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REPORT
ON
EUROPEAN MISSION
from the
TREASURER'S OFFICE
AUGUST - SEPTEMBER 1947
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INTRODUCTION

OBJECTIVES

1. At the end of July it was decided to send a mission from the Treasurer's Office to Paris in order to commence the task of supervising the end-use of the supplies financed by the Bank out of the proceeds of the loan granted to the Credit National, and to establish an office of the Bank in Paris from which that task should be carried on after the return of the Mission to headquarters.

2. A subsidiary task of the Mission was to discover to what extent practical experience in the supervision of end-use in France might provide useful guidance for those who have to consider what categories of supplies should be financed out of the proceeds of any future loans to France or to other countries.

3. After the Mission had left the United States, a loan to the Netherlands was granted by the Bank and it was, therefore, decided in Washington that the party should visit the Netherlands for technical discussions with the Dutch authorities.

4. A loan to Denmark was subsequently granted and consequently it was resolved that two members of the party should proceed to Copenhagen for similar technical discussions.

5. A further objective of the Mission was to form conclusions on the basis of experience in France and of the technical studies made in the Netherlands and in Denmark, concerning the organisation required, both in the field and at headquarters, to execute the task of supervision of end-use.
COMPOSITION OF THE MISSION

6. The Mission consisted of S. Aldewereld, Assistant to the Treasurer, R. B. Ripman, Chief of the Section responsible for supervision of end-use, C. H. Street, who had been working for some time on disbursement problems of the loan to the Credit National, and A. de Tchihatchef, Treasurer's Office designated representative in the Netherlands.

7. Soon after the Mission arrived in Paris, agreement was reached with Price, Waterhouse & Co., Paris, that three gentlemen from the staff of that firm should be made available temporarily to assist the Mission in its investigations. It was agreed that these three gentlemen should be temporarily in the service of the Bank, under the instructions of the Mission, and that the firm of Price, Waterhouse & Co. should in no way be involved in the work which they were doing on behalf of the Bank.

8. After some difficulty, the party succeeded in obtaining from different sources the services of three secretaries.

ITINERARY

9. The itinerary of the party is given in Appendix I.

PROGRESS REPORTS

10. From the time of its arrival in Europe the Mission submitted a series of reports to Washington giving a chronological outline of the whereabouts of its members, of the subjects studied and of the difficulties encountered while carrying out its task.
Detailed information on the subjects discussed in this report can be found in these progress reports.

GENERAL REMARKS

11. There are two points to which attention must be drawn before passing to a description of the work of the Mission.

12. In the first place, it has become evident to the members of the Mission that only by the practical experience which they have gained in the field on this occasion could they have acquired a proper appreciation of the problems involved in the supervision of end-use, in the methods which must be adopted for that task and in the organisation required to perform it. The understanding of the problems involved which has been gained during this visit should prove most valuable when similar problems arise in the future.

13. In the second place, a word of explanation is required concerning the expressions "direct" and "indirect" methods of supervision, which are used at various points in the text of subsequent paragraphs of this report, and also in some of the appendices, and are discussed fully in Chapter V.

14. The expression "direct method of supervision" is used to denote the technique whereby a consignment of goods financed by the Bank can be identified and traced at every point of its journey from the supplier in the country of origin to the actual end-user.
There are cases in which this may not be possible, for instance because the goods lose their identity before they reach the end-user or because the number of end-users is so great that the task of tracing each consignment is physically impracticable. In such cases it may be necessary to adopt a different technique, referred to as the "indirect method of supervision", whereby the goods are traced as far as possible, but after that point a statistical approach is used, the essential object of which is to compare the total quantity financed by the Bank with the total quantity used for eligible purposes.

15. There is a question which constantly arises in practice, whether the direct method can be used, or only the indirect, namely, what is a productive end-use and what is not? The Mission has given much thought to this question, which is discussed at length later in this report.
CHAPTER I
FRANCE

OBJECTIVE

Previous Visit

16. During June 1947 Mr. D. Crena de Iongh and Mr. Aldewereld visited Paris in order to make arrangements to ensure that the Bank's policies in regard to disbursements and supervision of end-use could be carried out properly. One of the primary objectives of this visit was to make sure that all operations in France should be canalized through the Credit National as the principal debtor, and to leave no doubt about responsibilities of that body under the Loan Agreement.

17. Special attention was given during these discussions to the supervision of end-use, and it was pointed out to the Credit National that they as borrowers had to satisfy themselves that the systems of control over end-use which existed in France were adequate to form the basis of the supervision to be carried out by the International Bank. It was impressed upon the Credit National that they should themselves keep such records as would give a general indication of the end-use of supplies financed out of the proceeds of the loan. Since, however, the Credit National took no direct part in the purchase, import and distribution of the supplies in question, which were carried out either by various
"Groupements" (semi-official organisations of a particular trade or industry) or by private organisations, or by the various Repartiteurs (government allocation agencies), it was agreed that the detailed investigation of end-use should be carried out by the Bank in the offices of the Groupements, etc. The Credit National agreed to the Bank's requirements which they appeared to understand.

Present Visit

18. The primary objective of the Mission was to commence the task of supervising the end-use of shipments of goods against which payment had already been made to the Credit National out of the proceeds of the French loan. It was, therefore, necessary from the outset to find out how effectively the Credit National had carried out the obligations which it had undertaken in the loan contract, and subsequently confirmed after discussion with Mr. Crena de Iongh and Mr. Aldevereld.

FRENCH ADMINISTRATION

19. In the different phases of its work, the party had contact with the following organisations:

(a) Credit National
(b) The various Groupements and other procurement organisations viz.:

A.T.I.C. - Association Technique d'Importation Carbonnière (Coal)

G.A.C. - Groupe d'Achat des Carburants (Petroleum Products)
These organisations form part of the Ministry of National Economy.

(d) Banque de France

**END-USE SUPERVISION**

**Coal**

20. It has been established that, on the average, the end-use of coal can be supervised. A detailed outline of the system of control in force and the procedure for checking is attached as Appendix 2. It is not yet possible to say whether satisfactory supervision can be carried out in the case of:
(a) Coal delivered to wholesalers, and
(b) Pitch which is utilized for the manufacture of briquettes.

Both of these items lose their identity; the coal delivered to wholesalers at the moment of delivery, the pitch at the moment of shipping from the supplier's country. Supervision can, therefore, only be accomplished by the indirect method, and the statistical basis for this has not yet been made available. The experience of the Mission shows that the practical difficulties of supervising the end-use of bunker coal makes it undesirable to finance further consignments of this type of fuel.

Petroleum Products

21. It has been established that no satisfactory system of supervision of the end-use of petroleum products can be devised since:

(a) The non-identifiable nature of petroleum products prevents the direct method of supervision, and
(b) The inadequate nature of the French control of distribution (and the consequent unreliability of the French statistics), and the very large number of end-users render the indirect method of supervision impracticable.
A detailed outline of the controls in force in France and an explanation of the factors which make supervision of end-use impossible for practical purposes is given in Appendix 3. It may be mentioned that the files in the C.A.C. office are badly organised and filing is three months behindhand, thus increasing the time and trouble involved in investigating shipments which have already been financed.

**Non-Ferrous Metals**

22. It appears that an accurate check can be made of the use to which non-ferrous metals financed by the Bank are put.

23. A detailed outline of the system of control in force and the procedure for end-use investigation is attached as Appendix 4.

**Cotton**

24. It appears from a study of the Cotton Groupement and the Comite Intersyndicale de Reservation organisations that shipments of cotton may, in the majority of cases, be traced up to the point at which the product reaches the spinners, where each particular shipment loses its identity. For supervision of end-use beyond the spinner, if this is desired, the indirect method of supervision must be employed. An estimate of the efficiency of such indirect supervision must await actual trial.

25. A detailed summary of the controls in force and the procedure for the end-use supervision is attached as Appendix 5.
Steel Products

26. While in some cases it is possible to establish the end-use of steel products by the direct method, tracing individual consignments to the actual consumer, in the majority of cases the indirect approach will probably be necessary, although the scale on which it must be applied may be narrowed down, sometimes to the activities of a single large concern. The situation is to some extent complicated by the fact that there is a large domestic production. In view of the possibility that steel products may be used for the manufacture of war materials, special care has to be taken in establishing end-use.

27. A rather small proportion of imported steel products (about 10%) is distributed through wholesalers, and since such steel is sold on a coupon system, only an indirect approach is even theoretically possible, and in practice this may be extremely difficult.

28. An outline of the controls in force over the import and distribution of steel products, and of the procedure of supervision is given as Appendix 6.

Locomotives

29. An outline of the method of supervision of the end-use of locomotives is attached, as Appendix 7. Satisfactory evidence of end-use can be obtained.
Ships.

30. In Appendix 3 an outline is given of the procedure for the end-use investigation of ships. On the basis of the study of the records which are now available, no difficulties are anticipated, although since most of the ships have yet to be delivered, little practical experience is available.

Other Categories

31. At the time of writing of this report, supervision of the end-use of the other categories financed out of the proceeds of the French Loan has not commenced. The reason is that supervision of the end-use of raw materials was considered likely to offer the greatest difficulty, and these categories were, therefore, given the highest priority. Furthermore, in some cases disbursements made for other categories than raw materials have been of the character of advance payments (steel mill, for instance) so that supervision of end-use is not yet possible.

32. Inasmuch as the categories which have not been examined are all equipment items, no important difficulties are anticipated.

CREDIT NATIONAL

33. On its arrival in France, the first step taken by the Mission was to make contact with the Credit National in order to explain the object of its visit and to find out what administrative steps had been taken by the Credit National, in accordance with the understanding reached by representatives of the Treasurer's
Office with the Credit National in Paris in June, to facilitate the task of supervision of end-use. The first indication that the Credit National had not taken its obligations seriously was a statement that they had understood that the Bank had never contemplated anything more thorough than the investigation of a sample number of shipments.

34. Subsequent experience showed without doubt that no preparations of any kind had been taken by the Credit National. In consequence, a great deal of groundwork, which should have been done before the Mission arrived, had in fact to be carried out by the members of the Mission themselves. On the whole (and with the notable exception of the G.A.C. organisation) the Mission found that the various groupements and allocation offices were reasonably well organized and that the information required could be found. It must, however, be emphasised that no credit is due to the Credit National in this connection, since that institution had not taken the trouble to ensure that the groupements were ready for the investigations into their records which were contemplated (although this had specifically been agreed in June). It should be said that the Mission found every evidence of willingness to cooperate in the various groupement offices.

35. During the course of the Mission's investigations, a number of cases were brought to light in which shipments of petroleum products financed by the Bank had been delivered to the French
Army or Navy. Since every time an application is submitted to the Bank it is covered by a certificate from the representative of the Credit National to the effect that it is in accordance with the terms of the Loan Agreement, these cases proved either an intention to violate those terms or a neglect to ensure that they were carried out. The Mission has in fact found no evidence of any intention to violate the terms of the contract; and it is impossible to escape the conclusion that the Credit National has been guilty of neglect and has shown a reprehensible lack of responsibility, which cannot be excused on the plea of ignorance of their obligations.

MISCELLANEOUS

Instruction No. 101 of the Office des Chances

36. By this instruction dated August 18, French banks were ordered to instruct American commercial banks to apply for reimbursement direct to the International Bank when payments are made under letters of credit which have been opened in the U.S.A. to purchase goods to be financed out of the proceeds of the French Loan.

37. As Instruction No. 101 was contrary to the procedure established by the I.B.R.D., the question was brought to the attention of the Bank by a New York commercial bank. The Mission was, therefore, requested to take up the matter with the French authorities.

38. Investigation revealed that the Instruction No. 101 had
been issued in the first place by an official in the Office des Changes who was not familiar with the situation and apparently did not know that the instructions issued by him were directly contrary to the instructions published by the Credit National in the Journal Officiel on July 3rd.

39. As the result of the mission's intervention, the offending paragraph of Instruction No. 101 was rescinded by the issue, by the Office des Changes on August 28th of Instruction No. 105.

Check of Cotton Disbursements

40. On Monday, August 18th, an attempt was made to commence the disbursement check of cotton shipments included in Credit National Application No. 11. Strictly speaking, the requisite documentary evidence should have been submitted to the Bank in Washington, but it had been agreed in order to save the time involved in sending the documents from Paris that in this case the Bank would make an exception to its normal rule and carry out the check in Paris. Since, however, the copies of the application sheets had only just been received in the office of the C.I.R.C. from the Credit National, and the documents had not been assembled, commencement of the check had to be postponed.

41. In the meantime word was received from Washington that the French were anxious to have the check completed without delay in order that the disbursements could be effected. The nature of and cause for the delay was immediately communicated to headquarters.
SUMMARY

42. The experience so far gained (over an admittedly limited field) gives no reason to suppose that the task of supervision of end-use in France is not generally practicable in respect of all categories of supplies financed by the Bank except petroleum products.

43. The Credit National has neglected to carry out its obligation to prepare the way for the supervision of end-use, and has been irresponsible in carrying out its obligations under the Loan Agreement.
CHAPTER II
NETHERLANDS

OBJECTIVE

Previous Visit

44. In the beginning of June 1947 discussions were held in the Netherlands between Messrs. Cren de Jongh and Aldevereld and various Dutch officials on the problems of disbursement procedure and supervision of end-use.

Present Visit

45. Since then a loan had been granted to the Netherlands and the Mission was directed to proceed to the Netherlands to discuss further the methods of preparing documentation for the categories of supplies to be financed out of the proceeds of this loan, both in connection with disbursements and with the supervision of end-use.

DUTCH ADMINISTRATION

46. Discussions were held with officials of the following institutions:

(a) De Nederlandsche Bank
(b) Ministry of Finance
(c) Ministry of Economic Affairs
(d) Centrale Dienst voor In- en Uitvoer (Central Office of Imports and Exports)
(e) Ryksbureau voor metalen (Government Metal Control)


DISBURSEMENTS AND MID-USE SUPERVISION

Supervision of Disbursements

47. It was confirmed by the Dutch that the bulk of the transactions will follow the Bank's planned disbursement procedure, because the majority of transactions will be financed by documentary letters of credit. There are, however, two problems in connection with the disbursement of the Dutch Loan:

(a) The Dutch intend to ask for reimbursement of "old" transactions (transactions paid by the Dutch prior to the effective date of the loan). The amount involved is approximately $45,000,000 - excluding ships and vessels amounting to $30,000,000. The $45,000,000 covers a large number of individual transactions. These old transactions offer a difficulty because the necessary documents have been filed in various parts of the country and it is practically impossible to reassemble them. Before discussing the feasibility of disbursement supervision, the Dutch were asked why they wanted to receive reimbursement for so many individual transactions and for such a large total amount, because the Mission had been informed by Washington that the financing of old transactions had been agreed on the understanding that it would be limited to a
small number of large units. It was explained by the Dutch that they need to include these old transactions in order to be able to submit to the Bank before the closing date of the loan a number of applications, aggregating $195,000,000, which represent eligible end-uses. The Dutch are furthermore limited by the fact that many imports which could meet the Bank's end-use requirements do not have to be paid for by them in dollars and are, therefore, not suitable for inclusion in their applications.

(b) Another part of the loan is intended to be spent for transactions which are not financed by documentary letters of credit. This refers mainly to imports from European countries. In these cases no bank report of payment can be submitted and in many cases no bill of lading exists either. The amount involved in this category is approximately $40,000,000.

48. There is a certain amount of overlapping between the above two categories, so that the total of both can be estimated at approximately $60,000,000 - $70,000,000.

