervision.

MS

BPSpiro:ea

Original held by Mr. Ripman
pending Mr. Aldewereld's return

cc. Mr. Spairo

Mr. S. R. Cope

June 12, 1951

Grace W. Finne

Periodic Report on the Voyage Accounts of the mortgaged Dutch Vessels
(Previous Report: July 31, 1950)

1. As of June 1, 1951 the Bank has received voyage accounts for the six Dutch vessels for periods totalling 18 days to 984 days. The accounts are summarized in Table I; annual earnings are estimated in Table II, and annual foreign exchange earnings are estimated in Table III.
2. The earnings record of the six vessels to date has been satisfactory: pre-tax, pre-depreciation, net earnings for the average ship total 1.7 million florins. Estimated on an annual basis, the net earnings for the average ship has been 684,000 Florins or about 216,000 U.S. dollars (converted at the exchange rate ruling at the time of the respective voyages).
3. The voyage accounts submitted July 1, 1950 - June 1, 1951 show a considerable overall increase in gross earnings, compared with previous accounts. Expenditures increased also, but not at the same rate, resulting in higher net earnings for the period under review.
4. In terms of the Netherland Balance of Payments, the six vessels may well have earned foreign exchange to the equivalent of 7,250,000 florins annually, or about 1.2 million florins annually for the average ship.
5. The outlook for shipping earnings is on the whole favorable, and it may be expected that the earnings of the Dutch vessels will continue to be satisfactory during the next year.

OK Finne:gn

WMS
6/14

T A B L E I.
VOYAGE ACCOUNTS OF THE MORTGAGED HUTCH VESSELS AS SUBMITTED BY THE RESPECTIVE SHIPPING LINES, JUNE 1, 1951

Debtor	Ship	No.	Voyage	Duration	Gross Receipts (Florins)	Gross Receipts less operating costs (Florins)	Pre-tax, pre-depreciation, net profit or debit (Gross receipts less operating costs, repairs and miscellaneous overhead)	US Dollars	
Holland-America Line	Alblasserdijk	11	Rotterdam-U.S.-Gulf-Rotterdam	May 4, 50-July 18, 50	936,000	384,000	281,000	73,850	
	"	12	"	July 21, 50-Oct. 4, 50	746,000	234,000	140,000	36,794	
	"	13	"	Oct. 7, 50-Dec. 15, 50	1,167,000	377,000	264,000	69,382	
	"	14	"	Dec. 28, 50-Mar. 31, 51	851,000	267,000	159,000	41,787	
				Results of Previous Voyages	5,775,000	2,038,000	1,310,000	395,305	
			Total Results for Period	9,475,000	3,300,000	2,154,000	617,118		
Netherland Line	Raki	8	Canada - India - Persian Gulf	May 24, 50-Sept. 6, 50	712,743	208,240	83,994	22,075	
	"	9	Persian Gulf-India-Colombo-Strait	Sept. 7, 50-Oct. 1, 50	81,942	1,856	39,296	10,273	
	"	10	Indonesia-Suez Canal-Amsterdam	Oct. 2, 50-Dec. 16, 50	747,077	359,487	272,000	71,485	
	"		Repairs at Amsterdam	Dec. 17, 50-Jan. 8, 51	-	-	22,000	5,782	
			Results of Previous Voyages	June 15, 48-May 20, 50	5,222,054	1,959,362	946,309	285,058	
			Total Results for Period	6,763,816	2,565,233	1,241,007	462,599		
Netherland Line	Roebink	7	Amsterdam-Suez-Indonesia-Suez-Amsterdam	Mar. 30, 50-Aug. 5, 50	1,507,566	834,697	653,159	171,658	
	"		Repairs at Amsterdam	Aug. 6, 50-Sept. 11, 50	-	-	33,371	8,770	
	"	8	Amsterdam-Suez-Indonesia-Suez-Amsterdam	Sept. 12, 50-Jan. 7, 51	1,666,000	901,500	708,000	186,071	
	"		Results of Previous Voyages	Aug. 24, 48-Mar. 29, 50	5,389,536	2,321,690	1,403,323	479,527	
				Total Results for Period	8,763,102	4,128,087	2,731,111	828,486	
United Netherlands Navigation Co. Ltd.	Almekerk	5	Hamburg-India-Australia-Suez-Amsterdam	July 21, 50-Dec. 30, 50	1,092,257	229,382	114,702	30,145	
	"		Results of Previous Voyages	Sept. 19, 48-July 5, 50	5,478,627	2,089,689	1,572,803	490,641	
	"		Total Results for Period		6,570,884	2,329,071	1,687,505	520,786	
	Royal Rotterdamse Lloyd	Friesland	7	Copenhagen-Suez-Indonesia-Suez-Rotterdam	Jan. 24, 50-July 18, 50	1,367,300	536,500	332,400	87,359
		"	8	Rotterdam-U.S.-Gulf-N.Y.-Suez-Indonesia-Singapore	Aug. 12, 50-Nov. 6, 50	596,000	10,500	89,100	23,417
"		9	Singapore-Indonesia-U.S.-Gulf	Nov. 7, 50-Feb. 21, 51	992,800	245,200	117,600	30,907	
"			Results of Previous Voyages	July 20, 48-Jan. 23, 50	3,972,900	1,476,600	863,500	266,510	
			Total Results for Period		6,929,000	2,268,800	1,224,400	361,359	
Royal Rotterdamse Lloyd	Drents	7	Pac. Coast-Indonesia-India-Persian Gulf	Apr. 15, 50-Aug. 9, 50	720,000	174,300	56,100	14,744	
	"	8	Persian Gulf-India-Indonesia-Pac. Coast	Aug. 10, 50-Dec. 14, 50	787,000	146,700	2,900	762	
	"	9	Pac. Coast-Indonesia-India-Persian Gulf	Dec. 15, 50-Mar. 8, 51	944,200	320,800	217,500	57,162	
	"		Results of Previous Voyages	Nov. 1, 48-Apr. 14, 50	3,782,200	1,351,700	763,900	312,226	
			Total Results for Period		6,234,200	1,997,900	1,040,400	304,594	
			Grand Total	44,736,502	16,584,691	10,076,423	3,175,152		
			Average Ship	7,455,084	2,764,115	1,679,737	539,192		

AVERAGE ANNUAL GROSS AND NET EARNINGS (PRE-TAX AND PRE-DEPRECIATION) OF THE MORTGAGED DUTCH VESSELS
BASED ON VOYAGE ACCOUNTS AS SUBMITTED FOR JUNE 1, 1951

		Total Earnings Gross (Florins)	Av. Annual Gross Receipts (Florins)	Total Earnings Net	Average Net Receipts Annual	US. Dollars
Holland-America Line	Alblaenserdijk	9,475,000	3,514,585	2,154,000	798,985	228,855
	July 21, 48--March 31, 51, incl. 984 days					
Netherland Line	Beki	6,763,816	2,640,410	1,241,007	484,355	180,675
	June 15, 49--Jan. 6, 51, incl. 935 days					
Netherland Line	Soebiah	6,763,102	3,689,055	2,731,111	1,149,750	348,940
	Aug. 24, 48--Jan. 6, 51, incl. 867 days					
United Netherlands Navigation Co. Ltd.	Alskerck	6,570,884	2,932,045	1,687,505	752,995	232,505
	Sept. 19, 48--Dec. 30, 50, incl. 818 days					
Royal Rotterdamse Lloyd	Friesland	6,929,500	2,670,705	1,224,400	471,945	139,430
	July 20, 48--Febr. 21, 51, incl. 947 days					
Royal Rotterdamse Lloyd	Drente	6,234,200	1,040,400	1,040,400	447,855	165,710
	Nov. 1, 48--March 8, 51, incl. 848 days					
GRAND TOTAL		49,736,502	18,093,780	10,078,423	4,105,885	1,296,115
AVERAGE SHIP		7,456,084	3,015,630	1,679,737	684,314	216,019

T A B L E I I I

ESTIMATED ANNUAL AVERAGE FOREIGN INCOME AND EXPENDITURES
OF THE MORTGAGED DUTCH VESSELS

Debtor	Ship	Net gross Foreign Exchange Earnings 1) (Thousand Florins)	Foreign Exchange expen- ditures 2)	Estimated net Foreign Exchange Earnings 3)
Holland-America Line	Alblasserdijk	3,164	1,758	1,406
Netherlands Line	Raki	2,376	1,320	1,056
Netherland Line	Roebiah	3,320	1,845	1,475
United Netherlands Navigation Co., Ltd.	Almkerk	2,639	1,466	1,173
Royal Rotterdamse Lloyd	Friesland	2,404	1,336	1,068
--"--	Drente	2,415	1,342	1,073
Total:		16,318	9,067	7,251
Average Ship:		2,720	1,511	1,209

1) Estimated at 90 % of August Annual Gross Receipts

2) " " 50 % " " " " "

3) " gross foreign exchange earnings minus estimated foreign exchange expenditures.

June 12, 1951

Dear Mr. Peck:

I take pleasure in enclosing 15 copies of the financial statement, as of March 31, 1951, of the Steam Navigation Company "Nederland," which were received at the Bank yesterday.

Yours sincerely,



Joseph Fajans
Assistant Loan Officer

Enclosures

Mr. Hoyt Peck
International Bank for Reconstruction
and Development
33 Liberty Street
New York 5, N. Y.

JFajans/mm

June 12, 1951

Dear Mr. Vrymoet:

I wish to acknowledge receipt of and thank you for your letter of June 8, 1951, with which you attached 25 copies of the financial statement of the Steam Navigation Company "Nederland" and a list of vessels owned by the same company.

Yours very truly,



Joseph Fajans
Assistant Loan Officer

Mr. H. Vrymoet
Office of the Netherlands Ministry
of Traffic
61 Broadway
New York 6, N. Y.

JFajans/mm

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC

DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

June 8, 1951

N.V.S.M. "Nederland"


Mr. Joseph Fajans, Asst. Loan Officer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Dear Mr. Fajans:

With reference to our letter of May 4th, we
are now pleased to enclose herewith Statement of the
Composition of the Fleet as of March 31, 1951 and
twenty-five copies of the Financial Statement as of
March 31, 1951, of the above Line.

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping


H. Vrymoet, Manager

Encls.

ack .6/12/51

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JUN 11 9 46 AM 1951

10012

1. All... ..

Director, Ministry of Finance
Washington, D.C.

Reference is made to the letter of the Ministry of Finance of the United States dated June 7, 1951, and to the letter of the Ministry of Finance of the United States dated June 7, 1951, and to the letter of the Ministry of Finance of the United States dated June 7, 1951.

Very truly yours,

Director, Ministry of Finance
Washington, D.C.

Director, Ministry of Finance

June 9, 1951

Director, Ministry of Finance
Washington, D.C.

Director, Ministry of Finance
Washington, D.C.

Director, Ministry of Finance
Washington, D.C.

May 8, 1951

Dear Mr. Vrymoet:

I wish to acknowledge receipt of, and thank you for, your letter of May 4, 1951, with which you forwarded a set of statements, relative to the financial position and the composition of the fleet, of the United Netherlands Navigation Company, and information on the use of SS Almkerk and SS Aagtekerk.

Yours very truly,



Joseph Fajans
Assistant Loan Officer

Mr. H. Vrymoet
Office of the Netherlands Ministry of Traffic
61 Broadway
New York 6, N. Y.

JFajans/mm

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC

DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)

NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

May 4, 1951

Statements United Nether-
lands Navigation Co.

Mr. Joseph Fajans, Asst. Loan Officer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Dear Mr. Fajans:

With reference to our letter of April 26th,
we are pleased to enclose herewith the following state-
ments:

- Filed
U.N. Navi Co.*
- ✓ 1. Financial statement per March 31, 1951 (25 copies)
 - ✓ 2. Statement of the composition of the fleet as of
March 31, 1951 (in duplicate)
 3. Review of the use of the SS ALMKERK during the
first quarter of 1951 (in duplicate)
 4. Review of the use of the SS AAGTEKERK during the
first quarter of 1951 (in duplicate)
 5. Final voyage account SS ALMKERK, Voy. #5 (in
duplicate)
 6. Statement re. the position of the SS ALMKERK on
March 31, 1951 (in duplicate).

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping

H. Vrymoet
H. Vrymoet, Manager

Encls.

ack. 5/8/51

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAY 7 9 10 AM 1951

Director

H. Van Duijn, Director

Treasurer-General of Shipping
Netherlands and Dutch of Traffic

Dear Sir,

Reference is made to your letter of 21st April 1951 (in Dutch).

The attached report, published in the BO Bulletin on 21st April 1951 (in Dutch), contains the following information:

1. The report contains a list of 1000 (in Dutch) vessels which have been registered in the BO during the period 1st January 1950 to 31st December 1950.
2. The report contains a list of 1000 (in Dutch) vessels which have been registered in the BO during the period 1st January 1951 to 31st December 1951.
3. The report contains a list of 1000 (in Dutch) vessels which have been registered in the BO during the period 1st January 1952 to 31st December 1952.

The report contains a list of 1000 (in Dutch) vessels which have been registered in the BO during the period 1st January 1950 to 31st December 1950.

The report contains a list of 1000 (in Dutch) vessels which have been registered in the BO during the period 1st January 1951 to 31st December 1951.

Yours faithfully,
H. Van Duijn, Director

PLEASE ADDRESS YOUR REPLY TO
THE DIRECTOR, INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

OUR REF. 15:116
YOUR REF. 15:116

NEW YORK 61
81 BROADWAY
NEW YORK 61, N.Y.

DIRECTORATE GENERAL OF SHIPPING

NETHERLANDS MINISTRY OF TRAFFIC

OFFICE OF THE

WHITHEAD 3-8-50
TELEPHONE

NEW YORK 61
81 BROADWAY
NEW YORK 61, N.Y.

May 1, 1951

Dear Mr. Peck:

I attach 15 copies each of the balance sheet and profit and loss account for the year 1950 of the Holland-America Line and the financial statements, as of April 1, 1951, of the Holland-America Line and the Royal Rotterdam Lloyd.

Yours sincerely,



Joseph Fajans
Assistant Loan Officer

Attachment

Mr. Hoyt Peck
International Bank for Reconstruction
and Development
33 Liberty Street
New York 5, N. Y.

JFajans/mm

May 1, 1951

Dear Mr. Vrymoet:

✓ This will acknowledge the receipt of your letter of April 26, 1951, with which you included 5 statements concerning the financial position and the composition of the fleet of the Holland-Amerika Lijn and the Royal Rotterdam Lloyd, together with the required number of copies.

Very truly yours,



Joseph Fajans
Assistant Loan Officer

Mr. H. Vrymoet
Office of the Netherlands Ministry
of Traffic
61 Broadway
New York 6, N. Y.

JFajans/mm

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC
DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

April 26, 1951

Mr. Joseph Fajans, Asst. Loan Officer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Dear Mr. Fajans:

With reference to our letters of January 23rd
and 24th, 1951, we are now pleased to enclose herewith the
following statements:

Holland-Amerika Lijn: *all filed "Holland-Amerika Lijn"*

- ✓ 1. Financial statement as of April 1, 1951 (25 copies)
- ✓ 2. Statement of the composition of the Fleet as of April 1, 1951 (in duplicate)
- ✓ 3. Balance Sheet and Profit and Loss account for the year 1950 (25 copies each)

Koninklijke Rotterdamsche Lloyd N.V.: *filed "Rotterdam Lloyd"*

- ✓ 1. Financial statement as of March 31, 1951 (25 copies)
- ✓ 2. Statement of the composition of the Fleet as of March 31, 1951.

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping

H. Vrymoet
H. Vrymoet, Manager

Encls.

ack .5/1/51

*Netherlands
Rene*

Mr. S. Aldewereld

April 24, 1951

Hugh B. Ripman

Netherlands Ships Loans - Voyage Accounts - Raki & Roebiah
Use Reports - Raki, Roebiah, Riouw, Rembang

Under cover of their letter of April 17, 1951, the N.V. Stoomvaart Maatschappij "Nederland" sent us the following use reports for the first quarter of 1951:

- Raki - engaged in freight service on the Holland-Indonesia-Holland route.
- Roebiah - engaged in freight service on the Holland-Indonesia-Holland route.
- Riouw - engaged in freight service between the North Atlantic Coast of the U.S.A. to Persian Gulf and India.
- Rembang - engaged in freight service between the Gulf of Mexico and Indonesia.

Under cover of the same letter, the N.V. Stoomvaart Maatschappij "Nederland" sent us the following voyage accounts:

- Raki - Repair period at Amsterdam. Provisional Account showing a deficit before depreciation of fls. 22,000 for a stay that lasted 23 days.
- Raki - Voyage No. 8. Final voyage account showing a credit before depreciation of fls. 83,994.08 for a voyage that lasted 106 days.
- Raki - Voyage No. 9. Final voyage account showing a deficit before depreciation of fls. 39,296.26 for a voyage that lasted 25 days.
- Raki - Voyage No. 10. Final voyage account showing a credit before depreciation of fls. 253,089.04 for a voyage that lasted 76 days.
- Roebiah - Voyage No. 7. Final voyage account showing a credit before depreciation of fls. 653,158.79 for a voyage that lasted 129 days.
- Roebiah - Repair period at Amsterdam. Final account showing a deficit before depreciation of fls. 33,370.51 for a stay of 37 days.
- Roebiah - Voyage No. 8. Provisional voyage account showing a credit before depreciation of fls. 708,000 for a voyage that lasted 138 days.

The above voyage accounts have been forwarded to the Loan Department.

No action appears to be required.

c.c. Mr. Cope ✓

BPS:iro:ca

NS/Am

April 13, 1951

Letter No. EU/228

Mr. A. Schadee,
Messrs. Nauta, Lambert & Schadee,
Wijnhaven 11,
Rotterdam, The Netherlands.

Dear Mr. Schadee:

We wish to acknowledge receipt with thanks of your letters of March 22, 1951 attached to which you sent us the certificates of registry of the ships financed out of the proceeds of loans granted by the Bank.

We are writing to you separately with regard to the statement of your charges for obtaining these certificates for us.

Thanking you for your cooperation in this matter, I am

Very truly yours,

Henry W. Riley
Assistant Treasurer

ltms

WUP

[Handwritten signature]

BPSpirø:ea

NSI/...
Lund

OFFICE MEMORANDUM

Handwritten initials

TO: Mr. Henry W. Riley
FROM: Hugh B. Ripman
SUBJECT: Netherlands Ships Loans

DATE: April 13, 1951

Under cover of his letter of March 22, Mr. Schadee of Nauta, Lambert & Schadee, Rotterdam, sent us notarised certificates issued by the Central Registry of Shipping showing that the six vessels financed under loans No. 7, 7a, 8, 9, 10 and 10a NE are still registered under the Netherlands Flag. The names of the vessels are: Riouw, Rempang, Aagtekerk, Alblasserdijk, Friesland and Limburg.

No action appears to be required.

Handwritten signature
BPSpiro:ea

NS/Jan
2/11/51

OFFICE MEMORANDUM

TO: Mr. Henry W. Riley
FROM: Hugh B. Ripman *WRM*
SUBJECT: Netherlands Ships Loans - Registration Certificates

DATE: April 11, 1951

In our letter of March 5, 1951, we requested Mr. A. Schadee of Messrs. Nauta, Lambert & Schadee, Rotterdam, to check the Central Registry of Shipping and the Ships' Mortgage Registry to ascertain that the six vessels mortgaged to the Bank by the Borrowers are still registered under the Netherlands flag and are free of any registered liens other than the Bank's mortgages.

Under cover of his letter of March 22, Mr. Schadee sent us notarised certificates issued by the Central Registry of Shipping showing that the six following vessels, namely

- S.S. Riouw - owned by N.V. Stoomvaart Maatschappij "Nederland"
- S.S. Rempang - owned by N.V. Stoomvaart Maatschappij "Nederland"
- S.S. Aagtekerk - owned by N.V. vereenigde Nederlandsche Scheepvaart Maatschappij
- S.S. Alblasserdijk - owned by Holland-Amerika Lijn
- S.S. Friesland - owned by N.V. Koninklijke Rotterdamsche Lloyd
- S.S. Limburg - owned by N.V. Koninklijke Rotterdamsche Lloyd,

are still registered under the Netherlands flag and are free of any registered liens other than the Bank's mortgages.

[Signature]
BPSpiro:ea

WYDE W...
OMEGA B...
REG-7

US/Gen

Mrs NAUTA, LAMBERT & SCHADEE

S/vdM

ROTTERDAM, 22nd March 1951.
WUNHAVEN 11, TELEFOON 29160
GIRO 119795

MR G. NAUTA, MR G. H. LAMBERT, MR A. SCHADEE
NOTARISSSEN, ADVOCATEN EN DISPACHEURS

MR H. H. NAUTA, MR H. LAMBERT
ADVOCATEN, PROCUREURS EN DISPACHEURS

International Bank for Reconstruction
and Development,
Washington 25, D.C.

Dear Sirs,

Your letter of March 5th 1951, EU/124.

I herewith send you the certificates, referred
to in my airmail letter of this date.

Yours faithfully,

Schadee

*acknowledged
transmitted*

enclosures

WJ

Voucher approved returned to Pies Gould - #19

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

APR 9 11 47 AM 1951

MRS NAUTA, LAMBERT & SCHADEE

MR G. NAUTA, MR G. H. LAMBERT, MR A. SCHADEE
NOTARISSEN, ADVOCATEN EN DISPATCHEURS

MR H. H. NAUTA, MR H. LAMBERT
ADVOCATEN, PROCUREURS EN DISPATCHEURS

S/vdM

ROTTERDAM, 22nd March 1951
WIJNHAVEN 11, TELEFOON 29160
GIRO 119795

International Bank for Reconstruction and
Development,
Washington 25, D.C.

Dear Sirs,

I received your letter of the 5th inst.
no EU/124 and am sending you by ordinary mail certi-
ficates of the registry of the vessels, named by you.
You will notice from these certificates that the

Leopoldskerk,
Lemsterkerk,
Lissekerk,
Loenerkerk and
Leuvekerk

have been transferred by the State of the Netherlands
to N.V.Vereenigde Nederlandsche Scheepvaart Maatschap-
pij.

The Van 't Hoff and the Kamerlingh Onnes
have been transferred to N.V.Koninklijke Rotterdamsche
Lloyd and renamed Tomori and Tomini respectively.

The Valerius has been transferred to N.V.
Maatschappij Zeevaart and is now named Arundo and the Berlag
has been transferred to N.V.Reederij Amsterdam and is now
named Anstelvaart.

The Loosdrecht has been transferred to N.V.
Stoomvaartmaatschappij De Maas, which company is a subsi-
diary of Phs Van Ommeren N.V. I add a note for costs of
certificates, including my charges.

Yours faithfully,

Schadee

encl.

4/13
Handwritten signature

Handwritten signature

NS / *[Handwritten]*
X ref to N/ships

March 5, 1951

Letter No. EU/124

Mr. A. Schadee,
Messrs. Nauta, Lambert & Schadee,
Wijnhaven 11,
Rotterdam, The Netherlands.

Dear Mr. Schadee:

Under the terms of the mortgages given to the Bank by the owners of the six vessels listed below, these vessels must be registered under the Netherlands flag and must be free from any lien or encumbrance except the mortgages referred hereto:

- S.S. Riouw - owned by N.V. Stoomvaart Maatschappij "Nederland"
- S.S. Rempang - owned by N.V. Stoomvaart Maatschappij "Nederland"
- S.S. Aagtekerk - owned by N.V. Vereenigde Nederlandsche Scheepvaart Maatschappij
- S.S. Alblasserdijk - owned by Holland-Amerika Lijn
- S.S. Friesland - owned by N.V. Koninklijke Rotterdamsche Lloyd
- S.S. Limburg - owned by N.V. Koninklijke Rotterdamsche Lloyd.

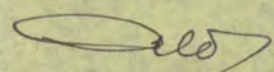
It is the practice of the Bank to ascertain once a year by direct inspection of the Central Registry of Shipping and of the Ships' Mortgage Registry that the above mentioned requirements continue to be met. As no member of the Bank's staff is at present available in The Netherlands to perform this task, we should greatly appreciate it if you could search these two registries to determine that

- (a) The ships' names are unchanged;
- (b) The ships' registration numbers are unchanged and the ships are still sailing under the Dutch flag;
- (c) The ownerships have not changed;
- (d) The ships are free of any registered liens other than the Bank's mortgages.

Further, the registration particulars of the vessels listed in Annex A which were financed out of the proceeds of loans granted by the Bank should also be ascertained.

If you will be good enough to perform this search on our behalf, we will be looking forward to receiving from you the appropriate certificates together with a statement of your charges for this work.

Sincerely yours,



S. Aldewereld

5346

c.c. Miss Morsey
BPSpiro:ea

Cleared with
Miss Morsey

Present	Name of Ship		Final Reg. Number	Owner or Charterer of Ship				
	Former							
Raki			2269Z A.1948	N.V. Stoomvaart Maatschappij "Nederland" Amsterdam				
Roebiah			2268Z A.1948	"	"	"	"	"
Almkerk			7262Z R.1948	N.V. Vereenigde Nederlandsche Scheepvaart Maatschappij, The Hague				
Drente			7290Z R.1948	N.V. Koninklijke Rotterdamsche Lloyd, Rotterdam.				
Hera	Beaverhead		2155Z A.1947	Kon. Nederlandsche Stoomboot Mij., Amsterdam				
Helena	Chatham		2157Z A.1947	"	"	"	"	"
Hydra	Glacier		2156Z A.1947	"	"	"	"	"
Hestia	Brevard		794Z H.1947	"	"	"	"	"
Breda	Antioch Victory		2181Z A.1947	"	"	"	"	"
Hecuba	Blount		7162Z R.1948	"	"	"	"	"
Hersilia	Antanga		7163Z R.1948	"	"	"	"	"
Alphacca	Chanute Victory		6924Z R.1947	Van Nievelt, Goudriaan & Co. Stoomvaart Mij., Rotterdam				
Alwaki	Chapel Hill Victory		6942Z R. 1947	"	"	"	"	"
Alpherat	Wheaton Victory		6943Z R.1947	"	"	"	"	"
Alamak	George H. Flanders		771Z H.1947	"	"	"	"	"
Aludra	Samuel V. Stewart		789Z H.1947	"	"	"	"	"
Meliskerk	Haverford Victory		6921Z R.1947	N.V. Ver. Nederlandsche Scheepvaart Mij., The Hague				
Mariekerk	Claymont Victory		6985Z R.1947	"	"	"	"	"
Muiderkerk	Waterbury Victory		6947Z R.1947	"	"	"	"	"
Meerkerk	Central Falls Victory		6948Z R.1947	"	"	"	"	"
Leopoldskerk	George P. McKay		773Z H.1947 *)	"	"	"	"	"
Lemsterkerk	Horace Williams		776Z H.1947 *)	"	"	"	"	"
Lissekerk	Reinhold Richter		770Z H.1947 *)	"	"	"	"	"
Grootekerk	Conzaga Victory		6891Z R.1947	"	"	"	"	"
Lindekerk	Andrew F. Huntington		766Z H.1947	N.V. Stoomvaart Maatschappij "Nederland", Amsterdam				

Name of Ship		Final Reg. Number	Owner or Charterer of Ship
Present	Former		
Molenkerk	Rensselaer Victory	6986Z R.1947	N.V. Ver. Nederlandsche Scheepvaart Mij., The Hague
Loenerkerk	Eugene E.O. Donnel	788Z H.1947 *)	" " " " "
Leuvekerk	Franklin Mc.Veagh	780Z H.1947 *)	" " " " "
Abbedijk	Milford Victory	6916Z R.1947	Holland America Line, Rotterdam
Axeldijk	Colby Victory	6920Z R.1947	" " " " "
Aardijk	Lincoln Victory	6970Z R.1947	" " " " "
Averdijk	Durham Victory	6877Z R.1947	" " " " "
Arnedijk	India Victory	6991Z R.1947	" " " " "
Salatiga	Williams Victory	6935Z R.1947	Kon. Rotterdamsche Lloyd, Rotterdam
Samarinda	Tufts Victory	6945Z R.1947	" " " " "
Sarangan	Webster Victory	6946Z R.1947	" " " " "
Van't Hoff	Augustin Stahl	845Z H.1948 *)	" " " " "
Kamerlingh Onnes	George L. Baker	825Z H.1948 *)	" " " " "
Valerius	Brander Matthews	772Z H.1947 *)	Kon. Java-China Paketvaart Mij., Amsterdam
Berlage	Lucius Fairchild	777Z H.1947 *)	" " " " " " "
Tjibodas	Kokomo Victory	2187Z A.1947	" " " " " " "
Lombok	Pittston Victory	2178Z A.1947	N.V. Stoomvaart Mij. "Nederland", Amsterdam
Enggano	Robert Fechner (ex Van Der Waals)	815Z H.1948	" " " " "
Lawak	Winchester Victory	2185Z A.1947	" " " " "
Leosdrecht	Vernon L. Farrington	807Z H.1948 *)	Fhs. van Ommeren's Scheepvaartbedrijf, Rotterdam
Wieldrecht	Inglewood Hills	7123Z R.1948	" " " " " "
Woensdrecht	Coyote Hills	7196Z R.1948	" " " " " "
Esso Amsterdam	Santa Fe Hills	7187Z R.1948	Standard American Petroleum Co., The Hague
Esso Rotterdam	Wheeler Hills	7122Z R.1948	" " " " " "
Prins Willem II	Mary W. Dodge	785Z H.1947	Oranje Lijn Mij. Zeetransport A. Veder & Co., Rotterdam
Amsteldiep	Thomas H. Hendriks	797Z H.1947	N.V. Reederij "Amsterdam", Amsterdam
Noord-Holland A.T.A. 238		578Z Haarlem 1948	Bureau Wijsmuller, IJmuiden

*) State owned.

A:- Amsterdam
H:- The Hague
R:- Rotterdam

} Place of Registration

534

NS/Ship

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: FEBRUARY 28, 1951

TO: ALDEWERELD
INTERNATIONAL BANK FOR
FROM: RECONSTRUCTION AND DEVELOPMENT

BASLE

ROUTING
ACTION COPY TO MR. ALDEWERELD
INFORMATION COPY TO
Decoded By

TEXT:

11

YOUR 3 MY PLANS STILL UNCERTAIN SUGGEST YOU MAKE OTHER
ARRANGEMENTS.

BROCHES

WJ

3/1

ORIGINAL

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAR 1 9 05 AM 1951

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RECEIVED

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

February 26, 1951

Mr. Aron Broches,
Interbank,
Basle, Switzerland.

X

WOULD APPRECIATE KNOWING WHETHER YOU EXPECT BE ABLE CHECK REGISTRATION DATA
DUTCH SHIPS.

S. ALDEVERELD
INTRAFRAD

170

S. Aldevereld
Treasurer

NSJ

OFFICE MEMORANDUM

TO: Mr. Benjamin P. Spiro *BS*

DATE: February 21, 1951

FROM: Grace W. Finne

SUBJECT: Requested brief analysis of the fluctuations in the value of selected dry cargo vessels during 1950 and the implications for the insurance value of the Dutch mortgaged vessels.

The price of dry cargo vessels is profoundly influenced by fluctuations in the freight market.

In 1950, the index number of tramp freights, as compiled by the U.K. Chamber of Shipping showed a rise from 72.8 in January to 115.7 in December. The impetus of the Korean crisis, particularly the large scale purchases under the U. S. stockpiling program, competitive bidding, etc., caused a steep rise in freights during the latter part of the year. (See Table I).

Shipping sales prices for dry cargo vessels of about 10,000 D.W.T. and under 25 years of age, were slightly declining January through May. Prices rose rapidly June through December closing at a level of up to 100% higher than those offered at the commencement of the year.

Because of the remunerative rates available during the last two quarters of 1950, tonnage was offered for sale on a very limited scale. Although the ships sales market thus was very firm at the close of 1950, the price level for Liberty ships was still below the 1947 level, when freight rates were comparably high. Meanwhile, running costs of ships have increased.

As to the prospects for 1951, the sales value of ships will depend largely on the developments on the political front. It is an interesting indication of the anticipated bright prospects for tramp shipping, that U. S. private operators recently purchased 131 war-built Liberty vessels before the expiration of the Ships Sales Act (at the fixed price of \$544,000.). This more than doubled the U. S. tramp tonnage. With freight rates at a level permitting profitable operation for the high cost U. S. tramp fleet, the profits of lower-cost ship operators make a comparatively better showing.

The market price for a 10,000 D.W.T. Liberty type vessel at the end of 1950 was around \$600,000 or about \$60 per D.W.T. (See Table II). The price of a ready British-built standard type motorship of 9,500 D.W.T. by comparison, was about \$1,260,000 or about \$133 per D.W.T. (See Table III).

It may seem somewhat academic to try to determine the current market value of the Dutch mortgaged vessels, since no sales are contemplated. These C-3 type dry cargo vessels of about 11,000 D.W.T. may however be estimated to be worth about \$1.1 mill.-\$1.5 mill. each.

Although the insured value of ships are generally altered in accordance with changes in the commercial value, such adjustments do not follow pace with the frequent oscillations of the sales market, but reflect changes over a period of time.

Handwritten initials and scribbles on the left margin.

Section 3(a) of the Mortgage Agreement of the Dutch Shipping Loan provides that the insurance of the vessel "shall be equal to the full commercial value of the vessel, but in no event less than 110% of the aggregate principal amount of notes outstanding and unpaid."

The vessels are insured for the original purchase price of \$2 mill. The unpaid mortgage on each ship is about \$1.5 mill. The insured value thus covers by an ample amount the commercial value as well as the requirements of the 110% clause.

It may appear that the vessels are over insured. It does not seem advisable in the near future, however, to adjust the insurance downward, since the market value of ships is on the upgrade and since the political situation is so uncertain.

cc: Mr. Rist
Dr. Rodan
Mr. Rosen
Mr. de Vries
Mr. Wubnig (2)
Files

Attachments

TABLE I

INDEX NUMBER OF TRAMP FREIGHTS
(1948 = 100)

	<u>1948</u>	<u>1949</u>	<u>1950</u>
January	111.3	87.1	72.8
February	104.5	100.5	75.5
March	105.5	95.0	75.8
April	107.7	94.6	74.4
May	104.6	99.7	71.4
June	99.8	86.7	74.3
July	99.4	73.3	78.8
August	100.7	70.6	86.6
September	97.2	71.6	89.0
October	98.8	69.8	95.8
November	88.8	66.5	97.6
December	86.8	72.8	115.7
	<hr/>	<hr/>	<hr/>
Year	100.0	82.3	84.0

Source: U. K. Chamber of Shipping

TABLE II

SHIPPING SALES IN 1950

<u>Name of Ship</u>	<u>Tons, D.W.</u>	<u>Built</u>	<u>Survey</u>	<u>Buyers</u>	<u>Price:</u>		<u>Price per DWT</u>		<u>Sold</u>
					<u>£</u>	<u>\$</u>	<u>£</u>	<u>\$</u>	
Epsom	10,420	1945	1950	British	112,500	315,000	10.8	30.2	June
Vergmor	10,115	1943	-	"	210,000*	588,000	20.8	58.1	Nov.
Leicester (oil)	10,570	1944	1948	"	105,000	294,000	9.9	27.8	June
Livia (oil)	10,840	1943	1947	Greek	200,000	560,000	18.5	51.7	Oct.
Dallington Court	11,050	1929	1947	"	72,000	201,600	6.5	18.2	July
Tilsington Court	11,050	1928	1947	Italian	105,000	294,000	9.5	26.6	Oct.
Celtic Monarch	9,350	1929	1949	British	54,000	151,200	5.8	16.2	April
Aetolia	9,310	1926	1948	Greek	120,000	336,000	12.9	36.1	Dec.
Basil	7,730	1928	1948	Panama	35,000	98,000	4.5	12.8	Aug.
Browning	7,880	1928	1946	"	65,000	182,000	8.2	23.1	Dec.
Tennyson (oil)	4,400	1945	-	British	95,000	266,000	21.6	60.5	June
Eskgarth	4,600	1943	1947	"	117,500	329,000	25.5	71.5	Dec.

*With survey passed and converted to oil burning.

Source: The Shipping World, 1/24/51 p. 125

TABLE III

Fairplay's Estimates of prices quoted for construction of a 9,500 D.W.T. standard motor ship in a British yard and the prices to be obtained by a "ready" ship of the same specifications.

	<u>Price to Build</u>					<u>Ready Ship</u>				
	<u>Price</u>		<u>Price per D.W.T.</u>			<u>Price</u>		<u>Price per D.W.T.</u>		
	<u>£</u>	<u>\$</u>	<u>£</u>	<u>s.</u>	<u>\$</u>	<u>£</u>	<u>\$</u>	<u>£</u>	<u>s.</u>	<u>\$</u>
Dec. 31, 1945	265,000	1,066,625.	28	0	112.70	240,000	966,000.	25	5	101.63
June 30, 1946	290,000	1,167,250.	30	10	122.76	290,000	1,167,250.	30	10	122.76
Dec. 31, 1946	300,000	1,207,500.	31	10	126.79	310,000	1,247,750.	32	15	131.82
June 30, 1947	330,000	1,329,075.	34	15	139.96	370,000	1,490,175.	39	0	157.07
Dec. 31, 1947	350,000	1,409,625.	37	0	149.02	420,000	1,691,550.	44	5	178.22
June 30, 1948	360,000	1,449,400.	38	0	153.05	420,000	1,691,550.	44	5	178.22
Dec. 31, 1948	380,000	1,530,450.	40	0	161.10	425,000	1,711,688.	44	15	180.23
June 30, 1949	400,000	1,611,000.	42	0	169.16	395,000	1,590,863.	41	10	167.14
Dec. 30, 1949	400,000	1,119,520.	42	0	117.55	320,000	895,616.	33	15	94.46
June 30, 1950	400,000	1,119,520.	42	0	117.55	300,000	839,640.	31	10	88.16
Dec. 31, 1950	440,000	1,231,472.	46	5	129.44	450,000	1,259,460.	47	10	132.94

Note A: Rates of Exchange used, as follows:

1945-1946 \$4.025
 1947- June, 1949 \$4.0275
 Dec. 1949 - 1950 \$2.7988

Note B: The prices quoted for construction are not quotations resulting from competitive bidding between firms. The cost to build a similar ship in 1939, was about £ 145,000.

Source: Fairplay (Special Annual Returns Issue) Jan. 11, 1951 - p. 32.

MS/ [initials]

NOTES

Subject: Netherlands Ships Loans - Full Commercial Value

I called Mr. Wubnig this morning to obtain his reactions concerning an article which appeared in the Shipping News of the New York Times of February 11, 1951, on the rapidly rising cost of Liberty ships. Mr. Wubnig stated that it would be very difficult for him to say whether similar increases could be expected if ships of the C-3 type (the type of vessels mortgaged to us by the Dutch Shipping Companies) were offered for sale. As matters now stand no such ships have been sold since the Spring of 1948, namely after the Waterman Shipping Company reconverted the nine ships and sold them to Dutch interests.

In Mr. Wubnig's opinion, Liberty ships are now being purchased at high prices because there are now in the tramp business possibilities for very quick high profits which would repay for the cost of such a vessel within a year or less. Potential buyers of vessels of the C-3 type or other fast and modern vessels would look not so much toward short term profits but long term advantages. Therefore, it is unlikely that such vessels would command such high premiums as Liberty ships do. Mr. Wubnig stated that it is his considered opinion that recent gains in the cost of used tonnage have done no more than compensate for normal depreciation. Therefore, he felt that retaining the full commercial value of C-3 ships at \$2 million would be in keeping with present market trends. He promised to send me some figures to justify to the extent possible his statements.