49. The Dutch explained in detail their system of checking whether foreign exchange purchased for the payment of goods had actually been spent for this purpose and whether the goods in
question had actually been imported. They suggested that the Bank, in both of the above-mentioned cases, accept the Dutch customs declarations (evidencing the import of these goods into the country) together with a statement of a Dutch registered bank evidencing payment. It was explained to the Dutch that the system proposed by them has the fault that the evidence is not submitted by a third party. Since a matter of principle was involved, no decision could be made without reference to headquarters.

50. The Bank in Washington decided that, as a matter of sound policy and to avoid a precedent, they would not be justified in accepting evidence emanating solely from a debtor country and, that, therefore, a more satisfactory solution had to be found. Several possible solutions were subsequently discussed and rejected; and finally the proposal was made from our side (subject to approval by headquarters) that in all cases where no documentary letters of credit were used, and also for old transactions where letters of credit had been used but the documents were no longer available, the Dutch should submit as evidence of payment (and of the existence and consignment of the goods) a statement, signed by the supplier of the goods, certifying:

(a) That he, the supplier, had received on a specified date a certain sum from a specified bank for the account of a specified buyer,

(b) That this sum had been received in settlement of the cost of specified goods,
20

(c) That these goods had been placed at the disposal of the buyer in a manner to be described in the statement.

51. To this statement a copy of the supplier's invoice should be attached.

52. After some opposition, the Dutch agreed to this proposal.

53. The suggestion was submitted to Washington, and a reply was received to the effect that the suggested declaration was approved for European sellers and that a similar declaration would be appropriate in respect of old American transactions, but that for such items the Bank would require the Dutch to supply in addition the customs certificate and a Bank evidence of payment in the usual form. This reply was communicated to the Dutch. Inasmuch as they did not understand fully the requirements for old American transactions and this matter was not entirely clear to the Mission, it was suggested that the Dutch contact the Bank through their Embassy on this point.

54. Another disbursement subject discussed was the question of the currency to be disbursed for purchase transactions by the Dutch in France and other European countries, and the British, French and American zones in Germany. For instance, when payments have been made or are due by the Dutch for purchases in France, the International Bank might either:

(a) Furnish dollars to the Dutch with which they might buy francs, or
(b) Furnish francs to the Dutch, either through the purchase of francs for dollars or out of the Bank's account in francs, from the 18% capital subscription subject to approval by the French. It was agreed, subject to confirmation from headquarters, that the I.R.R.D. will use the second alternative in most cases regardless of the country in which the borrower has made purchases.

55. It was brought to the attention of the Mission that individual purchase transactions may be made under existing financial agreements in the currency of the borrower, but that the settlement of the balances in the balance of payments between the two countries, supplier and purchaser, may have to be effected in U. S. dollars or gold. The local currency in such cases serves only as a means of expressing the amounts involved in the transaction. From the standpoint of actual settlement of the transaction, the debtor's currency cannot be used.

56. The Dutch were informed that in such circumstances disbursements under the loan would be allowed provided that proof could be furnished that dollars or gold must be paid. For a description of arrangements made with the British and French central banks, reference is made to Chapter IV. In the case of future transactions, the borrower will be provided with the supplier's currency. In the case of past transactions, however, the I.R.R.D. will furnish dollars to the borrower since the latter
will have already paid dollars to the supplying country and may not need further currency of that country. Once again, disbursement in dollars in these circumstances would be made only after receipt of proof from the borrower that settlement had in fact been effected in dollars, substantiated by a statement from the central bank of the supplying country.

57. Summarising the matter of disbursing the Dutch loan, with the exception of the question of disbursement documentation already mentioned, a satisfactory method of disbursement can be evolved for all kinds of transactions.

Supervision of End-Use

58. The various categories to be financed out of the proceeds of the Dutch loan were studied in detail. As Appendix 9 is the list of categories to be financed, and as Appendix 10 is a summary of the controls exercised over their import and distribution and an estimate of end-use supervision possibilities of each category. The Mission is of the opinion that supervision of end-use will be possible without substantial difficulties.

CONCLUSION

59. With the exception of the difficulty relating to "old American" transactions which has not, as far as is known, been solved entirely at the time of this writing, the Mission is of the opinion that no important difficulties of principle will be
encountered for the supervision of disbursements and end-use, although the amount of work involved will be considerable on account of the large number of transactions.
CHAPTER III

DENMARK

OBJECTIVE

60. The problems connected with the supervision of disbursements and end-use had been discussed with the Danish authorities by Mr. Aldewereld on his visit in June, and the present visit was made by Mr. Ripman and Mr. Tchihatchef:

(a) To study the systems of control in force in Denmark over the import and distribution of the various categories of supplies to be financed out of the proceeds of the International Bank loan.

(b) To discuss any questions which might arise in connection particularly with supervision.

(c) To introduce Mr. Tchihatchef to the Danish authorities.

DANISH ADMINISTRATION

61. Discussions were held with officials of the following institutions:

(a) Danmarks Nationalbank

(b) Ministry of Finance

(c) Directorate of Supplies of the Ministry of Economic Affairs.
DISBURSEMENTS AND END-USE SUPERVISION

Supervision of Disbursements

62. It is the opinion of the Mission that no particular problem will arise in connection with the disbursement procedure. However, there may be questions as to details since the Danes had not had an opportunity to examine the application forms which the I.R.E.D. had prepared for use in requesting disbursement. Copies of these forms were requested for the Danes when the Mission was in Copenhagen.

63. No purchases are contemplated outside of the U.S.A. except for some agricultural machinery to be purchased in Canada. The old transactions for which reimbursements will be requested will probably not exceed $5,000,000 (all purchases from the U.S.A.). It was stated that no applications would be submitted in respect of old transactions unless full documentation were available.

64. Draft instructions to the Danish commercial banks concerning the I.R.E.D. procedure for the submission of applications for disbursement in cases where letters of credit are used were submitted to the Mission by the Danish National Bank.

65. After studying these draft instructions, the Mission suggested certain changes, which were accepted by the Danish authorities for incorporation into the final draft of the instructions. A rough translation of the original draft, together with a list of the changes, is attached as Appendix II. This matter was duly reported to headquarters.
Supervision of End-Use

66. As Appendix 12 is the list of the categories of supplies to be financed out of the proceeds of the Danish loan; and as Appendix 13 is a summary of the controls exercised by Danish Government authorities over their import and distribution. The Danes intend to use the normal import licenses for goods financed out of the proceeds of the loan, but with special serial numbers, and with special instructions regarding the maintenance of records by all importers for purposes of end-use supervision. The Mission concluded that the prospects for satisfactory supervision of end-use without great technical difficulty are favorable.

OTHER SUBJECTS

Representative in Washington

67. The National Bank was extremely reluctant to appoint a representative in Washington. They stressed the fact that, unlike the French or the Dutch, they had no purchasing organisation in the U.S.A. and stated that they would be very hard put to it to find the right kind of man. They also emphasised that since all the information required is on file in Copenhagen, an eventual representative in Washington could be little more than a post office. They appreciated the fact that their proposal involved a delay of anything from seven to fourteen days in obtaining payment, but were prepared to accept this. It was evident that the subject had
been discussed at length among the Danish authorities and while there had probably been differences between them, the view of the National Bank had prevailed. Their views were transmitted to Washington and headquarters' reply was reported to the National Bank. Further discussions on this subject were held in London with Danish authorities attending the Second Annual Meeting. The Danes asked, without wishing to commit themselves, whether the appointment of Count Ahlefeldt, whose office is in New York City, as Danish representative in the U.S.A. would be acceptable to the Bank. An affirmative answer from headquarters was subsequently communicated to the Danes, who stated that they would make a decision and inform the Bank accordingly.

Freight

68. The list of categories agreed at the time the Loan Agreement was signed did not include a category for freight. After consultation with headquarters, it was agreed that freight should be eligible insofar as it related to supplies financed out of the proceeds of the I.B.R.D. loan. The amounts available to purchase supplies will, of course, have to be reduced by the amounts of freight payments.

CONCLUSION

69. Except for the problem of the representative in the U.S.A., no substantial difficulties are expected in the supervision of disbursements and end-use.
CHAPTER IV
OTHER SUBJECTS

ENGLAND

Central Bank Financial Arrangements

70. As the disbursement of the Dutch, Danish and Luxembourg loans was expected to cover purchases from the United Kingdom, as well as from the U.S.A., the Mission was requested by headquarters to discuss the question of acquiring sterling for dollars and the procedure of effecting payment to the borrower with the Bank of England.

71. It was accordingly agreed after discussion with the Bank of England that, when a borrower submitted applications to the International Bank in respect of goods imported from the United Kingdom, the I.B.R.D. should make payment in respect of such applications as were approved in U.S. dollars to the account of the Bank of England, which institution would credit an equivalent amount in sterling to the account of the borrower's central bank in their books at a rate of 4.03. This rate was suggested by the Bank of England as it is the rate that is normally applied to transactions between the Bank of England and other central banks.

72. It was further provisionally agreed that in case a borrower had already squared his account with the Bank of England by the payment of gold or U.S. dollars it would be reasonable that the I.B.R.D. should reimburse the borrower in dollars rather
than adopt the procedure outlined above (see Chapter III, section on Disbursements and End-Use Supervision). However, the Bank of England stated that in recent months neither the Danes nor the Dutch have made such settlements with the Bank of England.

73. These arrangements were submitted to headquarters for confirmation.

**Bank's Procedure Relating to Letters of Credit**

74. Some months ago agreement was reached with the Accepting Houses Committee and the British Bankers' Association on the procedure for the opening of letters of credit in respect of transactions to be financed by the I.B.R.D. The Mission was advised by headquarters that the two organisations in question were under the impression that the reports of payment, etc. had to be submitted to the borrower's representative in the United Kingdom rather than to the borrower's representative in the United States. Since it is considered a more efficient procedure that all such matters should be handled by the borrower's representative in the United States, irrespective of the country in which the letter of credit is opened, headquarters instructed the Mission to make arrangements that the British banks would send the documents direct to the borrower's representative in the U.S.A. The Bank of England was kind enough to take up this matter with the two organisations. The Accepting Houses Committee subsequently informed the International Bank that the submission of documents by their members will follow the Bank's procedure.
75. The Committee of London Clearing Bankers indicated that they would prefer to have Form 3 (Bank's Advice of Requirement of Deposit of Collateral) revised to provide that deposits be placed in the name of the International Bank and that the words "including our charges and expenses" be added after "reimbursing us for payments" in the same clause. The latter change was agreed upon provisionally and relayed to headquarters in Washington. It was explained to the Committee that the Bank desired the existing clause in order to avoid as much as possible the administrative difficulties as to interest and principal charge which might be encountered if their suggestion were adopted. However, at the time of the present writing the Committee maintain their point of view and the matter has, therefore, been referred to headquarters.

76. The Committee also expressed the feeling that they should not like to confirm direct to the I.B.R.D., in case of deposits of collateral to secure letters of credit, that such deposits were received and held in the terms and conditions stated in clauses (a), (b) and (c) of paragraph 2 of Form 3. This suggestion was also communicated to headquarters in Washington with the recommendation that the matter be handled further from that point.

FRANCE

Central Bank Financial Arrangements

77. Arrangements similar to those described above in the English Section were made with the Banque de France, which informed
the Mission, after consultation with the French Ministry of Finance, that U. S. dollars would be permitted to be sold against French francs, which French francs would then be placed at the disposal of the central bank of the purchaser. Though there is no reason to assume that this arrangement with the Banque de France cannot be generally applied, it must be borne in mind that this discussion referred only to purchases made by the Dutch to be financed ultimately out of the proceeds of the loan. The Banque de France informed the Mission that the rate of 119.10690 would be used, being the parity between dollars and francs. Arrangements have been made whereby the above provisional agreement with the Banque de France will be confirmed by headquarters. If it is considered necessary, headquarters might propose to the French that this procedure also be applied for loans to other countries.

SALARIES AND ALLOWANCES

78. At present, Bank officials who are in travel status in countries outside the U.S.A. are reimbursed for their actual living expenses. This necessitates the maintenance of detailed day-by-day accounts of expenditure, which is a troublesome and time consuming business.

79. While it is not suggested that conditions are yet sufficiently stable to justify fixing a permanent scale of per diem travel allowances, enough experience has been gained to submit tentative rates for four different countries, which might be
applicable for short visits, namely:

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<tr>
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<tr>
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<tr>
<td>Holland</td>
<td>£.30</td>
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<tr>
<td>Denmark</td>
<td>Kr. 80</td>
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</table>

These rates of allowance would, of course, be exclusive of actual travel expenses, and also of any official entertainment costs.

30. In cases where an official stays in one country for a longer period, say 3 to 6 months, a rather lower scale of allowances might be made applicable, but it is not yet possible to make any useful estimate. The reason for this is obvious - because the official may have time to make more economical living arrangements.

31. For personnel permanently stationed in foreign countries, the problem is rather different. In such cases, it is the general policy of the Bank to pay, by way of a resettlement allowance, in the case, at any rate, of personnel taken into employment outside the immediate locality in which they are to work, the actual expenses incurred during the first month in the country to which they are posted, and after that to pay a salary in local currency. In the case of personnel already living in the locality in which they are to work, presumably no question of resettlement allowance arises. It is not easy to suggest any rule-of-thumb for fixing the salaries of personnel permanently employed outside the U.S.A., but it is suggested that the principle to be followed should be:
(a) To fix the dollar salary which would paid for a position of equivalent responsibility at headquarters; this should be regarded as the salary for purposes of pension calculation.

(b) To calculate the equivalent in the currency of the country where the official is to work, and then to increase (or decrease) the resultant figure in such a way as to give the official approximately the same standard of living as the original dollar salary would do in Washington.

82. It is this last operation which is difficult, because many things which are obtainable in the United States are either not available at all in many other countries or only obtainable there at inflated blackmarket prices. Other international organizations, and the various embassies, military missions, etc. overcome this difficulty to some extent by the institution of commissaries, etc. at which necessary foodstuffs, cigarettes, etc. can be purchased in reasonable amounts at reasonable prices. The Bank's offices will be too small to justify setting up independent commissary arrangements, but it might be possible to arrange, for instance with UNESCO in Paris, for the local Bank staff to have commissary privileges.

83. A further factor which has to be taken into account in fixing salaries is the level of salaries currently being paid in
the country in question to officials carrying similar responsibilities. It is not suggested that this should be a deciding factor, but simply that the salaries paid by the Bank should not be very far out of line with local scales. This is all the more true if any commissary arrangement can be made, since to this extent the cost of living of a Bank official will be less than that of a local official.

84. Finally, the rates of salary paid by other international organisations to personnel permanently employed in the various countries concerned must also be taken into account. Coordination in this matter would seem to be a matter for the Secretariat of the United Nations; but in practice it is believed that no such coordination is exercised, and in Paris, for instance, each international organisation pursues its own salary policy, with the consequence that considerable discrepancies may exist between the salaries of personnel occupying posts of equivalent responsibility in different organisations. It is certainly a fact that in UNRRA at least excessive incomes are received, mainly in the middle and lower brackets. It is believed that the U. N. Secretariat has been conducting researches into the cost of living in various countries with a view to working out a common salary policy for international organisations. Therefore, it is suggested that the results of these studies be taken into account.
OFFICE ACCOMMODATION

France

85. The Credit National made available to the Mission two rooms in their office at 51 Rue Saint Georges. Since the departure of the Mission from Paris, this space has been used by the permanent staff in Paris. The Credit National has stated that more suitable office space may be available for the use of the I.B.R.D. in one of their other buildings later in September or early in October. It is intended that permanent office accommodations should be sufficient not only for the staff of the Bank’s Paris office but should also provide facilities of a temporary nature for persons visiting in Paris from the Treasurer’s Office, or from other departments of the Bank in Washington, or from other European offices of the Bank.