*Mr. Adewale
has seen
[initials]*

[Handwritten signature]
Benjamin P. Spiro

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Date _____

TO-	Name	Room No.
1		
2		
3		
4		

FOR-

Action	Initialing
Approval	Preparing Reply
Comment	Previous Papers
Filing	Noting and Returning
Full Report	Recommendation
Information	Signature

REMARKS

Missing enclosures
 mailed to Messrs.
 Spiro and Hubrig -

FROM-

(Feb. 14)

3
OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC
DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

February 5, 1951

Mr. Joseph Fajans, Asst. Loan Officer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Dear Mr. Fajans:

*"Rotterdam"
Lloyd*

With reference to our letter of January 24th, we are
now pleased to enclose herewith the following statements:

*filed
"Netherlands"*
N.V. Stoomvaart Maatschappij "Nederland":

- ✓ Financial statements as per December 31, 1950 (25 copies)
- ✓ Statement of the composition of the Fleet as of December 31, 1950

*filed
A.N.
Navi.
Co.*
N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij:

- ✓ Financial statements as of December 31, 1950 (25 copies)
- ✓ Statement, in duplicate, of the composition of the Fleet as of December 31, 1950
- ✓ Statement of the use of the "ALMKERK" during the 4th quarter of 1950 (in duplicate)
- ✓ Statement of the use of the "AAGTEKERK" during the 4th quarter of 1950 (in duplicate)
- ✓ Final voyage account of the "ALMKERK", Voyage #4, in duplicate
- ✓ Provisional voyage account of the "ALMKERK", Voyage #5, in duplicate.

*A.N.
Navi.
Co.*

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping

H. Vrymoet

H. Vrymoet, Manager

Encls.

ack Feb. 7

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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FEB 6 4 59 PM 1951

STRAIGHT BOND

STRAIGHT BOND

STRAIGHT BOND

STRAIGHT BOND

STRAIGHT BOND

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Date _____

TO-	Name	Room No.
1		
2		
3		
4		

FOR-

Action	Initialing
Approval	Preparing Reply
Comment	Previous Papers
Filing	Noting and Returning
Full Report	Recommendation
Information	Signature

REMARKS

Missing enclosures
 routed to Messrs.
 Spiro and Rubing -
 (Feb. 15)

FROM-

February 7, 1951

Dear Mr. Vrymoet:

✓ I wish to acknowledge the receipt of your letter of February 5, 1951, with which you forwarded to the Bank the following statements:

N. V. Stoomvaart Maatschappij "Nederland":

- Nederland* ✓
✓
✓
1. Financial statement, as of December 31, 1950 (25 copies).
 2. Statement of the composition of the Fleet, as of December 31, 1950.

N. V. Vereenigde Nederlandsche Scheepvaartmaatschappij:

- U.N. Xavi. Co.* ✓
✓
✓
✓
1. Financial statement, as of December 31, 1950 (25 copies).
 2. Statement, in duplicate, of the composition of the Fleet, as of December 31, 1950.
 3. Statement, in duplicate, of the use of the "ALMKERK" during the 4th quarter of 1950.
 4. Statement, in duplicate, of the use of the "AAGTEKERK" during the 4th quarter of 1950.
 5. Final voyage account, in duplicate, of the "ALMKERK", Voyage #4.
 6. Provisional voyage account, in duplicate, of the "ALMKERK", Voyage #5.
- U.N. Xavi. Co.* ✓
✓

Very truly yours,

J.F.

Joseph Fajans
Assistant Loan Officer

Mr. H. Vrymoet
Liquidator
Office of the Netherlands Ministry of Traffic
61 Broadway
New York 6, N. Y.



Record Removal Notice

File Title Shipping Projects - Netherlands - (01) - Loan 0007 - P037453/(02) - Loan 0008 - P037454/(03) - Loan 0009 - P037455/(04) - Loan 0010 - P037456		Barcode No. 1698008		
Document Date February 1, 1951	Document Type Letter			
Correspondents / Participants To: Aron Broches From: Hugh Ripman				
Subject / Title Netherlands Ships Loans				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Vlada Alekankina</td><td>Date October 02, 2017</td></tr></table>	Withdrawn by Vlada Alekankina	Date October 02, 2017
Withdrawn by Vlada Alekankina	Date October 02, 2017			

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Date _____

TO-	Name	Room No.
1	Dr. Jensen	310
2	A. Stensen	316
3	Bo	
4	Stensen (file)	

FOR-

Action	Initialing
Approval	Preparing Reply
Comment	Previous Papers
Filing	Noting and Returning
Full Report	Recommendation
Information	Signature

REMARKS

FROM- Paul Foster / *[signature]*

Filipine Shipping

January 29, 1951

Your Excellency:

I am pleased to submit for the information of your Government the First Loan Administration Report dated December 20, 1950, on the \$195,000,000 Loan to the Kingdom of the Netherlands of August 7, 1947, the \$12,000,000 Loans to Dutch Shipping Companies of July 15, 1948, and the \$15,000,000 Loan to the Herstelbank of July 26, 1950. This report was considered by the Board of Executive Directors of the Bank on January 16, 1951.

Similar reports are prepared periodically by the Bank on all outstanding loans and, in view of the close working relations between the Bank and its members, are made available to the governments concerned.

The Bank will continue to follow with interest the efforts of your Government in promoting the further economic progress of the Kingdom of the Netherlands.

I am, Your Excellency,

Yours very truly,

Eugene R. Black

Encl.

Hiss Excellency
J. H. van Roijen
Ambassador of the Netherlands
Embassy of the Netherlands
Washington, D. C.

CC: Dr. Larsen.
Mrs. Cope.

*Report (20 copies) delivered
by messenger Jan. 29, 1951
sm*

Neth Ship Loan
Op. files

OFFICE MEMORANDUM

TO: Mr. S.R. Cope *[Signature]* *R. Fagan* DATE: January 24, 1951

FROM: Hugh B. Ripman *[Signature]*

SUBJECT: Netherlands Ships Loans - Voyage Accounts

You will find attached Voyage Account No. 7 and Provisional Voyage Accounts No. 9 and 10 for the Raki. It is reported that the Roebiah did not complete any voyages during the fourth quarter of 1950.

[Signature]
BFSpiro:ea

Neth Ships Loan

OFFICE MEMORANDUM

TO: Mr. S.R. Cope *[Handwritten initials]*
FROM: Hugh B. Ripman *[Handwritten initials]*
SUBJECT: Netherlands Ships Loans - Voyage Accounts.

DATE: January 16, 1951

Mr. Fayans

You will find attached Provisional Voyage Accounts for Voyages No. 12 and 13 of the S.S. Alblasterdijk and Provisional Voyage Accounts No. 8 for the S.S. Drente and the S.S. Friesland.

Richard Lloyd

BPSpiro:ea

NOTES

Subject: Netherlands Ships Loans

I called Mr. McMahon of the Insurance Department of the Maritime Commission this afternoon to enquire about the policy now used by the Maritime Commission in determining the full commercial value of the ships on which they hold mortgages. Mr. McMahon informed me that they were still using the sales price as the full commercial value and that they were still considering whether they wanted to amend this procedure to use instead the fair market value. He mentioned, however, that the forces behind a revision of their policy had, to a large extent died down. They had started considering possible changes early last summer at the request of owners of tankers who were then facing a very difficult situation due to reduced earnings. However, since the market for tankers has become much firmer since that time, the pressure for a revision does not any longer exist. The Maritime Commission has appointed a committee to consider the whole question.

In view of the fact that the only reconverted C-3's in existence are those which we have financed under our loans to The Netherlands, the fair market value of these ships would be very difficult for us to determine. However, Mr. McMahon suggested that if we should desire to amend the policy which we have been following, we might want to consider using as full commercial value the replacement cost minus depreciation. A very rough estimate of replacement cost in the United States would be about \$4 million which minus depreciation would mean a full commercial value of about \$3 million. However, replacement cost in a European yard would amount only to about \$2 million which would mean a full commercial value of about \$1.5 million or less than our present requirement of \$2 million.

I told Mr. McMahon that I would call him again in two or three months.

WJ

238

NS/Sen.

OFFICE MEMORANDUM

TO: THE FILES

DATE: November 2, 1950

FROM: Benjamin P. Spiro

SUBJECT: Netherlands Ships Loans

I called today Messrs. Ogden and MacMahon of the Maritime Commission by telephone to ask them whether they were receiving insurance policies from their mortgagors and how promptly. They answered that policies often arrive only after considerable delays and that they do have at times to remind the shipowners that they should forward the policies as soon as possible. They further mentioned that in their opinion ninety days is a reasonable delay for us to ask our borrowers to send the policies.

A check-up system on the receipt of policies will be set up in addition to the one on cover notes.

WMS

BPS
BPSpiro:ea

Neth Ship Co

November 1, 1950

Mr. H. Vrymoet
Liquidator
Office of the Netherlands Ministry of Traffic
61 Broadway
New York 6, N. Y.

Dear Mr. Vrymoet:

Thank you for your letter of October 27, 1950, with which you enclosed the following documentation:

Holland America Line
U.N.N. Co. files
U.N.N. Co. files

(a) A statement in duplicate of the composition of the fleet and 25 copies of the financial statement of the Holland-America Line as of October 1, 1950.

(b) A statement in duplicate of the composition of the fleet and 25 copies of the financial statement of the United Netherlands Navigation Company as of September 30, 1950.

(c) A copy of a letter dated October 6, 1950, from the United Netherlands Navigation Company to the Bank's Paris Office.

Very truly yours,

JF.

Joseph Fajans
Assistant Loan Officer

JFajans:MM

Neth Shiprow

November 1, 1950

Mr. Hoyt Peck
International Bank for Reconstruction
and Development
33 Liberty Street
New York 5, N. Y.

Dear Mr. Peck:

I take pleasure in sending you 15 copies each
of the financial statements of the Holland-America Line
and the United Netherlands Navigation Company for the
third quarter of 1950.

Sincerely yours,



Joseph Fajans
Assistant Loan Officer

JFajans:MM
Encls.

TELEPHONE
WHITEHALL 3-5840

Neth Ship Co
CABLE ADDRESS
"NETHERSHIP"

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC
DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

October 27, 1950

Mr. Joseph Fajans, Asst. Loan Officer
International Bank for Reconstruction
and Development
Washington 25, D. C.

ack. Nov. 1

*Mr Fajans has no
record of (Nov. 8)
not received by bank?*

Dear Mr. Fajans:

With reference to our letter of October 24th,
we are now pleased to enclose the following:

25 copies of the financial statements and state-
ment, in duplicate, of the composition of the
fleets of United Netherlands Navigation Company
and Holland-America Line as of September 30,
1950.

filed U. N. Nav. Co

*filed Holland-America
file ✓ filed U. N. Nav. Co.*

Copy of letter dated October 6, 1950 from United
Netherlands Navigation Company to your Paris
Office.

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping

H. Vrymoet
H. Vrymoet, Liquidator

Encls.

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

OCT 30 12 00 PM 1950

FIGHT

WASHINGTON, D.C.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

TO: DIRECTOR, BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
WASHINGTON, D.C.

FROM: [Illegible]

SUBJECT: [Illegible]

RE: [Illegible]

DATE: [Illegible]

BY: [Illegible]

OCTOBER 23, 1950

NEW YORK OFFICE
[Illegible]

DIRECTOR GENERAL OF INVESTIGATION
FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE

[Illegible]

11. Ripman/seen

MEMORANDUM FOR THE FILES

Netherlands Ship Loans

I asked Mr. Broches today whether in his opinion it would be in order for us to request Mr. Schadee, the notary who has acted for the Bank on previous occasions in connection with this loan, to make the periodical searches in the appropriate records maintained in the Netherlands which the Bank carries out in order to confirm that certain ships are still entered on the Netherlands shipping register and that there are no other registered liens on those ships except those in favour of the Bank as mortgagee. I added that we should only envisage asking Mr. Schadee to act for us in this connection if there were at the appropriate time no likelihood of a representative of the Bank being in or passing through the Netherlands.

Mr. Broches said that in his opinion the suggested procedure would be entirely in order. Mr. Schadee would of course charge a fee for his services.

Hugh B. Ripman

October 20, 1950

HBRipman:pc

*Mr. Aldemerd
has seen*

*UY
20/10/50*

7

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

TO: Mr. S.R. Cope

DATE: October 17, 1950

FROM: Hugh B. Ripman

SUBJECT: Netherlands Ships Loans - Provisional Voyage Accounts.

You will find enclosed the following provisional voyage accounts:

Alblasserdijk - Voyage No. 11

Friesland - Voyage No. 7

Drente - Voyage No. 7,

} *separate files*

which we recently received from the Holland-Amerika Lijn and Koninklijke Rotterdamsche Lloyd, N.V. respectively.

BF
BPSpiro:ea

Letter No. EU/553

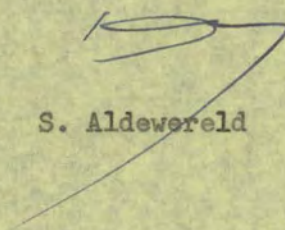
October 13, 1950

Miss M.J. Blankers
International Bank for Reconstruction
and Development
67 rue de Lille
Paris (7e), France

Dear Miss Blankers:

Thank you for your letter No. P/EU/NS/64 dated October 11 and addressed to Mr. Geolot, with which you enclosed five letters from the shipping companies together with enclosures. I am writing to the companies today to remind them to address all correspondence directly to Washington. However, should you receive any more communications from these companies, I should be grateful if you would forward them on to me.

Sincerely yours


S. Aldewereld

1724
PC

ns/ten

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

WASHINGTON 25, D. C.

67 Rue de Lille
PARIS (7e)

AIR MAIL

October 11, 1950

Letter No. P/EU/NS/64

Mr. A.F. Geolot
International Bank for
Reconstruction and Development
1818 H Street N.W.
Washington 25 D.C., U.S.A.

Dear Mr. Geolot,

Enclosed herewith you will find

- me Spiro Oct. 17/50*
- (a) A letter from the N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij dated October 6, 1950, with six enclosures;
 - (b) A letter from the Holland America Line dated October 9, 1950, with four enclosures;
 - (c) A letter from the N.V. Stoomvaart Maatschappij "Nederland" dated September 30, 1950, in duplicate;
 - (d) A letter from the Koninklijke Rotterdamsche Lloyd N.V. dated September 27, 1950;
 - (e) A letter from the Koninklijke Rotterdamsche Lloyd N.V. dated October 4, 1950, with eight enclosures;

which have been sent to the Paris Office, for your action.

With kindest regards and all best wishes,

Sincerely yours,

M.J. Blankers

M.J. Blankers

OK 10/17

Enclosures:- 24.

ack: eu/553 - 10/13.

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RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

OCT 13 9 23 AM 1950

THE FOLLOWING INFORMATION IS FOR YOUR INFORMATION:

1. THE BANK HAS RECEIVED FROM THE GOVERNMENT OF THE UNITED STATES OF AMERICA A CHECK FOR THE AMOUNT OF \$1,000,000.00 IN FULL PAYMENT OF THE LOAN TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNDER THE PROVISIONS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ACT, AS AMENDED.

2. THE CHECK IS BEING DEPOSITED TO THE CREDIT OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA IN THE BANK OF AMERICA AND TRUST COMPANY OF NEW YORK, NEW YORK.

3. THE BANK HAS RECEIVED FROM THE GOVERNMENT OF THE UNITED STATES OF AMERICA A CHECK FOR THE AMOUNT OF \$1,000,000.00 IN FULL PAYMENT OF THE LOAN TO THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNDER THE PROVISIONS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ACT, AS AMENDED.

4. THE CHECK IS BEING DEPOSITED TO THE CREDIT OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA IN THE BANK OF AMERICA AND TRUST COMPANY OF NEW YORK, NEW YORK.

Very truly yours,
 Director

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
 400 EAST 61ST STREET
 NEW YORK 22, NEW YORK

715/Gen.
2440

OFFICE MEMORANDUM

TO: THE FILES
DATE: September 30, 1950

FROM: Benjamin P. Spiro *BPS*

SUBJECT: Netherlands Ships Loans - Insurance on Disbursements, Excess Liabilities, Etc.

It has been noted in Paragraph 22 of the Holland America Line clause attached to the Hull Marine Insurance that 25% of the valuation of the vessel can be taken on disbursements, excess liabilities, etc. So far no company has taken more than 20% of full commercial value on disbursements, excess liabilities, etc.

BPS
BPSpiro:ea

THE FILES

September 30, 1950

Benjamin P. Spiro

Netherlands Ship Loans - Position as at September 30, 1950

Supervision of these loans is proceeding satisfactorily. The original policies, cover notes and other documents which had been kept at the Paris office, have been brought to Washington by Mr. Geolot. Notifications have been received directly from the shipping companies that the insurances which fell to be renewed during the month of September have been renewed in a manner satisfactory to the Bank. The following table shows the manner in which insurances are being taken:

<u>Name of Ship</u>	<u>Warrisk</u>	<u>Marine Risk</u>	<u>P & I Insurance</u>
<u>Rions & Rembang</u>			
Hull, Machinery	\$1,600,000	\$1,600,000	\$666,800
Disbursements	\$ 400,000	\$ 400,000	\$933,200 (Excess)
<u>Aagtekerk</u>			
Hull, Machinery	\$1,760,000	\$1,760,000	\$636,080
Disbursements	Fls.912,000	Fls.912,000	\$963,920 (Excess)
<u>Alblasserdijk</u>			
Hull, Machinery	\$1,600,000	\$1,900,000	Unlimited
Increased value & Excesses	\$ 270,000		
Increased value & Excesses	Fls.490,000	Fls.380,000	
<u>Friesland & Limburg</u>			
Hull, Machinery	\$1,760,000	\$1,760,000	Unlimited
Disbursements	Fls.912,000	Fls.912,000	

With regard to certificates of classification and rating, a new certificate on the Alblasserdijk is due as at July 1950 on both hull and machinery.

No further information has been received concerning the several claims outstanding against the hull marine underwriters of the Alblasserdijk and the Friesland. We have not received any further information either on the cargo claims outstanding under the P. & I. policy on the Aagtekerk.

BPSpiro:ea
c.c. Mr. Schmidt

DRAFT

Netherlands Ships Loans - Follow-Up Report - Treasurer's Department

Six Loan Agreements (Nos. 7 Ne, 7a Ne, 8 Ne, 9 Ne, 10 Ne, and 10a Ne) each for \$2,000,000 were signed with the four undermentioned shipping companies:

<u>Loan Agreement Number</u>	<u>Borrower</u>	<u>Amount</u>
7 Ne, 7a Ne	N.V. Stoomvaart Mij. "Nederland"	\$4,000,000
8 Ne	N.V. Vereenigde Nederlandsche Scheepvaartmij.	2,000,000
9 Ne	N.V. Nederlandsch-Amerikaansche Stoomvaart Mij. "Holland-Amerika Lijn"	2,000,000
10 Ne, 10a Ne	N.V. Rotterdamsche Lloyd	4,000,000

In accordance with the Loan Agreements, 2 $\frac{1}{2}$ % Guaranteed Serial Mortgage Notes dated July 15, 1948 aggregating \$12,000,000 were received from the borrowers on August 3, 1948.

The maturities of the notes under each Loan Agreement were so arranged that \$100,000 on each loan matured on January 15 and July 15 of each year commencing January 15, 1959 with the final maturity on July 15, 1958. To date, therefore, a total of \$2,400,000 of the original loans of \$12,000,000 has been liquidated by payment of maturing notes. The Bank sold the notes received with its guarantee on the undermentioned dates:

<u>Date</u>	<u>Total Amount Sold</u>
August 6, 1948	\$ 8,100,000
January 11, 1949	1,000,000
January 18, 1949	200,000
January 24, 1949	1,000,000
April 20, 1949	200,000
April 26, 1949	<u>1,500,000</u>
	<u>\$12,000,000</u>

The purchasers of the notes and the net amounts still payable on these notes are as follows:

<u>Holder</u>	<u>Amount</u>
Bankers Trust Company	\$ 480,000
First National Bank of the City of New York	480,000
Harlem Savings Bank of New York	200,000
Mirie County Savings Bank of Buffalo	200,000
J.P. Morgan and Company, Inc.	480,000
National City Bank of New York	480,000
Bank of America, National Trust & Savings Association	720,000
Central Hanover Bank and Trust Company	720,000
Chase National Bank of the City of New York	720,000
Guaranty Trust Company of New York	720,000
Buffalo Savings Bank	600,000
Dime Savings Bank of Brooklyn	1,500,000
Dollar Savings Bank of the City of New York	<u>3,500,000</u>
	<u>\$10,800,000</u>

The Loan Agreements provide that, in addition to interest on the notes, the Borrower will pay to the Bank semi-annually on January 15 and July 15 of each year (1) a commission at the rate of 1% per annum and (2) a service charge of 1/16% per annum on the principal amount of the loan outstanding and unpaid from the Effective Date (August 3, 1948). All amounts due have been promptly paid to the holders of the notes, through the Chase National Bank of New York, and to the Bank as their interests appear by the Netherlands Ministry of Traffic on behalf of the Borrowers.

Article III of the Loan Agreements provides that the proceeds of the loans will be applied to the payment of the costs of purchasing six 12,600 tons reconverted baby flat-tops to be used in commercial cargo and passenger traffic as part of the Netherlands Merchant Fleet.

Article VII, Section I of these agreements states that the Borrowers will mortgage these six vessels or other vessels of similar characteristics to the Bank to secure the payment of the loans. The ships involved are

<u>Mortgaged Vessels</u>	<u>Ships Purchased Out of the Proceeds of the Loan</u>	<u>Owners</u>
S.S. Riouw*	S.S. Raki	N.V. Stoomvaart Maatschappij "Nederland"
S.S. Rempang*	S.S. Roebiah	N.V. Stoomvaart Maatschappij "Nederland"
S.S. Aagtekerk*	S.S. Almkerk	N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij
S.S. Alblasserdijk	S.S. Alblasserdijk	N.V. Nederlandsch-Amerikaansche Stoomvaart-Maatschappij
S.S. Friesland	S.S. Friesland	N.V. Koninklijke Rotterdamsche Lloyd
S.S. Limburg	S.S. Drente	N.V. Koninklijke Rotterdamsche Lloyd.

Chapter III, Article I of the Mortgage Deeds includes covenants for the registration of all the vessels under the Netherlands flag, for the registration of the mortgages on the appropriate public registry maintained in the Netherlands, for the insurance of the mortgaged ships and for the keeping of the ships in such condition as will entitle them to the highest classification and rating for vessels of the same age and type in a classification society whose requirements are equivalent to those of the American Bureau of Shipping.

* The S.S. Riouw, S.S. Rempang and S.S. Aagtekerk were financed out of the proceeds of the \$195 million loan to the Kingdom of the Netherlands.

To ensure that the provisions of both the Loan Agreements and of the Mortgage Deeds are carried out by the borrowers, the Treasurer's Department instructed its representative in Europe to

- (1) Request the borrowers to submit to the Bank quarterly reports on the use to which each vessel - with the exception of the S.S. Limburg - is being put, including details of the route and trade on which the vessel is engaged. These reports have been received regularly up to and including those for the second quarter of 1950. No special stipulations were made for information concerning the S.S. Limburg other than those specified in the relevant Mortgage Deed due to the fact that this vessel was not financed out of the proceeds of any loan made by the Bank.

The nine other ships under reference are used essentially in the Indonesia Service.

- (2) Ascertain once a year that each vessel has been and remains registered under the Netherlands flag. The first and second checks were made in December 1948 and February 1950 respectively and the third check is scheduled for February 1951.
- (3) Search the Public Registry of mortgages on ships once a year during the life of the mortgages to ascertain that each mortgaged vessel is free from any registered lien or encumbrance, except the mortgage executed in favor of the Bank. The first and second searches were made in December 1948 and February 1950 respectively and all the ships were found to be free from other registered liens. The next search is scheduled for February 1951.
- (4) Obtain annually from the Borrowers certificates from the classification society or societies in which the vessels are registered to the effect

that the required classifications are maintained. These certificates were first obtained during the course of November and December 1948 and renewal certificates are now being received.

The insurance to be carried by the mortgaged vessels has to cover three kinds of risks: Hull Marine, Warrisks and Protection and Indemnity insurance. Instructions were sent to the Borrowers to provide the Bank first with cover notes before the insurances come into force and then with actual insurance policies as soon as they are issued, so that it might be possible to determine whether the insurance placed by each borrower does in fact comply with the requirements of the Mortgage Deeds and is satisfactory to the Bank.

When the first cover notes were received, they were found to include a Loss Payable clause in a shortened version. The borrowers were informed that the Bank would prefer that this clause be amended in the hull policies to be more specific. They were also asked to include an analogous clause in the protection and indemnity policies. Further, they were asked to include a cancellation clause similar to that required by the U.S. Maritime Commission from their mortgagors. These changes were made and the mortgagors were informed that the insurance coverage was considered satisfactory. Renewal cover notes and policies have since then been received regularly and have been found to conform in essence with the Bank's requirements. It has been the practice of the Bank to return lapsed policies to the Borrowers only after a written statement has been received from them to the effect that there are no claims outstanding. Up to the present time, there have been several claims under policies covering the mortgaged ships, two of these claims were for amounts of less than \$10,000, that is amounts which the insurance companies were entitled to pay directly to the shipping companies

under the terms of the loss payable clause mentioned above. A third one was for an average payment expected to exceed \$10,000. In this case the policy was released by the Bank to the shipping company involved. Several additional claims are still outstanding at this date.

el As the principal of the loans began to be repaid the question of the amount of insurance to be carried on the mortgaged ships was raised first by one then by two other companies. Chapter III, Article I, Section 3 (a) of the Mortgage Deeds provides that the Mortgagors will insure the vessels against marine and warrisks in an amount in dollars (or in such other currency as is hereinafter provided [in the Deeds] or as the mortgages^{el} shall agree to in writing) equal to the full commercial value of the vessel but in no event less than 110% of the aggregate principal amount of the notes outstanding and unpaid. It was the contention of the shipping companies that as they valued other ships in their fleets similar to those mortgaged to the Bank for less than the purchase price of the loan financed ships, 110% of the amount of the notes outstanding and unpaid would be at the present time more than the full commercial value of these vessels. This raised the question what amounts represent the full commercial value of the vessels for purposes of the article of the Mortgage Deeds under reference. After consultation with the Insurance Department of the U.S. Maritime Commission and Mendes and Mount, Lloyd's attorneys in New York, it was decided to inform the shipping companies in question that the sales price of the ships, namely \$2 million is the full commercial value of the loan financed vessels. The Bank also informed the shipping companies that it does not have any objection to the hull marine and warrisk insurance being covered in the following manner:

U.S. Dollars - At least 110% of amount of notes outstanding. As of July 15, 1950 this amount will be \$1,600,000 which means that the coverage in U.S. dollars should amount to at least \$1,760,000.

Other currencies, in particular Dutch Guilders - Full commercial value less amount covered in U.S. dollars. Beginning July 15, 1950, this ~~will~~ amounts to the equivalent of \$240,000. The companies were also advised that the dollar policies should be written as primary policies while the policies in currencies other than dollars should be written on an excess basis.

So far only one company has failed to avail itself of this possibility of reducing the foreign exchange cost of insurance premiums. However, all companies were able to reduce their premium costs by breaking down the warrisk or the marine risk coverage or both on mortgaged vessels between hull and machinery (1 per mille for warrisk and 1.5% for marine risk) and increased value and excesses (.625 per mille for warrisk and .625% for marine risk).

Finally, as regards protection and indemnity insurance it was decided to accept for the present time minimum coverage in the amount of notes outstanding but in no event less than the minimum liability coverage required by U.S. statute.

Aug - '50
Neth - in 7-10

NOTES

Netherlands Ships Loans

The person with whom I have always spoken at the Maritime Commission concerning the full commercial value of ships is Mr. Ogden, Head of the Insurance Department of the Maritime Commission.

The marine insurance on three ships falls to be renewed on August 31, 1950. They are Riouw, Rempang and Aagtekerk. If notification that these insurances have been renewed has not been received by August 31, I suggest that a cable of enquiry be sent to Mr. de Tchihatchef in Paris.

Previous marine insurance coverage on the Riouw and Rempang was taken as follows:

Hull, Machinery	\$1,600,000
Disbursements	<u>400,000</u>
Total	\$2,000,000

Covered 85% in London and 15% in New York.

Coverage for the coming 12 months could be taken

Hull, Machinery	U.S. \$1,600,000
Disbursements, excess liabilities, etc.	U.S. \$ 160,000
Disbursements, excess liabilities, etc. equivalent in other currencies to	<u>U.S. \$ 240,000</u>
Total	U.S. \$2,000,000

Aagtekerk

Previous coverage was taken to the extent of \$2,000,000 in U.S. dollars on hull.

*Reserve for our Netherlands Ship Poli General
please
8/29*

BPSpiro:ea
August 24, 1950

NS/Gen

OFFICE MEMORANDUM

TO: THE FILES

FROM: Benjamin P. Spiro

SUBJECT: Netherlands Ships Loans

DATE: August 14, 1950

I called Mr. Ogden, Head of the Insurance Department of the Maritime Commission, this afternoon to enquire whether a decision had been taken by the Maritime Commission concerning the full commercial value of the ships it sold to foreign purchasers and which have been mortgaged by them to the Commission. He told me that this decision was to be reached in a few days and that he would call me when this has been done.

BPSpiro:ea

*Netherlands Ship
d. n. Navig. Co.*

August 3, 1950

Dear Mr. Peck:

I take pleasure in enclosing fifteen (15) copies each of the financial statement of the United Netherlands Navigation Company and S.M. "Nederland" as of June 30, 1950.

Sincerely yours,

Joseph Fajans

Mr. Hoyt Peck
International Bank for Reconstruction
and Development
33 Liberty Street
New York 5, N.Y.

JFajans:jml

FILE COPY

Netherlands Ship
U. N. Nav. Co

August 3, 1950

Dear Mr. Vrymoet:

I wish to acknowledge receipt of and thank you for your letter of August 1, 1950 (HV:MW) with which you enclosed the following:

- 25 copies of the financial statement of United Netherlands Navigation Company;
- 25 copies of the financial statement of S.M. "Nederland";
- Statement of composition of fleet of United Netherlands Navigation Company in duplicate;
- Statement of composition of fleet of S.M. "Nederland"

all dated June 30, 1950, and

Copy of a letter dated July 11, 1950 from United Netherlands Navigation Company to the Bank's Paris Office.

Yours very truly,

Joseph Fajans

Mr. H. Vrymoet
Liquidator
Office of the Netherlands Ministry of Traffic
61 Broadway
New York 6, N.Y.

JFajans:jml



Record Removal Notice



File Title Shipping Projects - Netherlands - (01) - Loan 0007 - P037453/(02) - Loan 0008 - P037454/(03) - Loan 0009 - P037455/(04) - Loan 0010 - P037456		Barcode No. 1698008		
Document Date August 1, 1950	Document Type Letter			
Correspondents / Participants To: A. Schadee From: Aron Broches				
Subject / Title Netherlands Ships Loans				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Vlada Alekankina</td><td>Date October 02, 2017</td></tr></table>	Withdrawn by Vlada Alekankina	Date October 02, 2017
Withdrawn by Vlada Alekankina	Date October 02, 2017			

TELEPHONE
WHITEHALL 3-5840

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC
DIRECTORATE GENERAL OF SHIPPING

Netherlands Ship
CABLE ADDRESS
"NETHERSHIP"
U. N. Navi.

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

August 1, 1950

Mr. Joseph Fajans, Asst. Loan Officer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Patterson
Lloyd King

Dear Mr. Fajans:

With reference to our letter of July 24th, we are
now pleased to enclose the following:

25 copies of the financial statements and statement,
in duplicate, of the composition of the fleets of
United Netherlands Navigation Co. and S. M. "Nederland"
as of June 30, 1950.

filed U. N. Navi.

Copy of letter dated July 11, 1950 from United Nether-
lands Navigation Co. to your Paris Office.

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping

H. Vrymoet
H. Vrymoet, Liquidator

Encls.

ack?

OUTGOING WIRE

DATE: AUGUST 1, 1950

TO: TCHIATCHEF
PARIS

TEXT: WASH SEVEN

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DEFERRED	<input type="checkbox"/>	FULL RATE	<input type="checkbox"/>
		TELETYPE	<input type="checkbox"/>

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ALDEWERELD

AUTHORIZED BY: _____

NAME Mr. Aldewereld

DEPT. Treasurer's

For Use by Archives Division
Checked for Dispatch <i>Bispl.</i>

LIFE COPY

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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

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INTERNATIONAL BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Mr. Fajans

July 31, 1950

Grade Werring

Voyage accounts of the six mortgaged Dutch vessels

The Bank has received provisional voyage accounts for the six mortgaged Dutch vessels for consecutive voyages covering 520 to 705 days per ship. The accounts are summarized in Table I; annual earnings are estimated in Table 2; and annual foreign exchange earnings in Table 3.

1. Viewed commercially, in terms of shipping receipts, the six mortgaged vessels seem to be paying their way by an ample margin. Average annual gross earnings have been at the rate of 3 million florins (high 3.5 million florins, low 2.6 million florins). Average annual net earnings have been at the rate of 680,000 florins (high 875,000 florins, low 490,000 florins) on a pretax pre-depreciation basis. Translated into U.S. dollars the average annual net earnings would amount to about \$231,000¹ a ship.

2. Viewed in terms of the impact on the Netherlands Balance of Payments, the six mortgaged ships may well have earned foreign exchange to the equivalent of total 7.1 million florins.²

¹ The pre-devaluation rate has been applied for voyages terminating before September 18, 1949, and the devalued rate for subsequent voyages.

² The foreign exchange contribution has been arrived at by deducting the estimated foreign exchange expenditures from the estimated foreign exchange intake. The expenditures are estimated at 50% of total gross earnings, which is the ratio shown for the total Dutch Merchant Marine in the Balance of Payments for 1948 and 1949. The gross foreign exchange income has been estimated at 90% of total gross earnings or 10% higher than is shown in the Balance of Payments for the Dutch fleet. This higher proportion seems justified in view of the extensive employment of the six mortgaged vessels in cross trades.

cc: Mr. Rist
Mr. Wubnig
Mr. Stevenson

Mr. Spiro ✓
Mr. Broches
Research Files

TABLE I

VOYAGE ACCOUNTS OF THE MORTGAGED DUTCH VESSELS AS SUBMITTED BY THE RESPECTIVE SHIPPING LINES PER AUGUST 1, 1950 ^{1/}

Debtor	Ship	Voyage	Duration	Gross Receipts	Gross Receipts less Operating Costs	Pre-tax, pre-depreciation, net profit or debit (Gross receipts less operating costs, repairs and miscellaneous overhead)		
						(Florins)	(Florins)	U.S.\$ Equivalent ^{2/}
<u>Holland-Amerikeline</u>	<u>Alblasserdijk</u>	No. 9 - Rotterdam-Gulf-Rotterdam	Dec. 1, 1949-Feb. 16, 1950	944,000	394,000	289,000		75,953
		No. 10 - Rotterdam-Galveston-Rotterdam	Feb. 18, 1950-May 4, 1950	1,087,000	445,000	339,000		89,093
		<u>Results of Previous Voyages</u>	July 21, 1948-Nov. 30, 1949	<u>3,744,000</u>	<u>1,192,000</u>	<u>682,000</u>		<u>230,259</u>
		<u>Total Result for Period</u>	<u>July 21, 1948-May 4, 1950</u>	<u>5,775,000</u>	<u>2,038,000</u>	<u>1,310,000</u>		<u>395,305</u>
<u>Netherland Line</u>	<u>Raki</u>	No. 6 - San Francisco-N.Y.-Suez-Calcutta	Nov. 15, 1949-March 6, 1950	503,000	-11,000	-164,000		-43,101
		No. 7 - Calcutta-Indonesia-Vancouver	March 4, 1950-May 20, 1950	660,500	254,000	142,000		37,319
		<u>Results of Previous Voyages</u>	June 15, 1948-Oct. 11, 1949	<u>4,058,554</u>	<u>1,716,362</u>	<u>968,309</u>		<u>190,840</u>
		<u>Total Result for Period</u>	<u>June 15, 1948-May 20, 1950</u>	<u>5,222,054</u>	<u>1,959,362</u>	<u>946,309</u>		<u>385,058</u>
<u>Netherland Line</u>	<u>Roebich</u>	No. 5 - Amsterdam-Gulf-N.Y.-Suez-Bombay	Aug. 16, 1949-Dec. 4, 1949	831,193	333,126	171,637		45,108
		No. 6 - Bombay-Suez-Amsterdam	Dec. 5, 1949-March 7, 1950	659,000	306,000	183,000		48,095
		<u>Repairs at Amsterdam</u>	March 5, 1950-March 29, 1950	--	--	-23,000		-6,045
		<u>Results of Previous Voyages</u>	Aug. 24, 1948-Dec. 7, 1949	<u>4,099,343</u>	<u>1,752,764</u>	<u>1,071,686</u>		<u>392,369</u>
<u>Total Result for Period</u>	<u>Aug. 24, 1948-March 29, 1950</u>	<u>5,589,536</u>	<u>2,391,890</u>	<u>1,403,323</u>		<u>479,527</u>		
<u>United Netherlands Navigation Co., Ltd.</u>	<u>Alukerk</u>	No. 3 - Hamburg-India-Australia-Hamburg	May 4, 1949-Nov. 22, 1949	1,755,700	714,900	563,300		148,042
		No. 4 - Hamburg-Suez-Australia-Hamburg	Nov. 25, 1949-July 5, 1950	1,621,400	492,000	328,000		86,202
		<u>Results of Previous Voyages(Final)</u>	Sept. 19, 1948-Apr. 30, 1949	<u>2,101,527</u>	<u>882,789</u>	<u>681,503</u>		<u>256,397</u>
		<u>Total Result for Period</u>	<u>Sept. 19, 1948-July 5, 1950</u>	<u>5,478,627</u>	<u>2,089,689</u>	<u>1,572,803</u>		<u>490,641</u>
<u>Royal Rotterdamse Lloyd</u>	<u>Friesland</u>	No. 6 - Indonesia-Aden-Copenhagen	Oct. 25, 1949-Jan. 23, 1950	805,000	411,500	304,200		79,947
		<u>Result of Previous Voyages</u>	July 20, 1948-Oct. 24, 1949	<u>3,167,900</u>	<u>1,065,100</u>	<u>559,300</u>		<u>186,563</u>
		<u>Total Result for Period</u>	<u>July 20, 1948-Jan. 23, 1950</u>	<u>3,972,900</u>	<u>1,476,600</u>	<u>863,500</u>		<u>266,510</u>
<u>Royal Rotterdamse Lloyd</u>	<u>Drente</u>	No. 5 - Gulf-N.Y.-Bombay-Colombo-Calcutta	Nov. 2, 1949-Feb. 8, 1950	506,400	65,700	-44,400		11,669
		No. 6 - Calcutta-Indonesia-Pacific Coast	Feb. 9, 1950-April 4, 1950	351,700	57,800	-14,800		-3,890
		<u>Result of Previous Voyages</u>	Nov. 1, 1948-Nov. 1, 1949	<u>2,924,100</u>	<u>1,228,200</u>	<u>823,100</u>		<u>304,447</u>
		<u>Total Result for Period</u>	<u>Nov. 1, 1948-Apr. 4, 1950</u>	<u>3,782,200</u>	<u>1,351,700</u>	<u>763,900</u>		<u>312,226</u>
GRAND TOTAL				29,820,317	11,307,241	6,859,835		2,329,267
AVERAGE SHIP				4,970,053	1,884,540	1,143,306		388,211

^{1/} Provisional and Final Voyage Accounts; See memo October 28, 1949, "Voyage Accounts of the Six Mortgaged Dutch Vessels."