Holland

86. The problem of office space in The Hague has been discussed with Mr. Holtrop, the President of the Nederlandsche Bank, who promised to do everything in his power to make arrangements.

Denmark

87. The Danish National Bank has expressed the hope that they will be able to provide accommodation in their own building.

PASSPORT ARRANGEMENTS

88. Experience gained travelling in England and four different countries on the European continent, entering and leaving some of
them several times, has shown the desirability of facilitating passage through customs and other Government control stations. Each member of the Mission was furnished with a letter from the Secretary of the Bank certifying the official character of his journey. This document was of considerable value. It is understood that a permanent form of travel identification document is being prepared, but it is believed that the objective could best be attained if the various member Governments were asked to provide diplomatic or special passports for their nationals who have to travel on Bank business. The U. S. Government has already adopted the policy of issuing special passports to personnel on the staff of the Bank.

THE USE OF EXPERTS

39. In accordance with instructions from headquarters, the Mission examined with the Bank of England the possibility of concluding agreements with technical and professional bodies in the United Kingdom under which such bodies would make expert assistance available to the Bank, if necessity arose, on a temporary advisory basis. It was decided that the simplest method of procedure would be that all requests for such expert assistance should be addressed to the Bank of England, who would make the necessary arrangements. So far no problems have arisen in connection with the task of end-use supervision which have called for such expert assistance.
CHAPTER V
CONCLUSIONS

PRODUCTIVE PURPOSES

90. During the course of its examinations the Mission found that clarification of the term "productive purposes" was necessary. This problem is one of general principle, which will be encountered in one way or another in every country and with which the end-use supervisor has constantly to deal.

91. It is, of course, easy enough to determine uses which are obviously productive, such as the use of coal for blast furnaces and uses which are clearly not productive, such as the use of coal to heat a night club. The real difficulty lies in the many cases which are close to the borderline between the extreme examples. It is obvious that no simple decision can be satisfactory, since the question is not really what is a productive purpose (since it can be contended that no activity is undertaken unless it is likely to produce satisfaction of some kind), but where the line should be drawn between eligible and ineligible uses in the interpretation of loan agreements. The answer to this question is not provided simply by virtue of the nature of the supplies, but only by that nature taken in conjunction with a particular one of the possibly many uses to which the product can be put. This is a field in which there is no absolute criterion since individual judgments may differ
and it is suggested that the guiding principle in this matter be that of common sense.

92. In applying this principle the supervisor will in particular often meet cases where the following questions arise:

(a) Is processing or manufacture for re-export (except for military purposes) acceptable if such processing or manufacture materially changes the character of the goods?

(b) Is production of durable consumer goods of a utility character acceptable?

93. It is suggested that both of these questions should be answered in the affirmative.

METHODS OF END-USE SUPERVISION

94. The simplest and most satisfactory method of establishing whether the goods financed by the Bank are used for eligible purposes is to trace the history of individual items of supply up to the point at which they are put to their final use. This direct method of investigation can be applied only when the goods are identifiable at all stages of their journey.

95. A second category of goods which presents no special difficulty as far as concerns the supervision of end-use includes such goods as are not technically capable of being used for other than eligible purposes. In such cases, it does not matter that individual items cannot be identified, since there can be no doubt
about the end-use, provided that control is exercised to prevent re-export without the Bank's agreement.

96. Another method must perforce be adopted where the goods are not only not identifiable but are also capable of being applied to a number of different uses, some of which are not eligible. In this case, the best that can be done is to ensure that the total quantity financed by the Bank does not exceed the total quantity (whether domestic or imported from any source) used for productive purposes. This can be done only if two conditions are fulfilled, namely:

(a) Records are maintained from which can be shown the actual quantities used for eligible purposes, and

(b) The accuracy of these records can be checked against documents (such as applications for permission to buy and sell the goods, or to buy the requisite foreign exchange) which specify the end-use to which the goods are to be applied.

97. If the first of these conditions is not fulfilled, no supervision is, of course, possible. If the second condition is not fulfilled, then supervision cannot be effective, since there is no means of confirming the accuracy of the statistics submitted by the borrower. There are, moreover, cases in which both conditions
may be fulfilled, but effective supervision is impracticable on account of the amount of work involved in checking statistics which relate to a very large number of users.

98. Just as it is possible, on the national scale, to distinguish between goods which are only capable of being used for eligible purposes and those which can technically be used for ineligible purposes also, so it is possible in a comparable manner, in the case of a supply of the latter type, to distinguish between users of the supply whose products all represent eligible uses, and other users whose products include some which represent ineligible uses. Thus, if coal is delivered to a blast furnace, it may be presumed that the end-use is productive; while if steel is delivered to a firm which turns out guns as well as ploughs, further investigation is required. Since the identity of the goods is normally lost after delivery to such a user, further investigation must of necessity follow the lines, on a smaller scale, outlined in paragraph 96 above: that is to say, it must be established that the quantity of the supply used by the firm (or group of firms) in question for eligible purposes is greater than the quantity financed by the Bank.

99. As examples of the types of supply to which these various methods of supervision may be applicable, the following instances are given:

(a) Direct tracing of specific consignments:

   locomotives and equipment generally.
(b) Supplies incapable of being put to ineligible uses: fertilizers and cattle-cake.

(c) Supplies not identifiable and capable of ineligible uses (statistical approach): non-ferrous metals.

(d) Cases where supervision is not practicable because of the work involved in checking statistics; petroleum products (at any rate in France).

(e) Cases where the statistical approach can be narrowed down to those users whose products represent ineligible as well as eligible uses: steel, where supervision may be regarded as satisfactory where delivery to a company manufacturing only ploughs has been proved; but further investigation by way of the statistical approach is necessary if the receiving company manufactures guns as well.

100. The above is an attempt to lay down general principles of supervision based on the experience gained in France, and on the study of the systems of control in force in Denmark and the Netherlands. It will be the duty of the Treasurer's Office to issue specific instructions regarding the supervision procedure for
each category of goods financed out of the proceeds of a given loan, in accordance with the current policy adopted by the Bank.

**ORGANISATION OF END-USE SUPERVISION**

101. The supervision of the end-use of supplies financed out of the proceeds of an international loan is a function which has never been performed before. In consequence, no previous experience existed which could serve as a basis for planning the organisation required by the Bank to perform this task.

102. The Mission accordingly paid special attention throughout its investigations to the question whether modifications were required in the organisation plan which had been worked out before its departure from Washington. This plan provided for:

(a) At headquarters, a section of the Treasurer's Office with the following functions:

(i) Drafting instructions for field representatives on the basis of general directives from the Treasurer.

(ii) Ensuring that these instructions are properly and consistently carried out.

(iii) Preparing reports and analyses for the Treasurer on the basis of
information received from the field.

(b) In borrowing countries, representatives with the following functions:

(i) Tracing the history of shipments by the examination of records and accounts, and, if necessary, by physical inspection.

(ii) Submitting reports to headquarters on the investigation of individual shipments and on developments bearing on the supervision of end-use.

(iii) Settling problems arising in connection with end-use supervision directly with borrowers, or, if necessary, referring such problems to headquarters for action.

In the case of relatively small loans, it was envisaged that one representative might be able to take care of two borrowers.

103. As far as concerns the organisation at headquarters, the experience of the Mission does not suggest any necessity to modify the original plan, except insofar as the volume of work which can now be foreseen may necessitate an increase in the number of staff personnel employed.
104. As far as concerns the field organisation, the Mission considers that the original plans require modifications.

105. It is clear that the actual investigation of individual shipments, the submission of reports on such investigations, and all such detailed local work, as well as the day to day negotiations with borrowers which do not raise important questions of principle, are functions which must be carried out by representatives permanently stationed in the borrower's country, working, of course, under instructions and guidance from headquarters, and assisted by one or more juniors.

106. There are, however, two functions which cannot be performed in this way. One is the coordination of practice in the different borrowing countries, in order to avoid inconsistencies in the practical interpretation of instructions from headquarters. The other is what may be called "high level trouble shooting", by which is meant the negotiation with high authorities in the borrowing countries concerning difficulties of principle. It is to be hoped that the necessity for such high level negotiation will not frequently arise, but it is the feeling of the Mission that there should be for such contingencies a second line of attack, so to speak, between the permanent representatives in the borrowing countries and headquarters in Washington.

107. The Mission is led by these considerations to suggest that these two functions should be performed from a central point
in the European field. At present, it is considered that this could be effected by the designation of one of the Bank's representatives in Europe, who should be of a higher calibre than the rest of the Bank's representatives for end-use supervision, as senior European representative for end-use supervision. He should be relieved by an able assistant of most of the day to day work of the direction of supervision in the country for which he is primarily responsible. At a later stage, when the number of countries in which the Bank is operating has increased, it might be well to remove from him the primary responsibility for any one country, and to establish a small office under him to deal only with his general European functions. If in due course a European regional office of the Bank is set up, his organisation would no doubt form a part of such office.

108. If the international aid plans now under discussion take concrete shape, and if the end-use of supplies provided under such plans is to be supervised, then if the Bank were to play some role in this connection, the organisation suggested above could be adapted without undue difficulty to shoulder this additional task.

109. Instructions for routine checking and routine supervision reports would pass directly between headquarters and the representatives in each borrowing country. Instructions of a more general character would be transmitted from headquarters to the central coordination point. Reports on matters other than routine
investigations submitted by representatives direct to headquarters and correspondence from headquarters on such matters would be copied to the central coordinating point.

110. To sum up, the Mission suggests that the organisation required to perform the function of end-use supervision should consist of:

(a) A headquarters section as originally planned but probably with some additional personnel.

(b) A central coordinating point for Europe, at present in the shape of a senior representative who would combine this function with responsibility for one country.

(c) Representatives in each borrowing country carrying out the day to day task of supervision.

END-USE SUPERVISION AND LOAN NEGOTIATIONS

111. Experience has now proved that the case of carrying out the task of end-use supervision, or even the possibility of doing so, depends on the nature of the supplies and on the character of the system of control over their import and distribution. If the difficulties of this task are to be minimised in the future, and the impossibility of performing it avoided, then the question of what categories of supplies should be financed out of the proceeds of a loan must be considered with great care. It is, therefore,
suggested that in the future at an early stage in the loan negotiations the borrower should submit a list of categories together with an explanation of the controls in force in his country, and of the records which are maintained by which the end-use may be verified. If necessary, this information could be checked and supplemented by a visit to the borrower's country, prior to the granting of the loan, in the same manner that other data submitted by a prospective borrower is, under current procedure, sometimes checked on the spot.

112. Furthermore, the experience gained in France, where the borrower neglected to make administrative preparations for the supervision of end-use and submitted applications for supplies destined for ineligible uses, leads to the conclusion that the loan applicant should be asked at an early stage of the loan negotiations to indicate both the preparations to be made for the supervision of end-use and the safeguards to be used to prevent the submission of ineligible applications. It is true that this may seem to be unnecessary in cases where the Bank is well satisfied that the prospective borrower is able and willing to take all the requisite steps, but, as a matter of sound policy and to avoid creating a precedent, all applicants should be treated alike.
CHAPTER VI

SUMMARY

FRANCE

Past Disbursements

113. The experience gained during the visit of the Mission has shown that in this case the borrower has neglected to carry out the obligations assumed under the loan contract concerning the preparations for the supervision of end-use, although these obligations had been emphasised during the previous visit paid by representatives of the Treasurer's Office to Paris, and the French authorities had expressed agreement with the detailed proposals then submitted to them.

114. Not only is it evident that no real preparations had been made in France - in fact one could say that the Credit National had taken a gamble on the Bank's not seriously carrying out the task of supervision - but the lack of responsibility on the part of the Credit National is further shown by the submission by their representative in the United States of applications for reimbursement which related to supplies delivered to the armed forces.

115. It cannot be contended that the Credit National were unaware of their obligations. At the time when the loan agreement was being negotiated Dr. Baumgartner raised at the very last moment numerous objections to the inclusion of the provisions for
the supervision of end-use and the whole matter was thoroughly discussed. Finally, after a prolonged resistance, during which Mr. Baumgartner, among other things, stated that French statistical and other information was invariably reliable, he agreed to the inclusion of these provisions. Moreover, as stated above, the implications of these provisions were fully discussed with the Credit National on the occasion of the June visit to Paris.

Future Disbursements

116. As far as concerns the future, practical experience leads to the conclusion that in relation to the present loan no more disbursements should be made against applications for petroleum products.

117. As far as concerns future negotiations for a second loan to France, it should be borne in mind that the Credit National has neglected to carry out its contractual obligations in respect of end-use supervision.

THE NETHERLANDS

118. While there is as yet no practicable experience on which to base conclusions, the studies which have been made of the systems of control in force in the Netherlands and the spirit of responsibility with which all the Dutch officials approached the problems of disbursement and supervision of end-use give every reason to expect that no serious difficulty of principle may be expected in this case.
119. Apart from the question of representation in the U.S.A. the Danish case is on a par with that of the Netherlands.

**ORGANISATION OF END-USE SUPERVISION**

120. Experience in the field has given a clear picture of the different functions which are involved in the work of supervising end-use. Many of these functions can only be carried out by representatives permanently staying in the borrowing country. There are, however, two functions which in the existing circumstances can best be performed from a central point. One such function is that of ensuring that there is uniformity in the way in which the general instructions issued by headquarters are put into practice in the various borrowing countries. This function cannot easily be carried out direct from headquarters and it cannot be left to the senior representative in each country.

121. The Mission suggests that in present circumstances one of the European representatives should be designated senior European representative for end-use supervision and should be charged with this function. At a later stage it might be necessary to remove from this senior representative the primary responsibility for operations in one country and to create a small European coordinating office. Such an office could eventually form part of any European regional office of the Bank as a whole which might be established.
122. The second function required to be performed centrally (in present circumstances by an individual and on a larger scale by a central office) is what may be described as "high level trouble shooting". If difficulties arise which cannot be solved by the representative on the spot, then it would be useful to have a second gun to bring to bear before reaching the stage at which headquarters must intervene in person.

**END-USE SUPERVISION AND LOAN NEGOTIATIONS**

123. It is now for the first time possible to see clearly that the choice of categories of supplies for the French loan might have been different if it had been possible to foresee the experience which has been gained.

124. The lesson to be learned for the future is that in the negotiations for a loan careful enquiry needs to be made into the system of control enforced in the prospective borrower's country over the import and distribution of the categories of supplies proposed to be financed.

125. Moreover, in order to avoid any difficulties arising from an interpretation of the provisions of the loan agreement on the part of the borrower, differing from the Bank's interpretation of those provisions, the borrower should, before the loan agreement is signed, submit a statement showing exactly what measures are contemplated to ensure that the task of supervising end-use shall
be carried out with a minimum of difficulty and delay. If necessary, a mission should study these questions on the spot before the loan agreement is signed.