^{2/} Voyages ended after September 21, 1949 have been converted at 3.805 florins to the dollar--Previous Voyages at 2.658 florins to the dollar.

TABLE II

AVERAGE ANNUAL GROSS AND NET EARNINGS (PRE-TAX AND PRE-DEPRECIATION) OF THE MORTGAGED DUTCH VESSELS
BASED ON VOYAGE ACCOUNTS AS SUBMITTED PER AUGUST 1, 1950 (SEE TABLE)

Debtor	Ship	Length of Period in which earnings accrued Days	Average	Average Annual Net	
			Annual Gross Receipts (Florins)	Receipts (Florins)	\$ Equiv.
<u>Holland-Amerikline</u>	<u>Alblasserdijk</u>	July 21, 1948 - May 4, 1950 (incl.) 653 days	3,228,060	732,190	220,825
<u>Netherland Line</u>	<u>Raki</u>	June 15, 1948 - May 20, 1950 (incl.) 705 days	2,703,555	489,830	199,290
<u>Netherland Line</u>	<u>Roebish</u>	Aug. 24, 1948 - March 29, 1950 (incl.) 583 days	3,499,620	878,555	300,395
<u>United Netherlands Navigation Co., Ltd.</u>	<u>Almkerk</u>	Sept. 19, 1948 - July 5, 1950 (incl.) 655 days	3,052,860	876,365	273,385
<u>Royal Rotterdamse Lloyd</u>	<u>Friesland</u>	July 20, 1948 - January 23, 1950 (incl.) 553 days	2,622,160	569,765	175,930
<u>Royal Rotterdamse Lloyd</u>	<u>Drente</u>	Nov. 1, 1948 - April 4, 1950 (incl.) 520 days	2,654,645	536,185	219,000
GRAND TOTAL			17,760,900	4,082,890	1,388,825
AVERAGE SHIP			2,960,150	680,482	231,471

TABLE III

ESTIMATED ANNUAL FOREIGN EXCHANGE INCOME AND EXPENDITURES OF THE
DUTCH MORTGAGED VESSELS

Debtor	Ship	Thousand Florins		
		Est. Gross Foreign Exchange Earnings ^{1/}	Est. Foreign Exchange Expenditures ^{2/}	Est. Net Foreign Exchange Earnings ^{3/}
<u>Holland-Amerikeline</u>	<u>Alblasserdijk</u>	2,905	1,614	1,291
<u>Netherland Line</u>	<u>Heki</u>	2,433	1,352	1,081
<u>Netherland Line</u>	<u>Roelich</u>	3,150	1,750	1,400
<u>United Netherlands Navigation Co., Ltd.</u>	<u>Almkerk</u>	3,748	1,536	1,222
<u>Royal Boerensche Lloyd</u>	<u>Friesland</u>	2,360	1,311	1,049
<u>Royal Boerensche Lloyd</u>	<u>Drente</u>	2,399	1,327	1,062
Total		15,985	8,680	7,105
Average Ship		2,664	1,480	1,184

^{1/} Estimated at 90% of total gross earnings. See footnote 2 in text.

^{2/} Estimated at 50% of total gross earnings. See footnote 2 in text.

^{3/} Estimated gross foreign exchange earnings minus estimated foreign exchange expenditures

NS/Gen

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: JULY 31, 1950
TO: MR. ALDEWERELD
FROM: MR. TCHIHATCHEF
PARIS 9 - CHARGE BANK

ROUTING	
ACTION COPY TO	MR. ALDEWERELD
INFORMATION COPY TO	
Decoded By	

TEXT:

REFERENCE YOUR 82 EUNESH CONFIRM ALBLASSERDI JK W.R. INSURANCE COVERED. REGRET TRANSMISSION ERROR. AAGTEKERK H.M. INSURANCE RENEWED UNTIL 31 AUGUST 1950 AFTER WHICH DATE IT WILL BE RENEWED UNDER COMPANY'S FLEET COVER FOR ONE YEAR STOP RESERVATION SINGLE ROOM WITH BATH MADE FOR YOU AT CLARIDGES HOTEL PARIS FROM AUGUST 15 FOR THREE NIGHTS STOP IF CONVENIENT WILL CALL YOU ON TWX TUESDAY AFTERNOON THREE THIRTY PARIS TIME REGARDING OTHER POINTS YOU MENTIONED DURING OUR TELEPHONE CONVERSATION AND IN YOUR LETTER JULY 27 REPLY PLEASE.

Mr. Jones
→

TCHIHATCHEF

Limburg a. Alblasserdijsk' H.M. insurances have also been coordinated with respective fleet covers. No action required

NS 7/31

Copy on P/arg.

ORIGINAL

OUTGOING WIRE

DATE: JULY 28, 1950

TO: *INTBAFRAD*
LT ANDREW DE TCHIHATCHEF
~~INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT~~
67 RUE DE LILLE, PARIS, FRANCE *W.V*

TEXT:

82 EUNESH

REFERENCE YOUR CABLE JULY 27 ASSUME REFERENCE ALBLASSERDIJK IS FOR WARRISK

PLEASE CONFIRM

CLASS OF SERVICE DESIRED	
NIGHT LETTER <input checked="" type="checkbox"/>	CODE <input type="checkbox"/>
DEFERRED <input type="checkbox"/>	FULL RATE <input type="checkbox"/>
TELETYPE <input type="checkbox"/>	

S. ALDEWERELD

INTBAFRAD

ack, July 31

AUTHORIZED BY:

NAME S. Aldewereld

DEPT. Treasurer's

For Use by Archives Division

Checked for Dispatch

slh

FILE COPY

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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JUL 28 5 36 PM 1950

JUL 28 5 37 PM 1950

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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

*Netherlands
Ship Loan*

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: July 29, 1950

TO: MR. ALDEWERELD, I.B.R.D

FROM: MR. TCHIHATCHEF, PARIS

ROUTING	
ACTION COPY TO	MR. ALDEWERELD
INFORMATION COPY TO	
Decoded By	

TEXT: PARIS 4 - CHARGE BANK

EXPIRING WR AND P AND I INSURANCES AUGUST 2 ON AAGTEKERK AND
P AND I INSURANCES ON RIOW, REMPANG, ALBLASSERDIJK HAVE BEEN
RENEWED.

TCHIHATCHEF

Netherlands

v.N. Paris

Holland - Amerika

MS/ [Signature]

OFFICE MEMORANDUM

TO: Mr. S. Aldewereld
FROM: Benjamin P. Spiro
SUBJECT: Netherlands Ships Loans

DATE: July 21, 1950

I understand that the Staff Loan Committee considered the question of the amount of insurance which is to be carried on the ships mortgaged to the Bank and that it was found that as long as the vessels are insured against Marine and Warrisk in dollars in an amount equal to at least 110 percent of the guaranteed principal amount of the notes outstanding and unpaid on the primary basis the Bank is fully protected.

I also understand that Mr. Garner raised the question as to whether the principles applied in case of fire insurance on real estate also apply in the case of marine insurance.

On August 9, 1949 this question was raised with Messrs. Mendes and Mount, who answered as follows:

"... In no case that we have handled has the mortgagee bank agreed to waive the mortgage provision requiring hull insurance to the 'full commercial value', and I would consider it hazardous for any mortgagee to waive that provision. If the vessel is not kept insured up to the full commercial value, and a situation of salvage or general average claim against the vessel arises, the hull underwriters are not liable to pay more than a proportion of the salvage or general average claim (in the proportion that the insured value bears to the actual value), and the vessel owner should be liable for the balance of the salvage or general average claim. If the vessel owner fails to pay his share, the vessel could be libeled and sold by the United States Marshal at auction sale, with the result of possible loss to the lender."

It is, therefore, evident that the Bank will not be fully protected by merely requiring insurance for an amount equal to 110 percent of the aggregate principal amount of the notes outstanding and unpaid, but that it must continue to request that the terms of the mortgage agreement be applied, namely, that the vessels be insured for their full commercial value.

The question which, therefore, remains to be decided is how to determine the extent of the full commercial value. Last fall we also inquired from Mendes and Mount but did not receive a specific answer to this question. As I mentioned in my previous memorandum to you, the only criterion we have been able to follow so far was that of the Maritime Commission, and it is likely that this criterion is to be changed within the very near future.

In connection with this problem, Miss Morse mentioned that the notes outstanding were likely to be resold in the near future without the Bank guarantee. If this happens, the interest of the Bank in seeing that the vessels are properly insured might be changed. Therefore, it is for

consideration whether it might not be advisable to retain at the present time the full commercial value at \$2 million, subject to revision either after the Maritime Commission will have decided on the course it intends to follow or after the notes outstanding have been resold. The draft of a letter to the N.V. Stoomvaart Maatschappij "Nederland" is attached hereto for your consideration.

BPSpiro/gmc

A handwritten signature in blue ink, consisting of a stylized, cursive 'B' followed by a vertical line that curves slightly to the right at the bottom.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Netherlands Ship Loans?

OFFICE MEMORANDUM

Central file

TO: Mr. Joseph Fajans

DATE: July 19, 1950

FROM: Norman G. Jones

SUBJECT: Netherlands Ships Loans -- Voyage Accounts

In separate voyage account file

You will find attached the Provisional Account for Voyage No. 7 of the "Raki", the provisional account for a period of repairs for the "Roebiah", and a statement to the effect that the "Roebiah" did not complete any voyage during the second quarter of 1950.

You will also find attached the provisional voyage account No. 10 of the "Alblasserdijk" and No. 6 for the "Drente".

[Handwritten signature]
BPSpiro:fc

Letter No. P/EU/NS/36

NS/10
July 14, 1950


Mr. Andrew de Tchihatchef
International Bank for Reconstruction
and Development
67 rue de Lille
PARIS, France

Dear Mr. de Tchihatchef:

Thank you for your letter No. P/EU/NS/45 dated July 10, with which you enclosed the following documents:

- Report - Raki/10, certificate of use and provisional voyage account No. 7
- Report - Roebiah/11, certificate of use, a provisional account for port stay March 5-29, and a statement of engagement
- Report - Riouw/10, certificate of use
- Report - Rempang/10, certificate of use
- Report - Ablasserdijk/10, certificate of use and a provisional voyage account No. 10

Sincerely yours


S. Aldewereld

VP

*Netherlands
Ship Loan*

July 13, 1950

Dear Mr. van Hengel:

I wish to acknowledge receipt of and thank you for your letter of July 12, 1950, forwarding twenty-five copies of the 1949 balance sheet and profit and loss statement of the Holland-America Line and additional information on profit and loss statements of the Royal Rotterdam Lloyd, the Holland-America Line and the United Netherlands Navigation Company for the years 1948 and 1949.

Yours very truly,

Joseph Fajans

Mr. J.F. van Hengel
Representative
Netherlands Ministry of Traffic
Directorate General of Shipping
1470 Euclid Street, N.W.
Washington 9, D.C.

JFajans:jml

Neth Shiploan

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC
DIRECTORATE GENERAL OF SHIPPING
WASHINGTON, D. C.

61 BROADWAY, ROOM 824
NEW YORK 6, N. Y.

1470 EUCLID ST., N. W.
WASHINGTON 9, D. C.

July 12, 1950

Mr. J. F. Fajans,
International Bank for
Reconstruction and
Development
Washington, 25, D.C.

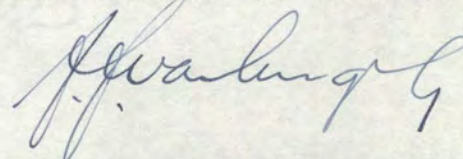
Dear Mr. Fajans,

Further to my letter of July 6th,
I have pleasure in handing you herewith:

1. 25 copies of the Balance sheets and Profit-
and Loss Account of the Holland America Line
per December 31, 1949,
2. Additional information on Profit and Loss
Statements for the years 1948 and 1949 of the
Holland America Line and Rotterdam Lloyd,
3. Additional information on Profit and Loss Statements
for the years 1948 and 1949 of the United Netherlands
Navigation Company.

Yours very truly,

NETHERLANDS MINISTRY OF TRAFFIC
DIRECTORATE GENERAL OF SHIPPING



J.F. van Hengel, Representative.

vH/mb

ack 13 July

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

WASHINGTON 25, D. C.
67 Rue de Lille,
Paris 7e.

Letter No. P/EU-NS/45.

July 10 1950.

Dear Mr. Aldewereld,

I enclose herein the following documents:-

- Report - Raki/10, certificate of use and provisional voyage account No.7.
- Report - Roebiah/11, certificate of use, a provisional account for port stay March 5 - 29, and a statement of engagement.
- Report - Riouw/10, certificate of use.
- Report - Rempang/10, " " " "
- Report - Alblasserdijk/10, certificate of use and a provisional voyage account No.10.

These documents refer to the second calendar quarter of 1950.

Yours sincerely,

A.F. Geolot
A.F. Geolot,

Mr. A. Aldewereld,
International Bank for
Reconstruction and Development,
1818 H. Street, N.W.,
Washington D.C. 25.
U.S.A.

Ack. NS/36 - July 14, 1950

Seen by Mr. Aldewereld

*Mr. Spina for
Action
7/14/50
NGT*

*Memo prepared
7/15*

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Washington, D.C.
July 13, 1950

July 13, 1950

Letter No. 7/13-50/15

Dear Mr. Aikawa:

I enclose herein the following documents:

- Report - Kari/10, certificate of use and provisional voyage account No. 7.
- Report - Hoshino/11, certificate of use, a provisional account for port stay March 5 - 20, and a statement of engagement.
- Report - Kiyomoto/10, certificate of use.
- Report - Kiyomoto/10, " " " "
- Report - Akabane/10, certificate of use and a provisional voyage account No. 10.

These documents refer to the second calendar year of 1950.

Yours sincerely,
[Signature]
A. J. Gould

Mr. A. Aikawa,
International Bank for
Reconstruction and Development,
1111 L Street, N.W.,
Washington, D.C. 20

JUL 13 10 58 AM 1950

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

[Handwritten signature]

MEMORANDUM FOR THE FILES

Netherlands Ships Loans

In accordance with the decision taken by the Working Party, I visited on Monday, June 26, the firm of Mendes and Mount, Lloyds' Attorneys in New York. The instructions from the Bank in accordance with which the four Netherlands shipping companies at present take out insurance coverage on the ships mortgaged to the Bank provide that the total amount of the coverage should be not less than \$2,000,000, which is the purchase price of the ships. These instructions were sent to the shipping companies after requests had been received for the Bank's agreement to a reduction of the total amount of insurance carried on each ship which would reflect the reduction in the indebtedness of the shipping companies to the Bank effected by repayment of the installments of the loans. In arriving at this decision the Bank had taken advice from the Maritime Commission and from Mendes and Mount.

At the same time, the Bank informed the shipping companies that it would have no objections if part of the insurance were taken out in currencies other than U.S. dollars, provided that the amount of insurance coverage in U.S. dollars was at least 110% of the indebtedness outstanding in each case.

The shipping companies have been taking advantage of this, and covering a proportion of the insurance in guilders.

In the normal way, the total amount of insurance against marine risks and war risks on a ship is covered in two parts. The first part covers damage to the hull of the vessel and its machinery, and all claims short of total loss are collected against this part of the insurance. The balance of the insurance is technically described as covering "disbursements", "excess value", etc. The feature of this part of the insurance is that it is only payable in the case of total loss of the ship. It represents an estimate of the value of the ship-owner's expenditure in connection with the voyage of the ship, his profits on the voyage, etc. Since the disbursement insurance is only payable in the event of a total loss, while the insurance on the hull and machinery has to bear any partial losses, the rate of premium on the disbursements insurance is lower than that on the hull and machinery.

The proportion of the insurance which may be covered on a disbursements basis is a matter for negotiation between the ship owner and the insurer, and in the ordinary way the insurer will not accept a greater proportion than 20% of the total cover on this basis.

Handwritten initials and marks on the left margin, including "JSM", a large checkmark, and "Hull".

The position has hitherto been that the amount of insurance which the shipping companies must take out in U.S. dollars (i.e. 110% of the outstanding indebtedness on the ship), has exceeded \$1,600,000, which is the minimum amount which underwriters have been prepared to insure on the hull and machinery (i.e. 80% of the total coverage of \$2,000,000). In these circumstances the Bank could be sure that if there were any claim for less than total loss it would be payable exclusively in U.S. dollars, while if there were a total loss the whole amount of the dollar insurance, i.e. 110% of the outstanding indebtedness, would be payable.

However, as further installments of the debts on these ships are repaid, the amount required to be covered in dollars (110% of the outstanding indebtedness) would in time be less than the minimum amount which underwriters would be prepared to insure on the hull and machinery of the ship.

The position may be seen from an example. If repayments on a ship amount to \$400,000, and the outstanding indebtedness is thus \$1,600,000, the amount to be insured in dollars would be \$1,760,000 (110% of \$1,600,000). Insurance would then be taken out as follows:

(a) On hull and machinery (80% of total)	U.S. \$1,600,000	
(b) On disbursements, etc. (20% of total)	U.S. \$ 160,000	
Other currencies equivalent of	U.S. \$ 240,000	\$2,000,000

If the indebtedness outstanding were reduced to \$1,000,000, the amount to be insured in U.S. dollars would be \$1,100,000 (110%). Insurance would then be covered as follows:

(a) Hull and machinery (80% of total)	U.S. \$1,100,000	
Other currencies equivalent of	U.S. \$ 500,000	
(b) Disbursements, etc. (20% of total)	Equivalent of U.S. \$ 400,000	\$2,000,000

As soon, therefore, as the amount to be insured in U.S. dollars falls below 80% of the total coverage, the insurance taken out for currencies other than U.S. dollars would exceed the total amount which could be insured on a disbursements basis, and overlap the hull and machinery insurance, which would then be covered partly in U.S. dollars and partly in other currencies.

In such a case, the Bank's interest would still be covered in case of total loss, since in that case the whole of the dollar insurance could be claimed. The question which had been submitted to the Working Party, and on which I sought the advice of Mendes and Mount, was how the Bank's interest might be fully protected in the case of a claim other than a claim for total

loss, when the insurance on the hull and machinery was carried partly in dollars and partly in other currencies. The Working Party felt that on the face of it the Bank might in such circumstances be placed in a position of having to accept under the terms of the mortgage deed a certain amount of currencies other than U.S. dollars in lieu of the security of the ship itself.

Mendes and Mount confirmed that in the absence of any special arrangements a claim for less than total loss in the circumstances described would be prorated between the underwriters of the dollar policy and the underwriters of the policy or policies in other currencies. They said, however, that it was not difficult, and would be entirely in accordance with normal practice for the Bank to protect its interests. This result could be achieved by the Bank instructing the shipping companies that the total dollar insurance on each ship should be written as "a primary policy", and that the policy or policies payable in currencies other than dollars should be "written on an excess basis."

The effect of this would be that all claims up to the total amount of the dollar insurance would fall on the underwriters of this insurance, and that the underwriters of insurance in other currencies would only meet the excess of any claim over and above the total amount insured in dollars. Since this would mean that the underwriters covering the dollar portion of the insurance were carrying a heavier risk than the underwriters carrying the insurance payable in other currencies, it would involve an apportionment of the premium between the two sets of underwriters which would result in a higher rate of premium being paid to the underwriters insuring in dollars. Mr. Mendes said that there was no doubt that the Bank could request the shipping companies to have the insurance written in this fashion, although the underwriters carrying the guilder portion might be displeased.

The Working Party had considered this question as one which was not likely to arise in practice for some time to come. However, on June 23 we received from the Paris office a copy of the letter addressed to them by the Koninklijke Rotterdamsche Lloyd relating to the renewal of the marine insurance on the ss Friesland and the ss Limburg. In this letter the Koninklijke Rotterdamsche Lloyd informed us that underwriters had obliged them to place the whole of the insurance on these two ships on a hull and machinery basis, and had refused to accept any part of it on a disbursements basis. In this case, therefore, the question is an immediately practicable one.



Hugh B. Ripman

June 28, 1950

HB Ripman:pc
cc: Mr. Wubnig
Miss Morsey

Neth Ship Loans

OFFICE MEMORANDUM

file

TO: Mr. John M. ~~Penton~~
FROM: Hugh B. Ripman *HRM*
SUBJECT: Netherlands Ships Loans

DATE: June 28, 1950

Intel shipping

In accordance with the agreement of the Working Party, I visited Mendes and Mount on June 26 in New York, and attach a memorandum for the files on this subject.

You may wish to have this memorandum circulated to members of the Working Party for consideration. In view of the letter from the Koninklijke Rotterdamsche Lloyd referred to at the end of the memorandum, we should reach a decision on the action to be taken in the near future.

HBripman:pc

*EAGLE BRAND
QUALITY BOND
MADE IN U.S.A.*

MEMORANDUM FOR THE FILES

Netherlands Ships Loans

In accordance with the decision taken by the Working Party, I visited on Monday, June 26, the firm of Mendes and Mount, Lloyds' Attorneys in New York. The instructions from the Bank in accordance with which the four Netherlands shipping companies at present take out insurance coverage on the ships mortgaged to the Bank provide that the total amount of the coverage should be not less than \$2,000,000, which is the purchase price of the ships. These instructions were sent to the shipping companies after requests had been received for the Bank's agreement to a reduction of the total amount of insurance carried on each ship which would reflect the reduction in the indebtedness of the shipping companies to the Bank effected by repayment of the installments of the loans. In arriving at this decision the Bank had taken advice from the Maritime Commission and from Mendes and Mount.

At the same time, the Bank informed the shipping companies that it would have no objections if part of the insurance were taken out in currencies other than U.S. dollars, provided that the amount of insurance coverage in U.S. dollars was at least 110% of the indebtedness outstanding in each case.

The shipping companies have been taking advantage of this, and covering a proportion of the insurance in guilders.

In the normal way, the total amount of insurance against marine risks and war risks on a ship is covered in two parts. The first part covers damage to the hull of the vessel and its machinery, and all claims short of total loss are collected against this part of the insurance. The balance of the insurance is technically described as covering "disbursements", "excess value", etc. The feature of this part of the insurance is that it is only payable in the case of total loss of the ship. It represents an estimate of the value of the ship-owner's expenditure in connection with the voyage of the ship, his profits on the voyage, etc. Since the disbursement insurance is only payable in the event of a total loss, while the insurance on the hull and machinery has to bear any partial losses, the rate of premium on the disbursements insurance is lower than that on the hull and machinery.

The proportion of the insurance which may be covered on a disbursements basis is a matter for negotiation between the ship owner and the insurer, and in the ordinary way the insurer will not accept a greater proportion than 20% of the total cover on this basis.

The position has hitherto been that the amount of insurance which the shipping companies must take out in U.S. dollars (i.e. 110% of the outstanding indebtedness on the ship), has exceeded \$1,600,000, which is the minimum amount which underwriters have been prepared to insure on the hull and machinery (i.e. 80% of the total coverage of \$2,000,000). In these circumstances the Bank could be sure that if there were any claim for less than total loss it would be payable exclusively in U.S. dollars, while if there were a total loss the whole amount of the dollar insurance, i.e. 110% of the outstanding indebtedness, would be payable.

However, as further installments of the debts on these ships are repaid, the amount required to be covered in dollars (110% of the outstanding indebtedness) would in time be less than the minimum amount which underwriters would be prepared to insure on the hull and machinery of the ship.

The position may be seen from an example. If repayments on a ship amount to \$400,000, and the outstanding indebtedness is thus \$1,600,000, the amount to be insured in dollars would be \$1,760,000 (110% of \$1,600,000). Insurance would then be taken out as follows:

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(a) Hull and machinery (80% of total)	U.S. \$1,100,000	
Other currencies equivalent of	U.S. \$ 500,000	
(b) Disbursements, etc. (20% of total)	Equivalent of U.S. \$ 400,000	\$2,000,000

As soon, therefore, as the amount to be insured in U.S. dollars falls below 80% of the total coverage, the insurance taken out for currencies other than U.S. dollars would exceed the total amount which could be insured on a disbursements basis, and overlap the hull and machinery insurance, which would then be covered partly in U.S. dollars and partly in other currencies.

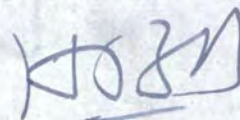
In such a case, the Bank's interest would still be covered in case of total loss, since in that case the whole of the dollar insurance could be claimed. The question which had been submitted to the Working Party, and on which I sought the advice of Mendes and Mount, was how the Bank's interest might be fully protected in the case of a claim other than a claim for total

loss, when the insurance on the hull and machinery was carried partly in dollars and partly in other currencies. The Working Party felt that on the face of it the Bank might in such circumstances be placed in a position of having to accept under the terms of the mortgage deed a certain amount of currencies other than U.S. dollars in lieu of the security of the ship itself.

Mendes and Mount confirmed that in the absence of any special arrangements a claim for less than total loss in the circumstances described would be prorated between the underwriters of the dollar policy and the underwriters of the policy or policies in other currencies. They said, however, that it was not difficult, and would be entirely in accordance with normal practice for the Bank to protect its interests. This result could be achieved by the Bank instructing the shipping companies that the total dollar insurance on each ship should be written as "a primary policy", and that the policy or policies payable in currencies other than dollars should be "written on an excess basis."

The effect of this would be that all claims up to the total amount of the dollar insurance would fall on the underwriters of this insurance, and that the underwriters of insurance in other currencies would only meet the excess of any claim over and above the total amount insured in dollars. Since this would mean that the underwriters covering the dollar portion of the insurance were carrying a heavier risk than the underwriters carrying the insurance payable in other currencies, it would involve an apportionment of the premium between the two sets of underwriters which would result in a higher rate of premium being paid to the underwriters insuring in dollars. Mr. Mendes said that there was no doubt that the Bank could request the shipping companies to have the insurance written in this fashion, although the underwriters carrying the guilder portion might be displeased.

The Working Party had considered this question as one which was not likely to arise in practice for some time to come. However, on June 23 we received from the Paris office a copy of the letter addressed to them by the Koninklijke Rotterdamsche Lloyd relating to the renewal of the marine insurance on the ss Friesland and the ss Limburg. In this letter the Koninklijke Rotterdamsche Lloyd informed us that underwriters had obliged them to place the whole of the insurance on these two ships on a hull and machinery basis, and had refused to accept any part of it on a disbursements basis. In this case, therefore, the question is an immediately practicable one.



Hugh B. Ripman

June 28, 1950

HBRipman:pc

MEMORANDUM FOR THE FILES

Netherlands Ships Loans

I visited Messrs. Mendes and Mount in New York yesterday in order to request advice from them concerning a technical matter which had arisen in connection with the insurance of the ships mortgaged to the Bank.

In conversation with Mr. Mendes and Mr. Healy, two of the partners of the Firm, I indicated that the Bank did not wish to continue to take advantage of their professional advice in the same casual and friendly fashion as hitherto, and would wish to place its relations with them in this connection on a normal business basis. I asked them therefore whether they would be kind enough to treat the Bank in this way, and render an account for services which they might render us. Mr. Mendes replied that the opinion which we had sought from them did not cause them any trouble, and that in any case since they were Attorneys in the United States for Lloyds of London, they regarded the giving of advice of this kind concerning insurance practices as a matter of public relations, and that it was one of the duties for which they were employed by Lloyds. They were very happy to give the Bank advice, and hoped that we would never hesitate to come to them if we needed such advice.

I expressed the appreciation of the Bank for the attitude which they were taking.

HBR

Hugh B. Ripman

M

EM

June 27, 1950

HBRipman:pc

cc: Mr. Poore
Mr. Broches

EM

BB

NS/Gen

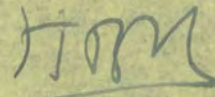
Mr. William B. Mendes
Mendes & Mount
27 William Street
New York 5, N.Y.

June 27, 1950

Dear Mr. Mendes:

It was a great pleasure to make your acquaintance yesterday, and the Bank is most grateful for your helpful advice. The friendly and cooperative spirit in which your Firm has assisted us is greatly appreciated.

Very truly yours



Hugh B. Ripman

HBRipman:pc

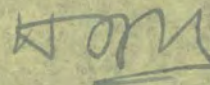
NS/Gen

Mr. Thomas J. Healy
Mendes & Mount
27 William Street
New York 5, N.Y.

June 27, 1950

It was a great pleasure to renew our acquaintance yesterday, and now that I am back in Washington I am writing to say how much the Bank appreciates the help which your Firm has now on a number of occasions given us in relation to these matters of marine insurance.

Thank you again for all your kindness.



Hugh B. Ripman

HB Ripman:pc

Dutch Ship Loan

OFFICE MEMORANDUM

TO: Files

FROM: Joseph Fajans *JF.*

SUBJECT: Netherlands Shipping Loan

DATE: June 21, 1950

1. After discussing the matter with Mr. Foster, I telephoned the New York Office of the Netherlands Ministry of Traffic this morning and asked them to supply the Bank, as soon as possible, with the 1949 balance sheets and profit and loss statements of the four shipping companies who are our borrowers under the Dutch shipping loan. Referring to a previous conversation which I had with them some three months ago, I explained that the Bank would like to include an analysis of the financial position of the companies in the forthcoming administration report on our loans to the Netherlands and that we could not very well do so without being provided with the 1949 annual figures. I also mentioned that one of the holders of the Dutch shipping notes enquired at the Bank last week about the date on which they could expect to receive the 1949 statements.

2. Mr. Van Hengel, the Netherlands Maritime Attache in Washington, called me soon after my conversation with the New York Office. He said that annual meetings of the shareholders of three companies had taken place during the past few weeks and that, therefore, the annual statements should be ready for distribution any day. He told me that he had already cabled the companies with the request to expedite the mailing of the information required by the Bank.

c:c: Mr. Paul Foster

*NS/Gen
try N/Ship*

OFFICE MEMORANDUM

TO: THE FILES
FROM: Benjamin P. Spiro
SUBJECT: Netherlands Ships Loans

DATE: May 31, 1950

From statements of the composition of the fleets of the four shipping companies, it has been possible to prepare the following table showing the importance of the ships loans and of the ships category of the general purpose loan to four specific shipping companies.

Company	Operational Fleet			G.R.T.	No. of vessels	G.R.T.	% of total	% of total
	No. of Vessels Owned	No. of loan financed vessels chartered from Govt.	Total Fleet No.					
Holland-America Line	30	---	30	301,000	6	46,400	20	15.4
N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij	27	5	32	223,000	12	91,000	37.5	40.8
N.V. Stoomvaart Maatschappij "Nederland"	31	---	31	280,000	6	46,200	19.4	16.5
N.V. Rotterdamsche Lloyd	29	2	31	271,000	8	62,000	19.4	22.9
			<u>124</u>	<u>1,075,000</u>	<u>32</u>	<u>245,600</u>	<u>24.2%</u>	<u>22.8%</u>

WLD

BPS
BPSpiro:ea

Netherlands Ship Loans

OFFICE MEMORANDUM

HBR *File* *ff*

TO: Mr. John M. Penton
FROM: Hugh B. Ripman
SUBJECT: Netherlands Ships Loans--Insurance

DATE: May 25, 1950

You asked me to place on record the decision taken by the Working Party this morning concerning a modification of the loss payable provision in the marine and war risk insurance policies on the ships mortgaged to the Bank under the above loans.

The necessity for making some modification in this clause flows from the fact that while on the one hand so long as the difference between the full commercial value of the vessel in question and 110% of the outstanding indebtedness under the mortgage (which difference the Bank has authorized the respective shipping companies to insure in currencies other than United States dollars), is not greater than the amount of the total marine or war risk insurance which underwriters are prepared to accept on a disbursements or excess value basis, the Bank may be sure either in the event of damage or of total loss of receiving dollars for the total amount of the equipment up to 110% of the indebtedness under the mortgage; on the other hand, when the amount of outstanding indebtedness under the mortgage has been reduced to the point at which 110% of that amount is less than the minimum amount of coverage which underwriters will accept on the hull, the full insurance will be taken out partly in dollars and partly in other currencies, so that in the event of a claim other than a claim for total loss, underwriters would settle, in the absence of any special provisions in the policies, pro rata in dollars and other currencies, so that the Bank might be placed in the position, providing of course that the shipping companies were in default under the Loan Agreement and the Dutch Government in default under the Guarantee Agreement, of receiving a certain amount of currencies other than dollars which would be substituted for a proportionate part of the mortgaged property and would be required by the Bank in order to repay the outstanding indebtedness under the mortgages.

In the circumstances the Working Party agreed that for the Bank's position to be fully protected, some modification in the clauses of the insurance against marine and war risks on the hull of the mortgaged vessels is necessary.

The Working Party further agreed that since the question was somewhat complex, it would be advisable to take advice from Messrs. Mendes and Mount, Lloyds' attorneys in New York, and it was left to the Legal Department and to the Treasurer's Department to seek such advice.

c.c. Miss Morsey
Mr. Stevenson
Mr. Bjans

HBRipman:pc

c.c. Mr. Spiro

NS/He

Mr. John M. Penton

May 23, 1950

Hugh B. Ripman

Handwritten initials

Netherlands Ships Loans

I attach six copies of a letter today received from the United Netherlands Navigation Company, and should be grateful if you would include consideration of this letter on the agenda for the Working Party meeting which I understand you are arranging for Thursday next.

HBripman:pc

Neth Ship Loan

OFFICE MEMORANDUM

TO: Mr. John M. Penton

DATE: May 18, 1950

FROM: Hugh B. Ripman *HBR*

SUBJECT: Netherlands Shipping Loan--Insurance of Mortgaged Vessels

I refer to your memorandum of May 16. ✓

In the case of this loan, the Bank looks in the first instance for the servicing of the loan to the shipping companies. In case they default, the Bank looks to the Netherlands Government under the terms of the Guarantee Agreement. In case the Netherlands Government also defaults, the Bank then falls back on its rights under the mortgage deed to sell the ships. In order to protect this right of the Bank, provision is made in the mortgage deeds for the insurance of the ships, and that in certain circumstances the insurance monies should stand in lieu of the ships themselves.

This was the basis on which the loan was made, and on which the notes were sold.

To argue as you have done in your memorandum is to imply that the mortgage deeds serve no purpose. This argument might perhaps have been advanced at the time the loan was granted, but the decision was then taken and it does not in any way seem practicable at this stage to disregard it.

In the circumstances I think it would be well if the matter were discussed at a meeting of the Working Party.

- c.c. Mr. Rosen ✓
- Mr. Stevenson
- Mr. Fajans
- Miss Morsey
- Miss Werring
- Mr. Spiro

HBRipman:pc

Arrange working party for

Thursday May 25th in No 415

10:00 am.

[Signature]

NSJ/Lev

Draft
VMorsey:dg
5-18-50

(Clause for Hull Insurance Policies)

Notwithstanding the fact that premiums may be paid in any currency other than United States dollars, losses payable under this policy shall, to the extent that International Bank for Reconstruction and Development shall so notify the Insurers [Assurers] at the time payment is due, be paid in United States dollars; provided, however, that except to the extent that losses shall be payable in United States dollars otherwise than by reason of a notice from International Bank for Reconstruction and Development pursuant to this clause, the Insurers [Assurers] shall not be required to pay in United States dollars amounts in excess of 110% of the principal amount of notes which at the date of such notice are outstanding and unpaid and are secured by the mortgage on the Ship dated August 2, 1948, made by the Insured [Assured] to International Bank for Reconstruction and Development.

VMorsey

NS/He

May 17, 1950

Letter No. P/EU/NS/27

Dear Mr. de Tchihatchef:

With reference to your letter No. P/EU/NS/35 of May 12, 1950 in which you inquired whether any adjustment in the commercial value of the ships mortgaged to the Bank could be considered at this time in view of the coming amortization payments, we wish to inform you that it is the Bank's policy to require that mortgaged vessels be insured for their full commercial value at all times and that the full commercial value has been determined to be \$2,000,000. No changes in this value are considered.

mm

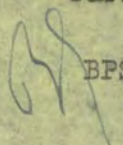
Sincerely yours,



S. Aldevereld

c.c. Miss Morsey
Mr. Penton
Mr. Stevenson
Miss Werring

Mr. A. de Tchihatchef,
International Bank for
Reconstruction & Development,
67 rue de Lille,
Paris, France.



BPSpiro:ea

NS/Gen

OFFICE MEMORANDUM

TO: Mr. Hugh B. Ripman
DATE: May 16, 1950

FROM: John M. Penton

SUBJECT: Netherlands Shipping Loan - Insurance of Mortgaged Vessels

I refer to the Legal Department's memorandum on this subject of May 11, 1950. The loan has been guaranteed by the Netherlands Government, consequently -

- (a) if the shipping companies are in default the transfer of insurance proceeds into dollars in order to pay the Bank's loan is guaranteed by the Netherlands Government;
- (b) if the shipping companies are not in default it is immaterial to the Bank whether the insurance proceeds are in dollars or guilders.

If my understanding of the problem as set out above is correct, I should have thought that there was an overwhelming case against seeking a change in the policy provisions at this late stage. If, however, the Treasurer's Department wish it I see no objection to holding a discussion in the Netherlands Working Party.

J.M.P.

Reply - 5/18

c:c: Mr. M.M. Rosen
Mr. A. Stevenson
Mr. J. Fajans
Miss V. Morsey
Miss G. Werring

Handwritten initials

Handwritten signatures

NS/Gen

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

WASHINGTON-25-D-C.
67 Rue de Lille
PARIS (7e)

AIR MAIL

May 12, 1950

Letter No. P/EU-NS/35

Mr. S. Aldewereld
International Bank for
Reconstruction and Development
1818 H Street N.W.
Washington 25 D.C., U.S.A.

Dear Mr. Aldewereld,

I have written to you separately on the subject of the
"Loss Payable" clause in Disbursement insurance policies.

I should like to take this opportunity to mention that
a fairly large number of insurance policies will be falling
due for renewal within a short period after July 15, 1950,
when the steamship companies will be making their semi-annual
amortisation payments.

You may wish to consider, therefore, whether at this
time any adjustment in the "commercial value" of the vessels
concerned would be justified.

Sincerely yours,

A. de Tchiatchef
A. de Tchiatchef

W

*answered
5/17
c.c. to
working party*

AFG/MBL.

See by Messrs. Cren & Aldewereld

mb

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

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NS/JS

c.c. Miss Virginia Morsey

Draft Letter to Mr. Russell T. Mount,
Mendes & Mount,
27 William Street,
New York 5, N.Y.

Reference Your File 91308

Dear Mr. Mount:

I should like again to refer to our correspondence concerning marine insurance practices and ask you once more to give the International Bank the benefit of your experience in this field.

Last fall we informed the four Dutch shipping companies which purchased six vessels out of the proceeds of the Bank's loans that while we wanted them to continue to insure these vessels for their full commercial value, namely \$2 million, we would not object if they were to split this insurance as follows:

U.S. dollars - at least 110% of the amount of notes outstanding and unpaid.

Other currencies, in particular Dutch guilders - full commercial value less amount covered in U.S. dollars.

The question we are now facing is that of the problem likely to arise when 110% of the amount of the notes outstanding will fall below the limit set by underwriters for hull insurance (total insurance less disbursements, etc.). Up to now the practice of some of the shipping companies has been to insure their vessels for \$1,600,000 on hull and machinery and the balance on disbursements. Under the present arrangements even if part of the disbursement insurance was in guilders it would not affect the Bank as in case of partial loss all payments under the hull insurance would be made in dollars. In the future, however, as the amount of notes outstanding is reduced the companies may wish to take part of their hull coverage in guilder insurance. Normally, if premiums are payable in both dollars and guilders amounts payable on account of losses would be prorated in dollars

Handwritten note: "See 1887" with a checkmark and scribbles.

and guilders. Such an arrangement would give rise to no difficulty if the loss were a total one since sufficient proceeds would be available in dollars to cover 110% of the principal amount of notes outstanding. Similarly, there would be no problem if the damage were small in which case payment would in the normal course be made directly to the shipping company. The problem would arise, however, if the loss were a partial one but were so substantial that the Bank felt that payment should be made to it as mortgagee of amounts due under the policy. In such case payment would be received partially in dollars and partially in guilders whereas the notes to be paid with the insurance proceeds are denominated in dollars.

The only course we can think of at the present time to cover such an eventuality is to ask the shipping companies to insert a special clause in their insurance policies to the effect that any amount under the policies which is required to be paid to the Bank must be paid in dollars.

We have endeavoured to draft such a clause and I would be most grateful if you could be kind enough to let me know whether in your opinion such a clause would meet our purpose and would be acceptable to underwriters.

With kind personal regards.

Sincerely yours,

Hugh B. Ripman

Neth Ship Loan

FILE COPY

Netherlands Shipping Loan Working Party

May 11, 1950

A. Stevenson

Insurance on Mortgaged Ships

N.R.

In the Legal Department memorandum dated May 5, 1950, it is recommended that the Bank require that a clause be inserted in the marine and war risk insurance policies covering the mortgaged vessels to the effect that any amount under the policies which is required to be paid to the Bank must be paid in dollars, or if such a clause should be unobtainable, that the entire hull policy should be written in dollars.

The general question of the extent of the Bank's interest in the mortgaged ships has come up before. The Bank is clearly interested in seeing that the ships are used for the purpose for which they were intended when the loan was granted, and may also be concerned with the general financial condition of the shipping companies which are the borrowers. As trustee for the noteholders, it may be that the Bank should see that the ships are duly insured. But whether the Bank should concern itself with the question of whether hull insurance is written in guilders or dollars is another matter.

Actually, we do not know whether the individual ships earn dollars or even whether the shipping companies earn enough dollars to service the loan. This is not, however, a matter of any great moment since the dollars used to repay the Bank loan come not directly from earnings of the shipping companies but from the Nederlandsche Bank to which the companies should turn over such foreign exchange as they earn. Is the Bank to assume, as the Legal Department memorandum does, that if a ship were lost, the Nederlandsche Bank would not make available the foreign exchange to repay the loan - which is guaranteed by the Netherlands Government - unless the hull had been insured in dollars? This may concern the shipping companies and the Netherlands Government or the Netherlands Bank but hardly the IBRD. In any case, it seems a rather unrealistic assumption. Furthermore, since the shipping companies probably hedged at the time when they contracted the loan, our following of their operations in detail appears to be something of a facade.

It is therefore recommended that the Bank should not attempt to obtain the sort of insurance protection described in the Legal Department memorandum and should not concern itself with the question of the currency in which the hull insurance is carried. Furthermore, it is suggested that the extent of the Bank's concern with the ships and shipping companies be discussed before work is started on the Loan Administration Report on the Netherlands.

AStevenson/mb



Record Removal Notice

File Title Shipping Projects - Netherlands - (01) - Loan 0007 - P037453/(02) - Loan 0008 - P037454/(03) - Loan 0009 - P037455/(04) - Loan 0010 - P037456		Barcode No. 1698008		
Document Date May 5, 1950	Document Type Letter			
Correspondents / Participants To: Netherlands Shipping Loan Working Party From: Virginia Morsey				
Subject / Title Insurance on Mortgaged Ships				
Exception(s) Attorney-Client Privilege				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Vlada Alekankina</td><td>Date October 02, 2017</td></tr></table>	Withdrawn by Vlada Alekankina	Date October 02, 2017
Withdrawn by Vlada Alekankina	Date October 02, 2017			

OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

DATE: May 3, 1950

FROM: Hugh B. Ripman

SUBJECT: Netherlands Ships Loans

- 1) Article III, Section 2 of the Loan Agreements provide that the vessels shall be used by the Borrowers in commercial cargo and passenger traffic as part of The Netherlands merchant fleet. Our request for periodical usage statements from the shipping companies is based on this section.
- 2) The Purchase Agreement between the Bank and purchasers of shipping loans notes states in Article V that each issue of notes shall be secured by a mortgage substantially in the form of the Form of Mortgage attached to the Agreements. This means that the insurance requirements of the Mortgage Agreements are also part of the Purchase Agreements.
- 3) The information which we received from the shipping companies covers all the requirements of the Mortgage Agreements.

BPSpiro:ea

NS/Le

[Handwritten signature]
PWS

MEMORANDUM FOR THE FILES

Subject: Netherlands Ships Loans

I discussed this morning with Miss Morsey the problems likely to arise when the 110% of the amount of the notes outstanding in the Dutch shipping lines will fall below \$1,600,000. Up to now the practice of some of the shipping companies had been to insure their vessels for \$1,600,000 on hull and machinery and the balance on disbursements, it being the maximum allowed by the insurance companies for such arrangements. Under the present arrangement even if part of the disbursement insurance was in guilders it would not affect us because in case of partial loss all payments under the hull insurance will be made in dollars. However, if the insurance companies want to avail themselves fully of the 110% in dollar provision the case may arise that a ship will be insured up to say \$1,300,000 in dollars and \$300,000 in guilders under the same policy on hull and \$400,000 in guilders on disbursements. Under such an arrangement in the case of partial loss payments would normally be prorated in dollars and in guilders. In order to prevent such an occurrence four possibilities were considered:

- 1) Change the mortgage agreement to eliminate mention of full commercial value. Such an action would not serve our purpose.
- 2) Amend our views about the meaning of full commercial value. This would also not serve our purpose.
- 3) Ask the Netherlands Government to guarantee that in case of losses prorated amounts payable in guilders could be freely exchanged into dollars by the shipping companies.
- 4) Request the shipping companies to insert in their hull insurance policies special clauses providing that in case of partial losses all payments would be made in dollars up to a maximum of 110% of the amount of notes outstanding after which payments could be made in guilders.

Under 3) above it must be remembered that it is only in the case of complete loss or such severe damage to the vessel that the Bank would want to retain the amount paid by the insurance companies as it might feel that its security lost its value. In all other cases involving less severe claims the Bank would allow payment by the underwriters to the shipping companies in which case it would not matter whether payments were in dollars or in guilders. Miss Morsey is taking this matter under advisement and will keep us informed of findings in this connection.

[Handwritten signature]

[Handwritten signature]

BPSpiro:ea
May 2, 1950

c.c. Miss Morsey
Mr. Sajina.

Dutch Ship Loan

OFFICE MEMORANDUM

TO: Files

FROM: Joseph Fajans *JF.*

SUBJECT: Dutch Shipping Loan

DATE: April 26, 1950

1. Mr. VanHengel, the representative of the Netherlands Ministry of Traffic and Maritime Attache to the Netherlands Embassy in Washington, telephoned Mr. Penton this morning and -- in the latter's absence -- raised with me the question of additional information on the financial status of the Dutch shipping companies requested in Mr. Penton's letter to Mr. Vrymoet of April 20, 1950.
2. He said that a matter of principle was involved in the submission to the Bank of this kind of information and that, therefore, Mr. Penton's letter had been referred to him by Mr. Vrymoet.
3. I explained that for the same reason of being reluctant to approach the companies with embarrassing demands, I called Mr. Vrymoet on the telephone on March 27, 1950, indicated to him what sort of information the Bank would wish to receive and inquired whether he would consider a request for such information justified and would be prepared to transmit it to the companies.
4. Mr. VanHengel reviewed the Schedule of Information, attached to Mr. Penton's letter, item by item and expressed doubts as to the ability of the companies to supply us with data concerning taxes and voluntary reserves. I told him that we shall be satisfied with any information received in reply to our letter and shall not press for more detail.
5. Mr. VanHengel thereupon declared his willingness to write to the Netherlands Ministry of Traffic requesting them to get in touch with the companies and discuss the Bank's request.
6. Mr. Penton called Mr. VanHengel on the telephone later on and assured him that the additional information requested in his letter would be used by the staff of the Bank and not distributed to the holders of the Dutch Shipping Notes. He also stated his readiness to discuss with Mr. VanHengel the part of the Loan Administration report based on the additional information received, before such report will be submitted to the Board.

JFajans :mmr

NS/Gen

April 21, 1950

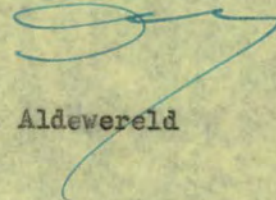
Letter No. P/EU/NS/18

Dear Mr. de Tchihatchef:

We wish to acknowledge receipt of your letters No. P/EU-NS/17 and 19 of April 14 and 17, 1950, respectively, to which were attached quarterly voyage accounts.


10/27

Sincerely yours,



S. Aldewereld

Mr. A. de Tchihatchef,
International Bank for
Reconstruction & Development,
67 rue de Lille,
Paris, France.

 BPSpiro:ea

NS/Le

Mr. John M. Penton

April 21, 1950

Hugh B. Ripman

Handwritten initials

Netherlands Ships Loans

You will find attached the following voyage accounts which we recently received from our Paris office:

Raki - Voyages No. 4, 5, Period of Repairs, and 6 (Provisional)

Roebiah - Voyages No. 3, 4, 5 and 6 (Provisional)

Almkerk - Voyage No. 3

Alblasserdijk - Voyage No. 9 (Provisional)

Drente - Voyage No. 5 (Provisional)

Friesland - Voyage No. 6 (Provisional)

BFSpiro:ea

FILE COPY

Neth Ship Loan

April 20, 1950

Dear Mr. Vrymoet:

I write in reference to the telephone conversation which Mr. Fajans had with you during my absence last month. As he explained, an important feature of the Bank's administration of its loans is the preparation of periodic reports for submission to the Executive Directors. Such reports contain, in addition to a brief account of relations between the Bank, the Borrower and the Guarantor since the signing of a loan, an analysis of the economic developments in the borrowing country, and an assessment of the effect of the loan on the country's economy. A further very important component of these reports is an appraisal of the financial position of the Borrower.

Preliminary statistical work was recently undertaken in connection with a report on the Dutch Shipping Loans which we propose to prepare sometime in the summer after the receipt of balance sheets and profit and loss statements of the shipping companies for the year 1949. The results of this work led us to the conclusion that in order to be able to describe correctly and in some detail the financial position of the four shipping companies we should require additional data, namely, a clearer explanation of the profit and loss statements.

I would therefore appreciate your requesting the companies to supplement their 1949 statements, which they will be transmitting to us in the near future, with the additional information listed in the attached schedule, and to supply us with similar information for the year 1948 which would enable us to interpret correctly the 1948 annual figures.

Thank you for your readiness to approach the shipping companies on our behalf.

Very truly yours,

John M. Penton,
Loan Officer

Mr. H. Vrymoet
Liquidator
Office of the Netherlands Ministry of Traffic
61 Broadway
New York 6, N.Y.

Encl.

c:c: Mr. Wubnig

FILE COPY

ADDITIONAL INFORMATION ON BALANCE SHEETS AND PROFIT AND LOSS STATEMENTS REQUESTED FOR THE YEARS 1948-49

For all four Companies

1. Statement of income showing separately -
 - (a) Gross operating receipts;
 - (b) Operating expenditures broken down into main categories like depreciation, taxes, etc;
 - (c) Net operating income;
 - (d) Other income;
 - (e) Total income;
 - (f) Interest on debt;
 - (g) Other fixed charges;
 - (h) Balance available for distribution;
 - (i) Allocation to voluntary reserves;
 - (j) Bonus to staff;
 - (k) Dividend and management;
 - (l) Balance carried forward.

For Steam Navigation Company "Netherland" and United Netherlands Navigation Company

2. Original value of property in service broken down by fleet, buildings and equipment.
3. Depreciation broken down by depreciation of fleet, buildings and equipment.

NS/Gen

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

WASHINGTON 25 D.C.
67 Rue de Lille
PARIS (7e)

AIR MAIL
Letter No. P/EU-NS/17

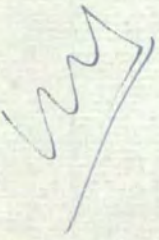
April 14, 1950

Mr. S. Aldewereld
International Bank for
Reconstruction and Development
1818 H Street N.W.
Washington 25 D.C., U.S.A.

Dear Mr. Aldewereld,

Enclosed herewith you will find reports for the first quarter
of 1950 on the Netherlands Ships Loans as follows:-

- Report "RAKI"/9 attaching Voyage No.4 account, May 13 - August 24, 1949; Voyage No.5 account, August 25 - October 10, 1949; Voyage account for the period of repairing at San Francisco, October 11 - November 14, 1949; Provisional Voyage No.6 account, November 15, 1949 - March 6, 1950.
- Report "ROEBIAH"/10 attaching Voyage No.3 account, February 19 - March 12, 1949; Voyage No.4 account, March 13 - August 15, 1949; Voyage No.5 account, August 16 - December 4, 1949; Provisional Voyage No.6 account, December 5, 1949 - March 7, 1950.
- Report "ALBLASSERDIJK"/9 attaching Provisional Voyage No.9 account, December 1, 1949 - February 16, 1950.
- Report "FRIESLAND"/9 attaching Provisional Voyage No.6 account, October 25, 1949 - January 23, 1950.
- Report "DRENTE"/10 attaching Provisional Voyage No.5 account, November 2, 1949 - February 8, 1950
- Report "RIOUW"/9
- Report "REMPANG"/9



*acknowledged
trans. journal
03/24/51*

Sincerely yours,

A. de Tchihatchef

A. de Tchihatchef

Enclosures.-

MBL.

Sub.

files 311

OFFICE MEMORANDUM

Dutch Ship Loans

TO: Mr. W.A.B. Iliff

DATE: April 4, 1950

FROM: Joseph Fajans *JF*

SUBJECT: Dutch Shipping Loans - loan administration report

to attach.

1. The attached letter is submitted for your approval and signature.
2. In Mr. Penton's absence I reported to Mr. Hoar on this matter and handled it in accordance with his instructions.
3. Mr. Vrymoet is an old contact of ours and has always been acting as a go-between in transmitting information on the shipping companies to the Bank and in taking care of our queries.
4. My telephone conversation with Mr. Vrymoet is summarized in the attached note to Mr. Hoar.

Neck Ship Lm

Ex
OFFICE MEMORANDUM

TO: Mr. A.S.G. Hoar
FROM: Joseph Fajans *JF.*
SUBJECT: Shipping Loan Administration Report

DATE: March 27, 1950

In accordance with your instructions I called Mr. Vrymoet of the Office of the Netherlands Ministry of Traffic in New York on the 'phone this morning. He told me that he would be glad to take up with the shipping companies the matter of supply of detailed information regarding their balance sheets and to act as a go-between as he had done since the signing of the Loan Agreement. He said that the companies will most certainly be critical of our approach, for reasons of work and secrecy, but expressed his conviction that we are fully justified in asking for the kind of information which I briefly mentioned to him. I shall have a letter and a questionnaire drafted for your approval and signature in a day or two.

OFFICE MEMORANDUM

TO: Mr. J. Burke Knapp ✓

FROM: Grace Werring *GW*

SUBJECT: Voyage accounts of the six mortgaged Dutch vessels

DATE: March 27, 1950

As of March 1, 1950, the Bank has received provisional voyage accounts for the six mortgaged Dutch vessels covering consecutive voyages ranging from 366 to 498 days. The accounts are summarized in the attached Table 1; annual earnings are estimated in Table 2; and annual foreign exchange earnings in Table 3.

1. Viewed commercially, in terms of shipping receipts, the six mortgaged vessels seem to be paying their way by an ample margin. Average annual gross earnings have been at the rate of 3 million florines (high 3.3 million florines, low 2.5 million florines). Average annual net earnings have been at the rate of 730,000 florines (high 1,100,000 florines, low 442,000 florines). The net earnings are arrived at in the accounts by deducting from gross earnings the operating expenses as well as charges for office overhead, surveys and repairs. All earnings are shown on a pre-depreciation, pre-taxation basis. Translated into dollars^{1/} the average annual net earnings would amount to about 260,000 dollars.

2. Viewed in terms of the impact on the Netherlands Balance of Payments, the six mortgaged ships may well have made a net contribution of 7.1 million florines of foreign exchange during the first year's operation. Translated into dollars, the contribution of the six vessels would be about \$2.5 million or \$421,000 for the average vessel.^{2/}

1/ The pre-devaluation rate has been applied for voyages terminating before September 18, 1949, and the devalued rate for subsequent voyages.

2/ The foreign exchange contribution has been arrived at by deducting the estimated foreign exchange expenditures from the estimated foreign exchange intake. The expenditures are estimated at 50% of total gross earnings, which is the ratio shown for the total Dutch Merchant Marine in the Balance of Payments for 1948 and 1949. The gross foreign exchange income has been estimated at 90% of total gross earnings or 10% higher than is shown in the Balance of Payments for the Dutch fleet. This higher proportion seems justified in view of the extensive employment of the six mortgaged vessels in cross trades.

cc: Messrs. Rist, Clark, Rosen, Penton, Fajans, Ripman, Spiro, Broches.

TABLE I

VOYAGE ACCOUNTS OF THE MORTGAGED DUTCH VESSELS AS SUBMITTED
BY THE RESPECTIVE SHIPPING LINES
PER MARCH 1, 1950

Debtor	Ship	Voyage	Duration	Gross	Gross	Pre-tax, pre-depreciation, net profit	U.S. \$ equivalents ^{1/}
				Receipts	Receipts less operating cost	or debit ("Gross Receipts less Repairs, Miscellaneous Overhead")	
				Florins	Florins	Florins	
Holland-Amerikeline	Ablasserdijk	No. 7 - cancelled					
		Repairs at Rotterdam	July 17-Sept. 20, 1949	-	-	-	-
		No. 8: Rotterdam-Mexico)	Sept. 20, 1949				
		U.S. - London - Rotterdam)	Nov. 30, 1949	825,000	330,000	231,000	60,710
		Result previous 2/)	July 21, 1948 -				
	voyages)	June 29, 1949	2,949,000	869,000	451,000	169,549	
	Total result for)	July 21, 1948 -					
	period)	Nov. 30, 1949	3,744,000	1,199,000	682,000	230,259	
Netherland Line	Raki	3/ No. 5 Indonesia)	Aug. 25, 1949 -				
		San Francisco)	Oct. 11, 1949	108,000	- 103,500	- 180,000	- 47,306
		Repairs at)	Oct. 11, 1949 -				
		San Francisco)	Nov. 14, 1949	-	-	- 56,000	- 14,717
		Result of previous)	June 15, 1948 -				
	voyages 2/)	Aug. 25, 1949	3,982,290	1,824,402	1,205,326	453,130	
	Total results for)	June 15, 1938 -					
	period)	Oct. 11, 1949	4,090,290	1,927,902	969,326	391,107	
Netherland Line	Roebiah	No. 4: 3/ Amsterdam)	Aug. 16, 1949 -				
		U.S.-Suez-Bombay)	Dec. 7, 1949	789,000	259,000	93,000	24,442
		Result previous)	Aug. 24, 1948 -				
		voyages 2/)	Aug. 18, 1949	3,310,343	1,493,764	978,686	367,927
	Total result for)	Aug. 24, 1948 -					
	period)	Dec. 7, 1949	4,099,343	1,752,764	1,071,686	392,369	
United Netherlands Navigation Co., Ltd.	Almkerk	No. 3: 3/ Hamburg-India)	May 4, 1949 -				
		Australia, Hamburg)	Nov. 22, 1949	1,755,700	714,900	563,300	148,042
		Result previous voyages 2/)	Sept. 19, 1948 -)				
		(final)	April 30, 1949)	2,101,527	882,789	681,503	256,397
	Total result for)	Sept. 19, 1948 -					
	period)	Nov. 22, 1949	3,857,227	1,597,689	1,244,803	404,439	
Royal Rotterdamsche Lloyd	Friesland	No. 5: 3/ New Orleans-Suez)	July 26, 1949 -				
		Indonesia)	Oct. 24, 1949	806,300	317,100	209,500	55,059
		Result previous)	July 20, 1948 -				
		voyages 2/)	July 25, 1949	2,361,600	748,000	349,800	131,504
	Total result for)	July 20, 1948 -					
	period)	Oct. 24, 1949	3,167,900	1,065,100	559,300	186,563	
Royal Rotterdamsche Lloyd	Drente	No. 4: 3/ Dutch East Indies)	Aug. 5, 1949 -				
		India-U.S.)	Nov. 1, 1949	652,400	146,700	44,100	11,590
		Result previous)	Nov. 1, 1948 -				
		voyages 2/)	Aug. 4, 1949	2,271,700	1,081,500	779,000	292,857
	Total result for)	Nov. 1, 1948 -					
	period)	Nov. 1, 1949	2,924,100	1,228,200	823,100	304,447	

^{1/} Voyages ended after September 21, 1949 have been converted at 3.805 Florins to the dollar - previous voyages at 2.658 Florins to the dollar.

^{2/} See Memo October 28, 1949. "Voyage Accounts of the six mortgaged Dutch Vessels". Provisional figures have been replaced by final for Almkerk, voyage No. 2.

^{3/} Provisional voyage account.

TABLE II

AVERAGE ANNUAL GROSS AND NET EARNINGS (PRE-TAX AND PRE-DEPRECIATION) OF THE MORTGAGED DUTCH VESSELS.
BASED ON VOYAGE ACCOUNTS AS SUBMITTED PER
MARCH 1, 1950 (See Table I)

Debtor	Ship	Length of period in which earnings accrued Days	Average Annual Gross Receipts	Average Annual Net Receipts	
			Florins	Florins	\$ equivalents
Holland-Amerikeline	Ablasserdijk	July 21, 1948-Nov. 30, 1949 (incl.) 498 days.	2,744,070	499,685	168,630
Netherland Line	Raki	June 15, 1948-Oct. 11, 1949 (incl.) 484 days.	3,084,615	731,095	294,920
Netherland Line	Roebiah	Aug. 24, 1948-Dec. 7, 1949 (incl.) 471 days	3,176,595	830,375	304,045
United Netherlands Navigation Co., Ltd.	Almkerk	Sept. 19, 1948-Nov. 22, 1949 (incl.) 430 days	3,274,050	1,056,675	343,465
Royal Rotterdamsche Lloyd	Friesland	July 20, 1948-Oct. 24, 1949 (incl.) 462 days	2,502,805	442,015	147,460
Royal Rotterdamsche Lloyd	Drente	Nov. 1, 1948-Nov. 1, 1949 (incl.) 366 days)	2,915,985	820,885	303,680
<i>Average Ship</i>			<i>2,949,687</i>	<i>730,122</i>	<i>260,367</i>

TABLE III

ESTIMATED ANNUAL FOREIGN EXCHANGE INCOME AND EXPENDITURES OF THE
DUTCH MORTGAGED VESSELS

Debtor	Ship	Thousand Florines			Thousand doll
		Est. Gross Foreign Exchange Earnings ^{1/}	Est. Foreign Exchange Expenditures ^{2/}	Est. Net Foreign Exchange Earnings ^{3/}	Est. Net Foreign Exchange Earnings ^{4/}
Holland-Amerikeline	Ablasserdijk	2,470	1,372	1,098	371
Netherland Line	Raki	2,776	1,542	1,234	498
Netherland Line	Roebiah	2,859	1,588	1,271	465
United Netherlands Navigation Co., Ltd.	Almkerk	2,947	1,637	1,310	426
Royal Rotterdamse Lloyd	Friesland	2,253	1,251	1,002	334
Royal Rotterdamse Lloyd	Drente	<u>2,624</u>	<u>1,458</u>	<u>1,166</u>	<u>431</u>
Total		15,929	8,848	7,081	2,525
Average Ship		2,655	1,475	1,180	421

^{1/} Estimated at 90% of total gross earnings. See footnote 2 in text.

^{2/} Estimated at 50% of total gross earnings. See footnote 2 in text.

^{3/} Estimated gross foreign exchange earnings minus estimated foreign exchange expenditures.

^{4/} See footnote 1 in text for conversion rates.

Neth-Ship Loan

March 16, 1950

Mr. James G. Affleck, Jr.
Milbank, Tweed, Hope and Hadley
15 Broad Street
New York City

Dear Mr. Affleck:

Enclosed is a copy of a letter dated
March 16, 1950, which we are sending to Chase
National Bank in respect of the increase in the
guilder amount secured by the Netherlands ship
mortgages. Similar letters have been sent to
all the note holders.

Sincerely yours,

(Signed) Ansel F. Luxford

Ansel F. Luxford
Associate General Counsel

Enclosure

VM:glk

VM

NS/ Ben

Letter No. P/EU/NS/12

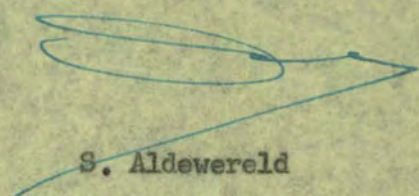
March 16, 1950

Dear Mr. de Tchihatchef:

With reference to your letter No. P/EU/NS/11 of March 14, you should inform the shipping companies concerned that it is no longer necessary for them to furnish duplicate copies of war risks policies.

HTM

Sincerely yours



S. Aldewereld

Mr. A. de Tchihatchef
International Bank for Reconstruction
and Development
67 rue de Lille
PARIS 7e, France

NGJones:emk

NS/Gen

March 18, 1950

Mr. Martin Rosen

Arthur Salzig and Grace Werring

Shipping account in the Netherlands balance of payments

1. The shipping account in the Netherlands balance of payments is of special concern to the Bank in view of the basic premises which underly the substantial IBRD credits since 1947 to help rehabilitate the Dutch merchant marine.
2. The Bank has advanced about \$52.2 million in all to finance vessel purchases by Dutch shipowners. About \$40.2 million was disbursed for ships out of the 1947 loan to the Kingdom of the Netherlands. In 1948, the Bank made a further loan of \$12 million to individual Dutch shipowners.
3. These IBRD credits have financed all or part of the purchase price of almost 400,000 gross tons of war-built U.S. vessels added to the Dutch merchant marine since 1947. This is roughly half the total growth of Dutch-owned ocean tonnage in the last three years. As a result of that growth, the fleet is now back to the pre-war magnitude of approximately 2.7 million gross tons.
4. The Bank loans for Dutch shipping were solely premised on the belief that substantial benefits would thereby result for the Netherlands balance of payments. The Dutch merchant marine, it was predicated, was demonstrably capable of bringing in a large foreign exchange income. Investment in added ships would thus tend to engender added earnings and savings of foreign exchange.
5. To verify the actual realization of these premises to date, we have made an analysis of the shipping account in the Netherlands balance of payments for 1947, 1948, and 1949. The 1947 data are those submitted by the Netherlands government at the time of the 1948 shipping loan request. The 1948 and 1949 data have been prepared by the Netherlands Ministry of Traffic in response to a special request by the Bank on a schedule drafted by the staff of the Bank.
6. The net foreign exchange receipts of the Netherlands on shipping account have expanded steadily and heavily from a mere 6 million guilders in 1947 to 54 million guilders in 1948, to 114 million guilders in 1949. These net receipts measure the excess of all shipping credits over all shipping debits in the Netherlands balance of payments. The credits include (a) receipts by Dutch craft from hauling Dutch exports, cross-trade goods, and foreign passengers; (b) charter hire paid by foreign operators to Dutch shipowners; (c) disbursements by foreign vessels at Netherlands ports. The debits include (a) receipts by foreign ships from hauling Dutch imports; (b) charter hire paid by Dutch operators to foreign shipowners; (c) disbursements by Dutch vessels at foreign ports.

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- 2 -

Netherlands shipping balance, 1947 - 1949

- million guilders -

<u>Year</u>	<u>Credits</u>	<u>Debits</u>	<u>Balance</u>
1947	608	602	+ 6
1948	681	687	+ 94
1949	787	673	+114

7. The great improvement in the Netherlands shipping balance since 1947 mainly reflects: (a) a considerable expansion in the foreign exchange receipts of the Dutch fleet; (b) a considerable reduction in the payments of the Netherlands to foreign fleets. The foreign exchange receipts of the Dutch fleet have swelled from 543 million guilders in 1947 to 727 million in 1949, a gain of 34%. The payments of the Netherlands to foreign fleets have shrunk from 297 million guilders in 1947 to 198 million in 1949, a decline of 33%. Both the increased receipts and the decreased payments are largely attributable to the intervening growth of the Dutch merchant marine.

8. About 55-65% of the foreign exchange receipts of the Dutch fleet have been offset on the debit side of the shipping balance by expenditures abroad for fuel, cargo-handling, and other port expenses. Such expenditures have swelled substantially from 318 million guilders in 1947 to 473 million in 1949, mainly because of more activity by a larger fleet but partly because of higher unit costs to handle cargo as well as the impact of devaluation in 1949 on hard currency expenses expressed in guilders. As a result, the net foreign exchange receipts of the Dutch fleet have increased much less proportionately than its gross receipts. They have increased, in fact, only 8% from 225 million guilders in 1947 to 252 million in 1949.

9. About 20-30 percent of the payments of the Netherlands earnings to foreign fleets have been offset on the credit side of the shipping balance by the expenditures of foreign ships at Dutch ports. Such expenditures have fluctuated since 1947 within a narrow range of 50-55 million guilders a year. They might have increased substantially except for special influences tending to restrict German transit traffic through Dutch ports. In any case, the net payments of the Netherlands to foreign fleets have shrunk 39% from 227 million guilders in 1947 to 138 million in 1949.

10. In addition to earning foreign exchange by the carriage of foreign imports and passengers, the Dutch fleet has also been saving foreign exchange by the carriage of Dutch imports and passengers. Although these savings cannot be definitely assessed, the gross receipts of Dutch craft from servicing Dutch consumers have approximated 198 million guilders per annum in each of the last three years.

11. In principle, the combined earnings and savings of foreign exchange by the Dutch merchant marine are equal to the difference between the actual shipping account in the Netherlands balance of payments and the hypothetical account had there been no Dutch fleet. Applying this concept, the total yield of foreign exchange by the Dutch merchant marine has expanded from 127 million guilders in 1947 to 163 million guilders in 1948 to 211 million guilders in 1949. These are crude approximations within the wide margins of error.

Estimated earnings and savings of foreign exchange,
- million guilders -

<u>Year</u>	<u>Actual Netherlands shipping balance</u>	<u>Hypothetical balance, no fleet</u>	<u>Earned and saved</u>
1947	f 6	- 121	127
1948	f 54	- 109	163
1949	f 114	- 97	211

12. It is impossible from the existing data to assess the separate shipping balances of the Netherlands in dollars, sterling, and other currency. All that can be done is to compare the foreign exchange receipts of the Dutch fleet from various regions with its foreign exchange expenses in the same regions. This comparison indicates that the bulk of the net earnings come from the Far East but that substantial fractions do come from the Western Hemisphere and Belgium - Switzerland - Western Germany.

Regional foreign exchange earnings of Dutch fleet, 1948-1949

- million guilders -

<u>Region</u>	<u>Receipts</u>	<u>Expenses</u>	<u>Earnings</u>
Western Hemisphere	420	324	96
Sterling area	252	243	9
Belgium, Switzerland, Western Germany	132	54	78
Far East	428	216	212
All other regions	111	10	101
Other	1745	855	890

13. Judged by the above data, it would seem that the basic premises behind the Bank loans for Dutch shipping have been reasonably well realized to date. Large amounts of foreign exchange have, in fact, been earned and saved by the Dutch fleet. The foreign exchange yield on shipping account has, in fact, expanded considerably.

cc: Messrs. Diet, Knop, Penton, Fajans, Ripman, Spivey, Harrison Clark.

Table 1

Shipping account in the Netherlands balance of payments, 1947-1949

- million guilders -

	1947	1948	1949
A. Foreign exchange credits			
Freights on foreign imports in Dutch ships ^{a/}	508	501	672
Fares from foreign passengers in Dutch ships	35	50	55
Port disbursements by foreign ships in Dutch ports ^{b/}	65	40	60
Total	608	681	787
B. Foreign exchange debits			
Freights on Dutch imports in foreign ships ^{c/}	292	247	198
Port disbursements by Dutch ships abroad ^{d/}	310	380	175
Total	602	627	673
C. Foreign exchange balance			
	+ 6	+ 54	+114
D. Guilder receipts of Dutch ships ^{e/}			
Freights on Dutch imports	165	160	160
Fares from Dutch passengers	25	28	28
Total	190	188	188

^{a/} Includes freights on Dutch exports, freights from cross-trade traffic, and charter hire of Dutch ships by foreign operators.

^{b/} Includes ship repairs and bunker fuel as well as other port expenses.

^{c/} Also includes charter hire of foreign ships to haul Dutch imports.

^{d/} Part of which yield foreign exchange savings.

Source: 1947 - Directorate General of Shipping, (The Hague, June 3, 1948)
 1948 - 1949 - Netherlands Ministry of Traffic, (The Hague, Feb. 6, 1950).

Dictation: Onion Skin

Table 2

Foreign exchange receipts and expenditures of Dutch fleet by regions,
1948 and 1949

- million guilders -

	Receipts ^{a/}		Expenditures ^{b/}	
	1948	1949	1948	1949
Western Hemisphere countries	195	225	144	180
Sterling Area	117	135	108	135
Belgium, Switzerland, W. Germany	62	70	24	30
Far East	198	230	96	120
All other regions	53	60	8	10
Total	625	720	380	475

^{a/} Except charter hire of Dutch ships to foreign operators for which no regional data are available.

^{b/} Except charter hire of foreign ships to haul Dutch imports which is classified as a payment to foreign fleets.

Source: Netherlands Ministry of Traffic
February 6, 1950.

Net-Ship Loan

Your Ref. 2-16 TLN

MAR 1 1950

Mr. Leo F. Kelley
Second Vice President
The Chase National Bank
of The City of New York
Foreign Department
Pine Street corner of Nassau
New York 15, New York

Dear Mr. Kelley:

In the absence of Mr. Sommers from the office,
I wish to acknowledge your letter of February 24,
1950.

We have been advised by Mr. Schadee, the Notary
in the Netherlands, that the documents evidencing
the increase of the lien on each of the six ships
were mailed by surface mail on February 20, 1950.
We shall notify you as soon as the package has been
received.

Sincerely yours,

Ansel F. Luxford
Associate General Counsel

VMorsey:dg
2/28/50
cc - Mr. Sommers
Mr. Luxford
A. Foley
C & R
Mr. Broches



Record Removal Notice



File Title Shipping Projects - Netherlands - (01) - Loan 0007 - P037453/(02) - Loan 0008 - P037454/(03) - Loan 0009 - P037455/(04) - Loan 0010 - P037456		Barcode No. 1698008		
Document Date May 1, 1950	Document Type Letter			
Correspondents / Participants To: Virginia Morsey From: Hugh Ripman				
Subject / Title Netherlands Ships Loans				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Vlada Alekankina</td><td>Date October 02, 2017</td></tr></table>	Withdrawn by Vlada Alekankina	Date October 02, 2017
Withdrawn by Vlada Alekankina	Date October 02, 2017			

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

WASHINGTON-25, D.C.
67 Rue de Lille
PARIS (7e)

*Mr. Ripman NS/Gen.
please discuss
2/24/50*

Letter No. P/EU/6

February 24, 1950

AIR MAIL

Mr. D. Crena de Iongh
International Bank for
Reconstruction and Development
1818 H Street N.W.
WASHINGTON 25 D.C.
U.S.A.

W

Dear Mr. Crena de Iongh,

With reference to my letter P/EU/3 of February 9, 1950, Mr. Geolot and myself were in Holland from February 15 thru 18 in connection with the annual check of the registration of the ships under the General Purposes Loan and of the vessels under the Netherlands Ships Loans.

During our stay we visited the Directorate General of Shipping and the "Kadaster" in The Hague, the latter regarding the mortgages registered on the ships in which we are interested under the Ships Loans.

Our reception was as usual a very cordial one and every assistance was furnished by all the authorities concerned. The detailed result of the check will be found in the lists attached, as enumerated below:-

having prepared

1. Statement of Registry under the Netherlands' Flag of the Ships under the General Purposes Loan. *held N/Ships*
2. End Use Reports on the loaned ships under the Netherlands Ships Loans as follows:-

Report No. "RAKI"/8
" " "ROEBIAH"/9
" " "ALMKERK"/8
" " "DRENTE"/9

WJ having prepared file 3

3. End Use Reports on the mortgaged ships under the Netherlands Ships Loans as follows:-

WJ. 2/2

sh

February 24, 1950

Report No. "RIOUW"/8
 " " "REMPANG"/8
 " " "AAGTEKER K"/7
 " " "ALBLASSERDIJK"/8
 " " "FRIESLAND"/8
 " " "LIMBURG"/2

*See of offer to Mr. Geolot
 (min. Bank's plan in attached
 to 7-22-50)*

Personal calls were likewise paid to each of the Dutch Shipping Companies concerned in order that Mr. Geolot should get acquainted with the various officials directly responsible for supplying us with the required information. During these visits the few outstanding queries were elucidated and the general impression was a very satisfactory one.

In addition contact was made with the Herstelbank where, owing to the absence of Dr. Posthuma, we saw Mr. van Beusekom who is primarily responsible for the end use supervision on behalf of the Herstelbank of the projects financed under this loan. During the course of our conversation it transpired that the Herstelbank expects to be able to forward to Washington their proposals for the substitution of certain projects under the loan early in March and will in due course be communicating with you direct on this subject.

The opportunity was taken of likewise acquainting Mr. Geolot with the system adopted by the Herstelbank for the separate recording of transactions under the said loan.

These conversations were conducted in a very friendly atmosphere and there was every indication of the earnest desire on behalf of the Herstelbank to supply all possible information in accordance with our wishes.

Sincerely yours,

A. de Tchihatchef

A. de Tchihatchef

Enclosures.-

REC-51 8 28 1950

RECEIVED
 DEPARTMENT OF STATE
 FEBRUARY 24 1950

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FEB 27 9 29 AM 1950



RUSSIA

Y. de Louvain/1948

[Handwritten signature]

Director General

Director General

In accordance with the agreement
on behalf of the Government to submit all financial information
and reports and other data required of the various bodies
these committees have conducted the work in accordance
with the provisions of the agreement.
The Government has taken the necessary steps to ensure
the observance of the agreement.

For a full report on this subject
please refer to the report of the Committee on the
Government's progress in carrying out the agreement.
The Committee has also conducted the work in accordance
with the provisions of the agreement.
The Government has taken the necessary steps to ensure
the observance of the agreement.

Financial information was a very important one.
The Government has taken the necessary steps to ensure
the observance of the agreement.
The Committee has also conducted the work in accordance
with the provisions of the agreement.
The Government has taken the necessary steps to ensure
the observance of the agreement.

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- " " " " " " " "
- " " " " " " " "
- Report No. " " " "

February 7, 1950

Dear Mr. van Hengel:

This letter is to acknowledge receipt of your letter ✓
of February 6, 1950, and to thank you for the information
enclosed therewith.

I very much appreciate your supplying this information
so promptly.