SA:1ms

October 1, 1947
APPENDIX I

ITINERARY OF THE MISSION

1. Mr. Aldewereld, Mr. Ripman and Mr. Street sailed from the
U.S.A. August 1 on the "Queen Elizabeth" and arrived in England August 6.
Mr. Tchihatchef joined them in London on this date. Movements of all the
members are presented in tabular form below, individual members of the
party being designated as follows:

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<td>Sat. &quot; 23</td>
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<td>Mon. &quot; 25</td>
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<td>A.R.T.</td>
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<tr>
<td>Tues. &quot; 26</td>
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<td>A.R.T.</td>
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<td>Wed. &quot; 27</td>
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<td>A.R.S.T.</td>
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<td>Thurs.&quot; 28</td>
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<td>A.R.S.T.</td>
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<td>Fri. &quot; 29</td>
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<td>R.T.</td>
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<td>R.T.</td>
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<td>Fri. &quot; 5</td>
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<td>R.T.</td>
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<td>Sat. &quot; 6</td>
<td>A.S.</td>
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<td>R.T.</td>
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<td>Sun. &quot; 7</td>
<td>A.R.S.</td>
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<td>R.T.</td>
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<td>Thurs.&quot; 11</td>
<td>A.S.</td>
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<td>R.T.</td>
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<td>R.T.</td>
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<td>Sat. &quot; 13</td>
<td>A.S.</td>
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<td>R.T.</td>
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<td>Sun. &quot; 14</td>
<td>A.S.T.</td>
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<td>R.</td>
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<td>Mon. &quot; 15</td>
<td>A.S.T.</td>
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<td>R.</td>
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<td>Tues. &quot; 16</td>
<td>A.R.S.</td>
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<tr>
<td></td>
<td>England</td>
<td>France</td>
<td>Holland</td>
<td>Denmark</td>
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<tr>
<td>Wed. Sep. 17</td>
<td>A.R.S.</td>
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<tr>
<td>Thurs. &quot; 18</td>
<td>A.R.S.</td>
<td>T.</td>
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<tr>
<td>Fri. &quot; 19</td>
<td>Messrs. Aldewereld, Ripman and Street sailed on the &quot;Queen Mary&quot; from Southampton, Mr. Tchihatchef remaining in Paris.</td>
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</tbody>
</table>
APPENDIX 2

COAL AND PITCH

ASSOCIATION TECHNIQUE DE L'IMPORTATION CHARBONNIERE (A.T.I.C.)

Outline of Organisation in France

1. The chief administration is at 149 Rue de Longchamps, Paris, XVI, and agents are located at each principal port.

2. Quantities of coal products to be imported are decided by the French Government in accordance with national policy, through the "Office des Repartitions de Charbon" (O.R.C.), Paris. These importations are decided monthly and are advised to A.T.I.C., together with the programme for internal distribution in France.

3. Each cargo, on its arrival, is signalled as to quantity and quality from the agent at the port of arrival to Head Office, Paris. This is followed by a written report and by an analyst's certificate as to gain or loss in weight, arrived at by a humidity test.

4. The Licences Department A.T.I.C., in collaboration with the Technical Department, decide what quantities of each class of merchandise are to be allocated to each consumer. The principal consumers are:

   (a) S.N.C.F. (Societe Nationale des Chemins de Fers Francaises) (railways)
   (b) G.C.G. (Groupement Charbonniers Gasiers) (gas producing industry)
   (c) Electricite de France (electric industry)
   (d) O.R.C.I.S. (Office des Repartitions des Combustibles pour l'Industrie Siderurgique) (steel industry)
   (e) "Groupements", representing wholesalers throughout France divided regionally

5. In the case of (a) to (d) tonnages allocated are signed for in total at the port of arrival by the recipient's agent. In the case of the "Groupements",
the shipment is broken up, and a receipt is given by each particular Company or wholesaler for its particular share. Notwithstanding this breaking up, the total tonnage is invoiced to the "Groupement". The allocations made by "Groupement" to individual companies or wholesalers are controlled by O.R.C., according to a rationing scheme, (see paragraph 12).

Records kept in Paris

6. A "Bulletin de Reception" is prepared at Paris for each consumer in respect of his allocation of each cargo. These "Bulletins" are sent to A.T.I.C.'s local agents, who obtain the signature thereon of each consumer. Sales invoices are prepared from these "Bulletins".

7. A Journal is kept at Paris, which shows for each cargo:–

(a) Name of Steamer
(b) Place and date of arrival
(c) Bill of Lading Tonnage
(d) Quality of coal
(e) Purchase Invoice tonnage
(f) Name of consumer
(g) Tonnage invoiced to consumer
(h) Loss or gain in weight
(i) Other records for A.T.I.C.'s internal accounting system.

8. A file is kept for each cargo, classified under name of steamer, and all documents, whether originating in U.S.A. or France, relative thereto are kept therein, and the history of the consignment can be verified without difficulty.

9. Coal is invoiced by A.T.I.C. at rates similar to those for French products, and a subsidy is paid for the difference in price by the French Government. This subsidy is calculated by, and paid to, A.T.I.C.
North Africa

10. The records in Paris for cargoes arriving in French North Africa show only Bills of Lading, purchase invoices and other documents originating in U.S.A. The only document originated in France which is retained in Paris is the sales invoice, made out to a "Groupement" in North Africa.

11. In order to verify the allocations and receipt of cargoes arriving in North Africa, it will be necessary:

(a) To ask that the relative documents be sent to Paris, or
(b) That the documents be checked in North Africa. The former procedure is to be preferred; it is essential that supervision of North African shipments is not neglected. Price, Waterhouse & Co. have a peripatetic representative in North Africa whose services might perhaps be made available.

Pitch Consignments

12. For the most part, shipments of pitch financed by the Bank arrive in the same ship as other cargoes financed by other sources, such as the Export-Import Bank. It is not possible to trace to the consumer the exact part financed by the Bank. It is, however, possible to check the cargo as a whole to the consumer by the same methods used for coal.

13. Pitch is sold to briquetting plants, who in turn sell the briquettes to a variety of consumers, industrial and non-industrial. M. Dupuy, the Director General and M. Pignerol, the Financial Director have undertaken to prepare a statement showing the total imports of pitch financed by the Bank, and the total quantity of pitch used for the manufacture of briquettes for the railways during the same period. (The type of briquette sold to the railways is not used for other purposes.)
14. After 100 items had been investigated, an analysis was prepared to show the proportions in which coal had been delivered to various classes of consumer. This analysis shows that a total of 861,128 tons, valued at £7,479,362.78, had been delivered as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Tons</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>(a) Railways</td>
<td>264,558</td>
<td>30.7</td>
</tr>
<tr>
<td>(b) Gas</td>
<td>308,355</td>
<td>35.8</td>
</tr>
<tr>
<td>(c) Electricity</td>
<td>7,934</td>
<td>.9</td>
</tr>
<tr>
<td>(d) Steel</td>
<td>41,940</td>
<td>4.9</td>
</tr>
<tr>
<td>(e) Wholesalers</td>
<td>226,234</td>
<td>26.3</td>
</tr>
<tr>
<td>(f) Loss of weight in transit</td>
<td>12,107</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>861,128</td>
<td>100</td>
</tr>
</tbody>
</table>

15. As far as concerns the deliveries to railways, gas, electricity and steel, which cover between them 72.3% of the total tonnage, the end-use investigation may be regarded as complete. As far as concerns the 26.3% delivered to wholesalers, further investigation is required, and lists have been given to the Credit National giving the names of the firms to which delivery has been made, with the request that information be supplied showing the type of business carried on by such firms. When this information is available, it will have to be decided what further action is necessary.

16. The process of detailed checking has not yet been carried far enough with other categories of supply to make it worth while analysing the results in this manner; but the technique is one to be used in all cases (like that of coal) where the supply in question can be used for a number of different purposes.

**OFFICE DES REPARTITIONS DE CHARBON (C.R.C.)**

**Outline of Organisation in France**

17. The chief administration is at 16 Rue de Baume, Paris, and the broad principles of the rationing system are as follows:
(a) The total quantity of coal expected to be available in France for a particular month was estimated by the French Ministry of Economy in collaboration with the Mines Department (for indigenous coal) and A.T.I.C. (for imported coal).

(b) The ministry and O.R.C. then determine allocations as between Public Utilities, Industry, Shipping and domestic consumption. The allocations to utilities have priority and their requirements are, subject to stocks being available, satisfied almost in full. The allocations to industry and shipping are determined in consultation with the Employers Federations, the total available for industry being sub-divided into classes of industry. Domestic coal has lowest priority. All allocations are grouped according to regions, in each of which O.R.C. maintains an office.

(c) The regional offices allocate the quantities available among the particular companies in their region and issue buying permits for each company's allocation. The allocation to any particular company is subject to a rigorous control based on returns made by the company showing stocks of coal on hand, output of the company's products, and the priority of that particular industry in the National Economy. This regional allocation, moreover, is subject to an overall control from Paris. With this buying permit the company obtains its supplied from its local wholesaler.

(d) Allocations made to a region for domestic purposes are dependent on the total to be made available nationally, and on population figures for the region. Control is exercised by means of coupons, and merchants make periodic returns to O.R.C. of registered customers, cancelled coupons and stocks on hand.

(e) A.T.I.C. are advised of national and regional allocations, and stocks, as imported, are distributed to various merchants in the different regions,
in conformity with these allocations. The merchants' allocations are
also influenced by the periodic returns they make which show stocks on
hand, stocks received, and the quantity of buying permits executed.

**American Coal for Shipping and Domestic Use**

18. The O.R.C. has stated that a certain amount of American coal is used for
bunkering and domestic uses. O.R.C. prepares for use monthly figures showing the
allocation of imported American coal amongst various consumers, including Shipping
Companies and household coal merchants. A statement is being prepared for the
information of the I.B.R.D. containing this information.

**Examination of Buying Permits**

19. It was determined at the office of O.R.C. that it would be possible to
examine the buying permits surrendered to the various wholesalers by industrial and
other consumers. Although it would be possible to examine the buying permits it
should be noted that it would not be possible to determine out of which stocks any
particular permit had been satisfied since each wholesaler maintains stockpiles
which are replenished from both imported and indigenous sources. Basically an
individual shipment of coal loses its identity at the wholesaler and cannot be traced
further.

**COMMENTS**

20. In future the financing of coal for bunkering purposes should be avoided
as it is practically impossible to determine whether such coal is used by French
or by foreign ships. It is evident that sale of coal to foreign ships constitutes
a re-export, which is not allowed without permission of the I.B.R.D.

21. In theory, the system of control over import and distribution of coal
described above is excellent. In practice, it is common knowledge that a black
market in coal exists, and special attention must be paid to this fact in carrying
out the supervision of end-use.
GROUPMENT D'ACHAT DES CARBURANTS

Outline of Organisation in France

1. The Chief administrative office is at 11 Rue du Docteur Lancerosieux, Paris, and agents are located at each principal port.

2. Stocks are replenished in accordance with the French Government's buying programme, and G.A.C., New York, are instructed to purchase in accordance with these requirements.

3. Shipping documents and invoices for purchases are addressed to Paris, and the local agents supervise the arrival of consignments at the various ports.

4. Government Pools ("Carburants", "Fuels", "Lubrifiants" etc.) determine the allocation of each consignment to the refineries, wholesalers or other consumers, and instruct G.A.C. accordingly, who put the product into tanks, or arrange for onward shipment by sea, rail or road.

Records available in Paris

5. In principle, G.A.C. itself does not carry stocks, and the records are so kept that each consignment (identified by the name of the steamer) can easily be traced, its onward destination in various components verified, and the quantities of these agreed with the total of the consignment.

6. A file is maintained for each consignment, in which is kept a card recording the following information:

   (a) Name of ship
   (b) Bill of Lading Tonnage and equivalent in Metric Tons
   (c) Date and port of arrival
   (d) Landed tonnage (in metric tons)
   (e) Disposition of cargo
   (f) Relative sales invoice numbers and the tonnage or litrage for each
On the same file are kept the other documents relative to the arrival of the consignment, such as customs certificates and port agents' reports.

7. From this file, therefore, it is possible to obtain evidence of the arrival of the consignment, the landed weight, and the disposition (usually to a refinery or large distributing company).

8. From the sales invoice number recorded on the consignment card, the copy invoice can be located and inspected. As a result of actual checking of individual items in the G.A.C. office the examiners have found that the files are badly organised and filing is three months behind.

REPARTITEUR DES CARBURANTS

9. A brief description of the rationing system was received from the Repartiteur, who also mentioned that the following products are not subject to rationing: gas oil, bitumen, lubricants and kerosene.

10. There are different categories to which the petroleum products are allocated. The greater part of gasoline is allocated for general needs, as contrasted to allocations to specific industries etc. The actual distribution to users of the portion allocated for general needs is effected by the surrender of gasoline coupons by the user. Coupons are distributed by appropriate government authorities on the basis of priority, the individual need and the availability of petroleum products.

11. The Repartiteur admitted, when questioned, that gasoline of the order of 5-10% of the available supply goes into the black market.
12. Consignments of petroleum products are chiefly destined for refineries in case of crude oil and for large distributors in the case of refined products. (In France the refining and the distributing functions are in many cases exercised by the same company).

13. In most cases, petroleum products financed by the Bank cannot be physically distinguished from other identical or similar products received by the refining and distributing organisation. In the only cases where the petroleum products could be traced direct to the ultimate user, it was established that the end use was not eligible, since in every such case the users were the French Army and Navy. It is, therefore, evident that the direct method of end use supervision is not possible for petroleum products.

14. The mission consequently examined the possibility of using the indirect method and obtained for this purpose from G.A.C., through the Credit National, statements showing the total petroleum received in France in

(a) Finished products
(b) Crude oil, and the various products derived from the crude oil. From these aggregates were deducted the deliveries to the French Army and Navy.

15. These figures, covering the first half of 1947, show that petroleum products worth approximately $40,400,000 went into non-military use in Metropolitan France, while the figure for North Africa was approximately $6,200,000. These figures, of course, exceeds the total petroleum category of $30,000,000 under the French loan. However, the figures do not show to what uses the petroleum was put by the civilian users.

16. The system of control in France over the distribution of petroleum products is not such that the end of petroleum products financed by the Bank can be determined, for the following reasons:
(a) Allocation of a great part of the petroleum products is effected along general lines, whereas allocation of other products is effected on the basis of individual applications stating the use for which the particular product is required by a particular user.

(b) The total number of end users of petroleum products is very substantial. Supervision of the end use through examination of individual applications, assuming that these were in existence, would be an endless task.

(c) The problem of investigating petroleum products is not simplified by the fact that, as with coal, a large proportion (for coal 75% of the quantity covered by the first 100 shipments investigated) of the total quantity financed is delivered direct to receivers who are also the end users for qualified productive purposes, so that only in a minority of cases is further investigation necessary.

(d) Due to the shortage of storage facilities, an unusually large number of intercorporate deals take place which increases the difficulties of tracing the end use of petroleum products.

(e) The French Repartiteur himself admitted officially the existence of a considerable black market; it seems highly probable, however, that its real extent is even more widespread in practice than was admitted officially. The existence of such a widespread black market means that the petroleum products are used for purposes unnecessary to the recovery of the country. If more rigid internal controls could be enforced, the quantity of petroleum products imported for France's
legitimate needs could consequently be reduced. Furthermore, since the substantial quantities of petroleum products which disappear into the black market must in fact come from the allocations which have been made to various categories of essential activity, there is reason to doubt the efficiency of the French distribution system and of the official statistics of consumption, on which an indirect method of determining the end use must depend.

(f) As noted above, some petroleum products are not subject to rationing and it has been ascertained that some of the non controlled products are used, in part at least, for unproductive purposes.

DELIVERIES TO FRENCH ARMY AND NAVY

17. Arrangements have been made whereby the Credit National will furnish to the I.B.R.D. in Washington through its representative in Washington, details of all I.B.R.D. financed shipments of petroleum products which have been delivered to National Defense. The Paris office of the I.B.R.D. will keep Washington informed of any shipments it may find which were delivered to the French Army or Navy in order that it can be definitely established that the particular shipment thus coming to light is included in the list of deliveries to the Armed Forces, which is to be submitted by the representative of the Credit National in Washington.
1. The importation of non-ferrous metals into France is controlled by the French Government, and the detailed work of importation is carried out by a special organisation known as "Groupement d'Importation et de Repartition des Metaux". This report is therefore divided into parts as under:

(a) Outline of system whereby the import into France and the subsequent use of non-ferrous metals are regulated:

(i) General Governmental system,

(ii) Functions of the Repartiteur des Metaux Non-ferreux.