Yours very truly,

S. R. Cope
Loan Officer

Mr. J. F. van Hengel
The Netherlands Embassy
1470 Euclid Street, N.W.
Washington, D.C.

SRC/pm
c.c. Messrs. Fajans, Wubnig ↓

Neth Ship Loan

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC

DIRECTORATE GENERAL OF SHIPPING

WASHINGTON, D. C.

61 BROADWAY, ROOM 824
NEW YORK 6, N. Y.

1470 EUCLID ST., N. W.
WASHINGTON 9, D. C.

February 6, 1950.

*acknowledged
Feb 7 '50*

Mr.S.R.Cope,
Loan Officer
International Bank for
Reconstruction and Development.
Washington, 25, D.C.

Dear Mr. Cope,

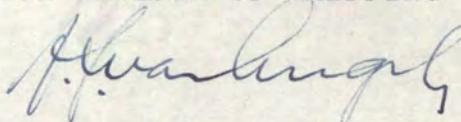
Immediately after the meeting which I have had with you on January 11th and in which I was accompanied by Mr.S.G.van Weede and Mr.J.Grooters, I received your letter of that same date summarizing the questions on which the International Bank for Reconstruction and Development requested some further information.

Herewith I beg to hand you a reply to those questions in duplicate as I received them from the Ministry of Traffic in the Netherlands this morning. I hope that these answers may serve your purpose, although unfortunately, we could not give you all the information you requested under no.V, as much to our regret, those figures are not available.

In case you might have any further questions, you can always apply to me and I shall gladly try to answer them or to obtain the necessary information as early as possible.

Sincerely yours,

NETHERLANDS MINISTRY OF TRAFFIC
DIRECTORATE GENERAL OF SHIPPING



J.F.van Hengel, Representative.

Shipping account in the Netherlands balance of payments. 1)

(mln guilders)

	<u>1948</u>	<u>1949</u>		
I. Receipts of Dutch ocean ships from				
<u>a</u> haulage of Netherlands imports	160	160		
<u>b</u> haulage of Netherlands exports	575	665		
<u>c</u> cross trades				
<u>d</u> charter hire to foreign operators	6	7		
<u>e</u> transport of Dutch passengers	28	28		
<u>f</u> transport of foreign passengers	50	55		
II. Payments of the Netherlands economy to foreign ocean fleets for				
<u>a</u> haulage of Netherlands imports	230	190		
<u>b</u> charter hire of foreign ships	17	8		
<u>c</u> transport of Dutch passengers	?	?		
<u>d</u>				
III. Port expenditures of				
<u>a</u> Dutch ocean ships abroad	380	475		
<u>b</u> foreign ocean ships in the Netherlands	50	60		
			<u>Receipts 2)</u>	<u>Expenses</u>
			<u>1948</u>	<u>1949</u>
IV. Regional classification				
<u>a</u> Western Hemisphere countries	195	225	144	180
<u>b</u> Sterling area	117	135	108	135
<u>c</u> Belgium, Switzerland, W. Germany	62	70	24	30
<u>d</u> Far East	198	230	96	120
<u>e</u> All other regions	53	60	8	10
			<hr/>	<hr/>
	Total	625 720	380	475

The figures asked for under V are not available. The corresponding tonnage classification is:

	<u>1-7-'48</u>	<u>1-7-'49</u>
Freighters	1.813.000 ³⁾	2.062.000 ³⁾
Shell tankers	405.000	407.000
Other tankers	68.000	70.000
Passenger vessels	352.000	309.000
Total tonnage of Dutch merchant marine	<hr/> 2.638.000 GRT	<hr/> 2.848.000 GRT

- 1) excluding Shell-tankers, including other tankers.
- 2) excluding receipts from charter hire to foreign operators.
- 3) including 23.000 G.R.T. troopships.

ARCHIVES DIVISION
RECEIVED

Den Haag, January 27, 1950

FEB 7 1950

*Netherlands Ministry of Transport
February 6*

Dutch Ship Loan

FILE COPY

Mr. A. Stevenson

February 3, 1950

J.M. Penton

Dutch Shipping Loan

I have now taken over from Mr. Cope the chairmanship of the working party which is concerned with the preparation of the follow-up report of the Dutch Shipping Loan. I understand that Mr. Wubnig is awaiting certain information from Holland before completing his portion of the paper. I shall be glad if other members would notify me when they have completed any portions which they undertook to prepare.

c:c: Messrs. Wubnig
Broches
Spiro
Cope

NS/Gen

Mr. John M. Penton

January 23, 1950

Norman G. Jones *NGJ*

Netherlands Ships Loans - Voyage Accounts

I attach hereto the following voyage accounts:

- Raki Voyage No. 3 Final
 Voyage No. 5 Provisional
 Provisional account for period under repair
- Roebiah Voyage No. 2 Final
 Voyage No. 5 Provisional
- Almkerk Voyage No. 2 Final
 Voyage No. 3 Provisional
- Alblasserdijk Voyage No. 8 Provisional
- Friesland Voyage No. 5 Provisional
- Drente Voyage No. 4 Provisional

NGJ
BPSpiro:ea

NS/Bur

January 23, 1950

Letter No. P/EU/NS/4

Dear Mr. Geolot:

We wish to acknowledge receipt with thanks
of your letter No. P/EU/NS/1 with its enclosures.

Sincerely yours,



S. Aldewereld



Mr. A.F. Geolot,
International Bank for
Reconstruction & Development,
67 rue de Lille,
Paris, France.



Record Removal Notice

File Title Shipping Projects - Netherlands - (01) - Loan 0007 - P037453/(02) - Loan 0008 - P037454/(03) - Loan 0009 - P037455/(04) - Loan 0010 - P037456		Barcode No. 1698008		
Document Date January 17, 1950	Document Type Letter			
Correspondents / Participants To: Leo F. Kelley From: Davidson Sommers				
Subject / Title Additional Mortgages				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Vlada Alekankina</td><td>Date October 02, 2017</td></tr></table>	Withdrawn by Vlada Alekankina	Date October 02, 2017
Withdrawn by Vlada Alekankina	Date October 02, 2017			

OFFICE MEMORANDUM

TO: Files

DATE: January 16, 1950

FROM: Grace Werring

SUBJECT: Dutch Shipping Loans - meeting on
January 11, 1950, at 11:00 a.m.Bank Representatives

Mr. S. R. Cope, Loan Department
Mr. Joseph Fajans, Loan Department
Mr. A. Stevenson, Economic Department
Mr. A. Wubnig, Economic Department
Miss Grace Werring, Economic Department

Dutch Shipping Experts

Mr. van Hengel, Netherlands
Ministry of Traffic, Washington
Mr. van Weede, Netherlands
Ministry of Traffic, The Hague
Mr. Grooters, Netherlands Embassy,
Washington

The following were explanations of Dutch representatives to the questions asked by representatives of the Bank:

(1) Stressing the difficulty in assessing foreign exchange earnings from shipping because of varying custom in different trades of shipping goods c.i.f. or f.o.b., Mr. van Hengel said that roughly two-thirds of the gross revenue of the Dutch merchant marine accrued in foreign currency and about one-third in guilders. In 1949, total revenue from gross freights might be estimated at about 600-650 million guilders, of which perhaps 225-250 million would be in guilders. Gross freights of Dutch vessels in 1949 exceeded those of 1948 because of the expansion of the fleet.

(2) Cross-trades accounted for about 40% of the Dutch merchant fleet. Most of the fleet was engaged in liner trades, tramp shipping being insignificant. Since liner rates were on the whole stable, the drop in the tramp market did not substantially affect the Dutch fleet. The majority of the tankers was operated through ownership or long-term charter by the oil companies. Only about 10% of the tanker fleet operated on a "free" basis in the current tanker market.

(3) It was hard to break down the foreign exchange earnings into "hard" and "soft" currencies. The principal hard currency trades of the Dutch merchant marine were those to the U. S. A. and the cross-trades between the U. S. A. and South America, Africa, the Persian Gulf, Indonesia, etc.

(4) The Dutch delegates commented that it was too early to form a full opinion as to the effects of the devaluation on the earning power of the Dutch merchant marine. If exports from the devaluing countries to non-devaluing countries increase and imports decrease, shipping would benefit by the resulting better balance between exports and imports. From the standpoint of shipping earnings, it was much better to have half a load each way than a full load one way and a return voyage in ballast. The main reason for this was that export rates were generally higher and more lucrative than import rates, exports from Europe consisting to a large

extent of manufactured goods and imports of bulk commodities.

(5) An immediate effect of the devaluation was the increase in operating costs, mainly in bunker oil. "Sterling oil" prices rose to the full extent of the devaluation, so as to be in line with "dollar oil" prices according to the new parity. On the whole, the increase in bunkers would imply a 5% increase in operation costs as compared with the level existing just before the devaluation. For vessels frequenting hard currency ports another 5% might be added to the cost of operation. To hard currency areas, therefore, there might be a total increase in operating costs of about 10% and to Indonesia an increase of about 7%, allowing 2% for increased costs of supplies. Seamen's wages were at the same level as before the devaluation and no extra compensation had been granted so far to seamen on vessels frequenting hard currency ports.

(6) Dollar conference rates had so far undergone no change, while liner rates from Europe to South America, which were quoted in sterling, had been increased by 25% to the West Coast and 15% to Brazil to compensate for the higher cost of operation. There was no change in rates on the Europe-Indonesia run, nor generally in any other trades within the sterling area.

(7) Assuming the load factor to be the same, it is in terms of guilders more profitable now than before devaluation to operate on dollar routes and less profitable to operate on sterling routes. However, since most Dutch companies operate scheduled services in both sterling and dollar trades, they might come out about even on balance.

(8) Mr. van Hengel stressed the fact that each of the four companies which are the Bank's borrowers participates with a fair share in Dutch hard currency earnings from shipping. The Rotterdam-Lloyd line is engaged in the Caribbean trade, the Netherland Line operates on the U.S.-Indonesia route, and the Holland-America Line on the U.S.-South America route. The Netherlands Navigation Company is owned by the three other companies which could therefore supply its foreign exchange debt service requirements.

(9) The devaluation helped to boost repair work for foreign account in Dutch yards since the price as quoted in hard currency was now lower. This, however, did not attract U. S. vessels much, since U. S. legislation grants substantial subsidies for repairs of U. S. vessels in U. S. yards.

It was agreed that a letter setting out questions with regard to foreign exchange earnings of the Dutch merchant marine in 1948 and 1949 would be prepared by the Bank and sent to Mr. van Hengel who would forward it to the Ministry of Traffic at The Hague. An answer to this letter might be expected in perhaps two or three weeks.

cc Mr. Cope
Mr. Stevenson
Mr. Wubnig

NS/15

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

~~WASHINGTON 25, D.C.~~
67 Rue de Lille
PARIS (7e)

Letter No. P/EU-NS/1

January 16, 1950

AIR MAIL
REGISTERED

Dear Mr. Aldewereld,

I enclose herein the following documents relative to the Netherlands Ships Loans:-

- Report "RAKI"/7 and Voyage No.3 Account, December 4, 1948 - May 12, 1949;
Provisional Voyage No.5 Account, August 25 - October 11, 1949;
Provisional Voyage Account, October 11 - November 14, 1949.
- Report "ROEBIAH"/8 and Voyage No.2 Account, November 23, 1948 - February 18, 1949;
Provisional Voyage No.5 Account, August 16 - December 7, 1949.
- Report "ALMKERK"/7 and Final Voyage No.2 Account, October 21, 1948 - May 3, 1949;
Provisional Voyage No.3 Account, May 4 - November 22, 1949.
- Report "ALELASSERDIJK"/7 and Provisional Voyage No.8 Account, September 20 - November 30, 1949.
- Report "FRIESLAND"/7 and Provisional Voyage No.5 Account, July 26 - October 24, 1949.
- Report "DRENTE"/8 and Provisional Voyage Account No.4, August 5 - November 1, 1949.
- Report "RIOUW"/7
- Report "REMPANG"/7
- Report "AAGTEKERK"/6

Sincerely yours,
A. de Tchihatchef
A. de Tchihatchef

Enclosures.-

Mr. S. Aldewereld
International Bank for
Reconstruction and Development
1818 H Street N.W.
WASHINGTON 25 D.C.
U.S.A.

Mr. Shuis
23/1
acthatchef
1/23

Sub

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Date _____

TO-	Name	Room No.
1	M. Rose	
2	Files	
3		
4		

FOR-

Action	Initialing
Approval	Preparing Reply
Comment	Previous Papers
Filing	Noting and Returning
Full Report	Recommendation
Information	Signature

REMARKS

This was agreed on with van Hengel
in advance - even as to details.

FROM-

AJ

ROUTING SLIP

Date _____

TO-	Name	Room No.
1	D. P. Jones	
2	H. Post OR	
3	H. Knapp	
4	Steuerson (for Files)	

FOR-

	Action	Initialing
	Approval	Preparing Reply
	Comment	Previous Papers
	Filing	Noting and Returning
	Full Report	Recommendation
	Information	Signature

REMARKS

I informed the Balance of Payments Division of the IMF that we were taking this step.

I suppose Working had a lot to do with this (?) however the latter this seems to me slightly overdone!

A. Steuerson. J.R.

FROM-

January 11, 1950

Dear Mr. van Hengel:

As explained at our meeting today, the Bank is anxious to obtain more information than is now available to us on the shipping account in the Netherlands balance of payments. We should, therefore, be greatly obliged if the following data could be supplied for the years 1948 and 1949:

- (i) The receipts of Dutch ocean ships from (a) haulage of Netherlands imports; (b) haulage of Netherlands exports; (c) cross-trades; (d) charter hire to foreign operators; (e) transport of Dutch passengers; (f) transport of foreign passengers.
- (ii) The payments of the Netherlands economy to foreign ocean fleets for (a) haulage of Netherlands imports; (b) charter hire of foreign ships; (c) transport of Dutch passengers.
- (iii) The port expenditures (a) for bunker fuel, loading and discharge, repairs, dues and fees, etc. of Dutch ocean ships abroad, and (b) of foreign ocean ships in the Netherlands.
- (iv) A regional classification of the foreign exchange receipts and foreign exchange expenses of Dutch ocean ships by (a) Western Hemisphere countries, (b) the sterling area, (c) Belgium, Switzerland and Western Germany, (d) the Far East, and (e) all other regions.
- (v) A classification of the foreign exchange receipts and foreign exchange expenses of Dutch ocean ships by (a) freighters, (b) tankers, and (c) passenger vessels.

I fully appreciate that certain of the data listed above may not be obtainable without an undue amount of labour. If this is so I would suggest that you modify our requirements, where necessary, to suit the figures which you have available. May I thank you again for your help in this matter.

Sincerely yours,

S. R. Cope
Loan Officer

Mr. J. F. van Hengel
The Netherlands Embassy
1470 Euclid Street, NW
Washington, DC

Copies to Messrs. Fajans, Wubnig, Severson

NS/Be

Mr. C.E. Cope

January 11, 1950

Benjamin P. Spiro

Netherlands Ships Loans - Follow-up Report

You will find attached the draft of the Treasurer's Department report on the Dutch Shipping Loans.

BP
BPSpiro:ea

Netherlands Ships Loans - Follow-up Report - Treasurer's Department

Six Loan Agreements (Nos. 7 Ne, 7a Ne, 8 Ne, 9 Ne, 10 Ne, and 10a Ne) each for \$2,000,000 were signed with the four undermentioned shipping companies.

<u>Loan Agreement Number</u>	<u>Borrower</u>	<u>Amount</u>
7 Ne, 7a Ne	N.V. Stoomvaart Mij. "Nederland"	\$4,000,000
8 Ne	N.V. Vereenigde Nederlandsche Scheepvaartmij.	2,000,000
9 Ne	N.V. Nederlandsch-Amerikaansche Stoomvaart Mij. "Holland-Amerika Lijn"	2,000,000
10 Ne, 10a Ne	N.V. Rotterdamsche Lloyd	4,000,000

In accordance with the Loan Agreements, 2 $\frac{1}{2}$ % Guaranteed Serial Mortgage Notes dated July 15, 1948 aggregating \$12,000,000 were received from the borrowers on August 3, 1948.

The maturities of the notes under each Loan Agreement were so arranged that \$100,000 on each loan matured on January 15 and July 15 of each year commencing January 15, 1949 with the final maturity on July 15, 1958. During 1949 therefore, a total of \$1,200,000 of the original loans of \$12,000,000 has been liquidated by payment of maturing notes. The Bank sold the notes received with its guarantee on the undermentioned dates.

<u>Date</u>	<u>Total Amount Sold</u>
August 6, 1948	\$ 8,100,000
January 11, 1949	1,000,000
January 18, 1949	200,000
January 24, 1949	1,000,000
April 20, 1949	200,000
April 26, 1949	<u>1,500,000</u>
	\$12,000,000

The purchasers of the notes and the net amounts still payable on these notes are as follows:

<u>Holder</u>	<u>Amount</u>
Bankers Trust Company	\$ 480,000
First National Bank of the City of New York	480,000
Harlem Savings Bank of New York	200,000
Eirie County Savings Bank of Buffalo	200,000
J.P. Morgan and Company, Inc.	480,000
National City Bank of New York	480,000
Bank of America, National Trust & Savings Association	720,000
Central Hanover Bank and Trust Company	720,000
Chase National Bank of the City of New York	720,000
Guaranty Trust Company of New York	720,000
Buffalo Savings Bank	600,000
Dime Savings Bank of Brooklyn	1,500,000
Dollar Savings Bank of the City of New York	<u>3,500,000</u>
	<u>\$10,800,000</u>

The Loan Agreements provide that, in addition to interest on the notes, the Borrower will pay to the Bank semi-annually on January 15 and July 15 of each year (1) a commission at the rate of 1% per annum and (2) a service charge of 1/16% per annum on the principal amount of the loan outstanding and unpaid from the Effective Date (August 3, 1948). All amounts due have been promptly paid to the holders of the notes, through the Chase National Bank of New York, and to the Bank as their interests appear by the Netherlands Ministry of Traffic on behalf of the Borrowers.

R.W. Cavanaugh:ea

Article III of the Loan Agreements provides that the proceeds of the loans will be applied to the payment of the costs of purchasing six 12,600 tons reconverted baby flat-tops to be used in commercial cargo and passenger traffic as part of the Netherlands Merchant Fleet.

Article VII, Section I of these agreements states that the Borrowers will mortgage these six vessels or other vessels of similar characteristics to the Bank to secure the payment of the loans. The ships involved are

<u>Mortgaged Vessels</u>	<u>Ships Purchased Out of the Proceeds of the Loan</u>	<u>Owners</u>
S.S. Riouw*	S.S. Raki	N.V. Stoomvaart Maatschappij "Nederland"
S.S. Rempang*	S.S. Roebiah	N.V. Stoomvaart Maatschappij "Nederland"
S.S. Aagtekerk*	S.S. Almkerk	N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij
S.S. Alblasserdijk	S.S. Alblasserdijk	N.V. Nederlandsch-Amerikaansche Stoomvaart-Maatschappij
S.S. Friesland	S.S. Friesland	N.V. Koninklijke Rotterdamsche Lloyd
S.S. Limburg	S.S. Drente	N.V. Koninklijke Rotterdamsche Lloyd

Chapter III, Article I of the Mortgage Deeds includes covenants for the registration of all the vessels under the Netherlands flag, for the registration of the mortgages on the appropriate public registry maintained in the Netherlands, for the insurance of the mortgaged ships and for the keeping of the ships in such condition as will entitle them to the highest classification and rating for vessels of the same age and type in a classification society whose requirements are equivalent to those of the American Bureau of Shipping.

* The S.S. Riouw, S.S. Rempang and S.S. Aagtekerk were financed out of the proceeds of the \$195 million loan to the Kingdom of the Netherlands.

To ensure that the provisions of both the Loan agreements and of the Mortgage Deeds are carried out by the borrowers, the Treasurer's Department instructed its representative in Europe to

- (1) Request the borrowers to submit to the Bank quarterly reports on the use to which each vessel - with the exception of the S.S. Limburg - is being put, including details of the route and trade on which the vessel is engaged. These reports have been received regularly up to and including those for the third quarter of 1949. No special stipulations were made for information concerning the S.S. Limburg other than those specified in the relevant Mortgage Deed due to the fact that this vessel was not financed out of the proceeds of any loan made by the Bank.

The nine other ships under reference are used essentially in the Indonesia Service.

- (2) Ascertain once a year that each vessel has been and remains registered under the Netherlands flag. The first check was made on December 29, 1948 and a second check is scheduled for late February 1950.
- (3) Search the Public Registry of mortgages on ships once a year during the life of the mortgages to ascertain that each mortgaged vessel is free from any registered lien or encumbrance, except the mortgage executed in favor of the Bank. The first search was made on December 29, 1948 and all the ships were found to be free from other registered liens. A second search will be made during February 1950.
- (4) Obtain annually from the Borrowers certificates from the classification society or societies in which the vessels are registered to the effect that the required classifications are maintained. These certificates were first obtained during the course of November and

December 1948 and renewal certificates are now being received.

The insurance to be carried by the mortgaged vessels has to cover three kinds of risks: Hull Marine, Warrisks and Protection and Indemnity insurance. Instructions were sent to the Borrowers to provide the Bank first with cover notes before the insurances come into force and then with actual insurance policies as soon as they are issued, so that it might be possible to determine whether the insurance placed by each borrower does in fact comply with the requirements of the Mortgage Deeds and is satisfactory to the Bank.

When the first cover notes were received, they were found to include a Loss Payable clause in a shortened version. The borrowers were informed that the Bank would prefer that this clause be amended in the hull policies to be more specific. They were also asked to include an analogous clause in the protection and indemnity policies. Further, they were asked to include a cancellation clause similar to that required by the U.S. Maritime Commission from their mortgagors. These changes were made and the mortgagors were informed that the insurance coverage was considered satisfactory. Renewal cover notes and policies have since then been received regularly and have been found to conform in essence with the Bank's requirements. It has been the practice of the Bank to return lapsed policies to the Borrowers only after a written statement has been received from the shipping companies to the effect that there are no claims outstanding. Up to the present time, there have been only two claims under policies covering one of the mortgaged ships and both these claims were for amounts of less than \$10,000, that is amounts which the insurance companies were entitled to pay directly to the shipping companies under the terms of the loss payable clause mentioned above.

As the principal of the loans began to be repaid the question of the amount of insurance to be carried on the mortgaged ships was raised first by one then by two other companies. Chapter III, Article I, Section 3(a) of the Mortgage Deeds provides that the Mortgagors will insure the vessels against marine and warrisks in an amount in dollars (or in such other currency as is hereinafter provided in the Deeds or as the mortgagee shall agree to in writing) equal to the full commercial value of the vessel but in no event less than 110% of the aggregate principal amount of the notes outstanding and unpaid. It was the contention of the shipping companies that they valued other ships in their fleets similar to those mortgaged to the Bank for less than the purchase price of the loan financed ships and that, therefore, 110% of the amount of the notes outstanding and unpaid would be at the present time more than the full commercial value. This raised the question what amounts represent the full commercial value of the vessels for purposes of the article of the Mortgage Deeds under reference. After consultation with the Insurance Department of the U.S. Maritime Commission and Mendes and Mount, Lloyd's attorneys in New York, it was decided to inform the shipping companies in question that the sales price of the ships, namely \$2 million is the full commercial value of the loan financed vessels. The Bank also informed the shipping companies that it does not have any objection to the hull marine and warrisk insurance being covered in the following manner:

U.S. Dollars - At least 110% of amount of notes outstanding. As of January 15, 1950 this amount will be \$1,700,000 which means that the coverage in U.S. dollars should amount to at least \$1,870,000.

Other currencies, in particular Dutch Guilders - Full commercial value less amount covered in U.S. dollars. Beginning January 15, 1950, this will amount to the equivalent of \$130,000.

So far only one company has availed itself of this possibility of reducing the foreign exchange cost of insurance premiums, insuring the S.S. Limburg and the S.S. Friesland for \$1,980,000 on Hull and 76,000 florins for Disbursements each. However, two companies were able to reduce their premium costs by breaking down the warrisk coverage on mortgaged vessels between hull and machinery (\$1,600,000 at 1.25 per mille) and increased value and excesses (\$400,000 at .75 per mille).

Finally, as regards protection and indemnity insurance it was decided to accept for the present time minimum coverage in the amount of notes outstanding but in no event less than the minimum liability coverage required by U.S. statute.

BPSpiro:ea
January 12, 1950

*Neth Ship Loan
File - Incl
Shipping*

OFFICE MEMORANDUM

TO: Mr. Fabian Fajans

DATE: January 10, 1950

FROM: Grace Werring *fw*

SUBJECT: Suggestions to the questions to be asked the Dutch Shipping Delegation, January 11, 1950.

A. Speaking of the Dutch merchant marine as a whole:

- (1) Roughly what percentage of the gross earnings is foreign exchange?
- (2) Roughly what percentage of the foreign exchange earnings is in hard currency?
- (3) What part approximately of the total port disbursements is payable in foreign currency?
- (4) What part approximately of the port disbursements abroad are payable in hard currency?
- (5) About how much has cost of operation (wages, fuel, victualling, and social securities) increased?
- (6) As to the capital structure of Dutch shipping companies, is there much outstanding debt payable in hard currency?
- (7) On balance, have freight rates increased sufficiently to compensate for the increase in running cost (and also in some cases increase in amortization costs payable in hard currency), as well as the increase in port expenditures in hard currency countries?

B. Shipping in the balance of payments: In the 1948 balance of payments did the Netherlands have a net surplus or a net deficit on account of:

- (1) Dry cargo shipping
- (2) Tankers
- (3) Passengers

(Defining net "as the balance between Dutch foreign exchange earnings accrued from the carriage of goods for foreign account by Dutch ships, and port disbursements paid by foreign ships in Dutch ports").

- (4) Did any major development, including devaluation, in 1949 basically change the 1948 picture?

NS/De

January 9, 1950

Letter No. P/EU/NS/1

Dear Mr. de Tchihatchef:

We notice that registration under the Netherlands Flag of the following vessels was last ascertained on December 29, 1948: Raki, Almkerk, Aagtekerk, Alblasserdijk, Friesland and Limburg.

We also notice that the registry of mortgages on ships was last searched on December 29, 1948 to ascertain if the following vessels were free of other registered liens, etc.: Aagtekerk, Alblasserdijk, Friesland and Limburg.

Finally, we do not seem to have received classification and rating certificates on the Riouw and the Rempang since December 14, 1948.

We presume that it is your intention to look into these questions upon your next visit to the Netherlands.

How

Sincerely yours,

Henry W. Riley

Mr. A. de Tchihatchef,
International Bank for
Reconstruction & Development,
67 rue de Lille,
Paris, France.

WUR

BS

BFSpiro:ea

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Date 1-5-58

TO-	Name	Room No.
1	Mr. Cope	417
2	Mr. Fagan	
3	Mr. Stanton	
4		

FOR-

Action	Initialing
Approval	Preparing Reply
Comment	Previous Papers
Filing	Noting and Returning
Full Report	Recommendation
Information	Signature

REMARKS

Netts. Ship Loan
Operational files

FROM- GENERAL FILES AND CORRESPONDENCE,
Archives Division

TELEPHONE
WHITEHALL 3-5840

CABLE ADDRESS
"NETHERSHIP"

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC

DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

January 3, 1950

International Bank for
Reconstruction and Development
Washington 25, D. C.

Attn. Mr. S. R. Cope
Loan Officer

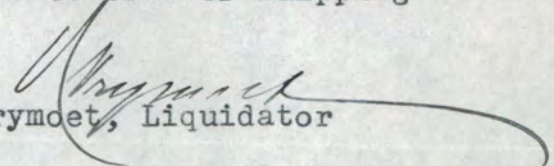
Dear Mr. Cope:

Thank you for your letter of December 30th,
contents of which we have carefully noted.

The Lines are to submit their statements on
financial standing for the last quarter of 1949 and
we have requested our Ministry in The Hague to have
these statements made out in more detail as outlined
by you. Undoubtedly the further particulars will come
forward in the way desired by you.

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping


H. Vrymoet, Liquidator

Handwritten notes:
Tech Ship Noan
Jan 4 '50
R. Fajans

MICROFILMED

Neel. Slip hoar
December 30, 1949

Dear Mr. Vrynoet:

Under Article VIII, Section 3 of the Loan Agreements, dated July 15, 1948, and Item 2a of the "Schedule of Information To Be Furnished", of July 29, 1948, the Bank is receiving through your office from the four Dutch shipping companies who are the borrowers, quarterly statements of certain liquid assets. These statements vary. For instance, the Holland-America Line is submitting only cash and current account figures broken down into guilders, sterling and dollars, whereas the Rotterdam-Lloyd Line, which supplies the most detailed data of all the companies, shows the status of bankers' balances, deposits with bankers, Treasury notes holdings, marketable securities portfolio, and funds with bankers in the United States, United Kingdom and Indonesia.

You will appreciate that the object of our receiving quarterly financial statements (which we pass on to notaholders under Article IX of the Purchase Agreement dated August 4, 1948) is to enable us to watch the financial position of the borrowers. This cannot be done adequately from the statements now being submitted, which may reflect more the incidental effects of the companies' operations than their true earning power and capital position.

Would you, therefore, be kind enough to approach the borrowers, asking them to furnish the Bank with more complete statements, broken down into dollars, sterling and other currencies, of their assets and liabilities at the end of each quarter and with quarterly income and expense accounts, broken down similarly.

Yours very truly,

S. R. Cope
Loan Officer

Mr. H. Vrynoet, Liquidator
Office of the Netherlands Ministry
of Traffic
61 Broadway
New York City 6, N.Y.

c.c. Mr. A.S.G. Hoar ✓
c.c. Mr. E. G. Burland
Mr. A. Wubnig
Mr. Folk

ack 3 Jan.
MICROFILMED

NS/Gen

Mr. D. Crena de Iongh

December 29, 1949

Benjamin P. Spiro

Dutch Shipping Loans - Working Party

For your information I attach hereto the minutes of the meeting of the Dutch Shipping Loans Working Party on December 22, 1949. I should like to point out that that part of the follow-up report which is to be prepared by the Treasurer's Department does not include analyzing the financial position of the borrowers as mentioned in the minutes. This analysis will be made by the Loan Department.

Attachment

BPSpiro:ea

extra copy

December 22, 1949

Present:

- S. R. Cope, Loan Department
- A. Stevenson, Economic Department
- A. Wubnig, Economic Department
- A. Broches, Legal Department
- B. Spiro, Treasurer's Department
- J. Fajans, Loan Department
- N. J. Paterson, Loan Department

1. The Working Party met in order to consider the character and setup of a follow-up report on the loans granted to four Dutch Shipping companies on July 15, 1948, and secured by mortgages on ships purchased in the United States with the proceeds of the loans.

2. It was considered that the main purposes of the follow-up reports were:

- (a) To report the main developments in connection with the loan itself, covering such subjects as disbursements, supervision of use, capital repayments and the like;
- (b) To compare the borrower's expectations and the Bank's assumptions at the time when a loan is being made, with actual results of the project up to a given date;
- (c) To examine the economic and financial position of the enterprise or industry financed;
- (d) To review the economic position of the country of the borrower.

3. It was agreed that the general economic position of the country of the borrower should be extensively analyzed not at specific intervals but only when developments occur which necessitate a reassessment of the risk involved in the loan. Since the Bank had a much broader stake in the Dutch economic future than the one arising from the guarantee of the Kingdom of the Netherlands for the shipping loans, it was decided that the economic follow-up report on Holland would not be incorporated into the shipping loans but put out separately.

4. The proposal was consequently accepted that the follow-up report on the shipping loans would be composed of:

- (a) A brief operational summary, to be prepared by the Loan Department, of the salient points involved in safeguarding the Bank's investment;
- (b) A report by the transportation expert of the Economic Department dealing with general developments in shipping over the past 18 months as they affected activities of the borrowing companies, and with the performance and operational results of the mortgaged vessels. (The overall shipping position of Holland is of particular importance to the Bank, since of the \$195 million "general purpose" loan to the Netherlands, \$40.2 million was spent on ships);

*Att. VIII
8/13 (1)*

FILE COPY

- (c) A report by the Treasurer's Department [analyzing the financial position of the borrowers], setting out problems of insurance and inspection of the mortgaged ships, and mentioning withdrawal and repayment aspects;
- (d) A report by the Legal Department covering the sale of mortgage notes of the borrowing companies to New York investors and any legal questions which may have arisen since the loans were signed.

[] to be
prepared by
Fajans 12/29/49
H. J. W. III
Ser/3 (2)

5. Since in the preparation of the report the Bank will require more information than is at present available, it was agreed that:

- (a) The Loan Department would explore the possibility of getting from the borrowers detailed quarterly balance sheets and income and expense accounts, instead of the cash position statements which are being received at present, it being understood that the Bank would be under obligation to pass on such information to the holders of the notes;
- (b) The Economic Department would consult the Fund regarding the shipping account in the Dutch balance of payments and try to obtain from the shipping companies an assessment of the effect on their position of currency devaluations of September 1949.

JFajans/S.R.Cope/bt
December 23, 1949

Distribution:

Messrs. Cope Broches
 Stevenson Spiro
 Wubnig Fajans

Original to files



Record Removal Notice



File Title Shipping Projects - Netherlands - (01) - Loan 0007 - P037453/(02) - Loan 0008 - P037454/(03) - Loan 0009 - P037455/(04) - Loan 0010 - P037456		Barcode No. 1698008		
Document Date December 27, 1949	Document Type Letter			
Correspondents / Participants To: A. Schadee From: Ansel Luxford				
Subject / Title Additional liens				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Vlada Alekankina</td><td>Date October 02, 2017</td></tr></table>	Withdrawn by Vlada Alekankina	Date October 02, 2017
Withdrawn by Vlada Alekankina	Date October 02, 2017			

WORKING PARTY MEETING ON THE DUTCH SHIPPING LOANS

December 22, 1949

Present:

S. R. Cope, Loan Department
A. Stevenson, Economic Department
A. Wubnig, Economic Department
A. Broches, Legal Department
B. Spiro, Treasurer's Department
J. Fajans, Loan Department
N. J. Paterson, Loan Department

1. The Working Party met in order to consider the character and setup of a follow-up report on the loans granted to four Dutch Shipping companies on July 15, 1948, and secured by mortgages on ships purchased in the United States with the proceeds of the loans.

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- (b) To compare the borrower's expectations and the Bank's assumptions at the time when a loan is being made, with actual results of the project up to a given date;
- (c) To examine the economic and financial position of the enterprise or industry financed;
- (d) To review the economic position of the country of the borrower.

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- (b) A report by the transportation expert of the Economic Department dealing with general developments in shipping over the past 18 months as they affected activities of the borrowing companies, and with the performance and operational results of the mortgaged vessels. (The overall shipping position of Holland is of particular importance to the Bank, since of the \$195 million "general purpose" loan to the Netherlands, \$40.2 million was spent on ships);

- (c) A report by the Treasurer's Department analyzing the financial position of the borrowers, setting out problems of insurance and inspection of the mortgaged ships, and mentioning withdrawal and repayment aspects;
- (d) A report by the Legal Department covering the sale of mortgage notes of the borrowing companies to New York investors and any legal questions which may have arisen since the loans were signed.

5. Since in the preparation of the report the Bank will require more information than is at present available, it was agreed that:

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Fajans/S.R.Cope/bt
December 23, 1949

Distribution:

Messrs. Cope	Broches
Stevenson	Spiro
Wubnig	Fajans

NS/Gen
[Handwritten signature]

OFFICE MEMORANDUM

TO: Mr. Henry W. Riley

DATE: December 16, 1949

FROM: Hugh B. Ripman

[Handwritten initials]

SUBJECT: Netherlands Ships Loans - Full Commercial Value of Ships

In their letter of December 8, 1949, the N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij requests us to agree to a lowering of the full commercial value of the S.S. Aagtekerk for insurance purposes from the \$2,000,000 set in our letter No. EU/121 of September 14, 1949 in line with the terms of Article I, Section 3 (a) of the Mortgage Deed. It is this company's contention that as they depreciate the vessel on a twenty year basis the full commercial value decreases in the same proportion, namely by 5% a year and that therefore the present full commercial value does not exceed \$1,800,000, the vessel having been bought in 1947.

Last August the N.V. Stoomvaart Maatschappij "Nederland" raised a similar question concerning the insurance coverage of the S.S. Riouw and S.S. Rempang. At that time we inquired from the Maritime Commission and from Mendes and Mount (Lloyd's attorneys in New York) as to what their opinions were on this matter. Mendes and Mount answered that in the case of hull marine and of warrisk insurances they required that mortgaged vessels be insured for their full commercial value at all times. Asked to define the term "full commercial value" Mr. Ogden of the Insurance Department of the Maritime Commission stated that as far as the U.S.M.C. was concerned full commercial value was equal to sales value and that this value would remain unchanged during the life of the mortgage unless material changes occurred in the market for similar ships in the world, the earning power and the replacement cost. On the basis of this information it was decided to inform both the N.V. Stoomvaart Maatschappij "Nederland" and the Vereenigde Nederlandsche Scheepvaartmaatschappij that for purposes of Article I, Section 3(a) of the Mortgage Deed the full commercial value of the loan financed vessels was considered to be \$2,000,000. Mr. Spiro called Mr. Ogden again today to inquire whether from the point of view of the Maritime Commission material changes had occurred since last August warranting the revision of the full commercial value, as defined above, of loan financed vessels. He answered that the U.S.M.C. had received several requests from foreign purchasers of ships under mortgages to the Maritime Commission to lower the full commercial value of these vessels but that it had been decided that conditions in the world of shipping did not warrant allowing such action to be taken at this time.

It is therefore suggested that we inform the N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij that they should cover until further notice the S.S. Aagtekerk with hull marine and warrisk insurance for an amount of \$2,000,000.

We should inform this company as we did the N.V. Stoomvaart Maatschappij "Nederland" that the Bank did not have any objection to this coverage being taken in the following manner:

U.S. Dollars: At least 110% of amount of notes outstanding. As mentioned in your letter under reference this would amount for the six months beginning January 15, 1950 to \$1,870,000.

Other Currencies, in particular Dutch Guilders: Full commercial value less amount covered in U.S. Dollars. For the period beginning January 15, 1949, this would amount to the equivalent of \$130,000.

NS/Le

Dr. Antonin Basch

October 28, 1949

Grace Werring

VOYAGE ACCOUNTS OF THE SIX MORTGAGED DUTCH VESSELS

As of October 20, 1949, the Bank has received provisional voyage accounts for the six mortgaged Dutch vessels covering consecutive voyages ranging from 224 to 437 days per ship. 1/ The earnings shown in these accounts are all on a pre-depreciation, pre-taxation basis.

1. Viewed commercially, in terms of shipping receipts, the six mortgaged vessels seem to be paying their way by an ample margin. Expressed in U.S. dollar equivalents, annual average voyage earnings less the cost of service have been at the rate of \$449 thousand per ship (high \$565 thousand - low \$273 thousand). Average net income deducting also repairs and office charges, have been at the rate of \$291 thousand per ship (high \$380 thousand - low \$127,600).
2. Viewed in terms of the impact on the Netherlands balance of payment, the average mortgaged ship may well contribute about \$500 thousand worth of foreign exchange during the first year of operation. The foreign exchange contribution is estimated on the basis of the average annual gross intake from freight and passages at a rate of \$1,131,024 per ship (high \$1,144,496 - low \$861,492) deducting roughly 50% for foreign exchange expenditures in foreign ports, mainly for bunkers and cargo handling.
3. Viewed in terms of the shipowner's net profit for the first year of operation, they may lie at an average of about \$64 thousand, or about 22% of the pre-depreciation, pre-tax net income. In estimating the net profit, we have assumed an initial accelerated depreciation at an annual rate of 9% 2/, and a tax liability on the remaining net income of about 42%. 3/

- 1/ See Appendix I - Tables 1 and 2.
- 2/ See Appendix II.
- 3/ Source: I.B.R.D. (Legal Dept.)

cc: Messrs. Rist; Rodan; Wischart; Rosen; Stevenson; Penton; Fajans; Ripman; Aldewereld; Broches.

APPENDIX I - TABLE 1

VOYAGE ACCOUNTS OF MORTGAGED DUTCH VESSELS AS SUBMITTED BY THE INSPECTIVE SHIPPING LINES PER OCTOBER 30th, 1949

Lloyd	Ship	Voyage	Duration	I.		II.		Pre-depreciation, pre-taxation net profit or debit. (Column 2 less receipts & office expenses) Florines	U.S. \$ equiv. 1
				Gross receipts from freight & passenger/cargo handling		Voyage receipts less cost of operation & cargo handling			
				Florina U.S. equiv.	U.S. \$ equiv.	Florina U.S. \$ equiv.	U.S. \$ equiv.		
Holland-Amerika Line	Ablasserckijf	No. 5; Rotterdam - U.S. Gulf-Lond. Rott.	Mar. 3, 1949 to Apr. 24, 1949	483,000	181,579	101,000	37,970	33,000	12,406
		No. 6; Rotterdam - Mexico-U.S. Gulf - London-Rotterdam.	May 21, 1949 to June 29, 1949	560,000	210,526	181,000	68,045	105,000	39,474
		Results of previous voyages.	July 21, 1948 to Feb. 26, 1949	1,906,000	716,541	587,000	220,676	313,000	117,669
		Total results of all voyages. 2/	July 21, 1948 to June 29, 1949	2,949,000	1,108,647	869,000	326,692	451,000	169,549
		No. 3; Amsterdam - Suez Canal-Indonesia	Dec. 4, 1948 to May 13, 1949	1,481,000	556,767	698,500	262,594	473,000	177,820
		Suez Canal-Amsterdam	May 13, 1949 to May 13, 1949						
		No. 4; Amsterdam - Suez Canal-Indonesia	May 13, 1949 to Aug. 25, 1949	767,000	288,346	366,000	137,594	212,000	79,699
		Results of previous voyages.	June 15, 1948 to Dec. 3, 1948	1,734,290	651,989	759,902	285,677	520,326	195,611
		Total results of all voyages. 2/	June 15, 1948 to Aug. 25, 1949	3,982,290	1,497,102	1,824,402	685,865	1,205,326	453,130
		Netherland Line	Roebiah	No. 4; Amsterdam - Suez Canal - Indonesia	Mar. 13, 1949 to Aug. 18, 1949	1,777,000	668,045	1,050,000	394,737
Suez Canal - Amsterdam	Aug. 18, 1949 to Aug. 28, 1949								
Results of previous voyages.	Mar. 12, 1949 to Aug. 28, 1949			1,533,343	576,445	443,764	166,828	161,686	60,784
Total results of all voyages. 2/	Mar. 12, 1949 to Aug. 28, 1949			3,310,343	1,244,490	1,493,764	561,565	978,686	367,927
No. 2; Rotterdam-Suez Indis-Australis-Suez-Hamburg. 2/	Oct. 21, 1948 to Apr. 30, 1949			1,601,700	602,143	550,600	206,992	414,200	155,714
Results of previous voyages (final acct.)	Sept. 19, 1948 to Oct. 20, 1948			345,827	130,010	147,889	55,598	118,203	44,437
Total results of all voyages. 2/	Sept. 19, 1948 to April 30, 1949			1,947,527	732,153	698,489	262,590	532,403	200,151
No. 3; Rotterdam-Port Said - Indonesia - Port Said - Boston - U.S. Gulf	Jan. 22, 1949 to April 26, 1949			797,900	297,962	371,500	139,662	259,900	97,707
Results of previous voyages.	April 27, 1949 to July 25, 1949			382,800	147,910	74,500	12,970	133,100	50,038
Total results of all voyages. 2/	April 27, 1949 to July 25, 1949			1,180,900	445,972	446,000	152,632	393,000	147,745
oyal Rotterdamseche Lloyd	Drents	No. 2; Indonesia-Port Said - Rotterdam	Jan. 31, 1949 to Apr. 26, 1949	704,000	264,662	307,200	130,526	246,800	92,782
		No. 3; Rotterdam - Port Said - Indonesia	May 17, 1949 to Aug. 4, 1949	880,800	333,128	488,300	183,571	390,300	146,729
		Result of previous voyage.	Nov. 1, 1948 to Jan. 30, 1949	686,900	258,433	246,000	92,481	141,900	53,346
		Total results of all voyages. 2/	Nov. 1, 1948 to Aug. 4, 1949	2,271,200	856,223	1,081,500	406,578	779,000	292,857

1/ Exchange rate: 2.66 Florines (Gulden) per U.S. Dollar.
2/ Based on provisional voyage accounts.

APPENDIX I - TABLE 2.

THIRTY DAYS AVERAGE OF NET EARNINGS (PRE-DEPRECIATION AND PRE-TAXATION) OF MORTGAGED DUTCH VESSELS
BASED ON VOYAGE ACCOUNTS AS SUBMITTED BY THE RESPECTIVE SHIPPING COMPANIES FOR OCTOBER 20th, 1949.

Debtor	Ship	Length of period in which earnings accrued. Days	THIRTY-DAYS AVERAGE BASIS			Pre-depreciation, pre-taxation net profit or debit. (Column 2 less repairs & office expenses U.S.S. Equiv. 1/)	
			Gross receipts from freights & passages 1/ Florins U.S.S. Equiv.	Voyage Receipts less cost of operation & cargo handling 1/ Florins U.S.S. Equiv.	Receipts less cost of operation & cargo handling 1/ Florins U.S.S. Equiv.		Pre-depreciation, pre-taxation net profit or debit. (Column 2 less repairs & office expenses U.S.S. Equiv. 1/)
			I.	II.	III.		
Holland-Amerika Line	Ablasserdijk	344	257,180	39,331	14,786	75,784	28,490
Netherland Line	Reki	437	273,384	82,745	31,107	125,245	47,085
Netherland Line	Roebiah	360	275,862	81,557	30,661	124,480	46,797
United Netherland Navigation Co. Ltd.	Almkork	224	260,830	71,304	26,806	93,548	35,168
Royal Rotterdamse Lloyd	Friesland	371	190,965	28,286	10,634	60,485	22,739
Royal Rotterdamse Lloyd	Drente	277	246,032	84,368	31,717	117,130	44,034
TOTAL		2,013	1,504,253	387,591	145,711	596,672	224,313
AVERAGE EARNINGS PER SHIP			250,709	64,599	24,285	99,445	37,386
AVERAGE ANNUAL EARNINGS PER SHIP			3,008,508	775,188	291,420	1,193,340	448,632

1/ Exchange rate: 2.66 Florines (Guilder) per U.S. Dollar.

SHIP DEPRECIATION IN THE NETHERLANDSNETHERLANDS

The annual fiscal depreciation of seagoing vessels in the Netherlands is a fixed percentage of the purchase price. This percentage is determined with a view to writing off the value of a ship to the residual value at the end of the ship's estimated life. For example, if the life of the vessel is estimated to be 20 years and the residual value to be 10% of the purchase price, a yearly percentage of $4\frac{1}{2}\%$ of the purchase price may be written off during the twenty year period.

Shipping companies are understood to be legally required to write off the depreciation allowance regularly each year regardless of profits or losses. Under this rule, omission of depreciation charges in years of low revenues and deduction of the cumulative depreciation in more prosperous years would not ordinarily be permissible. However, the comments made by the representative of the Ministry of Transportation suggested the possibility of some leniency on the part of the authorities in the application of the general rule if circumstances appear to justify it.

Do the laws provide an opportunity to write off capital assets in a short period, particularly in the case of war-built merchant ships or ships built more recently at inflated costs?

An affirmative answer is indicated in the case of war-built ships or ships built recently at inflated costs. Tax officials are authorized to allow steamship companies under these circumstances to charge off much larger percentages for depreciation than is ordinarily permitted. For example, if the life of a vessel would ordinarily be about 20 years, this period may be shortened up to a maximum of 50% of the usual life time, permitting it to be written off to the residual value within 10 years. In other words, the average annual depreciation percentage would be increased from $4\frac{1}{2}\%$ to a maximum of 9%.

The actual determination of the depreciation rate under these circumstances is understood to be somewhat complicated. The annual percentage, which is established on the basis of a mathematical formula, is a constant figure based on the remaining book value. The depreciation determined by applying this percentage must be subtracted from the remaining book value each year until only the value of the hull remains. The actual amounts subtracted as depreciation thus become smaller and smaller with the passage of time.

As the regulations governing depreciation of vessels originate with the Ministry of Finance for purposes of tax administration, the level of net earnings of a shipping company influences the amount collected in taxes; if it is assumed, for example, that the gross receipts earned by a ship would remain constant over a period of years, the net profits after depreciation would be smaller in the earlier years of the ship's life because of the relatively large sums deducted for depreciation; and taxes on the net profits would of course be correspondingly lower. During the later stages of the ship's life, when the depreciation allowance becomes smaller and profits higher, the taxes would be correspondingly higher.

If the trend of freight rates and revenues should be upward as the ship's life progresses, the amount of assessable tax would reflect a

cumulative increase. On the other hand, if the market for freight transport should be downward in the course of the ship's life, tax receipts would ordinarily reflect a correspondingly steeper downward trend.

The probable life of a vessel is usually determined by the shipowner; but if the tax inspector does not agree with the owner's determination, the inspector may refer the question to a Board of Appeals for decision. As a general rule, the life of merchant vessels is established at between 20 and 25 years, but as indicated above the established life may be considerably shorter for ships built in time of war. Moreover, it appears that if the shipowner can prove that the commercial value of the vessel determined on the basis of earnings, has fallen below the book value in a certain year, the difference between the book value and the commercial value may be charged off in addition to the normal depreciation.

Source: National Federation of American Shipping
Rec'd. October 25th, 1949

Next Ship

OFFICE MEMORANDUM

TO: Mr. John M. Penton

DATE: October 26, 1949

FROM: Hugh B. Ripman *HBR*

SUBJECT: Netherlands Ship Loans - S.S. "ALMKERK"

*filed separate
voyage account
file*

*In Embassy
Oct 26 1949*

I attach hereto for your information a statement from the United Netherlands Navigation Company Ltd., which explains the reason why no Voyage Account is as yet available for the above vessel for the third quarter of 1949.

Attachment

NGJones:emk

FILE COPY

Neck Ship Row

October 24, 1949

Dear Mr. Peck:

I take pleasure in enclosing fifteen (15) copies each of the following: (1) Financial Statement as of October 1, 1949 for N.V. Stoomvaart Maatschappij "Nederland", (2) Financial Statement on September 30, 1949 for United Netherlands Navigation Co., Ltd., and (3) Financial Statement on September 30, 1949 for Royal Rotterdam Lloyd.

Sincerely yours,

Joseph Fajans

enclosures

Mr. Hoyt Peck
International Bank for
Reconstruction and Development
33 Liberty Street
New York 5, New York

Neth Ship Room

FILE COPY

Mr. Arthur Wubnig

October 24, 1949

Joseph Fajans

Dutch Ships

Attached please find one copy each of the following:

Financial Statement as of Oct. 1, 1949 - N.V. Stoomvaart Maatschappij "Nederland"
Composition of Fleet on Sept. 30, 1949 - " " " " " " " "

Financial Statement on Sept. 30, 1949 - United Netherlands Navigation Co., Ltd.
Composition of Fleet on Sept. 30, 1949 - " " " " " " " "

Financial Statement on September 30, '49 - Royal Rotterdam Lloyd
Composition of Fleet on Sept. 30, 1949 - " " "

attachments (6)

OFFICE MEMORANDUM

TO: Mr. Hugh B. Ripman
FROM: Joseph Fajans *JF.*
SUBJECT: Dutch Ships

DATE: October 24, 1949

Attached hereto is one copy each of the following:

- Financial Statement as of Oct. 1, 1949 - N.V. Stoomvaart Maatschappij "Nederland"
- Financial Statement on Sept. 30, 1949 - United Netherlands Navigation Co., Ltd.
- Financial Statement on Sept. 30, 1949 - Royal Rotterdam Lloyd

attachments (3)

*The above statements have
been filed on respective files*

[Handwritten signature]

NS/Len

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.
67, rue de Lille, Paris, 7°

October, 10th, 1949

Letter No. NS.130/General.

Mr. S. Aldewereld,
Assistant to the Treasurer,
International Bank for Recons-
truction & Development,
Washington, 25, D.C.

Dear Mr. Aldewereld,

Thank you for your letter N°. NS/78 with which
you enclose for this office's files a copy of an extract from the
New York Times of September 29th, 1949 on shipping insurance together
with a note by Mr. Ripman on the same subject.

Sincerely yours,

A. Melville Greenlaw
for A. de Tchihatchef.

60
13
11
10

WJ

BR/10/14



LOUISIANA

ALBANY



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RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

OCT 13 8 35 AM 1948

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Handwritten text, possibly a reference number or date, located below the signature.

Handwritten text, possibly a name or title.

Handwritten text, possibly a name or title.

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RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL BANK FOR

NS/2

October 10, 1949

Letter No. NS/82/General

Dear Mr. de Tchihatchef:

We wish to acknowledge receipt of Mr. Tyler's letter No. NS/125/General, dated October 5, 1949. We have checked the lists of documents which were attached to that letter with our own list and found them to correspond in all respects.

WTR

Sincerely yours,

Henry W. Riley

BF

BFSpiro:ea

SUN

Mr. A. de Tchihatchef,
International Bank for
Reconstruction & Development,
67 rue de Lille,
Paris, France.



Record Removal Notice

File Title Shipping Projects - Netherlands - (01) - Loan 0007 - P037453/(02) - Loan 0008 - P037454/(03) - Loan 0009 - P037455/(04) - Loan 0010 - P037456		Barcode No. 1698008		
Document Date October 5, 1949	Document Type Letter			
Correspondents / Participants To: A. Schadee From: Ansel Luxford				
Subject / Title Netherlands Shipping Loans				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Vlada Alekankina</td><td>Date October 02, 2017</td></tr></table>	Withdrawn by Vlada Alekankina	Date October 02, 2017
Withdrawn by Vlada Alekankina	Date October 02, 2017			

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.
67, rue de Lille, PARIS.

Letter No. NS/125 General

October 5, 1949.

Mr. S. Aldewereld
Assistant to the Treasurer
International Bank for
Reconstruction & Development
Washington.

Dear Mr. Aldewereld,

Thank you for your letter No. NS/74 dated September 22, 1949 in which you point out errors in the official receipts for documents recently taken over from the Hague office.

The error in the "Rempang" receipt, namely the omission to indicate the reduction in Protection & Indemnity insurance as from February 3, 1950, and those in the "Aagtekerk" receipt, caused by the transposition of cover note numbers, had already been amended in this office's copies.

As requested, I now send you revised lists of the insurance documents for these two vessels held by this office. These lists are dated October 5, 1949 and therefore reflect the changes since the take over, namely:

S.S. Rempang Returned to Company since take over:

Hull Marine Risks

Cover note \$2.270.000 Aug.3, 1948 to Aug.2, 1949 ✓) My letter No.
Addendum to) NS/118
above \$2.270.000 Aug.3, 1949 to Aug.31, 1949 ✓)

Protection & Indemnity

Cover note \$1.233.200 Jan.15, 1949 to Aug.2, 1949 ✓) My letter
Amended) No. NS/122
cover note 666.800 Aug.3, 1948 to Aug.2, 1949 ✓)

Received from Company since take over:

Hull War Risks

Cover note Hull & machinery \$1.600.000) Oct. 1, 1949 -) My letter
Disbursements etc. 400.000) Dec. 31, 1949) No. NS/124 ✓

I trust you will find the attached lists in order.

Yours sincerely,

Royall Tyler
ROYALL TYLER

Encl.

*6/8 10/10
acknowledged*

W
*Attached list
in order of*

g.

S.S. REMPANGInsurance Documents held by Paris Office at October 5, 1949Hull Marine Risks

Cover note \$1,980,000 \ Sept. 1, 1949 - August 31, 1950 ✓

Hull War Risks

Cover note \$2,270,000 \ July 1, 1949 - Sept. 30, 1949 ✓

Cover note:

Hull & machinery \$1,600,000)

Disbursements etc. 400,000) \ Oct. 1, 1949 - Dec. 31, 1949 ✓

Protection & Indemnity

Cover note \$ 666,800 \ Aug. 3, 1949 - Aug. 2, 1950 ✓

1,133,200 \ Aug. 3, 1949 - Feb. 2, 1950 ✓

1,033,200 \ Feb. 3, 1950 - Aug. 2, 1950 ✓

Pg.

S.S. AAGTEKERKInsurance Documents held by Paris Office at October 5, 1949.HULL MARINE RISKS

Cover note No.	C321662/3/FWD	\$2,000,000) 200,000)	Aug. 3, 1948 - Aug. 2, 1949 ✓
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Policies:

Lloyds London	611703	124,916)	Aug. 3, 1948 - Aug. 2, 1949 ✓
Lloyds London	611704	1,332,000)	✓
Institute of London Underwriters	611703	75,084)	Aug. 3, 1948 - Aug. 2, 1949 ✓
Institute of London Underwriters	611704	668,000)	✓

Cover note	C325593/FWD	2,000,000	Aug. 3, 1949 - Aug. 2, 1950 ✓
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HULL WAR RISKS

Cover note	C32556/DHC	2,000,000	Aug. 3, 1949 - Nov. 2, 1949 ✓
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PROTECTION & INDEMNITY

Cover note	C321665/FWD	636,080	Aug. 3, 1948 - Aug. 2, 1949 ✓
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Cover note	C323769/FWD	1,263,920	Jan. 16, 1949 - Aug. 2, 1949 ✓
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Policy:

Lloyds London	77096	636,080	Aug. 3, 1948 - Aug. 2, 1949 ✓
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Cover note	C325594/FWD	636,080)	Aug. 3, 1949 - Aug. 2, 1950 ✓
Cover note	C325595/FWD	1,163,920)	

dy.

NS/S

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.
67, rue de Lille, PARIS.

Letter No. NS/123/Riouw & Rempang & General

October 4, 1949.

Mr. S. Aldewereld
Assistant to the Treasurer
International Bank for
Reconstruction & Development
Washington.

Dear Mr. Aldewereld,

Thank you for your letter No. NS/75 dated September 27, 1949
with which you enclosed a copy of a letter from the N.V. Vereenigde
Nederlandsche Scheepvaartmaatschappij.

I note that it is not the Bank's intention to notify the other
three Shipping Companies of the terms of insurance agreed with the N.V.
Stoomvaart Maatschappij "Nederland".

Yours sincerely,

Royall Tyler

ROYALL TYLER.

GA
10/1

NS/Gen

Letter No. NS/78

October 4, 1949

Mr. Andrew de Tchihatchef
International Bank for Reconstruction
and Development
67 rue de Lille
PARIS, France

Dear Mr. de Tchihatchef:

I enclose for your information a note for the files together with
a copy of an extract of the New York Times of September 29, 1949.

mm

Sincerely yours,



S. Aldewereld

HBripman:pc

Nett Ship Loan

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire SEPTEMBER 29, 1949

To INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

From PARIS

TEXT: DOLPHIN THREE

BROKERS CONFIRMATION MENTIONED DOLPHIN TWO NOW RECEIVED.

EACH INSURED DOLLARS HULL ONE MILLION SIX HUNDRED THOUSAND

DISBURSEMENTS FOUR HUNDRED THOUSAND

LEGH JONES

ROUTING:

ACTION copy to MR. CRENA DE IONGH

INFORMATION copy to

Decoded by

DUPLICATE

DISPATCHED

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

SEP 29 2 48 PM 1949

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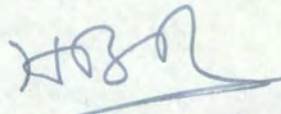
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NOTE FOR THE FILES

Attached is a copy of a paragraph appearing on page 55 of today's New York Times.

I spoke this afternoon on the telephone with Mr. McMahon of the Maritime Commission in order to find out what lay behind this request for legislation. He informed me that the object was to have the legislation on the books, but that there was no intention of putting it into operation immediately. It was desired to avoid the situation which arose at the beginning of the last war, and the legislation proposed was similar to that under which the War Shipping Administration carried war risks in the last war.

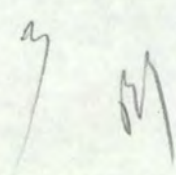


Hugh B. Ripman

September 29, 1949

HBR:pc

c.c. Miss Morsey
Mr. Penton



Extract from New York Times -- dated September 29, 1949

TO WEIGH SHIP INSURANCE

House Hearings Set on Plan to Let Government Write It

WASHINGTON, September 28 (AP) -- The House Merchant Marine Committee today ordered hearings on an Administration request for power to write war-risk insurance on United States merchant ships.

The hearings will start next Tuesday before a subcommittee headed by Representative Edward J. Hart, Democrat, of New Jersey.

The Maritime Commission, with the approval of the President, requested legislation because of increasing difficulty of obtaining war-risk insurance from private underwriters.

In a letter to speaker Sam Rayburn, Philip B. Fleming, chairman of the Maritime Commission said "a serious situation exists in the matter of continued assurance that maritime war-risk insurance will be available for the protection of American vessels, cargoes, passengers and crews".

MEMORANDUM FOR THE FILES

Netherlands Ships Loan - General

I called Mr. Broches of the Legal Department this morning to ask him his opinion on the question raised by Mr. Tyler in his letter No. NS/117/General, dated September 22, 1949, namely whether we should volunteer information to the shipping companies concerning the amounts of insurance to be carried on the ships mortgaged to the Bank. This question came up as a result of our correspondence with the N.V. Stoomvaart Mij. "Nederland" in the course of which we informed this company - our letter EU/119 - that while they had to maintain the Hull Marine and Warrisk insurances on the Riouw and the Rempang to the full commercial value of these vessels - \$2,000,000 - they could take this insurance in dollars to a minimum equal to 110% of the amount of the notes outstanding and the balance in other currencies as provided in the loan agreement. As regards P. and I. cover, they were informed that it could decrease as the loan is being repaid, but that in no event could this coverage fall below \$60 per gross registered ton of the vessels.

Mr. Tyler suggested that it might be as well if the three other companies were to hear of this from the Bank rather than from the N.V. Stoomvaart Mij. "Nederland".

Mr. Broches opinion was that he would not have any objection if we were to follow any one of the three courses listed below:

- 1) We would not inform the other companies,
- 2) We would inform the companies as the occasion may arise,
- 3) We would inform the 3 companies that we have agreed to the practices mentioned above being followed by the N.V. Stoomvaart Mij. "Nederland".

As it is Mr. Aldewereld's opinion that we should not take any action, Mr. Tyler is being informed accordingly.

WMS
M

B.P. Spiro
B.P. SPIRO

BPSpiro:ea
September 27, 1949
9:40 a.m.

c.c. Mr. Broches
Mr. Penton
Miss Morsey

Net Ship Loan

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire **SEPTEMBER 27, 1949**

To **INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.**

From **PARIS**

TEXT: **DOLPHIN TWO WRITTEN ASSURANCE RECEIVED FROM COMPANY THAT
WARRISK COVER EXPIRING SEPTEMBER 30 FOR RIOUW REMPANG TO
BE RENEWED AS REQUIRED BUT WING REARRANGEMENT DUE GUILDER
CHANGE NEITHER COVERNOTES NOR BROKERS CONFIRMATION YET
RECEIVED. LATTER URGENTLY REQUESTED**

LEGH JONES

RECD: SEPTEMBER 27

ROUTING:

ACTION copy to MR. CRENA DE IONGH

INFORMATION copy to

Decoded by

DUPLICATE

DISPATCHED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

SEP 27 9 12 AM 1949

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TELETYPE

RECEIVED DIRECTOR GENERAL

SECRETARY GENERAL

DEPARTMENT OF ECONOMIC AFFAIRS

UNITED STATES DEPARTMENT OF COMMERCE

OFFICE OF THE ASSISTANT SECRETARY FOR ECONOMIC AFFAIRS

1100

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

September 27, 1949

Letter No. NS/75 /RIOUW & REMPANG
and GENERAL

Dear Mr. Tyler:

We wish to acknowledge receipt of your letter No. NS/117/Riouw & Rempang and General dated September 27, 1949 and inform you that we do not intend to notify the three shipping companies of the terms of insurance we have agreed to with the N.V. Stoomvaart Mij. "Nederland".

At your request, we enclose copy of the letter dated August 11, 1949 from the N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij.

Sincerely yours,

S. Aldewereld

BF Spiro:ca

Mr. Royall Tyler,
International Bank for
Reconstruction & Development,
67 rue de Lille,
Paris, France.

Neth. Ship Loan

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire SEPTEMBER 23, 1949

To INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

From LONDON

TEXT:

LIMBURG FRIESLAND WARRISKS INSURANCES RENEWED THREE
MONTHS.

LAMBERTINS INSURANCE BROKERS FOR ROTTERDAM LLOYD

ROUTING:

ACTION copy to MR. RIPMAN

INFORMATION copy to

Decoded by

DUPLICATE

RECEIVED

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INFORMATION

TO

SEP 23 4 06 PM 1949

FROM

REPLY

Handwritten notes and stamps on the right side of the page, including a large 'D' and some illegible text.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

REPLY

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

REPLY

REPLY

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

REPLY

INTERNATIONAL BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

NS/Gen

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.
67, rue de Lille, PARIS.

Letter No. NS/117/RIOUW & REMPANG
and GENERAL

22 September, 1949.

Mr. S. Aldewereld
Assistant to the Treasurer
International Bank for
Reconstruction & Development,
Washington.

Dear Mr. Aldewereld,

Thank you for your letter No. NS/73 dated September 13, 1949,
and the copy of letter No. EU/119 addressed to the Shipping Company
which you enclosed.

I note from these and from the copy of letter No. EU/121
addressed to the N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij
that the "full commercial value" of each of the RIOUW, the REMPANG and
the AAGTEKERK is considered to be \$2,000,000. I assume, of course, that
the same ruling applies to the other three ships which, in any case,
are all at present covered in the amount of \$2,200,000. You may perhaps
be able to tell me whether this ruling is intended to apply throughout
the period of the loans.

I should also be interested to know whether it is intended
that the other shipping companies be informed of the Bank's decision to
accept insurance in currencies other than U.S. dollars of the difference
between 110% of the amount of outstanding indebtedness and the "full com-
mercial value". It might be as well if the other companies were to hear
of this from the Bank rather than from the N.V. Stoomvaart Maatschappij
"Nederland".

I note too the Bank's decision (last paragraph of letter No.
EU/119) on the question of Protection and Indemnity cover, and it is
assumed that this applies only to the RIOUW, the REMPANG and the AAGTEKERK
since the Bank appears to have accepted the unlimited cover provided by
the relative Protection and Indemnity Associations for the ABLASSERDIJK,
the FRIESLAND, and the LIMBURG. It would appear, however, that the owners
of the AAGTEKERK, N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij,
have merely been informed (letter No. EU/121) that their existing cover
is satisfactory and have not been given the details outlined in the last
paragraph of letter EU/119.

I should be grateful if you would send me for this office's records a copy of the letter dated August 11, 1949 from the N.V. Vereenigte Nederlandsche Scheepvaartmaatschappij to which you refer in your letter BU/121.

In the meantime I await confirmation from the owners of the RIOUW and the REMPANG that the additional insurance mentioned in your letter No. NS/73 has been effected. It is conceivable that, since the request was made direct from Washington, the confirmation may be sent direct to you. Should this occur you will probably send me the relative details.

Yours sincerely,

Royall Tyler

ROYALL TYLER.

DISPATCHED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

SEP 26 12 34 PM 1949

BOYATT JAMES

[Handwritten signature]

JOHN W. BOYATT

Should the above loan will be repaid as the letter of credit
was made direct from Washington, the condition will be sent direct to you
No. 12/53 has been effected. It is considered that since the interest
is not due the interest that the condition mentioned in your letter
in the meantime I have condition from the owners of the

12/53
Reference is made to the letter dated August 11, 1949 from the I.A. Department
records a copy of the letter dated August 11, 1949 from the I.A. Department
I would be pleased if you would send me for this office,

NS/Gen

September 22, 1949

74
Letter No. NS/117

Dear Mr. Tyler:

We received from Mr. de Tchihatchef attached to his letter No. H/793, dated September 17, 1949 copies of the lists of documents pertaining to the Netherlands Ships Loans he handed over to Mr. Greenland for transmittal to you. We have compared these lists with the documents in our hands and found the following discrepancies:

REMPANG

Protection & Indemnity

Governote	\$ 666.800	August 3, 1949 - August 2, 1950 (Listed correctly).
	\$1.133.200	August 3, 1949 - February 2, 1950 (Mr. de Tchihatchef has the period August 3, 1949 - August 2, 1950).
	\$1,033.200	February 3, 1950 - August 2, 1950 (Mr. de Tchihatchef has not listed).

AAGTEKORK

Protection & Indemnity

Governote	G325594/FWD	\$ 636.080	August 3, 1949 - August 2, 1950 (Mr. de Tchihatchef listed period incorrectly).
Governote	G 325595/FWD	\$1.163.920	August 3, 1949 - August 2, 1950 (Mr. de Tchihatchef listed amount and period incorrectly).
Governote	G 321665/FWD	\$ 636.080	August 3, 1948 - August 2, 1949 (Mr. de Tchihatchef listed period incorrectly)
Governote	G 323769/FWD	\$1.263.920	January 16, 1949 - August 2, 1949 (Mr. de Tchihatchef listed amount and period incorrectly).

Mr. Royall Tyler,
International Bank for
Reconstruction & Development,
67 rue de Lille,
Paris, France.

Mr. Royall Tyler

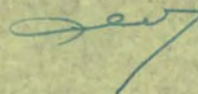
- 2 -

September 22, 1949

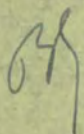
We would appreciate it if you would look into this matter and send us revised lists of the documents in your possession regarding the insurance of these two ships.

HTM

Sincerely yours,



S. Aldewereld



BPSpiro:ea

OFFICIAL RECEIPT

NETHERLANDS GILFEE LOANS

<u>File No.</u>	<u>Items</u>	<u>Contents</u>	<u>Period</u>
NS/General	1 - 54		Nov.10, 1948 - Sept.1, 1949
7 NS - Rold	1 - 16		Dec.20, 1948 - July 27, 1949
7 NS/MO - Ricaw	1 - 79		Nov.16, 1948 - Aug.24, 1949
7a NS - Roebiah	1 - 20		Dec.20, 1948 - July 27, 1949
7a NS/MO - Reupang	1 - 78		Nov.16, 1948 - Aug.24, 1949
8 NS - Alukerk	1 - 12		Nov.30, 1948 - July 27, 1949
8 NS/MO - Aagtekerk	1 - 99		Dec.6, 1948 - Aug.9, 1949
9 NS - Alblasserdijk	1 - 83		Nov.8, 1948 - Aug.11, 1949
10 NS - Friesland	1 - 68		Nov.8, 1948 - Aug.2, 1949
10a NS - Drente	1 - 16		Dec.15, 1948 - July 27, 1949

[Handwritten signature]

10a RE/MO - Linburg

1 - 58

Dec.7, 1948 - Aug.2, 1949

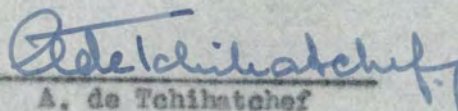
Consecutive File INCOMING CABLES "DOLPHIN", containing:

Cables DOLPHIN no. 1 and 2.

Consecutive File OUTGOING CABLES "DOLPHIN", containing:

Cable DOLPHIN no. 1.

Handed over by


A. de Tchihatchef

Received for and on behalf of Mr. Royall Tyler
in complete order to date as per above specification
and card control records


A. Melville Greenland

The Hague, September 17, 1949.

OFFICIAL RECEIPT

NETHERLANDS SHIPS LOANS-Confidential
Filing.

File 414 - Standing Instructions

Contents:

Standing Instructions

Items: 1 - 8 Period: November 10, 1948-July 7, 1949.

Washington.

Items: 1 - 5 Period: August 19, 1948-September 9, 1948.

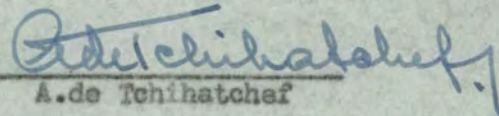
Visit Mr. Broches

Items: 1 - 37 Period: July 12, 1948-August 17, 1948.

Visit Mr. Mason

Items: 1 - 12 Period: May 25, 1948-June 8, 1948.

Handed over by


A. de Tschichatsch

Received for and on behalf of Mr. Royall Tyler in complete order to date as per above specification and attached card control records:


A. Melville Greenland

The Hague, September 17, 1949.

CH

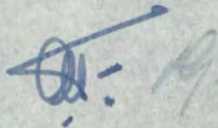
OFFICIAL RECEIPT

NETHERLANDS SHIP LOANS

One Book containing copies of the following Reports sent
to Washington:

<u>LOAN NO.</u>	<u>REPORTS</u>
✓ 7 NN	Reports 1 - 5 on s.s. RAKI
✓ 7a NN	Reports 1 - 6 on s.s. NORBIAH
✓ 8 NN	Reports 1 - 5 on s.s. ALMKERK
✓ 9 NN	Reports 1 - 5 on s.s. ALBLASSERDIJK
✓ 10 NN	Reports 1 - 5 on s.s. FRIESLAND
✓ 10a NN	Reports 1 - 6 on s.s. DREWTE
✓ 7 NN/MO	Reports 1 - 5 on s.s. RIGOW
✓ 7a NN/MO	Reports 1 - 5 on s.s. REMPANG
✓ 8 NN/MO	Reports 1 - 4 on s.s. AAGTEKERK
✓ 10a NN/MO	Reports 1 on s.s. LIMBURG

as per card index.



Handed over by

A. de Tchihatchef
A. de Tchihatchef

Received for and on behalf of Mr. Royall Tyler
in complete order to date as per above specification

A. Melville Greenland
A. Melville Greenland

The Hague, September 17, 1949

MADE IN THE U.S.A.
BY THE COLLECTOR

NS/ycw

OFFICE MEMORANDUM

TO: Mr. W.A.B. Iliff

FROM: D. Crena de Iongh

SUBJECT: Netherlands Ships Loans -- Insurance

DATE: August 29, 1949

The question has arisen whether one of the shipping companies should be permitted to act to a certain extent as self-insurers in respect of two of the vessels mortgaged to the Bank.

The company in question -- the N.V. Stoomvaart Mij "Nederland" -- has informed the Bank that it is their normal policy to insure with underwriters two-thirds of the value of ships of the type in question, carrying the remaining one-third at their own risk.

Their proposal is that they should maintain the amount of cover taken out with underwriters in U.S. dollars at 110% of the value of outstanding indebtedness under the mortgages, but as this amount is progressively reduced, should take for their own risk the balance of the commercial value of the vessels up to one-third of such value.

None of the other three companies concerned -- all of equally good standing and reputation -- has made any suggestion that they should take for their own account any part of the insurance risk on the vessels mortgaged by them.

Advice has been sought from Mendes and Mount, Lloyd's attorneys in New York, who state that in no case which they have handled has the mortgagee bank agreed to waive the mortgage provision requiring hull insurance to the full commercial value of the vessel. Such a procedure would involve agreement to a change in the conditions of the mortgage.

Since the Bank has sold the notes to the market with its guarantee, it would seem that we should not be more lenient in this case than is the normal practice of commercial banks. This is the view taken by the Working Party.

As you are aware, the Nederland Company is one of the soundest shipping companies, and I do not imagine that in view of its solid financial situation and conservative policies, the Bank would in practice be running any serious risk in agreeing to the Company's proposal. However, the above considerations weigh so heavily on the other side of the scale, that it seems to me that the Bank has no choice but to request the Company to carry out the provisions of the Mortgage Deed.

I should be glad to know whether you agree.

W.A.B.
D. Crena de Iongh.

I agree,

W.A.B.
30/8.

*CF 9/13
10/14/119.*

NSKew.

OFFICE MEMORANDUM

No action to be taken

TO: Mr. Hugh B. Ripman

DATE: August 17, 1949

FROM: Benjamin P. Spiro *BP*

W

till we get O.K from legal dept. 8/20/49

SUBJECT: Netherlands Ships Loans - Insurance Coverage

With reference to your notes of August 3, we have now received answers from Mendes and Mount, Lloyd's agents in New York, and from the two shipping companies which had begun to decrease the amount of coverage on the ships mortgaged to the Bank in proportion with the decrease in amount of notes outstanding.

The following is a summary of the opinions expressed in these three answers:

1. Hull Marine Insurance:

Mendes and Mount: The mortgage clause obliges the mortgagor to insure the vessel for her "full commercial value" in any case and for 110% of the amount remaining due on the mortgage, whichever amount may be the greater at any given time.

N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij (Aagtekerk): Insure the ship for the "full commercial value" as of August 3, 1949 as follows:

Hull	\$2,000,000.00	=	f. 5,300,000
Disbursements	(\$642,000.00)		<u>f. 1,700,000</u>
Full commercial value	(\$2,642,000.00)		<u>f. 7,000,000</u>

The amount of dollar coverage is \$20,000.00 more than 110% of the amount of the notes now outstanding (\$1,800,000.00) and equal to the "full commercial value" as interpreted by the U.S. Maritime Commission (sales price of the ship).

N.V. Stoomvaart Maatschappij "Nederland" (Riouw and Rempang): Usual policy is to insure on the market ships of the Riouw and Rempang class for two thirds of their value given at f. 6,000,000. The last third of the value (f. 2,000,000) is at the risk of the company.

The Riouw and Rempang will be insured as of September 1 for \$1,980,000.00 each (110% of outstanding amount of notes) out of a valuation ("full commercial value") of \$2,270,000.00, meaning that the company is taking \$290,000.00 for each vessel at its own risk.

It is the intention of the company to hold the amount of coverage with underwriters at 110% of the indebtedness, increasing at the same time their own retention by the same amount as the indebtedness lessens till it reaches the limit of 1/3 of the value (taking into consideration the valuation at that time). From this moment only 110% of the outstanding indebtedness will be covered by underwriters in U.S. dollars, the balance between 2/3 of the value and this 110% to be covered in guilders.

what does legal dept. think?

2. Warrisk Insurance:

Mendes and Mount: "Full commercial value" in any case and at least 110% to 125% as the case may be of the balance due on the mortgage.

W

N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij (Aagtekerk): Same as for Hull Marine Insurance.

N.V. Stoomvaart Maatschappij "Nederland" (Riouw and Rempang): It is the company's intention to reduce coverage by 10% of value ("full commercial value") from \$2,270,000.00 (f. 6,000,000) to \$2,043,000.00. This would be more than 110% of the amount of notes outstanding and more than the "full commercial value" as interpreted by the U.S. Maritime Commission.

3. Protection and Indemnity:

Mendes and Mount: They customarily insist on about twice as much as the amount remaining due on the mortgage, but in no event less than \$60 per gross registered ton of the vessel in view of the special U.S. liability status.