(b) Details of operation of G.I. R. M.,

(c) Method of checking, from G. I. R. M. records, the destination of goods imported.

Outline of system whereby the import into France and subsequent use of non-ferrous metals are regulated.

General Governmental System.

2. In order to further the economic recovery of France, an overall plan of the imports required is prepared for all industries by the Ministere d'Economie Nationale in conjunction with the Ministere des Finances. This plan fixes both quantities and values.

3. In the course of preparation of the plan, as far as non-ferrous metals are concerned, the requirements of the industry are arrived at as follows:

(a) The various "organismes professionnelles" - trade associations - prepare on behalf of their members, the ultimate consumers, a list of desired imports, for each six-monthly period, which is examined and controlled by the Repartiteur of the Section des Metaux non-ferreux of the Direction des Mines of the Ministere de la Produc-
tion Industrielle.

(b) The list of desired quantities is submitted by the Repartiteur to the Direction des Mines, of which the Section des Metaux non-ferreux forms a part, and which applies to the Ministere d'Economie Nationale in order that credits and foreign exchange may be made available.

(c) The Ministere d'Economie Nationale, together with the Ministere des Finances, considers the application (from the Direction des Mines) together with similar applications from other industries, and prepares an overall plan as mentioned in the opening paragraph.

Functions of the Repartiteur des Metaux Non-Ferreux.

4. The Repartiteur obtains from the general pool of available foreign exchange, at regular intervals, a quota for the import of all non-ferrous metals. How this quota is to be spent is decided by him by pruning the requests submitted to his office by various "chambres syndicales", each of which is an organisation representing a particular type of user of non-ferrous metals. The Repartiteur gives each chambre syndicale an allotment of the various kinds of non-ferrous metals, and the chambres sub-allocate to their members. Applications for permission to buy are submitted to the Office of the Repartiteur through the respective chambres syndicales, who certify them.

5. There are some 60,000 users of non-ferrous metals (either in the crude or in the semi-fabricated form) in France and French North Africa, and a dossier relating to each of these is maintained in the office of the Repartiteur. Deliveries from stocks to importers by the G. I. R. M. take place only against licenses issued by the Repartiteur; and similar licenses are required for any deliveries of semi-manufactured products. The great bulk of non-ferrous metals imported are used for reconstruction purposes, such as the
railways, electric power transmission, the coal mines, etc. The end use must be specified on the application and the license in every case.

6. An inspectorate is maintained by the Repartiteur, and any cases of infraction of the regulations (licenses are not transferrable) are immediately investigated.

7. Samples of the license application forms and the license forms, both for semi-finished products and for finished products, together with the official code describing the system of control and specifying the various uses to which non-ferrous metals may not at present be applied, were placed at the disposal of the mission and are now in the Treasurer's Office files.

Details of operation of G.I.R.M.

8. The particulars of the non-ferrous metal quota are supplied to G.I.R.M., which then establishes relations with suppliers in various countries and submits details of goods and prices to the Direction des Mines for approval, after which G.I.R.M. applies to the Office des Changes, Service des Licenses, for an import license, the issue of which is checked by the Direction des Mines.

9. The issue of an import license allows G.I.R.M. to obtain foreign exchange through French banking channels; contracts with foreign suppliers are made; payment against invoices relating to these contracts are made, in the case of U.S.A. goods, by the New York office of G.I.R.M., which draws on the credits established.

10. Copies of contracts and invoices are sent to G.I.R.M. in France. It should be noted that the price paid for the supplies in the U.S.A. does not determine the price at which they are sold in France, the latter being fixed by the French Government.
11. When a ship leaves the U.S.A. the G.I.R.M. office is advised by cable of the name of the ship, port of arrival and expected date of arrival, and details of the cargo, including contract numbers, item numbers, and quantities; any one ship will normally carry cargo relating to several contracts.

12. G.I.R.M. relates the original order with the contract and item numbers, and prepares for each ship a "lettre de repartition" which consists of a series of instructions to G.I.R.M.'s forwarding agent in the port of arrival, whereby the names and addresses of the consumers are supplied for the whole cargo. It may be noted that G.I.R.M. has no discretion in the matter, but divides the cargo in accordance with instructions received from the Repartiteur of the Ministry of Production.

13. G.I.R.M. keeps a record sheet for each contract, which shows the tonnage called for by the contract, and on which an entry is made whenever a ship brings goods forming part of the contract; thus when all the subject matter of the contract has been received in France, the record sheet shows the names of all the ships by which the goods arrived and the amounts carried in each ship.

14. A dossier is opened for each ship and is subdivided according to the nature of the cargo.

15. When the forwarding agent in the port has despatched the cargo from each ship in accordance with the instructions referred to, he prepares for each consignment a "fiche de chargement" or advice note, of which he sends one copy to the consignees and one to G.I.R.M. The forwarding agent also receives from the railway officials of the S.N.C.F. a rail bill of lading, ("lettre de voiture") showing the description and destination of the goods, which he sends to each consignee.

16. G.I.R.M. compares the advice note which it has received from the for-
warding agent with the "lettre de repartition" to see that no error has been made.

17. The quantities stated on the contract are entered on the record sheet when the sheet is first prepared, but the entries of receipts by ships follow the cable advices.

18. The advice note and bill of lading are based on the round figure quantities advised by cable; the goods are not weighed by the railway until they arrive at destination. The consumer receives from the railway a certificate of actual weight, "bulletin de passage", and together with the local representative of G.I.R.M., prepares an advice note of the actual quantities received, which he sends to G.I.R.M.

19. Invoices are prepared by G.I.R.M. from the following data:

(a) Order received from Government authority,

(b) Price named in the order, or official price,

(c) Contract number and particulars, which have been related to (c)

(d) Ship dossier,

(e) Advice notes and rail bill of lading, together with the advice notes of actual quantities received by customer.

20. Goods landed at ports are distributed:

(a) to entrepots, or dumps,

(b) to wholesalers, who subsequently divide the parcel and release to end-users,

(c) to end-users:

(i) for immediate use,

(ii) "convention stockage".

21. Entrepots. G.I.R.M. states that comparatively small amounts of U.S. A. loan imports are specifically directed to their own entrepots, and that only two entrepots in the neighborhood of Paris are concerned with importations from the U.S.A.
22. **Wholesalers.** In order to secure an even flow of goods to the factories, and to avoid congestion in cases where the arrival of ships is irregular, G.I.R.M. sells considerable quantities of goods to wholesalers. These wholesalers in turn sell to the smaller individual users, but G.I.R.M. states most strongly that although their direct control ends when the goods reach the wholesaler, the latter can only sell at official prices to persons who possess licenses granted by the French Government. The wholesaler is in effect used as an entrepot, at no cost to G.I.R.M. The wholesalers do, in the great majority of cases, send to G.I.R.M. statements and documents showing to whom the various parcels of goods have been distributed under this system of sub-sales. The system of selling to the wholesaler appears to be used mostly in connection with shipments of lead and zinc.

23. "**Convention Stockage.**" This is a third type of sale in which the goods are sent to a firm which will in most cases be the ultimate consumer, on conditions described by G.I.R.M. as "contract stockage", whereby the recipient is charged for the goods as and when he uses them, and until then the goods remain the property of G.I.R.M. It is stated that inspectors visit firms holding goods on "contract stockage" at intervals to check the physical stock against the amount recorded in the Paris books. The section which deals with deliveries "contract stockage" keeps a record of each shipment, and can generally produce evidence of receipt of the goods.

24. **Sales to wholesalers, and deliveries "contract stockage"**

| Sales to Wholesalers | Deliveries "contract stockage"
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical delivery from port.</td>
<td>Normally divided at port and sent to users; part on &quot;contract stockage&quot; may be used by wholesaler</td>
</tr>
</tbody>
</table>
Sales to Wholesalers
("Negotiants")

Invoices
Normally invoiced at once
to wholesaler, who in
turn sells (against
licenses) to users, to
whom goods were sent in
first instance.

End-user
The firm to whom the sub-
sales made, or the whole-
saler for part of the
delivery.

Deliveries "convention
stockage."

Not invoiced until
drawn on; separate
invoices for each
amount brought into
use.

Normally the firm
holding on "con-
vention stockage".

25. It may be noted that G.I.R.M. is concerned with two main types of licence, viz:

(a) Import Licences, granted to G.I.R.M. by the Office des Changes,
Services des Licences, and which are in two parts,

   (i) Licence to order goods

   (ii) Licence to import goods on arrival.

(b) Sales Licences, which are granted by the Repartiteur, Section des
Metaux non-ferreux.

26. In connection with the latter, it should be noted that they are
granted to the consumer, and not to the wholesaler as such: consequently,
when G.I.R.M. sells to an ultimate consumer, the license is surrendered to
G.I.R.M., which retains it for subsequent control by the competent authority;
but when G.I.R.M. sells to a wholesaler, who in turn sells to the consumer, the
sales licenses are kept by the wholesaler to justify his sales. Although, as
mentioned above, the end-use is stated on the application and the licence, the
part of the licence on which the use is stated is detachable, and is retained
by the end-user. Consequently a sales licence in the hands of G.I.R.M., or a
wholesaler, while justifying the sale of the goods, does not give any indication
of end-use; but the application for such a licence, on the Repartiteur's files,
does show the purpose for which the licence was granted.

Method of checking, from G.I.R.M. records, the destination of goods imported.

27. The I.B.R.D. disbursement vouchers cannot be directly related to consumers. As will have been seen from the Summary of Operation of G.I.R.M., that organisation controls the movement of goods principally in terms of ship, with a cross reference to complete contracts. The record card for each contract gives considerable detail, and it is usually possible to identify the ship in which each part of the contract arrived. From the contract record card and the ship dossier, together with the "lettre de repartition" and forwarding agents advice notes, it is possible to prepare a sheet showing the whole distribution of the particular consignment under survey, in terms of quantities linked with the names and addresses of the recipients. The evidence at this stage, however, is limited to the statements of port forwarding agents giving details of the despatch from the ports, and details from wholesalers of the subsales which they state they have made. In order to have positive proof of the receipt of the goods by the end-user, it is necessary either:

(a) to examine the advice notes of receipt of goods by the user, or
(b) to examine the invoices sent to the user, and to check from the sales ledgers that it has been paid, which may be considered as evidence that the consumer has had the goods.

28. The first of these two methods is the quicker and is employed:

(a) for goods sold to end-user or to wholesaler as a complete sale, in cases where invoices have not yet been issued; in these cases the receipt notes should be readily available in the ship dossier.

(b) for goods delivered "convention stockage"; these receipt notes should be found in the office section dealing with "convention stockage"
29. When an invoice has been issued, these advice notes, except in cases of "convention stockage", are filed away in the customer's files and G.I.R.M. states that it would be an almost impossible task to find any given advice note. When works receipt notes cannot be found, the invoices and Sales Ledger entries are examined in the Accounts Section.

30. In certain cases neither delivery advice notes nor invoices can be found, and in general it seems that, owing to the time lag arising from unloading, re-distributing in France and receiving definite arrival weights from the consignee, at least two months pass after the arrival of a ship before the documentation is completed. It should be noted, however, that the test by invoice, which is in most cases adopted because of G.I.R.M.'s great difficulty in producing receipt advice notes (except when goods have not been invoiced), does not really produce an independent check of ultimate destination in cases where G.I.R.M. passes the goods to wholesalers for subsequent resale. In such cases the invoices are made out to, and paid by, the wholesaler, and the invoice test does no more than show that the wholesaler has had the goods. The evidence of ultimate destination then rests solely on the port agent's advice notes of despatch from the port. In other cases where G.I.R.M. sells direct to the consumer the invoice test is of course adequate.

GENERAL OBSERVATIONS.

31. The G.I.R.M. records appear to be kept with considerable accuracy, as far as the present investigation has proceeded. In order, however, to obtain a complete picture of the entry of goods into France, and of their ultimate use, information must be sought:

(a) From the Repartiteur des Metaux Non-Ferreux, to obtain details of the purposes to which the various consumers put the metals received, and if necessary,
(b) from the end-user to ascertain what use has in point of fact been made of the metal received from G.I.R.M., and what has happened to the products in which the metal has been embodied.
GROUPMENT D'IMPORTATION ET REPARTITION DU COTON (G.I.R.C.)

Organisation

1. Purchasing Section
   (a) The total foreign exchange for purchases of cotton abroad is allocated by the Ministry of Industrial Production.
   (b) The contracts for purchases within the total foreign exchange resources are allocated by G.I.R.C. to various importers - all imports to be covered by import licences issued by the Ministry of Finance.

2. Receiving Section
   (a) For every shipment from the U.S. a notice of details of cargo is sent to the G.I.R.C. by its Transit Division in New York.
   (b) From these details loading statements are prepared, for the information of G.I.R.C.'s Receiving Agents in the ports of destination, indicating: sellers, contract numbers, marks, qualities, number of bales and names of importers.
   (c) The Receiving Section is advised by the Purchasing Section of sailings and details of the cargo, and by the Receiving Agents of the actual arrival of the goods at French ports.

3. Storage Section
   (a) Le Havre and Marseilles (Under control of G.I.R.C. Branches)
       Public warehouses, or warehouses rented by G.I.R.C., are available on the spot.
   (b) Ship-to-shore procedure - Le Havre
       On the arrival of a vessel from the U.S.A. carrying a consignment of American cotton for G.I.R.C. at Le Havre, the "Service Importation and Exportation" (S.I.E.), an organisation controlled by the Ministre d'Economie Nationale, takes complete charge of the checking and the responsibility for the unloading onto quay or delivery to local
warehouse in Le Havre of the bales of cotton as designated by G.I.R.C.

4. Freight and landing charges are paid by G.I.R.C. to the S.I.E. Once landed and checked, the cotton comes under the full control of the G.I.R.C. Their procedure on taking over is to have the bales weighed on a machine registering differences of even half a kilo in weight. These weights are recorded on the spot, and the bales are then sampled, sorted, freshly marked and stacked under their distinctive numbers to await ultimate movement inland as per allotment program. Warehousing conditions vary considerable owing to war damage in Le Havre, and range from open-air sites to covered-in buildings; the latter are definitely in the minority. When cotton is stacked in the open, it is generally protected from the weather by tarpaulin coverings. Apparently cotton does not deteriorate in quality or tensile strength, even if subjected to long periods of wet weather. When a delivery of cotton to a spinner is scheduled to take place, the spinner instructs his forwarding agent to take delivery ex warehouse of the authorised number of bales. At this point, the G.I.R.C.'s responsibility ceases, and any discrepancies occurring during the cotton's transit from warehouse to spinner have to be settled between the spinner and his forwarding agent.

5. The cotton in the covered-in warehouses under G.I.R.C. control is carefully stacked and labelled as regards quantities in stock. The G.I.R.C. through lack of warehouse capacity, is also obliged to disperse part of its cotton holdings into some 65 warehouses throughout France. This dispersion gives a measure of protection against possible heavy losses by fire.

6. Other Ports (under control of agents)

In as much as the storage capacity at the ports is insufficient for local storage, it is found necessary to disperse the cotton received to the 65 warehouses mentioned above.
7. **Delivery to Spinners**

Delivery is made to spinners solely on instructions received from the Comite Intersyndicale de Repartition. The operations of the latter organisation are described in more detail below.

8. **End Use Supervision**

The G.I.R.C. office in Paris does not have complete records. However, in the office at Le Havre records are maintained for all imports into France. It is possible from these records to trace the movement of cottons imported from the United States to the spinners. A detailed list of various records maintained in Paris and Le Havre is attached as an Annex. For the relatively small quantities of cotton arriving in other ports than Le Havre, a reservation as to the possibility of tracing the movement of the products to the spinners, has to be made. Cotton arriving at ports other than Le Havre and delivered to warehouses for storage is not controlled by individual bales, so that identity is lost at this point. However, in each small warehouse is stored cotton from five or less ships and cotton is segregated by quality classification. Therefore, while a single bale may not be traced the total number of bales of a particular type of cotton from a particular ship can for practical purposes be followed from the records in existence.

**COMITE INTERSYNDICALE DE REPARTITION**

**Introduction**

9. This organisation is divided into sections dealing with the various cotton products. It has regional offices throughout France, which record individual firms' requirements and send returns to Head Office.

10. There are 900 weavers in France to whom quotas are allotted, not on a uniform basis, but according to the type of product in which the individual firms specialise.
Procedure

11. The Regional Office of the Comité Intersyndicale de Repartition carry in their books a Supply Account in the name of each individual spinner, to which they credit the spinner's supply orders and debit the allocations of cotton.

12. In order to obtain a cotton allocation, the weaver has to fill out a "Bon d'Attribution de Matière" in quadruplicate, giving full particulars of the underlying transaction which has to be countersigned by the Repartition Regional Office and recorded. The distribution of this form is as follows:

(a) To the weaver;
(b) To the Repartition Regional Office;
(c) To the manufacturer;
(d) To the Delegation Regionale de Tissage, or other similar organisations issuing "Bons". These "Bons" are classified into three categories:
   (a) finer than 136
   (b) 80 to 136
   (c) thicker than 80

13. The Comité Intersyndicale de Repartition in Paris, on completion of this procedure, then issues a "Titre d'Attribution de Matières" on the G.I.R.C. for the required type and quantity of cotton.

Conclusion

14. In so far as arrivals in Le Havre are concerned, it is possible to trace the cotton to the spinners. It is not possible to trace individual consignments from a specific vessel beyond the spinner since he records only the quality and amount of cotton received. For further supervision of the end use of cotton (if this is found necessary) the indirect method is the only possible one. In this connection it may be possible to base the indirect supervision on the system of control which has been established by the Comité Intersyndicale de Repartition.
15. The G.I.R.C. records in Marseilles have not been examined to date, but it is understood that at that port receipts and deliveries are recorded only by quality and quantity of cotton and it would therefore not be possible to distinguish that financed by the Bank from any other once unloaded. However, 75% of the cotton imported into France passes through the G.I.R.C. organisation in Le Havre, and the balance can be traced to the spinners as described in paragraph 8 above.

16. Information has been received from G.I.R.C. that naval and military requirements for cotton are very small and are not supplied through the G.I.R.C. organisation.
List of Records maintained at

---

1. At G.I.R.C. Headquarters

   (a) Imports are recorded by
       
       Contract Nos.
       Sellers
       Sellers' Agents
       Importers
       
       Quantities and Marks
       
       It is possible, therefore, to distinguish "loan financed" cotton.

   (b) Deliveries are recorded generally - it is impossible, therefore to
distinguish "loan financed" cotton.

   (c) Monthly statements are prepared by G.I.R.C. showing total cotton
       situation:
       
       (i) Stock at beginning
       (ii) Imports
       (iii) Deliveries
       (iv) Loss by damage etc.
       (v) Stock at end
       
       These statements are audited annually (Dec. 31) by Finance
       Ministry Controller.

   (d) It is therefore impossible from Headquarters records to follow
       "loan financed" cotton.

2. At Le Havre

   (a) Records of all receipts and deliveries, irrespective of origin,
       port of importation, warehouse used and destination, are available
       at G.I.R.C., Le Havre.
(b) Key Reference:

Principal - Steamer
Secondary - Importer

3. Main Records Kept

(a) Purchases Journal - non-financial
(b) Stock Journal
(c) Financial Journal

4. Main Supporting Documents

(a) Loading statement (Prepared by Paris from details supplied by Transit Division, New York)
(b) Attribution (Instruction from Comite Intersyndicale de Repartition for deliveries to spinners)
(c) Copy of G.I.R.C.'s letter instructing importer to invoice to spinner.
(d) Copy of importer's invoice.
(e) Copy of delivery statement made by importer to G.I.R.C. for every consignment to spinner
(f) Warehouse inventories (year-end only)

5. Details of Main Records

(a) Purchase Journal

(i) Steamer
(ii) Importer
(iii) Mark, e.g. BAX BF

1 1

Solders const. Quality
(iv) Number of bales
(v) Weight
(vi) Spinners to whom ultimately delivered
(vii) "Attribution" No.
(viii) Quantity

"Attributions"
Purchase Journal thus records all shipments and indicates ultimate disposal.

(b) Stock Journal

(i) Steamer

(ii) Importer Entered, in main,

(iii) Port of importation from loading statement

(iv) Contract No. and seller when goods have arrived

(v) Date of arrival

(vi) Complete Mark

(vii) Number of bales -- do --

(viii) Weight

(ix) Warehouse receiving cotton

(x) Counter mark for subsequent delivery

(xi) Attribution No.

(xii) Spinner to whom delivered Entered from copies of

(xiii) Number of bales letters to importers

(xiv) Weight instructing them to

(xv) Date of outgoing invoice spinners

Instructions to importers for invoicing include complete contract mark.

Delivery by G.I.R.C. is complete, as far as G.I.R.C. concerned when goods are taken over by spinners' agents.

G.I.R.C. receives five copies of importer's invoice to spinner:

1 - for bank financing original purchase
2 - for accounting department, Paris
3 - for accounting department, Paris
4 - for Cash Department, Le Havre
5 - filed
(c) Financial Journal

(i) Steamer
(ii) Importer
(iii) Seller
(iv) Contract No.
(v) Number of bales
(vi) Complete Mark
(vii) "Attribution" No.
(viii) Number of bales
(ix) Weight
(x) Spinner
(xi) Financial details.

Financial details include:
(a) Importer's purchase price
(b) Importer's selling price (on G.I.R.C's instructions)
(c) Various commissions and interest due to importer
(d) Balance due to or from G.I.R.C.

Details (7) to (11) are entered from delivery statements
APPENDIX 6.

STEEL PRODUCTS.

GENERAL.

1. The office of the Direction de la Siderurgie is responsible for the distribution of imported steel products. The purchase and sale of these products both in the imported form and after semi-fabrication in France is subject to licence, and the desired end-use must be specified on the licence application form. A rather small proportion (of the order of 3%) of imported steel products is destined for defence purposes, and a slightly larger proportion (about 7%) is distributed through wholesalers by means of a system of coupons ("monnaie-matiere") which are issued in lieu of licences to purchase, and have to be delivered to wholesalers, and by them in turn when they wish to replenish their stocks. Each of these coupons is valid only until a given date, and must have endorsed on it at the time of using the end-use for which the steel product is required.

GROUPEMENT D'IMPORTATION DES PRODUITS SIDERURGIQUES (G.I.P.S.).

2. The function of G.I.P.S. is to purchase steel products on the instructions received from trade associations, which are approved by the French Government, and to arrange for the distribution, in accordance with the instructions, of goods when received.

3. Individual steel consuming enterprises, i.e., end-users, submit their requirements to the trade association of the industry to which the consumer belongs, i.e., Renault Automobiles to the automobile producers trade association. These associations are in general terms referred to by G.I.P.S. as "organismes".

4. The trade associations examine these applications and submit
their list to the French Government for its approval. The particular office which approves such applications in the case of goods to be bought through G.I.P.S. is the Direction de la Sidérurgie du Ministère de l'Economie Nationale. Any individual application must thus be approved both by the trade association and by the Government, the latter working to a predetermined economic plan of priorities as between industries.

5. The orders placed with G.I.P.S. come, therefore, from the various trade associations; in some cases, such as Renault or Citroën, the whole of an order may be for one consumer; in other cases, the bulk order is accompanied by a list showing the division of the order between individual consumers.

6. The price to be paid by the consumer is fixed by the French Government, which issues lists of official prices for various controlled commodities, and is not normally directly related to the cost in the U.S.A. of the goods supplied.

7. The orders are sent by G.I.P.S. to the French Supply Council in the U.S.A., which secures contracts; copies of these contracts are sent to G.I.P.S. in France. G.I.P.S. has no control over the shipping of the goods from the U.S.A., nor over the price to be paid in the U.S.A., and is not concerned with the methods of payment adopted there.

8. When a ship leaves the U.S.A., G.I.P.S. is advised by cable of the name of the ship, port of arrival and expected date of arrival, and details of the cargo, including contract numbers, item numbers, and quantities involved; any one ship will normally carry cargo relating to several contracts.
9. G.I.P.S. relates the original order with the contract and item numbers, and prepares for each ship a "lettre de repartition", which consists of a series of instructions to G.I.P.S.' forwarding agent in the arrival port, giving the names and addresses of the consumers for the whole cargo. G.I.P.S. has no discretion in the matter, but divides the cargo in accordance with the original orders received from the trade associations.

10. G.I.P.S. keeps a record sheet for each contract, ("fouille d'Emergement des navires par contrat"), which shows the tonnage called for by the contract, and on which an entry is made whenever a ship brings goods forming part of the contract; so that when all the subject matter of the contract has been received in France, the record sheet shows the names of all the ships by which the goods arrived and the amounts carried in each ship.

11. A dossier is opened for each ship and is subdivided according to the nature of the cargo.

12. When the forwarding agent in the port has despatched the cargo from a ship in accordance with the instructions referred to in 9 above, he prepares for each consignment a "fiche de chargement" or advice note, of which he sends one copy to the consignee and duplicates to G.I.P.S. The forwarding agent also receives from the railway a rail bill of lading ("lettre de voiture") which shows the destination of the goods. At this stage, it may be considered that the goods are no longer in the custody of G.I.P.S.

13. The port agent sends his advice note and the railway bill of lading to G.I.P.S., which compares them with the "lettre de repartition"
(see 9 above) to see that no error has been made. In exceptional cases when the quantities unloaded differ widely from the amounts advised to the agent, he reports the matter to G.I.P.S., which issues supplementary instructions.

14. The quantities stated on the contract are entered on the record sheet (10) when the sheet is first prepared, but the entries of receipts by ships follow the cable advices. In many cases, it appears that the deliveries on board in the U.S.A. exceed the quantity called for by the contract.

15. The advice note and bill of lading (12) are based on the round figure quantities advised by cable; the goods are not weighed by the railway until they arrive at destination. The consumer receives from the railway a certificate of actual weight ("bulletin de pesage"), and if it shows a serious divergence from the advice note (12) which he has received, he sends the "bulletin de pesage" to G.I.P.S.

16. Invoices are prepared by G.I.P.S. from the following data:
   (a) Order received from trade association (5)
   (b) Price named in the order or official price (6)
   (c) Contract number and particulars, which have been related to (a)
   (d) Ship dossier (11)
   (e) Advice notes and rail bill of lading (12) amended where necessary by "bulletin de pesage" (15)

17. G.I.P.S. keeps a quantity record by ships, and by classes of goods, showing amounts unloaded and the distribution of these amounts
to consumers (names entered on record) or to various entrepots or dumps. This record is based on the quantities advised by cable.

18. In addition, a record is kept of ascertained weights in cases where a "bulletin de pesage" (15) has been sent to G.I.P.S.

19. At the present time orders are usually delivered direct from the port to the consumer, but when imports were first arriving from the U.S.A. in 1945 and 1946, it was necessary to buy for stock and to transfer imports to dumps to free shipping and to relieve the overloading of the damaged docks. At that time, the stocks held in dumps reached a total of some 113,000 tons, as compared with some 13,000 at the present time.

20. The present, but much reduced flow to dumps (entrepots) arises:

(a) When steel which will be useful is available in the U.S.A. and is bought in advance of making an allocation to a specific individual.

(b) When owing to an error in allocation, or to late arrival of the goods, the consumer refuses the goods.

(c) When, as a result of industrial stoppages (i.e. the Renault strike) goods destined for a consumer have to be diverted to an entrepot.

21. In cases (a) and (b) the amounts available are advised to the trade association, and allocation and sale are effected, as in the case of new orders. In the case of (c), the same procedure will be followed, if the original consumer does not take the goods in the dump.

22. G.I.P.S. keeps a stock record for each entrepot, in which the parcels in a given dump arising out of each shipment are separately
recorded, but it is not clear what physical stocktaking is carried out to confirm the book entries in the Paris records.

23. G.I.P.S. prepares periodic position statements showing in total at a given date the quantities ordered, received, in stock, in transit and delivered to customers. These statements cover all steel imports, of which the imports from the U.S.A. financed by the I.B.R.D. loan form only a part.

SUPERVISION OF END USE

24. The I.B.R.D. disbursement vouchers cannot be directly related to consumers. As described above, G.I.P.S. controls the movement of goods principally by units of ships, with a cross-reference to complete contracts. The checking of the goods to which a particular payment relates can therefore only be effected by checking the complete contract in question.

25. Checking routine at G.I.P.S.

The method followed should be:

(a) Obtain Contract number required to be checked from I.B.R.D.'s Analysis of Loan Disbursement Vouchers.

(b) Obtain

   (i) Copy of actual Contract
   (ii) Copy of Trade Association's Application
   (iii) List of Arrivals of Goods under this Contract (Feuille d'emergement)
   (iv) Copies of G.I.P.S.'s instructions to Forwarding Agents for each step in "Feuille d'emergement".

These instructions will include instructions for delivery to customers
for all contracts under which goods have arrived on the particular ships.

(c) Note those of the other contracts included in these instructions which concern the I.B.R.D. loan and, in respect of them obtain:

(i) Copies of actual contracts
(ii) Copies of relevant Trade Association's Applications
(iii) Lists of arrivals of goods under these contracts
(iv) Copies of G.I.P.S. instructions to Forwarding Agents

for each ship in the "Feuille d'emergement".

(d) These instructions may well relate to contracts other than those already obtained and this process of obtaining documents could go on forever. It is well therefore to stop collecting documents at this stage.

(e) Note the contracts now available, the values of which are covered substantially by Loan Disbursement Vouchers, and abandon the others.

(f) Open Working Papers (green form) for each contract - noting at the top all Loan Disbursement Vouchers shown in the I.B.R.D.'s analysis, the dollar amounts concerned and the total amount covered by these vouchers, and record the following details:

(i) Copy from Contract:
   Type of Steel Product,
   Quantity in tons,
   Amount in dollars,
   Seller.

(ii) From Trade Association's Application:
   Number
   Quantity
   Trade Association
Destination

Purpose for which required.

(iii) From "Feuille d'émargement":

<table>
<thead>
<tr>
<th>Ship</th>
<th>Quantity arrived in tons</th>
<th>Approx. date of arrival</th>
</tr>
</thead>
</table>

Quantity total of (iii) should approximate to quantity total of (i).

(g) Obtain copies of G.I.P.S.' invoices for each of the ships included in f (iii) above. Failing invoices, obtain Railway Bills of Lading "Lettres de Voiture".

(h) Check G.I.P.S.' instructions to forwarding agents with invoices or railway bills of lading, noting approximate dates of deliveries to customers.

(i) Record on Working Papers from the checked instructions deliveries to customers as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Town</th>
<th>Tonnage</th>
<th>Approx. date of arrival</th>
<th>Note of Evidence of Delivery seen</th>
</tr>
</thead>
</table>

Total deliveries thus recorded should approximate to total arrivals shown under f(iii) above.