N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij (Aagtekerk): Amount equal to amount of note outstanding. (\$1,800,000.00 as of August 3).

N.V. Stoomvaart Maatschappij "Nederland" (Riouw and Rempang): Amount equal to the outstanding indebtedness. It is not this company's practice to insure the other ships of their fleet against these risks.

4. Summary:

Mendes and Mount: High coverage. In no event less than full commercial value, except for P. and I. for which coverage should not go below \$60 per gross registered ton.

N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij (Aagtekerk): Coverage of "full commercial value". P. and I. coverage for the amount of notes outstanding.

N.V. Stoomvaart Maatschappij "Nederland" (Riouw and Rempang): Coverage limited to 2/3 of value, possibly in local currency and not in dollars. Last 1/3 self insured. No P. and I.

5. Recommendation:

In view of the above, it is suggested that we require the four shipping companies to keep at least the following amounts of insurance on ships mortgaged to the Bank:

Hull Marine Insurance and Warrisk:

Full commercial value estimated to be now at least \$2,000,000.00 according to the U.S. Maritime Commission's method of determining "Full commercial value" for the type of vessels involved. This value could be increased or decreased at the Bank's discretion should material changes occur in the world of shipping.

The coverage for the "full commercial value" could be taken, at the discretion of the shipping companies, in the following currencies:

U.S. dollars: at least 110% of amount of notes outstanding. (As of July 15, 1949 this would be \$1,980,000.00).

Other currencies; in particular Dutch Guilders: Full commercial value less amount covered in U.S. dollars.

See note first page

With regard to that part of the coverage which might be taken in currencies other than U.S. dollars, it will be necessary to determine in the case of each company whether this coverage has to be taken with underwriters or if the companies can be self insuring. Before a decision is taken, it will be necessary to analyse the balance sheets of each company, the amount of reserves available for such eventual self insurance, the amount of self insurance already carried for the rest of the fleet, and obtain details of by-laws and other statutory regulations governing the setting up and maintenance of reserves.

Protection and Indemnity:

Amount of notes outstanding, but in no event less than \$120 per gross registered ton of the vessels, it being twice the minimum liability coverage required by U.S. Statute.

c.c. Mr. Penton
Miss Morsey

BFSPIRO:ea

Letter No. EU/86

August 12, 1949

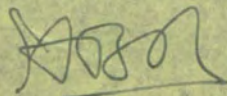
Mr. Russell T. Mount
Mendes & Mount
27 William Street
New York, 5, N. Y.

Your file No. 91,308

Dear Mr. Mount:

I have received your letter of August 10
and I am greatly obliged by the information which you
have given me. I think the position is now entirely
clear.

Sincerely yours,



Hugh B. Ripman

HBRipman:cl

MENDES & MOUNT

27 WILLIAM STREET

NEW YORK 5, N. Y.

CABLES "MENMOUNT"

RUSSELL T. MOUNT
WILLIAM B. MENDES
THOMAS J. HEALY
ARTHUR C. MULLER, JR.
HENRY W. DIECK
FRANK A. BULL
STEWART E. WARNER
CHARLES R. MILLETT
EMILE W. MODICK, JR.
JOHN A. GARRITY
WILBUR H. HECHT
KENNETH R. THOMPSON
JOHN A. CURLEY
WALTER B. HALL
HAROLD G. FOLEY

RICHARD W. TURNER
BRENDAN C. KELLY
ALEXANDER C. GOOD
VERNON B. WINIKER
HUGO B. PLADECK
GEORGE W. CLARK
WARD D. WILLIAMS
D. M. GROGAN
DANIEL HUTTENBRAUCK
J. B. GARDNER
MARTIN J. DEVER
LOUIS ORGELFINGER
RALPH V. O. CURTIS
THOMAS V. KINGHAM
HARRY B. DANTON

August 10, 1949.

Mr. Hugh B. Ripman,
International Bank for Reconstruction
and Development,
Washington 25, D. C.

Your Letter No. EU/79
Our File Number 91,308

Dear Mr. Ripman:

I have your further letter of the 9th inst. inquiring as to what policy is normally followed in the case where the "full commercial value" materially exceeds 110% of the outstanding indebtedness of the mortgage.

You are correct in understanding that the mortgage clause obliges the mortgagor to insure the vessel for her "full commercial value" in any case, and that the mortgagor's obligation is to insure the hull for one of two amounts, whichever may be the greater at any given time.

In no case that we have handled has the mortgagee bank agreed to waive the mortgage provision requiring hull insurance to the "full commercial value", and I would consider it hazardous for any mortgagee to waive that provision. If the vessel is not kept insured up to the full commercial value, and a situation of salvage or general average claim against the vessel arises, the hull underwriters are not liable to pay more than a proportion of the salvage or general average claim (in the proportion that the insured value bears to the actual value), and the vessel owner would be liable for the balance of the salvage or general average claim. If the vessel owner fails to pay his share, the vessel could be libeled and sold by the United States Marshal at auction sale, with the result of possible loss to the lender.

Please let me know if I have not fully answered your question.

Sincerely yours,

Russell T. Mount

*Acrid 8/6
EU 186
VWS
8/12*

Letter No. EU/79

August 9, 1949

Mr. Russell T. Mount
Mendes & Mount
27 William Street
New York 5, N. Y.

Reference: Your file No. 91,308

Dear Mr. Mount:

I am greatly obliged by your letter of August 8, in which you have kindly given us most useful information in answer to the question which we asked you. I should like to trespass on your kindness again and ask you one more question.

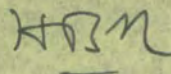
You have fully covered the contingency that the "full commercial value" of a given vessel may fall below 110% of the amount of indebtedness outstanding under the mortgage. I should be grateful if you could tell me what policy is normally followed in the case where the "full commercial value" materially exceeds 110% of the outstanding indebtedness. The wording of the clause in the mortgage, which I quoted in my letter of August 4, lays upon the mortgagor the obligation to insure the vessel for its full commercial value. The provisions of the clause, as I read it, oblige the mortgagor to insure for the full commercial value in any case. If the full commercial value falls below 110% of the outstanding indebtedness, then the mortgagor must take out cover for the additional amount required to bring the total up to 110% of the outstanding indebtedness. Thus the obligation of the mortgagor is to insure the hull for one of two amounts, whichever may be the greater at any given time.

It is obvious that from the lender's point of view, he is adequately covered if the amount of hull insurance taken out is at least 110% of the outstanding indebtedness, so that on the face of it there would appear to be from the lender's point of view no particular reason to insist upon insurance cover for the full commercial value of the vessel in a case where this value materially exceeds 110% of the outstanding indebtedness. The only reason that I can see for insisting on such a course of action would be that the lender desires to be certain that the mortgagor is operating his ship and generally conducting his financial affairs in a

prudent and conservative fashion. However, in the case of a long established shipping company which has built up in the course of time rather substantial reserves for depreciation and replacement of its fleet, and currently follows a thoroughly conservative policy of adding to such reserves, it appears to me quite reasonable that such a company should regard itself as partially self-insuring, and should in consequence follow a general policy with regard to the whole of its fleet of taking out cover for something less than the full commercial value of the vessels. Am I right in assuming from your letter that in such circumstances a lender does not normally insist that the borrower should fulfill his obligations under the letter of the mortgage deed and take out cover for the full commercial value of the vessels?

I shall be much obliged for any advice you may be kind enough to give me on this point.

Sincerely yours,



Hugh B. Ripman

HBRipman:cl

letter cleared with Miss Morsey.

MENDES & MOUNT

27 WILLIAM STREET

NEW YORK 5, N. Y.

CABLES "MENMOUNT"

RUSSELL T. MOUNT
WILLIAM B. MENDES
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DANIEL HUTTENBRAUCK
J. B. GARDNER
MARTIN J. DEVER
LOUIS ORGELFINGER
RALPH V. O. CURTIS
THOMAS V. KINGHAM
HARRY B. DANTON

August 8, 1949.

Mr. Hugh B. Ripman,
International Bank for
Reconstruction and Development,
Washington 25, D. C.

Your Letter No. EU/73
Our File No. 91,308

Dear Mr. Ripman:

Your letter of the 4th inst., addressed to Mr. Thomas J. Healy, has been received during Mr. Healy's absence on vacation, but as I have handled most of the preferred ship mortgages in our office I am glad to reply to your letter in detail as follows. We have acted as attorneys for banks in many cases in which they have made loans to vessel owners secured by preferred ship mortgages.

Hull insurance (including "disbursements" insurance to the amount allowed by the provisions of the full hull policies) should always be kept up to 110% of the amount remaining due on the mortgage. If because of a drop in the "commercial value" of the vessel, the owner-mortgagor cannot obtain full hull insurance up to 110% of the amount remaining due on the mortgage, he can undoubtedly, with hull underwriter's consent (which consent will be necessary under the terms of the full hull policy), obtain a larger amount of "disbursements" insurance or "anticipated earnings" insurance, both of which are against total loss only (and which carry a lower premium rate than full hull policies), for the difference between the full hull insurance he can get and the 110% of the amount remaining due on the mortgage.

As to protection and indemnity insurance, we customarily insist on about twice as much as the amount remaining due on the mortgage. The premium is not high and it is obvious that the need for such liability insurance is just as great, if not greater, in the case of an old vessel. Such P. and I. insurance should in no event be less than \$60 per gross registered ton of the vessel, in view of the United States Statute which provides that if the owner of an ocean going vessel or its servants or agents are guilty of negligence, it cannot limit its liability for death and personal injury claims to less than \$60 per gross registered ton of the vessel,

even though the vessel might be entirely lost in the catastrophe.

In all our cases we also insist on war risk insurance up to 110% or 125%, as the case may be, of the balance due on the mortgage, in view of the continuing possible danger of contact with floating mines.

Please let me know if I have not fully answered the questions in your mind.

Sincerely yours,

Russell J. Mowbray

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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

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NS/Y in July

OFFICE MEMORANDUM

TO: Mr. Henry W. Riley

DATE: August 4, 1949

FROM: Hugh B. Ripman *HBR*

SUBJECT: Netherlands Ships Loans

We received from the N.V. Stoomvaart Maatschappij "Nederland" and the N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij Profit and Loss statements for the year 1948, Balance Sheets as of the last of the year and Financial statements as of mid 1949.

In the case of the N.V. Stoomvaart Maatschappij "Nederland" the profits amounted to f. 24.5 million, of which f. 11.1 million or 45% were placed into reserves for renewal and depreciation of the fleet. These reserves total now f. 64.3 million or 33.5% of total assets while the fleet is valued at f. 48.1 million. Liquid assets as of mid 1949 totalled over f. 90 million.

In the case of the N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij, the profits amounted to f. 6.66 million of which f. 5.65 or 85% were placed into reserves for renewal and depreciation of the fleet. These reserves total now f. 40.6 million or 31.5% of total assets while the fleet is valued at f. 66 million. Liquid assets as of mid 1949 totalled over f. 17 million.

From these figures, it is evident that while these two companies follow different depreciation and valuation practices, both are in a sound financial position.

No action required.

AS
BPSpiro:ea

Atch. Ship Loan

Letter No. EU/75

August 4, 1949

N.V. Stoomvaart Maatschappij
"Nederland"
108 Prins Hendrikkade
AMSTERDAM
Holland

Dear Sirs:

I am writing with reference to the insurances on the S.S. "RIOUW" and the S. S. "REMPANG", which have recently been renewed as follows:

hull marine risks	\$1,980,000 from Sept. 1, 1949
war risks	2,270,000
protection and indemnity risks	1,800,000 to Feb. 2, 1950 and 1,700,000 to Aug. 2, 1950

I shall be grateful if you will be kind enough to inform the Bank what intention you have for the future as far as concerns the amount for which insurance cover will be taken out for marine and war risks in respect of this vessel. You will recall that Article I, Section 3(a) of the Mortgage Deed reads as follows:

"The Mortgagor will, at its own expense, when and so long as this mortgage shall be outstanding, insure the Vessel and keep the same insured against marine and war risks as the Mortgagee shall from time to time require, in an amount in dollars (or in such other currency as is hereinafter provided or as the Mortgagee shall agree to in writing), which amount, except as otherwise hereinafter provided, shall be equal to the full commercial value of the Vessel, but in no event less than one hundred and ten percent (110%) of the aggregate principal amount of the Notes outstanding and unpaid."

The question which arises is what policy you propose to follow for purposes of insurance in assessing the "full commercial value" of the vessel in question during the life of the loan.

As soon as the Bank has received your answer to this question, I will let you know whether we wish to make any comment on your proposal.

Very truly yours,

D. Crena de Iongh
Treasurer

HBRipman:cl

c.c. Mr. de Tchihatchef
Mr. Penton
Miss Morsey

Ship loan

Letter No. EU/74

August 4, 1949

N.V. Vereenigde Nederlandsche
Scheepvaartmaatschappij
137 Stationsweg
THE HAGUE
Holland

Dear Sirs:

I am writing with reference to the insurances on the
S.S. "AAGTEKERK", which have recently been renewed as follows:

hull marine risks	\$2,000,000
war risks	2,000,000
protection and indemnity risks	1,800,000

I shall be grateful if you will be kind enough to inform the
Bank what intention you have for the future as far as concerns
the amount for which insurance cover will be taken out for marine
and war risks in respect of this vessel. You will recall that
Article I, Section 3(a) of the Mortgage Deed reads as follows:

"The Mortgagor will, at its own expense, when and so long
as this mortgage shall be outstanding, insure the Vessel
and keep the same insured against marine and war risks as
the Mortgagee shall from time to time require, in an amount
in dollars (or in such other currency as is hereinafter
provided or as the Mortgagee shall agree to in writing),
which amount, except as otherwise hereinafter provided,
shall be equal to the full commercial value of the Vessel,
but in no event less than one hundred and ten percent
(110%) of the aggregate principal amount of the Notes
outstanding and unpaid."

The question which arises is what policy you propose to follow
for purposes of insurance in assessing the "full commercial value"
of the vessel in question during the life of the loan.

As soon as the Bank has received your answer to this question,
I will let you know whether we wish to make any comment on your
proposal.

Very truly yours,

D. Crena de Iongh
Treasurer

HRRipman:cl

c.c. Mr. de Tchihatchef
Mr. Penton
Miss Morsey

NS/Ben

August 4, 1949

Letter No. EU/73

Mr. Thomas J. Healy
Mendes & Mount
27 William Street
New York 5, N. Y.

Reference: Your file 91308

Dear Mr. Healy:

I am writing in order to ask you to be kind enough once more to give the International Bank advice on insurance practice.

The facts are as follows. Each of the ships in which we are interested is of the same type, namely converted flat-tops having a sales price about twelve months ago of \$2,000,000. The mortgage provides that the mortgagor will keep the vessel insured against marine and war risks "as the Mortgagee shall from time to time require, in an amount in dollars (or in such other currency as is hereinafter provided or as the Mortgagee shall agree to in writing), which amount, except as otherwise hereinafter provided, shall be equal to the full commercial value of the Vessel, but in no event less than one hundred and ten percent (110%) of the aggregate principal amount of the Notes outstanding and unpaid."

These loans have now been running for twelve months, and the hull insurance has therefore been renewed. In the case of each vessel, the insurance taken out twelve months ago was in the amount (including disbursements) of \$2,200,000, being 110% of the value of indebtedness under the mortgage. Since that time two semi-annual repayments of debt have been made in the amount of \$100,000 each in respect of each vessel. The amount of indebtedness outstanding is, therefore, now \$1,800,000 for each vessel.

The question which arises is what should be regarded as the "full commercial value" of these vessels for the purpose of insurance. We have heard verbally from the Maritime Commission that it is their practice when they have sold similar vessels on mortgage, to require that the hull cover should be maintained at a figure not less than the original purchase price

of the ship for the whole period during which indebtedness is secured by the mortgage. We should greatly value your advice on this subject since we do not know whether the practice in America is in such a case coincident with the practice in Europe.

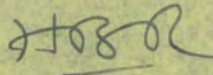
The matter is not urgent, since 110% of the balance of indebtedness on the loans in question at present amounts to \$1,980,000, which is to all intents and purposes identical with the purchase price of \$2,000,000. However, when the time falls due to renew the hull insurance next year the question will become a practical one, and, of course, in the case of war risk insurance it will be a practical question in another six months time.

At the same time, we should greatly appreciate your advice concerning the amount for which in the circumstances of the case protection and indemnity insurance should continue to be carried. On the face of it, the eventual risks under this head would appear to be more or less independent of the age of the ship. At the same time, it is of course true that our financial interest in each ship will be steadily decreasing each year.

Any advice or information which you may be able to give us in relation to these questions will be greatly appreciated.

With kind personal regards,

Yours sincerely,



Hugh B. Ripman


NOTE FOR THE FILES

Netherlands Ships Loans

In connection with the renewal of insurance cover on the ships mortgaged to the Bank under these loans, a meeting was held on August 3 between Mr. Penton, Miss Morsey, Miss Werring and Mr. Ripman.

The question under consideration was what should be considered to be the full commercial value of the ships in question. The relative clause in the mortgage contract provided that the shipping companies should maintain hull insurance on the full commercial value of the ships, and in any case for an amount not less than 110% of the balance owing on the mortgage. Mr. Ripman reported that the policy of the Maritime Commission in the case of ships which they themselves had sold on mortgage was to regard the sale price of the ship as the full commercial value. After discussion the meeting decided that the following steps should be taken:

- (1) Advice should be sought from Lloyd's agent in New York on the general practice followed in this connection.
- (2) That consideration should be given to the policy to be followed as far as concerned the level of protection and indemnity insurance which the Bank should require from the company. This risk was, of course, not dependent in the same way as the hull risk on the age of the ship.
- (3) That simultaneously enquiry should be made from shipping companies in question concerning their normal policy for the insurance of hull and protection indemnity risks.
- (4) That when answers had been received from the companies the position should be reviewed in order that the Bank might make a decision on its requirements.



Hugh B. Ripman

August 3, 1949

HB Ripman:cl

NS/Th

MEMORANDUM FOR THE FILES

Subject: Netherlands Ships Loans - Commercial Value of Ships for Insurance Purposes.

On August 2 I called Mr. Pimper at the Maritime Commission to enquire about the Maritime Commission's definition of the term "full commercial value" as it appears in Chapter 3, Article I, Section 3 of the Mortgage Agreement for the Netherlands Shipping Loans. He told me that it was the Maritime Commission's policy on ships on which they held mortgages to keep the sales price as the commercial value for the life of the mortgage unless material changes occur. I called today again to obtain a definition of the term "material change". Mr. Pimper transferred me to Mr. B.K. Ogden of the Insurance Department. Mr. Ogden confirmed that for insurance purposes the commercial value is equal to the sales value. In considering the possibility of changing this value due to material changes it is the Maritime Commission's policy to consider the market for similar ships in the world, the earning power and the replacement cost. However, he insisted that he would not consider decreasing the full commercial value for insurance purposes by more than 5% a year and this for not more than a very few years even though the sales price for similar ships, earning power and replacement cost might have dropped by as much as from 15 to 20% in one year. As an example, he mentioned the commercial value of tankers. The earning capacity of tankers has fallen considerably since last year and many tankers are being laid up. However, the replacement cost of tankers in the United States has remained fairly constant since last year and there is little likelihood that it will fall off in the near future. Therefore, the commercial value for insurance purposes of tankers is being maintained at the same level as last year.

Mr. Ogden mentioned that he knows instances when the commercial value of ships has risen considerably over a period of years and that for insurance purposes the commercial value has been increased. He referred in particular to the period of a raising economy of the late 30's and early 40's. Mr. Ogden stated that it is the practice of American ship owners to maintain the insured value of their vessels very much at the purchase price level.

SUMMARY:

It is the Maritime Commission's practice to consider the full commercial value of a ship as being equal to the sales value of a ship, namely the price paid by the owner of the ship to obtain possession of the ship.

B.P. SPIRO

BPSpiro:ea
August 3, 1949

Neck Ship Loan

FILE COPY

July 29, 1949

Dear Mr. Peck:

Attached please find fifteen (15) copies each of the following documents covering two of the Dutch Shipping Companies:

N.V. Stoomvaart Maatschappij "NEDERLAND"

Profit and Loss Account for year ending December 31, 1948
Balance Sheet as of December 31, 1948
Financial Statement as of July 2, 1949

N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij
(United Netherlands Navigation Co., Ltd.)

Profit and Loss Account for the year 1948
Balance Sheet as of January 1, 1949
Financial Statement as of June 30, 1949

Sincerely yours,

Joseph Fajans

attachments

Mr. Hoyt Peck
International Bank for Reconstruction
and Development
33 Liberty Street
New York 5, N.Y.

Dutch Ship Loan

FILE COPY

Mr. Arthur Wubnig

July 29, 1949

Joseph Fajans

Dutch Shipping Loan

Attached please find one copy each of the following documents:

N.V. Stoomvaart Maatschappij "NEDERLAND"

- Profit and Loss Account for year ending December 31, 1948
- Balance Sheet as of December 31, 1948
- Financial Statement as of July 2, 1949
- Statement of the composition of the fleet on June 30, 1949

N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij - (United Netherlands Navigation Company, Ltd.)

- Profit and Loss Account for the year 1948
- Balance Sheet as of January 1, 1949
- Financial Statement as of June 30, 1949
- Statement of the composition of the fleet on June 30, 1949

attachments (8)

mvp

NS/Ber

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

TO: Mr. Hugh B. Ripman
FROM: Joseph Fajans *M. Podd*
SUBJECT: Netherlands Shipping Loan

DATE: July 29, 1949

Attached please find one copy each of the following documents:

N.V. Stoomvaart Maatschappij "NEDERLAND"-

Profit and Loss Account for year ending December 31, 1948
Balance Sheet as of December 31, 1948
Financial Statement as of July 2, 1949

N.V. Vereenigde Nederlandsche Scheepvaartmaatschappij - (United Netherlands Navigation Company, Ltd.

Profit and Loss Account for the year 1948
Balance Sheet as of January 1, 1949
Financial Statement as of June 30, 1949

WLS

NS 7/4

attachments (6)
mvp

NS/Gen

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.
67, rue de Lille, PARIS.

Letter No. 855

July 19, 1949

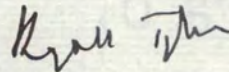
Mr. D. Crena de Longh
Treasurer
International Bank for
Reconstruction & Development
Washington.

Dear Mr. Crena de Longh,

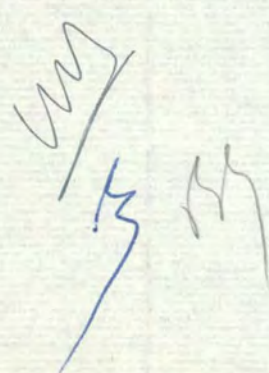
When you and Mr. Aldewereld were in Paris, it was agreed that one of the men from this office should proceed to The Hague as soon as possible, in order to learn from Mr. de Tchihatchef filing and routine in connection with the Dutch Shipping Loan.

In agreement with Mr. de Tchihatchef, I have arranged for Mr. Greenland to go to The Hague, and he is due to arrive there today. Mr. de Tchihatchef thinks he will have plenty of time to indoctrinate Mr. Greenland before he goes on leave at the beginning of next month.

Yours sincerely,



ROYALL TYLER.



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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVEL.

JUL 22 8 42 AM 1949

Handwritten initials

the possibility of next month.

time to indicate Mr. Greenfield before he goes on leave at
five days today. Mr. de Tolpinesco thinks he will have about
three days for Mr. Greenfield to go to the States and he is desir-
ing to see him in connection with the project.

over filling and routine in connection with the project during 1949.
The Hague are now available in connection with the project.
I agree that one of the main items of the project is to have
a meeting with Mr. de Tolpinesco and Mr. de Tolpinesco were in Paris in 1949.

Dear Mr. Greenfield,

Washington.

International Bank for
Reconstruction & Development

President
Mr. J. Greenfield

Letter No. 102

July 19, 1949

ROYAL LETTER

ROYAL LETTER

ROYAL LETTER

Handwritten signature

AT THE 24th FLOOR, PARIS.

WASHINGTON 25, D.C.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

7/18/49

OFFICE MEMORANDUM

TO: Mr. D. Crena de Iongh
FROM: Hugh B. Ripman
SUBJECT: Netherlands Ships Loans

HBR

DATE: July 19, 1949

The procedure for reporting on the renewal of insurance risks is working smoothly. Periodical reports on the use of the ships are being received regularly.

c.c. Mr. Riley
Mr. Aldewereld

HBRipman:pc

Seen by Mr. Crena de Iongh

July 21

HBR

NS/gen.

MEMORANDUM FOR THE FILES

Netherlands Ships Loans

Notice has been taken of the alterations and additional directives concerning the instructions sent to the four Dutch shipping companies on the procedure to be followed in submitting information on insurances of the loan financed ships contained in Mr. Aldewereld's letter No. 32, dated July 7, 1949. Therefore, the file copies of letter Nos. EU/14, EU/15, EU/16 and EU/17 of June 28, 1949 have been amended as follows:

a) Paragraph 2. Delete

"Who is the chief representative of the Bank in Western Europe".

b) Paragraph 3. Add after the words "kindly take note"

"that also as from August 31, 1949".

Handwritten initials: HBM

Handwritten initials: M
BPSpiro:ea
July 12, 1949

c.c. Mr. de Tchihatchef
Mr. Tyler
Mr. Penton
Miss Morsey
Mr. Aldewereld

Copies of the original letters which were sent out under Mr. Crena de Iongh's signature are on file.

NS/ Gen

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

VIA AIR MAIL
Letter No. 32

July 7, 1949

Mr. Henry W. Riley
International Bank for
Reconstruction and Development
1818 H Street N.W.
WASHINGTON 25 D.C.
U.S.A.

Dear Mr. Riley,

Many thanks for your letter No. 30 of June 28, 1949, with enclosures. Their contents have been carefully considered and the following alterations and additional directives have been approved by Mr. Crena de Longh:-

- a) One of the End Use Supervisors from the Paris Office will be detailed to The Hague for a brief period of indoctrination into the technique of the end use supervision of the Netherlands Ships Loans.
- b) It has been decided that the requisite check under sub-paragraphs 8(a) (Page 4) and 8(d) (Page 5) (Reference your letter No. F/601 of June 28, 1949 to Mr. Tyler) will be made simultaneously once annually irrespective of the original dates at which the respective vessels passed into their present Netherlands ownerships.
- c) The letters of instruction dated June 28, 1949, to the respective Netherlands shipping companies are being re-issued under the signature of Mr. Crena de Longh with the omission of the words in the second paragraph "who is the Chief Representative of the Bank in Western Europe" since this wording is technically incorrect.

Paragraph 3 has been amplified by the addition after the words "kindly take note" of the sentence "that also as from August 31, 1949" in order to make perfectly clear the commencing date of the new arrangement.

Copies of the amended letters of instruction to the Netherlands shipping companies are attached hereto for your files

- d) Mr. de Tchihatchef will personally deliver the new instruction to the Netherlands shipping companies in question on his return to the Netherlands and verbally amplify to them the reasons therefore and any points which may not be quite clear to them.
- e) With reference to your letter No. H/496 of June 28, 1949, to Mr. de Tchihatchef the safe deposit box at the Rotterdamsche Bank, The Hague, is on a yearly rental hire (copy of contract filed with Headquarters) which expires on January 1, 1950, payment as is customary having been made in advance and no refund being obtainable. Furthermore the safe deposit box is currently in use for the custody of monies, ciphers etc. belonging to the Netherlands office as well as for the safekeeping of the Ships Insurance Policies.

With kind regards,

Sincerely yours,

S. Aldewereld
S. Aldewereld

Enclosures.-

WMM
noted
GH 7/12

NS/gew.

June 28, 1949

Letter No. 30

Dear Mr. Aldewereld:

Netherlands Ships Loans

With reference to Mr. Crena de Iongh's letter No. 9 of June 9, 1949, I enclose letters addressed by us today to:

- a) Mr. Tyler
- b) Mr. de Tchihatchef
- c) The four shipping companies.

If these letters are satisfactory, I should be glad if you would have them forwarded to the addressees. If, on the other hand, we have misunderstood or misinterpreted the instructions conveyed to us in Mr. Crena de Iongh's letter, I should be grateful if you would be kind enough to return the letters to me with an indication of the modifications required to meet Mr. Crena de Iongh's intentions.

I enclose a copy of each of the letters in question for your files.

HDM

Sincerely yours,

Henry W. Riley
Assistant Treasurer

BPSpiro:ea

SMR

Mr. S. Aldewereld,
International Bank for
Reconstruction & Development,
67 rue de Lille,
Paris, France.

June 28, 1949

Letter No. F/601

Dear Mr. Tyler:

Netherlands Ships Loans

With reference to our Letter F/409 of November 10, 1948, we beg to advise you that as of August 31, 1949, responsibility for the supervision of the above mentioned loans will be transferred from the Bank's Hague office to its Paris office. You will thus become responsible, as from that date, for carrying out the supervision of these four loans in accordance with the "Standing Instructions for the Supervision of the Netherlands Ships Loans", a copy of which was transmitted to you under cover of our Letter No. F/409.

In order to reflect the transfer of responsibility from The Hague office to your office, the following amendments should be made in the text of the Standing Instructions:

Page 2, Paragraph 4 - Delete "In the Netherlands" from the sentence "Your task will be to implement in the Netherlands the policy of the Bank"

Page 5, Paragraph 11 - This paragraph should be changed to read: "To facilitate the payment of the claims arising out of these insurances, it has been decided that the original cover notes and policies shall be held in the Bank's office at Paris. You will be responsible for the safe custody of the original cover notes and policies. If your office safe is not large enough to take care of these documents, they should be deposited in a safe deposit box to be rented in the name of the International Bank for Reconstruction and Development with one of the principal commercial banks in Paris. You should eventually advise Headquarters where such facilities have been obtained and at what rental. Cover notes and policies which have expired should be returned to the borrowers as soon as possible after receipt of the new cover notes, provided the borrowers have confirmed in writing that no unpaid claims are outstanding."

Mr. Royall Tyler,
International Bank for
Reconstruction & Development,
67 rue de Lille,
Paris, France.

Text of this letter
has been cleared
with Miss Morsey
of the Legal Dept.

Page 6, Paragraph 12 - The first sentence should be amended to read: "The borrowers have also been advised by the Bank that confirmations that expiring insurances have been renewed or extended should be given to the Bank's office at Paris as far in advance of expiration dates as possible but in no event less than ten days prior thereto."

With reference to sub-paragraphs 8 (a) (Page 4) and 8 (d) (Page 5), we understand that Mr. Crena de Iongh is discussing with you the procedure to be followed, and we shall in due course confirm to you the Bank's instructions in this connection.

With reference to paragraphs 28 and 29 (Page 10), you should continue the use of the reference series which have been established for letters and cables addressed to the Bank in connection with the four loans in question.

With reference to the settlement of claims, please be advised that beginning August 31, 1949, both Mr. de Tchihatchef and you will be authorized to release policies of insurance relating to the mortgaged ships to underwriters or their representatives in connection with the payment of all claims not exceeding \$10,000 or the equivalent in other currencies.

We enclose for your information a copy of a letter which we have written to Mr. de Tchihatchef informing him of this change of authority and requesting him to transmit to the Paris Office on or before August 31, 1949 all insurance documents and all records pertaining to the supervision of the Netherlands ships loans. We also enclose copies of letters which have today been sent to the four shipping companies concerned.

Sincerely yours,

Henry W. Riley
Assistant Treasurer

17029
BPSpiro:ea
c.c. Mr. de Tchihatchef
Mr. Penton
Miss Morsey
Mr. Aldewereld

NS/Gen.

June 28, 1949

Letter No. H/496

Dear Mr. de Tchihatchef:

With reference to Mr. Crena de Iongh's discussion with you on the subject of transferring the supervision of the Netherlands ships loans to the Bank's office in Paris, we enclose copy of a letter we sent today to Mr. Tyler informing him that beginning August 31, 1949, the responsibility for the supervision of the Netherlands ships loans will be transferred from the Bank's Hague office to its Paris office. As of that date Mr. Tyler will be responsible for carrying out the supervision of these four loans in accordance with the "Standing Instructions for the Supervision of the Netherlands Ships Loans", a copy of which was transmitted to you under cover of our letter No. NS/1/Gen., dated November 10, 1948, as amended in our letter to Mr. Tyler mentioned above.

We enclose copies of the letters we have today sent to the four shipping companies. As all matters pertaining to insurance will be dealt with from Paris beginning August 31 it will be necessary for you to transmit to Paris on or before August 31 all policies and related documents which you have heretofore kept in a safe deposit box at the Rotterdamschebank. You will no doubt notify the Rotterdamschebank that you will not need the deposit box after August 31. In addition you should make the necessary arrangements to transfer to the Bank's office at Paris all the records pertaining to these loans on or before August 31.

1177

Sincerely yours,

Henry W. Riley
Assistant Treasurer

BPSpiro:ea
c.c. Mr. Tyler Miss Morsey
 Mr. Penton Mr. Aldewereld

Mr. A. de Tchihatchef,
International Bank for
Reconstruction & Development,
5, Johan van Oldenbarneveltlaan,
The Hague, Holland.

Text of this letter has
been cleared with Miss Morsey
of the Legal Department

unnumbered
see reply from Mr. de T.
dated Sept 17, 49
filed Archives

5110

NS/Gen

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

5, Johan van Oldenbarneveltlaan
THE HAGUE - Holland.
Tel. 552008, 552393, 552394.

VIA AIRMAIL, REGISTERED

Letter No. NS/85/Gen.

June 23, 1949

Mr. H.W. Riley
International Bank for
Reconstruction and Development
1818 H Street N.W.
WASHINGTON 25 D.C.
U.S.A.

Ships Loans

Dear Mr. Riley,

With reference to the Standing Instructions for the Supervision of the Netherlands Ships Loans, paragraphs 8a and 8d I am sending you herewith the following reports:

"RIOUW"/4
"REMPANG"/4
"DRENTÉ"/5

- Filed on resp. files.

from which you will observe that it has been ascertained that the ships under reference are still registered under the Netherlands flag and free of all liens etc. except the mortgages in favour of the Bank.

As regards the other financed and mortgaged ships under the Loans the first check on registration and liens etc. was made in December last.

It is now our suggestion, especially in view of the forthcoming transfer of the supervision of the Ships Loans to the Paris office, that in order to arrive at an uniform date the next check on all ships should be made and the reports submitted in December next. The subject has been discussed with Mr. Aldewereld who has agreed.

Trusting that the procedure as suggested will meet with your approval, I remain,

Yours sincerely,

A. de Tchihatchef

A. de Tchihatchef

Encl.
Sk/ML

*Minutes prepared
6/22/49
Burg-up
July 21, 1949
entered on cards
6/28/49 sk*

DISPATCHED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JUN 27 11 20 AM 1949

[Handwritten notes in the top left corner, including "1949" and other illegible scribbles.]

[Faint, mostly illegible typed text, possibly a letter or report.]

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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
INDIVIDUALS BANK FOR

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC

DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

June 21, 1949

Mr. D. Crena de Iongh, Treasurer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Dear Mr. Crena de Iongh:

I refer herewith to your letter of May 6, 1949, with which you advised me that the Central Hanover Bank and Trust Company, New York, had requested you for information concerning the financial statements of the four companies owning vessels on which mortgages were granted. At the end of that letter you requested me to send that information directly to Mr. G. D. Setterstrom, with copies to you.

On June 1st we complied with the request of Mr. Setterstrom insofar as the Holland-America Line statement is concerned and I take pleasure in sending you a copy of that letter herewith.

For unexplained reasons the Nederland Line, Amsterdam, and the Royal Rotterdam Lloyd, Rotterdam, prefer to furnish the information to your Bank instead of to the Central Hanover Bank & Trust Co. They have written you with their letters of June 3rd and 7th, respectively, which I enclose herewith. For your convenience I have added an extra copy of each letter and ask that you kindly pass the information on to Mr. Setterstrom.

The United Netherlands Navigation Co. has not yet sent in their reply but I expect that this will come to hand shortly and I hope to be able to handle that directly with Mr. Setterstrom.

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping

Encls.

H. Vrymoet
H. Vrymoet, Liquidator

30000

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JUN 22 10 33 AM 1949

1

Mr. [Name] [Address]
[Address]
[Address]

Dear Mr. [Name]:
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JUNE 21 1949

MINISTRY OF FINANCE
OFFICE OF THE

[Text]
[Text]
[Text]

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Text]
[Text]

C
O
P
Y

June 1, 1949

HV:MW

Mr. G. D. Setterstrom
Assistant Secretary
Central Hanover Bank & Trust Co.
70 Broadway
New York City

Dear Mr. Setterstrom:

We take pleasure in handing you herewith original letter addressed to you by the Holland-America Line, Rotterdam.

If the information contained in that letter requires elucidation, we shall appreciate it if you will apply to Mr. Joseph Fajans, Asst. Loan Officer of the International Bank for Reconstruction and Development, Washington, D.C., who has received from us the Profit and Loss Statement and Trial Balance of the Holland-America Line per December 31, 1948.

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping

H. Vrymoet, Liquidator

Encl.

C
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Y

HOLLAND-AMERICA LINE

Rotterdam, May 19, 1949.

vA/N.

Mr. G.D. Setterstrom
Assistant Secretary of the
Central Hanover Bank and Trust Company
70 Broadway
New York

Gentlemen:

Through the intermediary of the International Bank for Reconstruction and Development, Washington, D.C., and the Netherlands Ministry of Traffic, New York, N.Y., we received your question for information regarding the amount on the asset side of our statement due from the Netherlands Government and have pleasure in giving you hereunder our reply to it:

- 1) Account Current: Staat der Nederlanden
(Government of the Netherlands)
f. 7.535.908.89.

In this amount is included the claim on the Netherlands Government in accordance with the "Regeling Vloot-reconstructie Grote Vaart 1946" (Agreement Fleet-Reconstruction Seagoing trade 1946) deducted by the amounts already received.
From the balance sheet of 1948, sent at the same time to the International Bank for Reconstruction and Development, it appears that this amount has been totally settled in the course of 1948.

Very truly yours,

HOLLAND-AMERIKA LIJN

(s) J. G. Heiser

Shipping Team

June 21, 1949

Mr. H. Vrymoet
The Netherlands Ministry of Traffic
61 Broadway
New York 6, New York

Dear Mr. Vrymoet:

We have received your letter of June 15, 1949, addressed to Mr. Fajans. In accordance with our past custom, we will send you a copy of our statement of charges due this Bank on July 15, 1949 from the Dutch shipping companies.

Sincerely yours,

Robert W. Cavanaugh, Chief
Accounts and Financial Reports

cc: Fajans

RWCavanaugh;mg

COPY

NS/Gen.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Washington 25, D. C.

5, Johan van Oldenbarneveltlaan
THE HAGUE - Holland

VIA AIR MAIL

June 21, 1949

Letter No. 14

Mr. H.W. Riley
International Bank for
Reconstruction and Development
1818 H Street N.W.
WASHINGTON 25 D.C.

Orig. on fr. Aldewereld's file

Dear Mr. Riley,

With reference to your letter No. 25 of June 17 regarding the Netherlands Ships Loans.

As far as the point mentioned in Paragraph 3 of this letter is concerned, namely to grant the authority in question to Mr. Tyler alone as of August 31, 1949, and to cancel the authority previously granted to Mr. de Tchihatchef, this matter has had both Mr. Crena de Iongh's and my serious attention before drafting the instructions which were conveyed to you by Mr. Crena de Iongh's letter and we both felt that for the time being Mr. de Tchihatchef should keep this authority.