(j) Working Papers should include notes of any deliveries which on the evidence so far available, are suspect as regards end-use, such as steel delivered to Naval shipyards, etc.

(k) It will be seen that, in many cases, the total value of the contract is not covered by Loan Disbursement Vouchers so far required to be checked.

(l) It may well be that a Loan Disbursement Voucher relates to a contract which has already been checked in detail, and it is therefore necessary to ensure that a contract has not already been recorded in past Working papers.
FINAL CHECK OF END USE.

26. It will be seen that working papers include extracts from the actual application by the French Trade Association or Ministry, indicating the end-use to which goods are to be put and details of the goods destinations.

27. The working papers themselves may, therefore, in certain cases, constitute satisfactory evidence of proper end-use. For example, where the application is by the Ministry of Public Works for mild steel round bars to be used by various contracting engineers in repairs to or construction of reinforced concrete bridges and the various consignees recorded from invoices or railway bills of lading, appear to be indeed bridging engineers, the prima facie evidence thus available may be sufficient.

28. Where this prima facie evidence is not adequate, the following suggestions are made:

(a) A list of G.I.P.S.' biggest customers is attached as Annex 1.

(b) From this list and the Working Papers, summaries can be made of deliveries by main types of steel to those of the biggest customers who, by virtue of the nature of their productions, are most capable of mis-using Loan financed steel.

(c) Production statistics of such customers can be obtained showing:

- Total steel consumption by types,
- Total production,
- Total deliveries to them of Loan financed steel.

(d) If adequate stock and costing records are maintained by such customers, it may be possible to trace actual deliveries of Loan financed steel through the various processes to the finished articles.
29. The repertiteur of steel products has available the originals of the applications for the use of steel submitted by the users. There is one exception; namely: steel distributed through wholesalers, the control of which is effected by a coupon system. As stated above this method of distribution accounts for approximately 7% of imported steel.
### ANNEX 1 to APPENDIX 6.

**Liste des PRINCIPAUX CLIENTS DU GROUPEMENT D'IMPORTATION DE PRODUITS SIDERURGIQUES.**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Address/Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACIERIES DE MICHEVILLE</td>
<td>85-87, Egl Félix Faure à Aubervilliers</td>
</tr>
<tr>
<td>ATELIERS &amp; CHANTIERS DE FRANCE</td>
<td>à Dunkerque (Nord)</td>
</tr>
<tr>
<td>ATELIERS DE CONSTRUCTIONS</td>
<td>à Toulouse</td>
</tr>
<tr>
<td>BACHELIE</td>
<td>31, Avenue de Laumiere à Paris (19ème)</td>
</tr>
<tr>
<td>BERLIET</td>
<td>à Venissieux (Rhône)</td>
</tr>
<tr>
<td>BOUCHAVER &amp; VIALLET</td>
<td>155, cours Berriat à Grenoble</td>
</tr>
<tr>
<td>CHANTIERS &amp; ATELIERS DE ST NAZAIRE PENHOET</td>
<td>7 rue Auber à Paris</td>
</tr>
<tr>
<td>CHAUVIERE</td>
<td>23, Cité Trevise à Paris</td>
</tr>
<tr>
<td>CITROEN</td>
<td>117 à 157, quai de Javel à Paris</td>
</tr>
<tr>
<td>COMPTOIR DES TEXTILES ARTIFICIELS</td>
<td>5 Avenue Percier à Paris</td>
</tr>
<tr>
<td>D.A.V.U.M.</td>
<td>96, rue Amelot à Paris</td>
</tr>
<tr>
<td>DESCOURS &amp; CABAUD</td>
<td>5, rue du general Plessier à Lyon</td>
</tr>
<tr>
<td>DIRECTION CENTRALE DES TRAVAUX IMMOBILIERS &amp; MARITIMES</td>
<td>2 rue Royale, Paris</td>
</tr>
<tr>
<td>ENTREPRISES METROPOLITAINES &amp; COLONIALES</td>
<td>14 Egl de la Madeleine, Paris</td>
</tr>
<tr>
<td>ENTREPRISE INDUSTRIELLE</td>
<td>29 rue de Rome, Paris</td>
</tr>
<tr>
<td>ELECTRICITE DE FRANCE</td>
<td>3 rue de Messine, Paris 8 &amp; 88 Av.Kleber, Paris</td>
</tr>
<tr>
<td>FERS, TOLES &amp; ACIERS</td>
<td>23/43 Avenue Michelet, Saint Ouen</td>
</tr>
<tr>
<td>USINES FORD</td>
<td>45 route d'Acheres, Poissy</td>
</tr>
<tr>
<td>FORGES &amp; CHANTIERS DE LA MEDITERRANEE</td>
<td>La Seyne sur Mer (Var)</td>
</tr>
<tr>
<td>GRIMMEISSEN</td>
<td>à Strasbourg</td>
</tr>
<tr>
<td>HARDY TORTUAUX</td>
<td>67 rue Rebeval, Aubervilliers</td>
</tr>
<tr>
<td>HOUILLERES DU NORD</td>
<td>à Lievne (P. de C)</td>
</tr>
<tr>
<td>LE PAGE</td>
<td>Havre</td>
</tr>
</tbody>
</table>
LONGOMETAL - 27, Bd Richard Lenoir Paris et 103 rue de la Boetie, Paris

SIMON LOEF - a Strasbourg (B. Rhin)

MARINE NATIONALE - Port de Cherbourg, Cherbourg

MINISTÈRE DES TRAVAUX PUBLICS & DES TRANSPORTS - Secretariat de l'Aviation civile et commerciale (Service Technique des bases sérieuses) 135, rue de la Convention.

MINISTÈRE DES TRAVAUX PUBLICS & DES TRANSPORTS - Service Technique des bases sérieuses, 42 Avenue Foch, Paris.

NICODEME - 54, rue du Faubourg de Valenciennes a Lille

NOZAL - 9 quai de Passy, Paris

PEUGEOT - 29, rue de Ferri, Paris

ERNEST PIGARD - 3, rue St-Malo, Rennes (M.R.U.)


PONTS & CHAUSSEES - 5, quai des Celestins, Lyon

PORT AUTONOME DE BORDEAUX - Service maritime Gironde (M. Grance, 2, Place Gabriel a Bordeaux.


RÉGIE NATIONALE DES USINES RANAU LT - Billancourt (Seine)

STE LORRAINE DES ACTINES DE ROMBAS - Rombas (Moselle)

STANDARD FRANCAISE DES PETROLES - 82, Avenue des Champs Elysées.


STE JUPITER - 42 rue Washington, Paris

Soudre Haymann - 28 rue des Fillettes, Aubervilliers.

SCHERPPEL - Mulhouse (Ht-Rhin)

S.N.C.F. - 100 Avenue de Suffren, Paris

TRAVAUX PUBLICS - Ponts & Chaussees - Mr. Spinetta, Ing TPE, 62, Ave. de Paris, Versailles.

UNION METALLURGIQUE - 37, Avenue Victor Emmanuel III, Paris

U.C.P.M.I. - 31 Avenue Montaigne, Paris

DE WENDLE - 3, rue Paul Baudry, Paris
APPENDIX 7

LOCOMOTIVES

1. All locomotives are for SNCF (Société Nationale des Chemins de Fer), which organisation allocates locomotives to certain sections of its network after necessary modifications, if any, are completed.

2. The following evidence is obtainable:

   (a) Copy of ship's manifest showing locomotive numbers as loaded on the ship. A copy is available in the office in Paris of the Engineer in charge of Technical Planning of the SNCF.

   (b) Letter from Port Agent of SNCF at port of arrival, stating the date and port of arrival by particular locomotives, together with a statement that they were delivered to SNCF complete as to all details.

   (c) A letter from SNCF stating that letter from Port Agent is correct.

3. The originals of (b) and (c) of the preceding paragraph have been furnished to the IBRD office. It is possible to get a photostat produced of (a). From these documents it is then possible to complete the examination report form. This can be done directly on the typewriter without making a working sheet, since all the documents are at hand in the office of IBRD. Locomotives may be physically inspected if desired.
APPENDIX 8

SHIPS

Ships purchased from the U.S. Maritime Commission

1. Seven ships were purchased under contract M.MA.1960 MCC 60170. Of these one, The "Sedan" has been placed in service. The balance are still in American shipyards for overhauling and outfitting.

2. Final documents evidencing change of flag and registration in French ownership are at the office of the French Consul in New York. Copies of these documents are being obtained by the office of the French Merchant Marine and will be available for inspection in Paris. Also, the French merchant marine authorities will obtain statements from the port authorities of the ports in France at which the various ships are delivered indicating that the ships are in the service of the French Merchant Marine.

3. The end use checking procedure will be fairly simple consisting only of examination of the above mentioned documents when they are available in the office of the French Merchant Marine in Paris.

Ships purchased in Canada

4. No information can be assembled at this time as to the procedure for checking the end use of the ships purchased in Canada. The ships in question, which are destined for metropolitan France, have not been delivered to date, and the French Merchant Marine offices do not yet have any information concerning their end use.

5. Certain of the ships purchased from Canada are destined for Morocco, Dakar, and Cayenne. Records showing their intended distribution are not maintained in the offices of the French Merchant Marine.
but are believed to be available at the French Colonial Ministry. Arrangements have been made to have the end use supervisor in Paris follow up this matter.
## Appendix 9

**Requirements to be Financed in Dollars during 1947 out of the Proceeds of the IBRD Loan**

<table>
<thead>
<tr>
<th>Category Number</th>
<th>Category</th>
<th>Millions of Dollars</th>
<th>Paid since 1st January/47 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ships and Vessels</td>
<td>45</td>
<td>approx. 33</td>
</tr>
<tr>
<td>2</td>
<td>Equipment</td>
<td>60</td>
<td>(See Note 1)</td>
</tr>
<tr>
<td>3</td>
<td>Raw Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>rolling mill products for shipbuilding, railroads, domestic production of agricultural equipment and other metal industries</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Raw Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>non-ferrous metals</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Raw Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>timber</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Raw Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>cement, stone, glass and other building materials</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Raw Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>fertilizers</td>
<td>5</td>
<td>(See Note 1)</td>
</tr>
<tr>
<td>8</td>
<td>Fuel (coal plus freight)</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Feeding grains and cakes</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Freights, other than for coal</td>
<td>(See Note 2)</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>195</td>
<td>approx. 33</td>
</tr>
</tbody>
</table>
Notes

1. The amount of old transactions in categories 2 and 7 cannot at present be estimated with any accuracy.

2. Any disbursements on account of freight will reduce pro tanto the amount available for the relative category of supplies. It is intended to minimise the amount of freight payable in dollars by using Dutch ships whenever possible.
APPENDIX 10

NETHERLANDS SYSTEM OF CONTROL OVER IMPORT AND DISTRIBUTION OF PRODUCTS TO BE FINANCED BY THE IBRD

1. In contrast with the system adopted in France, where the importation of supplies of the types financed by the Bank is effected through the medium of Government agencies, in Holland import trade is mainly in private hands, control being exercised through a system of licencing administered through the Central Dienst voor Inen Uitvoer (C.D.I.U.). Applications for licences have to indicate the end use for which the goods are required.

2. In accordance with a general plan worked out by agreement between the various official agencies concerned — primarily the Ministries of Finance and Economic Affairs — the Central Bank quotas of each kind of foreign currency are earmarked for each of the various types of supply which have to be imported. It is the function of the C.D.I.U. to scrutinise, and eventually to approve, applications for import licences against the total of the various quotas. In the following paragraphs the special features of the controls relating to categories of supplies to be financed by the Bank are examined from the point of view of the case or difficulty of supervision of end-use.

3. In general, an important part is played in the system of control by the various Rijksbureaux (for metals, chemicals, etc.), which are official agencies responsible for the administration of specific sectors of the Netherlands economy. In some industries, a part is also played by semi-official trade organisations known as Vakgroepen.
4. Ships and Vessels

The Nederlandsche Bank will provide documentary evidence of change of register and change of ownership.

5. Equipment

This is a complicated category because it covers such a wide range. Most of the equipment in which the International Bank is interested comes under the control of Rijksbureau, which issues quotes against which quota-holders may apply for import licences. It is possible to distinguish the following 5 groups of quota-holders:

(a) R.B. Metalen gives quotes to other Rijksbureaux for specialised machinery, for instance to the R. B. Textiles and the R. B. Tobacco. For special machinery, used in those industries, the individual R. B. controls the end-use of such machines. If a firm wishes to purchase such special machinery through a wholesale importer, that firm applies for a licence to import to be issued to the wholesale importer.

(b) There is a special quota for industrial expansion. If an industrial firm wishes to expand its operations in such a way that it requires to purchase new machinery, it must obtain a licence from the Ministry of Economic Affairs. There is a special quota-commission in the Ministry, which scrutinises such applications.

(c) The R.B. Metalen has a special quota for firms engaged in export industries.

(d) There is a further quota which is subdivided among big industrial concerns, such as the mines, the railways,
the postal and telegraphic organisation, Philips, etc.

(e) There is a further quota for general purposes which is given by the R.B. Metalen to the Vakgroep of the Machinery Trade. This Group subdivides the quota among its members, which must show, in their applications for permission to import, the end-use for which the machinery is required.

6. There are certain exceptions and special cases in the equipment category which are as follows:

(a) **Hand-tools.** There is no control over internal distribution, which takes place through normal trade channels. The Vakgroep gets a quota from the R.B. Metalen and is responsible for the subdivision among its members.

(b) **Parts and Accessories for air-craft.** There is only a small import and a small number of firms concerned. Each application for permission to import is considered on its merits by the R.B. Metalen.

(c) **Parts and Accessories for Bicycles.** The Ministry of Economic Affairs decides the total quota for manufacture of bicycles on the one hand, and for their repair on the other. The Vakgroep is responsible for the division of this quota among its members.

(d) **Electrical Equipment.** This is not an important category since Holland is nearly self-supplying, but licences are required for special types, such as refrigeration machines.

(e) A quota is given to the Ministry of Food to cover equipment for the food industry and the food processing industry.
(f) The mines and the railways have their own quotas directly from the R.B. Metalen.

(g) Agricultural Equipment. The Ministry of Agriculture is given an import quota by the R. B. Metals. A farmer or co-operative wishing to buy imported agricultural machinery must first get the approval of the local agricultural adviser. The farmer then applies to the Bureau of Raw Materials (sic) in the Ministry of Agriculture for a permit to be issued to the importer through whom he wishes to buy the machinery in question.

7. Raw Materials – Steel Products

The distribution of these products is controlled by the R.B. Metalen, who are granted by the Ministry of Economic Affairs a quota for the total amounts of steel products which may be purchased from different foreign countries. The R.B. Metalen subdivides these quotas among the different industries which use steel products. These industries are organised on the German lines into Vakgroepen, which in turn come under Bedrijfsgroepen.

8. The R.B. Metalen gives quotes directly to the Vakgroep.

9. There are, however, two main classes of exception to this procedure:

(a) Special quotes are allotted by the R.B. Metalen to other Rijksbureaux, such as those for textiles and chemicals, and also to the Ministry of Reconstruction for housing and the Ministry of Food for such purposes as repairs for equipment in the food processing industry.
(b) A small number of big firms or monopolies receive their own quota directly from R.B. Metalen. Among these are the railways, the mines, the Philips Company and the Government organisation for shipbuilding and repairing.

10. The allotment of quotas by the R.B. Metalen is carried out on a quarterly basis. There is a substantial quota for the trade (i.e. for wholesalers). All quotas are recorded on the books of the R.B. Metalen and any quota-holder, wishing to import against his quota must apply for an import licence which is recorded in the R.B. books against his total quota. Applications for such licences are submitted by individual importers to their Vakgroep, which in turn submits them to R.B. Metalen. The reason for which the proposed imports are requested must be shown on the application for the import licence.