You state in Paragraph 4 of your letter under reply that in view of the rapidity of communications between The Hague and Paris you do not feel that there is any necessity to extend the minimum period of notice of five days, or in any case to extend it more than 24 hours. Before a decision was taken to extend the period of notification to 10 or 12 days prior to the expiry date, a careful check was made of the rapidity of communications between Paris and Rotterdam and Amsterdam and in view of the delay in the delivery of mail which occurs now and then we felt that this extension is necessary. At the same time we had also well in mind that the shipping companies concerned might conceivably have some technical objection to the proposed period of notice which might necessitate after all our reducing the desired extension. You will appreciate, however, that such an objection if formulated, and our acceding thereto, is an entirely different matter from the argument concerning the speed of communications put forward by you.

Therefore, my answer to the question in the last Paragraph of your letter is that there is indeed serious objection to the course which you propose to adopt and that, therefore, the instructions set out in Mr. Crena de Iongh's letter, which instructions as already indicated were formulated after very careful consideration of all the circumstances involved, should not be changed unless for reasons mentioned in the two last sentences of Paragraph 3 we are forced to do so.

Sincerely yours,

/s/ S. Aldewereld

S. Aldewereld

SA/MBL.

NS/yeh.

June 21, 1949

MEMORANDUM

TO: Mr. Arthur Wainig
FROM: Grace Warring
SUBJECT: Voyage account of Dutch mortgaged vessels

It is now about a year since the Dutch Shipping Loan was made. We have finally received voyage accounts from all six vessels. These accounts cover voyages varying from 31-220 days per ship.

- (1) Viewed commercially in terms of shipowners income, the six mortgaged vessels seem to be paying their way by an ample margin:
 - (a) Average voyage earnings before fleet overhead are approximately \$440,000 a year per ship.
 - (b) Pre-tax, pre-depreciation net profits are at the rate of \$275,000 a year per ship.
- (2) Viewed in terms of the impact on the Netherland balance of payments, the average mortgaged ship may earn and save at least \$500,000 a year to the Dutch economy.

These are all rough calculations based on the fragmentary data presently available. The average performance of the ships, however, may be deemed as close to expectations.

Attached, find tables on voyage accounts.

cc: Messrs. Roden; Wishart; Rosen; Stevenson; Penton; Mason; Fajans; Alderferald & Files
Attachments

HYDE 14 0 2 V
ENCLOSURE

VOYAGE ACCOUNT OF MORTGAGED MERCHANT VESSELS AS SUBMITTED BY THE RESPECTIVE SHIPPING LINES FOR JUNE 15th, 1949

Debtor	Ship	Voyage	Duration	Gross Voyage Earnings (Florins - U.S. equiv.)	Fleet Overhead (Fl. - U.S. equiv.)	Pre-depreciation pre-tax net. prof. or debbt. Fl. - U.S. equiv.	
Holland-America Line	ARABISDIJK 1/	No. 4: 2/ Rotterdam-U.S. Gulf, Rotterdam	Dec. 22, 1948 to Feb. 26, 1949	91,353	95,000	148,000	
			July 21, 1948 to Dec. 1, 1948	129,323	179,000	165,000	
			Total net receipts from the three voyages 2/		220,676	274,000	313,000
			No. 1: 2/ U.S. Gulf-Indonesia		71,136	132,010	57,213
Netherland Line	RAKI	No. 2: Indonesia - Amsterdam	Aug. 17, 1948 to Sept. 18, 1948	214,541	107,566	463,113	
			Dec. 3, 1948				
			Total net receipts from the two voyages		285,677	237,576	520,366
			No. 1: U.S. Gulf - Indonesia		103,294	126,578	148,186
Netherland Line	BOEMIAH	No. 2: Indonesia - New York	Nov. 23, 1948 to Feb. 18, 1949	24,060	47,180	61,500	
			Feb. 19, 1949 to Mar. 12, 1949	39,474	30,000	75,000	
			Total net receipts from the three voyages 2/		155,828	282,078	461,686
			No. 1: U.S. Gulf - Rotterdam 1/		58,647	71,000	125,000
United Netherlands Navigation Co., Ltd.	ALMERE		Sept. 19, 1948 to Oct. 20, 1948				
Royal Rotterdamse Lloyd	FRIESLAND	Total net receipts from 3 voyages 5/	July 20, 1948 to Jan. 6, 1949	14,531	180,000	243,000	
			Nov. 1, 1948 to Jan. 30, 1949	92,447	104,100	161,000	
			Total net receipts from 3 voyages 5/		106,978	284,100	404,000
Royal Rotterdamse Lloyd	DIAMEN		Sept. 19, 1948 to Oct. 20, 1948				

1/ The bank is not concerned with voyage No. 1 of this ship, as the vessel was not mortgaged at that time.

2/ Provisional account only.

3/ Substantial discrepancy between previously submitted provisional accounts.

4/ No voyage completed during first quarter of 1949. Vessel engaged in voyage to Australia.

5/ No accounts for first quarter of 1949 received.

TABLE 2.
THIRTY DAY AVERAGE OF NET EARNINGS (PRE-DEPRECIATION AND PRE-TAX) OF MORTGAGED DUTCH VESSELS, BASED ON VOYAGE ACCOUNTS AS SUBMITTED BY THE RESPECTIVE SHIPPING LINES FOR JUNE 1st, 1949

Debtor	Ship	Length of period in which earnings accrued Days	30-day average gross earnings (before fleet overhead) (Florins - U.S.\$ equivalent) — \$ —	30-day average net earnings (pre-depreciation, pre-tax) (Florins - U.S.\$ equivalent) — \$ —
Holland-America Line	ABLA-SHIEDIJK L/	220	80,040	42,632 L/
Netherland Line	RAXI	172	132,580	90,754
Netherland Line	ROEBIAH	201	66,280	24,132 L/
United Netherland Navigation Co. Ltd.	ALPHEK	31	150,960	120,960
Royal Rotterdamse Lloyd	FRISLAND	170	72,580	39,353
Royal Rotterdamse Lloyd	DESPTE	91	61,090	46,780 L/

Average Monthly Earnings Per Ship 97,235 36,554 60,778 22,786

L/ Based partly on provisional accounts.

Letter No. 25

June 17, 1949

Mr. S. Aldewereld
International Bank for Reconstruction
and Development
5 Johan van Oldenbarnevelaan
THE HAGUE, Holland

Dear Mr. Aldewereld:

Netherlands Ship Loans

In accordance with the instructions conveyed to us by Mr. Crena de Iongh's letter from The Hague, we are engaged in drafting instructions to Mr. Tyler and Mr. de Tchihatchef, and the corresponding notifications to the four Netherlands Ship Companies, in connection with the transfer of responsibility for the supervision of these loans from the Bank's office at The Hague to its Paris office.

In this connection, Mr. Crena de Iongh's letter suggests that the authority presently vesting in Mr. de Tchihatchef to release policies required to substantiate claims not payable to the Bank should be extended to Mr. Tyler also.

It seems to me that since Mr. Tyler will now be responsible for the safe keeping of the policies and cover notes, and since it is probable that Mr. de Tchihatchef will not be indefinitely located in the Paris office after the closing down of the office at The Hague, it would be best if the authority in question were granted to Mr. Tyler alone, as of August 31, 1949, and the authority previously granted to Mr. de Tchihatchef should be cancelled.

On another point, Mr. Crena de Iongh's letter suggests that the instructions to the Shipping Companies to notify our office at The Hague that expiring policies have been renewed as soon as possible, but not in any case later than five days prior to the expiring date of the current policies, should be replaced by a request to notify our Paris office not later than ten or twelve days prior to the expiry date. In view of the rapidity of communications between The Hague and Paris, I do not feel that there is any necessity to extend this minimum period of notice, or in any case to extend it more than twenty-four hours.

Since you discussed the whole matter with Mr. de Tchihatchef in The Hague, I have thought it well to let you know my views as set out above,

June 17, 1949

and to ask you if you would be kind enough to let me know whether you see any serious objection to the course which I propose to adopt.

WBR

Sincerely yours,

Henry W. Riley
Assistant Treasurer

HBripman:pc

Henry W. Riley

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Date 6-17

TO-	Name	Room No.
1	<i>Mr. Boston</i>	1218
2	<i>Mr. Caranough</i>	1218
3		
4		

FOR-

Action	Initialing
Approval	Preparing Reply
Comment	Previous Papers
Filing	Noting and Returning
Full Report	Recommendation
Information	Signature

REMARKS

*Thanks
mp.*

FROM- GENERAL FILES AND CORRESPONDENCE,
Archives Division

TELEPHONE
WHITEHALL 3-5840

Neth. Shipping Loan
CABLE ADDRESS
"NETHERSHIP"

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC

DIRECTORATE GENERAL OF SHIPPING

61 BROADWAY
(EIGHTH FLOOR)

NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____

OUR REF. HV:MW

June 15, 1949

Mr. Joseph Fajans
Assistant Loan Officer
International Bank for
Reconstruction & Development
Washington 25, D. C.

Dear Mr. Fajans:

If it is your intention, in connection with the payment of interest and charges due on July 15, 1949, to send statements to the Lines in the Netherlands owning ships on which loans were granted, I shall greatly appreciate it if you could send me copies of such statements in order to insure uniformity in our records and payments to be made through our intermediacy.

Thanking you beforehand,

Very truly yours,

NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping


H. Vrymoet, Liquidator

*ack.
June 21*

RECEIVED
INTERNATIONAL BANK FOR
RECONST. AND DEVEL.

JUN 17 10 37 AM 1949

Dear Mr. Tolson:

Records and payments to be made through our International
Trade Commission in order to insure uniformity in our
policy applications if it is possible to send me copies of
the rules on which you are based. I shall
send statements to the lines in the Netherlands
Government of interest and charges due on July 15, 1949.
If it is your intention, in connection with the

Best Mr. Tolson:

Washington, D.C.
Director, International Bank for
Reconstruction and Development
Washington, D.C.
Mr. Joseph P. Tolson

JUN 17 1949

[Handwritten signature]

Director-General of Shipping
Netherlands Ministry of Economic

Very truly yours,

Director-General of Shipping
Netherlands Ministry of Economic

OFFICE OF THE

NEW YORK
JUN 17 1949

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

5, Johan van Oldenbarneveltlaan
THE HAGUE - Holland.
Tel. 552008, 552393, 552394.

June 9, 1949

VIA AIR MAIL

Letter No. 9

Mr. H.W. Riley
International Bank for
Reconstruction and Development
1818 H Street N.W.
WASHINGTON 25 D.C.
U.S.A.

Dear Mr. Riley,

Mr. Aldewereld has examined the systems of control and filing established for the Netherlands Ships Loans which he found excellent. The system is as follows:-

A. Two kinds of control cards are kept:-

1. One card recording the various reports submitted on the ships financed and/or mortgaged under the Loan, viz. yearly reports on registration and classification; quarterly reports on use of ships.
2. The other card recording the insurances effected on each mortgaged ship.

B. Special folders made for the safe custody of the insurance policies, covernotes and classification certificates. These folders, one for each of the mortgaged ships, are divided in the following main compartments:-

1. Hull Marine Risk Insurance
2. Hull Warrisk Insurance
3. Protection and Indemnity Insurance
4. Certificates of Classification.

The compartments 1., 2. and 3. are subdivided into

- a) Policies
- b) Covernotes
- c) Claims and
- d) Special correspondence (confirmation from the Shipping Companies that no claims are outstanding under the policies which have expired).

*See transcript
prepared on
June 1st 6/22
G.H.
Approval of Dept.
obtained.*

June 9, 1949

- C. Special files for general correspondence and reports are kept in the central filing system.

The question then was raised what changes were to be made in the instructions given to the various Shipping Companies in the letters of November 10, 1948, now that it has been decided to transfer the supervision of the loans to a central office in Paris. The following points were noted:-

1. The address of the Bank's The Hague Office will have to be substituted by the address of the Bank's Paris Office in every place in the instructions where it appears.
2. The notice of confirmation that an expiring insurance has been renewed or extended which is now five days prior to expiration date, will probably have to be extended to 10 - 12 days.
3. The authorisation of Mr. de Tchihatchef to release policies of insurances relating to the mortgaged ships to underwriters in connection with the payment of old claims not exceeding \$10,000 should also be given to Mr. Tyler, say as of August 31, 1949.

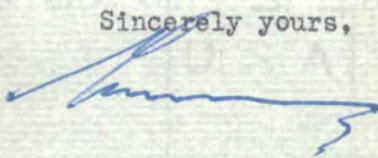
Please have somebody in the office prepare new instructions to the various shipping companies. I suggest that we take as "effective" date August 31, 1949.

In addition the following point was brought up:-

The yearly check of registration under the Netherlands Flag and the ascertainment that the ships are free of other registered liens etc. have been controlled personally by examining the records of the Central Ships Registry. I will let you know from Paris how this will be handled in future.

I would appreciate your sending to Paris, The Hague and Mr. Aldewereld copies of the new instructions.

Sincerely yours,



D. Crena de Iongh

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RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JUN 13 1 46 PM 1949

Mr. Hugh B. Ruyman

June 6, 1949

Benjamin P. Spiro

Materials and equipment purchased from the proceeds of the \$195 million loan to the Netherlands.

As a result of end use supervision it has been determined that the following material and equipment which was traced into the hands of eligible users in the Netherlands is representative of that purchased out of the proceeds of the loan:

1. 4 tankers	65,800 dwt. tons
1 sea going tug	----
3 reconverted flat tops	38,000 dwt. tons
<u>45</u> Victory and Liberty ships	<u>433,000</u> dwt. tons
53 vessels	536,800 dwt. tons

representing together about 18% of the tonnage available to the Netherlands Merchant Marine at the end of 1948.

- 190,000 M³ (cubic metres) of sawn wood used for pitprops, manufacture of packing cases for export, shipbuilding and the reconstruction of war damaged buildings.
- 87,000 tons of nitrates and 11,000 tons of phosphates used as fertilisers to increase food production.
- 1,138,000 tons of coal which were used principally to manufacture gas (35%), for transportation (20%) and by food processing industries (10%). The remaining 35% were used by various industries.
- The following non-ferrous metals which were delivered in a raw, semi-finished and finished form mainly to N.V. Philips' Gloelampenfabrieken-Bindhoven and Nederlandsche Kabelfabriek, Delft and Amsterdam:

Handed to Mr.
Miller, P.R. Dept.,
14 June 1949

W.S.M.

Copper	\$3,905,105.79
Lead	2,103,151.08
Zinc	879,055.98
Aluminum	789,900.50
Brass	1,045,779.65
Nickel	132,127.58
Tin	101,943.00
Bronze	57,886.78
Antimony	59,605.00
Cadmium	47,715.44
Tin plate	24,840.70
Manganese	14,735.66
Cobalt	116,194.04
Nickel Chrome	13,664.00
Ferro-Manganese	9,993.68
Thermostat Metal	6,189.05
Ferro-Chrome	5,787.19
Molydenum	3,714.00
Chrome	3,496.20
Varicus Metals	134,737.63
	<hr/>
	\$9,455,622.95
	<hr/> <hr/>

6. Quantities of feeding grains as follows:

Maize	88,148	Metric tons	valued at	\$ 8,214,401.17
Barley	50,803	"	"	5,490,804.34
Linseed ex- pellers and linseed cake expellers	87,583	"	"	10,029,220.64
Cotton Seed Cakes	1,455	"	"	129,308.01
Groundnut Meal and Cakes	1,640	"	"	173,139.03
Horse Beans	2,175	"	"	196,076.13
Dehydrated Alfalfa Meal	988	"	"	72,872.68
Argentine Rice Bran	95	"	"	5,973.00
Molasses	9,877	"	"	362,600.00
Plate Oats	2,700	"	"	325,605.00
	<hr/>			<hr/>
	245,464	Metric Tons		\$25,000,000.00
	<hr/>			<hr/>

7. Machinery varying in value from a few cents a piece for small parts for radio to thousands of dollars for production line machinery, airplane parts, railroad equipment, automotive equipment, etc. The following table gives by value the distribution of most of this equipment to various groups of industries:

Metal and Metal Products	\$ 6,362,176.57
Parts & Equipment for Bicycles	2,138,656.94
Automotive Repair Parts	1,543,388.48
Shipbuilding & Other Transportation Equipment Making Industries	2,954,237.32
Aircraft Industry	6,327,307.26
Electrotechnical Industry	4,545,477.64
Brick and Ceramics Industry	389,265.23
Woodworking industry	572,381.80
Chemical Industry	539,820.46
Textile Industry	2,971,046.84
Paper and Paper Products	263,383.56
Printing Industry	341,933.07
Food Products & Food Processing Industries	1,366,628.60
Miscellaneous Industries	1,528,450.04
Brewing Industry	172,228.93
Mining Industry	1,902,525.14
Reconstruction & Public Works	2,541,052.42
Transportation & Communications	5,697,786.01
Agriculture	5,514,732.95
Sundries	476,351.75
Business Machine Sales Industry	1,865,799.23
	<hr/>
	\$50,014,630.24
	<hr/> <hr/>

8. Rolling mill products, namely iron and steel (including alloy steel containing carbon, chrome, manganese, molybdenum, nickel, vanadium and other alloys) in the following forms;

- Ingot, blooms, billets, slabs
- Bars, rounds, rods
- Rail and sleepers
- Plate and sheets
- Sheet piling
- Strip, strap and hoop
- Structural shapes (including angles, beams, channels, girders, joists, pillars, sections)
- Tin, terne and blackplate
- Tubes and pipes

valued at \$20,069,882.15.

Some of the principal recipients of these products were

Canning manufacturers (tinplate)	\$1,038,418.53
Government Ministry in charge of construction and repair of waterways, dykes, bridges, etc.	2,921,812.97
Shipbuilders	255,117.67
State Mines	328,030.48
Bicycle wheels manufacturers	141,104.88
Repairs of harbor of Rotterdam	147,458.70

9. Building raw materials as follows:

Cement	\$2,033,000.00
Cement sheets, pipes, boards	385,000.00
Floor and roof tiles, slates	354,000.00
Bricks	156,000.00
Glass	1,292,000.00

Lime sand and plaster	\$ 128,000.00
Stone	127,000.00
Refractories	525,000.00
	<hr/>
	\$5,000,000.00
	<hr/> <hr/>

BFSpiro:ea

OFFICE MEMORANDUM

TO: Archives

DATE: May 10, 1949

FROM: A. Broches, Legal Department

SUBJECT:

I have removed from folder 650 Netherlands Ship Loan Part II the following documents which should have gone to the Legal Department for processing.

Returns Carbon of letter dated April 22, 1949, from the Bank to Dollar Savings Bank of the City of New York;

" ✓ Letter dated April 25, 1949, from Dollar Savings Bank of the City of New York to Mr. Deely;

Signed receipt in duplicate for Notes delivered by the Bank to Dollar Savings Bank of the City of New York.

A.B.
A.B.

TELEPHONE
WHITEHALL 3-5840

OFFICE OF THE
NETHERLANDS MINISTRY OF TRAFFIC
DIRECTORATE GENERAL OF SHIPPING

with shipping doc
CABLE ADDRESS
"NETHERSHIP"
Central files

61 BROADWAY
(EIGHTH FLOOR)
NEW YORK 6, N. Y.

PLEASE ADDRESS YOUR REPLY TO
THIS OFFICE
AND NOT TO INDIVIDUALS

YOUR REF. _____
OUR REF. HV:MW

May 9, 1949

Mr. D. Crena de Iongh, Treasurer
International Bank for Reconstruction
and Development
Washington 25, D. C.

Dear Mr. Crena de Iongh:

Receipt of your letter of May 6th is herewith
acknowledged. ✓

The information requested in that letter on behalf
of the Central Hanover Bank and Trust Company is not
immediately available in this Office and we have therefore
written to the Directorate-General of Shipping in The Hague
to obtain it for us at their early convenience.

As soon as a reply comes to hand we shall write
the letter to Mr. Setterstrom as requested in your letter
and send a copy of that letter to your goodself.

Very truly yours,

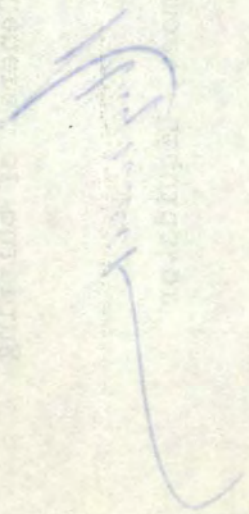
NETHERLANDS MINISTRY OF TRAFFIC
Directorate-General of Shipping

R
H. Vrymoet
H. Vrymoet, Liquidator

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAY 10 10 29 AM 1949

Director-General, at
Netherlands Embassy, at
Very truly yours,
Director-General, at
Netherlands Embassy, at



and a copy of this letter to your Embassy.
I refer to my communication as mentioned in your letter
of 20th April 1949 and in my letter of 20th April 1949
to you as a reply to your letter of 15th April 1949.
I am glad to hear that you are interested in the
possibility of the Director-General of Shipping in the
Netherlands being available in this Office and we have
therefore of the General Manager, Bank and Trust Company as
noted in my letter of 20th April 1949.
The information requested in your letter on behalf
of the Director-General of Shipping in the Netherlands
is being provided to you as follows:

Director-General of Shipping in the Netherlands
is available in this Office and we have therefore
of the General Manager, Bank and Trust Company as
noted in my letter of 20th April 1949.
The information requested in your letter on behalf
of the Director-General of Shipping in the Netherlands
is being provided to you as follows:

MAY 9 1949

NETHERLANDS MINISTRY OF TRADING
OFFICE OF THE
DIRECTOR-GENERAL OF SHIPPING

ONE COPY
NEW YORK & N.Y.
SI DEODAWA
C. VAN DER WOUDE

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Neth Ship Loan

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

OFFICE OF
DIRECTOR OF MARKETING

WASHINGTON 6, D. C.
1818 H STREET, N. W.

33 LIBERTY STREET
NEW YORK 5, N. Y.

April 29, 1949

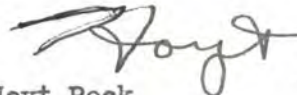
Mr. D. Crena de Iongh, Treasurer
International Bank for Reconstruction
and Development
1818 H Street, N. W.
Washington 25, D. C.

Dear Mr. Crena de Iongh:

In accordance with our telephone conversation, I am enclosing a copy of a letter we received from Mr. G. D. Setterstrom, Assistant Secretary of the Central Hanover Bank and Trust Company, requesting clarification of certain items appearing in the December 31, 1947 financial statements of the four Netherlands shipping companies.

Also enclosed is a copy of our acknowledgment of this letter which states that you will reply to the inquiry.

Sincerely yours,



Hoyt Peck

Enclosures

cf. May 6.

GENERAL HANOVER BANK AND TRUST COMPANY

Seventy Broadway
New York 15, N. Y.

April 27, 1949

Mr. Hoyt Peck
International Bank for Reconstruction and
Development
33 Liberty Street
New York 5, New York

Dear Mr. Peck:

With reference to our telephone conversation of yesterday we are desirous of obtaining information concerning certain items appearing in the December 31, 1947 financial statements of the following four Dutch shipping companies who are the underlying borrowers of the loan guaranteed by your institution:

Rotterdam Lloyd Line
Nederland Line
United Netherlands Navigation Co.
Holland American Line

1 - All of the four statements of these companies on the asset side show amounts due from the Netherlands Government. Are these funds at the free disposal of the companies and when are they due?

2 - Two of these companies, Nederland Line and Rotterdam Lloyd Line, list under assets and liabilities respectively, Sundry Debtors - War Period and Sundry Creditors - War Period. Explanations as to what these items represent would be helpful to us particularly as to maturity dates and to whom the funds are recoverable from and payable to.

3 - The statement of the Rotterdam Lloyd Line on the asset side includes an item - insurance for losses between 1940 and 1942. When will this amount accrue to the company?

Our Credit Department would like to have this information in their usual analysis of financial statements, and we greatly appreciate any data that you may be in a position to obtain for us.

With appreciation of your kind cooperation in these matters, we are

Very truly yours,

/s/ G. D. Setterstrom

G. D. Setterstrom
Assistant Secretary

April 29, 1949

Mr. G. D. Setterstrom
Assistant Secretary
Central Hanover Bank and Trust Company
Seventy Broadway
New York 15, N. Y.

Dear Mr. Setterstrom:

We are in receipt of your letter dated April 27 requesting clarification of certain items appearing in the December 31, 1947 financial statements of the following four Netherlands shipping companies:

Rotterdam Lloyd Line
Nederland Line
United Netherlands Navigation Co.
Holland American Line

Your letter has been forwarded, for reply, to Mr. D. Crena de Iongh, Treasurer of the International Bank.

Very truly yours,

Hoyt Peck

cc: Mr. Crena de Iongh, Treasurer
International Bank for Reconstruction
and Development
Washington 25, D. C.

APR 30 10 13 AM 1949
RECEIVED AND DELETED
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C.

RECEIVED
INTERNATIONAL BANK FOR
RECONST. AND DEVEL.

MAY 2 10 12 AM 1949

Mr. D. G. ...
...
cc: Mr. ...

...

...

...

...

...

Neth. Shipping

FILE COPY

April 27, 1949

Dear Sirs:

I wish to acknowledge receipt of and thank you for your letter of April 11, 1949, ref. vD/CIX K 4, which was transmitted to the Bank by the New York Office of the Netherlands Ministry of Traffic.

Sincerely yours,

Joseph Fajans

United Netherlands Navigation Co.
137 Stationweg
The Hague
Holland

JFajans/mvp

FOR BUREAU
DIRECTOR, BUREAU OF INVESTIGATION
WASHINGTON, D. C.
20535

Information regarding transmittal of Policies for Warrisk Insurance
is contained in NS/51/"Friesland" and "Limburg" dated April 12, 1949

*Neth Ship
Loan*

OFFICE MEMORANDUM

TO: Mr. S. R. Cope

DATE: April 14, 1949.

FROM: G. Stewart Mason

GS17

SUBJECT: Dutch Shipping

[Handwritten signature/initials]

I found the enclosed letters and documents in my desk, which I imagine should be kept with the other documents regarding the Dutch Shipping Loan.

Encl.

NS/Gen.

WAR RISKS ON HULL AND/OR SHIPOWNER'S INTEREST
AND/OR CHARTERER'S INTEREST (OTHER THAN CARGO)
FOR TIME OR VOYAGE

We hereby agree that as from a date to be advised we will not write War Risk on Hulls on terms more favourable to the Assured than those set out below:-

"In the event of outbreak of War between any of the four Great Powers (France, Great Britain and/or any of the British Commonwealth of Nations the Union of Soviet Socialist Republics, the United States of America)
A. this insurance will ipso facto terminate 48 hours after such outbreak of War. Nevertheless should the vessel:-

(1) Be at sea when such outbreak of War occurs

or

(2) Being in port depart therefrom as a measure of safety in respect of an insured peril within 48 hours of such outbreak of War,

this insurance will be continued until midnight G.M.T. of the day on which the vessel is safely moored at the next port of call and 24 hours thereafter. In no case, however, shall such continuation extend beyond the natural expiry time of this policy.

Should the vessel at the natural expiry time of this policy be at sea, and provided Clause "A" has not by that time been brought into operation, she shall
B. provided previous notice be given to the Underwriters, be held covered at a premium to be mutually agreed until midnight G.M.T. of the day on which the vessel is safely moored at the next port of call and 24 hours thereafter.

WAR RISKS ON CONSTRUCTION RISKS

In the event of outbreak of War between any of the four Great Powers (France, Great Britain and/or any of the British Commonwealth of Nations, the Union of Soviet Socialist Republics, the United States of America), this insurance will ipso facto terminate 48 hours after such outbreak of War".

We also reaffirm the Agreement dated 15th April, 1947 not to write War or Mines Risks for Time for periods exceeding three months nor to grant cover for such risks commencing more than one month ahead.

*Received with
his. de T.
letter No. NS/72
of April 2nd.
1947.*

*This paper should
be filed in the
insurance file
Ships Loans General.
12/4.*

by

Relief Loan

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

WU

INCOMING WIRE

93/24

Date of Wire MARCH 25, 1949

To INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

From SGRAVENHAGE

TEXT: DOLPHIN ONE. REFERENCE YOUR DOLPHIN TWO.

WARRISKS

1. RIAUW REMPANG FRIESLAND LINSBURG ALL RENEWED OLD TERMS. AAGTEKERK ALBLASSERDYK RENEWALS ON ONE AND TWO MAY RESPECTIVELY WILL BE UNDER THE NEW CONDITIONS. OWNERS GIVE FOLLOWING REASONS PRIMO ALL WARRISKS RENEWALS CAN ONLY BE DONE EXCEPTLY ONE MONTH PRIOR TO EXPIRY DATE SECUNDO UNDER WRITERS THEREFORE REFUSE TO RENEW ON OLD CONDITIONS IN THESE TWO CASES.

2. OWNERS AND THEIR BROKERS NOT REPEAT NOT AGREEABLE TO YOUR SUGGESTION OF PART CANCELLATION AND RENEWAL FOR FULL TERMS OF CURRENT POLICIES AS PRIMO UNDERWRITERS GENERALLY HAVE REFUSED TO ^{QUOTE} WUOE ONE THESE TERMS SECUNDO LOSS ON PREMIUM PAID VERY HEAVY NO PRORATA REFUND BEING REPAYABLE ON CURRENT WARRISKS CANCELLATIONS LIKEWISE NO REFUND OF STAMPAGE DUTIES.

TCHIHATCHEF

ROUTING:

ACTION copy to MR. CRENA DE IONGH

INFORMATION copy to MR. ALDEWERELD, MR. RILEY, MR. RIPMAN (2)

Decoded by

ORIGINAL

Doc 109 PA

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVEL.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MAR 25 3 20 PM 1949

FORM 100

RESOLUTION

WHEREAS THE BOARD OF DIRECTORS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT HAS BEEN ADVISED THAT THE GOVERNMENT OF THE UNITED STATES OF AMERICA HAS ADVISED THAT IT IS CONSIDERING THE POSSIBILITY OF WITHDRAWING FROM THE BANK AND CANCELLING ITS SHARES AND DEBTS TO THE BANK;

AND WHEREAS THE BOARD IS OF THE OPINION THAT IT IS DESIRABLE TO TAKE SUCH ACTION AS MAY BE NECESSARY TO PROTECT THE INTERESTS OF THE BANK;

IT IS HEREBY RESOLVED THAT THE BOARD SHALL TAKE SUCH ACTION AS MAY BE NECESSARY TO PROTECT THE INTERESTS OF THE BANK IN CONNECTION WITH THE WITHDRAWAL OF THE UNITED STATES OF AMERICA FROM THE BANK AND THE CANCELLATION OF ITS SHARES AND DEBTS TO THE BANK;

IN WITNESS WHEREOF, THE BOARD HAS CAUSED THIS RESOLUTION TO BE SIGNED AND SEALED AND THE COMMON SEAL OF THE BANK TO BE HEREON AFFIXED, THIS 25th DAY OF MARCH, 1949.

IN WITNESS WHEREOF, THE BOARD HAS CAUSED THIS RESOLUTION TO BE SIGNED AND SEALED AND THE COMMON SEAL OF THE BANK TO BE HEREON AFFIXED, THIS 25th DAY OF MARCH, 1949.

BY THE BOARD

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

MARCH 25 1949

INGOMING MIKE

Handwritten signature

NS/yeu.

OFFICE MEMORANDUM

TO: Mr. Hugh B. Ripman

DATE: March 23, 1949

FROM: Norman G. Jones *ngj*

SUBJECT: Netherlands Ship Loans - War Risk Insurance

W

Paragraph 1526 of Netherlands Progress Report No. 64 gives the text of an article which appeared in the London Times on March 11 regarding new terms for war risk insurances which have been agreed between the members of the Institute of London Underwriters and the Liverpool Underwriters' Association, representing the marine insurance companies, and a long list of underwriters who are members of Lloyds' Underwriters' Association. The text of paragraph 1526 is attached hereto.

g

I spoke to Mr. McMahon of the U.S. Maritime Commission about this matter this morning. Mr. McMahon said that the Commission was well aware of these new terms and was quite concerned about them. He said that it was not yet known what the reaction of the American market would be but thought it quite likely that American underwriters would take similar action. Mr. McMahon said that legislation is now being considered in Congress which, if passed, would enable the Commission to write its own war risk policies, but pending the passing of such legislation he did not feel there was much that the Maritime Commission could usefully do. Even if such legislation is passed, it would not be of any assistance to the Bank. Mr. McMahon said that the Commission would probably attempt to obtain from underwriters the definition of "outbreak of war".

g

Mr. Hugh B. Ripman — 2

He pointed out, however, that if the current war risk insurances on any of the Netherlands ships mortgaged to the Bank expired prior to April 28, it would be possible to obtain a further three months war risk cover without the inclusion of the new terms provided such cover was bound by March 28 to attach on April 28. The expiration dates of the current war risk insurances on the mortgaged vessels are as follows:-

S.S. Riouw	January 1, 1949 --	March 31, 1949
S.S. Rempang.....	January 1, 1949 --	March 31, 1949
S.S. Aagtekerk.....	February 3 1949 --	May 2, 1949
S.S. Alblasserdijk....	February 2 1949 --	May 1, 1949
S.S. Friesland	January 1, 1949 --	March 31, 1949
S.S. Limburg	January 1, 1949 --	March 31, 1949

It will be seen from the above that the present war risk cover on four of the vessels expires on March 31, 1949, and it is suggested that a telegram be sent to Mr. de Tchihatchef immediately instructing him to arrange with the shipping companies concerned that they should take out prior to March 28 three months' cover on the vessels concerned to attach on April 28.

NGJones:emk

NEW TERMS FOR WAR RISKS

New terms for war risk insurances on ships have been agreed between the members of the Institute of London Underwriters and the Liverpool Underwriters' Association, representing the marine insurance companies, and a long list of underwriters who are members of Lloyd's Underwriter's Association. The agreement is attached to a letter addressed to Lloyd's Insurance Brokers' Association by the three bodies.

The agreement provides that, if in the event of the outbreak of war between any of the four great Powers (France, Great Britain, and/or any of the British Commonwealth of Nations, the U.S.S.R., and the United States of America) the insurance would terminate 48 hours after the outbreak of hostilities. If, however, a vessel was at sea at the time, or being in port, left there as a measure of safety within 48 hours, the insurance would be continued until midnight G.M.T. on the day on which she was safely moored at the next port of call and for 24 hours thereafter.

The new terms for the termination of cover after 48 hours are to apply to all war risk insurances written on and after March 28 and to hulls and shipowners' or charterers' interests (other than cargo) written for periods, or for individual voyages.

Net Ship Loan

OUTGOING WIRE

Date: MARCH 23, 1949
To: *NLT*
DE TCHIHATCHEF
INTBAFRAD
THE HAGUE (Rca)

CLASS OF SERVICE DESIRED	
FULL RATE <input type="checkbox"/>	NIGHT LETTER <input checked="" type="checkbox"/>
DAY LETTER <input type="checkbox"/>	CODE RATE <input type="checkbox"/>

TEXT: DOLPHIN TWO

REFERENCE PARAGRAPH 1526 YOUR PROGRESS REPORT NUMBER 64 IT SEEMS CLEARLY TO INTEREST BOTH OF SHIPOWNERS AND OF BANK THAT WAR RISK COVER ON MORTGAGED VESSELS SHOULD RUN AS LONG AS POSSIBLE ON PRESENT TERMS STOP WE PRESUME POLICIES ON RIOUW REMPANG FRIESLAND AND LIMBURG WHICH EXPIRE THIRTYFIRST MARCH WILL HAVE BEEN RENEWED FOR PERIOD FIRST APRIL THROUGH THIRTIETH JUNE PRIOR TO TWENTYEIGHTH MARCH ON PRESENT TERMS STOP PLEASE ASCERTAIN WHETHER ANY ACTION HAS BEEN TAKEN WITH REGARD TO AAGTEKERK AND ALBLASSERDIJK OWNERS STOP IF REPLY IS NEGATIVE PLEASE ENQUIRE WHETHER/HAVE CONSIDERED ENDEAVOURING TO HAVE EXISTING POLICIES WHICH EXPIRE ON SECOND AND FIRST MAY RESPECTIVELY CANCELLED AS OF TWENTYFOURTH APRIL AND RENEWED FOR THREE MONTHS FROM THAT DAY ON PRESENT TERMS STOP DATE OF TWENTYFOURTH APRIL IS ASSUMED TO BE LATEST DATE AS FROM WHICH WAR RISK COVER CAN BE BOUND BEFORE TWENTYEIGHTH MARCH STOP IF OWNERS HAVE FOUND UNDERWRITERS AGREEABLE TO SUCH A PROCEDURE PLEASE ENQUIRE WHETHER OWNERS OF REMAINING FOUR SHIPS WISH TO CONSIDER POSSIBILITY OF TAKING SIMILAR ACTION WHICH COULD LENGTHEN PERIOD OF COVER ON PRESENT TERMS BY ABOUT ONE MONTH STOP IN VIEW OF SHORT PERIOD INVOLVED WE SHOULD NOT WISH TO PRESS THEM TO TAKE ACTION STOP PLEASE REPORT URGENTLY

OFFICIAL
PERSONAL

D. CRENA DE IONGH

INTBAFRAD

AUTHORIZED BY:

CLEARED BY:

NAME D. CRENA DE IONGH

DEPT. TREASURER

AUTHENTICATED FOR DISPATCH BY:

c.c. Mr. Aldewereld

ack 25 Mar 49

DUPLICATE

HRipman:pc

TELETYPE
TO DIRECTOR
FROM DIRECTOR
RE: [illegible]

RECEIVED

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAR 23 5 30 PM 1949

[Faint teletype text, mostly illegible due to fading and bleed-through]

TELETYPE
TO DIRECTOR
FROM DIRECTOR
RE: [illegible]

DATA FILED	CONF. FILE
SEARCHED	INDEXED
MAR 23 1949	

TELETYPE

Mr. E. F.
Kratovil

WM. H. MCGEE & CO., INC.

ESTABLISHED 1881

ST. PAUL FIRE & MARINE INSURANCE CO.
SUN INSURANCE OFFICE, LIMITED
PROVIDENCE WASHINGTON INSURANCE CO.
THE NORTHERN ASSURANCE COMPANY, LTD.
THE PHOENIX INSURANCE CO. OF HARTFORD
SECURITY INSURANCE CO. OF NEW HAVEN
ROYAL EXCHANGE ASSURANCE



THE INDEMNITY MARINE ASSURANCE CO., LTD.
CAMDEN FIRE INSURANCE ASSOCIATION
SUN UNDERWRITERS INSURANCE CO. NEW YORK
PATRIOTIC INSURANCE CO. OF AMERICA
EQUITABLE FIRE AND MARINE INSURANCE CO.
EAST & WEST INSURANCE COMPANY
THE RELIABLE FIRE INSURANCE CO. OF DAYTON

111 JOHN STREET · NEW YORK 7, N.Y. · BEEKMAN 3-0240

CABLE ADDRESS: ADORSPIRIT
TELETYPE, N. Y. 1-855

March 9, 1949.

Mr. Benjamin P. Spiro,
International Bank for
Reconstruction and Development,
Washington 25, D. C.

Dear Mr. Spiro:

May we ask that you refer to our letter of
19 November and advise us whether or not you have been able to
complete the article that we assumed you were writing on the
American Marine Insurance Market. As you know, we shall be
more than interested in seeing a copy of it.

Yours truly,

WM. H. MCGEE & CO., INC.,

Assistant to the President.

EAK/EJF