11. If a quota-holder wishes to buy from the trade, a transfer is made on the R.B. books from his quota to that of the trade. It is possible to keep track of imported steel products passing through the trade in this way, because they are sold at regulated prices which are lower than those for the same type of domestically produced steel products.

12. Non-ferrous Metals

The R.B. Metals is responsible also for this category of import, and the method of control is generally the same as that for steel products; the larger proportion, however, of non-ferrous metals is distributed through trade channels, but since no delivery may be made by the wholesaler except against a licence to purchase issued by the R.B., there should be no great difficulty in supervision.

13. The Ministry of Economic Affairs is considering the possibility
of decontrolling lead for two reasons: firstly because it is thought that this would bring into the market large quantities of old lead (mostly recovered from war damaged houses) which might make possible a reduction of imports, and also because since no building operation costing more than fl.500. may be carried out without a special permit from the Ministry of Reconstruction, there is in effect an indirect control of the use of lead.

14. The distribution of timber is fully under control by the R.P. for Wood from whom a permit must be obtained for all purchases and sales of wood. This applies to every stage in the chain of distribution from importers (through whose hands 90% of all imports pass) down to the actual end users.

15. The users of timber fall under five different heads:

(a) Reconstruction, which for practical purposes means building. The R.P. for Wood gives a quota to the Ministry of Reconstruction, through whom licences are issued. All building operations, costing more than fl.500., require a licence from the Ministry of Reconstruction, and even if no such licence is required, a separate licence is needed for the purchase of every type of building material, including wood. Application for a permit for reconstruction must be accompanied by a detailed list of the materials required.

(b) Packing Cases. A quota for this purpose is given to the Vakgroep, which is a closely organised syndicate. The distribution to the members of the Group is left by the Ministry of Economic Affairs to the secretary of the Group itself, but is of course subject to supervision by the Ministry.
(c) Wood-using Industries. Quotes for these industries are allotted by the R.B. for Wood. These industries include for instance the furniture industry and the ship-building industry. Individual firms apply to the R.B. for Wood for permission to purchase.

(d) Pitprops. The import of pitprops is centralised and state-controlled. The quota is allotted to the mines as a whole, and while the division of this quota between the state mines and the private mines is controlled by the Ministry of Economic Affairs, the detailed distribution between mines is left in the hands of the state mines. It appears that no steel pitprops are used in Holland.

(e) Paper Industries. There is only one firm in Holland which manufactures wood-pulp for the paper-industry. This firm receives a quota directly from the R.B. Wood.

16. Cement. About 30% of the total consumption of cement is imported. There is no direct control of the purchase and sale of cement. It is, however, forbidden to use cement without a licence from the Ministry of Reconstruction. At first sight it appears that it would be impossible to enforce this rule, but since the purchase of reinforcing bars for concrete work is only permitted under licence, the uses for which in practice cement might be consumed in defiance of the regulations are very limited and are estimated to account for not more than say 5% of the total consumption. It should be possible to check this with some degree of accuracy over a period, by comparing the total amount of cement in respect of which licences were issued against the total availability. The
records of the Ministry of Reconstruction are maintained by means of the Hollerith system of punched cards, so that particular statistics can readily be extracted.

17. **Stone.** Not much stone is imported, and it is distributed in Holland in the free market. However, a licence is required, as stated above, for all building operations of any size for which stone is required. Stone for the repair of roads is imported by the Government, which allocates stone for the repair of roads for which a local Government unit is responsible, directly to such local Government unit.

18. **Glass.** All glass is imported, mostly from Belgium and Czechoslovakia. Ninety-five percent of such glass is distributed through the Ministry of Reconstruction which issues licences to purchase. The remainder, say 5%, is distributed by the R.B. Ceramics for ship-building, railways, trams, furniture, etc.

19. **Fertilizers.** There is a central purchasing agency of the Ministry of Agriculture known as "V.I.B." which buys and ships all imported fertilizers, in the case of the U.S.A. through an agent in that country. VIB obtains quotes of foreign exchange through the C.D.I.U. for each of the types of fertilizer imported and for each of the currencies involved; but a small amount of discretion is allowed in order that market opportunities shall not be lost. The fertilizers are consigned to VIB. Up to the point of arrival in Holland, therefore, all the documents are handled by the VIB, and this should simplify the task of supervision of disbursements.

20. There is a tight control over the distribution of fertilizers in Holland, which is exercised by the Artificial Fertilizer Distribution
Office (Kunstmestdistributiebureau) in the Ministry of Agriculture. Distribution is controlled by the issue of coupons to farmers. The amount distributed is calculated on the basis of the acreage under cultivation, but the amount per acre varies in different parts of the country (e.g. a larger allowance is made in cases where land has been flooded with sea water) according to the advice of the local agricultural adviser. These advisers are officials responsible to the Ministry, and are located in all areas.

21. Wholesalers may replenish their stocks by purchase from the VIB only against deposit of the coupons which they have received in respect of their sales to farmers.

22. Fuel. A licence is required for all purchases and sales of coal. All imports are handled by private importers, who must obtain a licence to import from the R.B. Fuel. All coal imported from the U.S.A. is distributed to industries of various sorts, and the R.B. Coal is able to give exact details of the history of each shipment.

23. Feeding Grains and Cakes. The system of control is in principle the same as that for fertilizers, but the office responsible for control is known as the Bedruifshont, a semi-official organisation on the lines of the Rijksbureaux. The basis of distribution in this case is the number of head of livestock owned by a farmer, and the Central Statistical Office of the Ministry conducts a census at regular intervals which covers all types of livestock, distinguishing between animals of different ages, sexes, etc.
Informal Translation

Draft of circular letter to authorised Banks concerning technical details with reference to Kingdom of Denmark's loan with International Bank for Reconstruction and Development.

Withdrawal of proceeds of the loan.

In the provisions for withdrawal of proceeds of the loan it is stipulated, that drawing may only take place when it has been proved before IBRD, that the proceeds drawn cover payment of import of goods, and that such goods have been imported to Denmark, and that payment for the goods have been made to the foreign importer. The documentation shall consist of:

1) Receipted invoice (or copy of invoice) (invoice or separate receipt can be used if the receipt contains sufficient information to identify the invoice)

2) Consignment documents (or copies) as a rule bill of lading (inland or ocean-going Bill of Lading) which documents have to be dispatched through Denmark’s National Bank for each payment.

When issuing import licence the Directorate of Supplies will make it compulsory for the importers to secure these documents.

Import licence concerning Interbank-loan shall be marked

1) IB3DE, 2) Category number 3) Number of import licence (IB3DE/00/000).

The authorised banks must watch that the following rules are followed whenever such payment refers to an import licence marked with the above mentioned symbols.

Imported goods. The authorised banks can deliver foreign currency, when they are in possession of a customs stamped import licence and
1) transfer the amount direct to the foreign exporter in cheque by air-mail accompanied by invoice (copy) with the request that the invoice is to be returned by air-mail receipted. The above mentioned dispatch documents shall be retained by the authorised bank and then promptly forwarded to Denmark's National bank together with receipted invoice or

2) hand a cheque to the importer against delivery of the above mentioned dispatch documents and instruct the importer to get receipted invoice from the exporter by air-mail, which receipted invoice must be delivered to the authorised bank. The authorised bank retains the dispatch documents and shall promptly send these together with the receipted invoice to Denmark's National bank. The authorised bank sees to it that importers deliver receipted invoices within a reasonable time.

The authorised bank shall in both cases enface symbols, categories, and numbers on all documents.

Letters of credit. In accordance with the agreement with Interbank it is necessary that every letter of credit opened for goods financed from the loan shall be marked IB3DE in front of the number of the letter of credit. Denmark's National bank shall further more request the authorised banks to mention the number of the import licences. It is requested that they are marked as follows:

Number of letter of credit: IB3DE/000
Number of import licence: IB3DE/00/000

In the opening letter should further more be added:

"Upon receipt of the present letter please forward by air-mail an advice of requirement of deposit of collateral (form 3) prescribed
by the International Bank, duly filled in to Denmark's National bank, Copenhagen, Denmark. When any payment is made by you under the present letter of credit please, further, forward a report (Form 1-3) to International Bank for Reconstruction and Development, Washington, D.C."

A copy of the opening letter must be sent to Denmark's National bank together with instructions to Denmark's National bank to transfer the amount necessary for the opening to the bank with which the letter of credit has been opened. The authorised banks must observe that it will not be possible for Denmark's National bank to remit the money before it has received advice of requirement of deposit of collateral and that remittances only can take place by letter. In case it is necessary that quick payment is urgent the authorised bank 1) may request the bank with which the letter of credit is opened to debit its account for the amount necessary to cover the opening of the letter of credit and temporarily consider this as collateral for the letter of credit until such time that the amount is received from Interbank or 2) request Denmark's National bank to cover immediately, which might be done telegraphically.

The equivalent of the amount drawn in Danish Kroner will be debited the authorised banks account with Denmark's National bank in the ordinary way on the date Denmark's National bank place the amount necessary to open the letter of credit at the disposal of the letter of credit bank. Authorised banks which do not carry an account with Denmark's National bank are requested to forward to Denmark's National bank a copy of the opening letter directly and at the same time authorise Denmark's National bank to debit the amount on the account of their ordinary correspondent in Copenhagen for the equivalent in Danish Kroner.
The authorised banks are requested to observe, that currencies placed at the disposal of the bank with which the letter of credit is opened will be credited the authorised bank on a special letter of credit account, the balance of which can only be utilised in covering the particular letter of credit. In case the letter of credit should not be utilised in whole or in part it is only possible to reverse the amount to Interbank which will credit Denmark's National banks account for the amount.

It is requested that in all correspondence with Denmark's National bank concerning the Interbank-loan special reference is made through the particular symbols, categories, and licence number involved.

CHANGES SUGGESTED BY THE MISSION

The Mission had studied these instructions and the following changes were suggested to the Danes:

(a) That the wording of the second paragraph of page 1 be altered to make it clearer to the reader that the procedure described therein is only one of the alternative methods of obtaining funds out of the proceeds of the loan, and not the only method.

(b) That in the eighth paragraph of page 1, the title be changed to read "IMPORT GOODS NOT FINANCED BY LETTERS OF CREDIT".

(c) That the instructions regarding the symbol be revised so that the symbol number as placed on the letters of credit includes a designation of the category, and that the symbol number is omitted in connection with the import licence number.

(d) That the instructions be revised regarding submission of the "Bank's report of Payment" and other statements submitted by the
American commercial banks directing that forms be submitted to the borrower's representative in the U.S.A. rather than directly to the IBRD.

(e) That the instructions be revised regarding the disposition of unused deposits of collateral so that they conform to the text of clause (c) of the form 3 (Bank's advice of requirement of deposit of collateral) prepared by the IBRD.
## APPENDIX 12
### DANISH LOAN CATEGORIES

<table>
<thead>
<tr>
<th>Category Number</th>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agricultural machinery</td>
<td>4,210,526.31</td>
</tr>
<tr>
<td>2.</td>
<td>Textile machinery</td>
<td>2,105,263.16</td>
</tr>
<tr>
<td>3.</td>
<td>Turbines refrigeration equipment</td>
<td>2,105,263.16</td>
</tr>
<tr>
<td></td>
<td>Machine tools and other machines</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Trucks</td>
<td>5,263,157.89</td>
</tr>
<tr>
<td>5.</td>
<td>Spare parts for freight cars</td>
<td>1,052,631.58</td>
</tr>
<tr>
<td>6.</td>
<td>Laboratory and hospital equipment</td>
<td>2,105,263.16</td>
</tr>
<tr>
<td>7.</td>
<td>Tires and tubes</td>
<td>1,052,631.58</td>
</tr>
<tr>
<td>8.</td>
<td>Rolling mill products for iron and steel</td>
<td>10,526,315.79</td>
</tr>
<tr>
<td>9.</td>
<td>Hardwood mainly for ships</td>
<td>631,578.95</td>
</tr>
<tr>
<td>10.</td>
<td>Yarn and textiles raw materials</td>
<td>6,315,789.47</td>
</tr>
<tr>
<td>11.</td>
<td>Chemicals</td>
<td>4,631,578.95</td>
</tr>
<tr>
<td>12.</td>
<td>Freight</td>
<td>(see note)</td>
</tr>
</tbody>
</table>

$40,000,000.00

### Note

Any disbursements on account of freight will reduce pro tanto the amount available for the relative category of supplies.
APPENDIX 13

SYSTEM OF CONTROL IN FORCE IN DENMARK OVER IMPORTATION AND DISTRIBUTION OF SUPPLIES OF THE TYPES TO BE FINANCED OUT OF THE PROCEEDS OF THE INTERNATIONAL BANK LOAN

Category 1: Agricultural Machinery.

The controls are exercised by a special section of the Directorate of Supplies of the Ministry of Economic Affairs which receives a foreign currency quota from higher authority in the Ministry. The bulk of supplies of this type are purchased from the United States, but a certain proportion is bought in Canada. Payment for the Canadian supplies must, however, be made in U.S. The number of importers concerned is small, and each of them is given a quota which represents a proportion of his total import in a base year. Individual importers apply for import-licences against their quota. When the importer has obtained from the customs an endorsement on his import-licence which shows that goods to the value of a given invoice have entered the country, he may obtain the required foreign exchange from any bank in Denmark on production of the import-licence so endorsed. There is no control over the distribution within Denmark of agricultural machinery after it has reached the hands of the importer. As, however, records are kept from which it is possible to trace the history of each machine, and as exportation is strictly forbidden and in any case there is no alternative use, the supervision of end-use should not technically give any trouble.

Category 2: Textile Machinery.

All machinery of this type is purchased from the U.S.A., and is either imported direct by the firm wishing to use it or by an agent, who has to specify in his application for permission to import the name
of the firm to which he will sell the machine when it has been imported. The Directorate of Supplies considers each application for permission to import on its merits.

Category 3: Turbines, refrigeration equipment, machine-tools and other machines.

The procedure is in general the same as that for Category 2, but normally speaking applications are submitted to the Directorate of Supplies through the appropriate semi-official trade organisation which indicates to the Directorate of Supplies whether the application has its support or not.

Category 4: Trucks

The procedure is the same as for Category 1. General Motors and Ford both have assembly plants for trucks in Copenhagen. No control is exercised over the sale of trucks inside Denmark, but of course each truck can be identified and traced through its official registration.

Category 5: Spare parts for freight cars.

It was first stated that this category consisted of spare parts for road trucks, and it was clear that the technical difficulties of supervision of end-use would be very considerable. However, it later appeared that in fact it is spare parts for railroad freight cars which are covered, and since there is no alternative use for this type of equipment no difficulty is anticipated in supervision.

Category 6: Laboratory and hospital equipment.

The Danish officials seemed to be rather surprised at the inclusion of hospital equipment and stated that their understanding had been that this category would cover technical equipment for research work. The procedure for this type of equipment is for applications for permission to import to be submitted to the Directorate of Supplies by agents, the
details of the ultimate user being shown on the application.

Category 7: Tires and tubes.

Licences are necessary for the purchase of both tires and tubes in Denmark, and the old tires and tubes must be surrendered when new ones are purchased. The system of control is said to be such that the history of an individual tire can be followed through all stages.

Category 8: Rolling mill products for iron and steel.

The various types of steel products, such as ship plates and tin plates are allocated to various industries for special users. Applications for permission to import are submitted directly to the Directorate of Supplies by the ship yards. Agents submit applications on behalf of other users, but the Directorate of Supplies controls the delivery by such agents to individual firms through the procedure under which such firms require a licence from the Directorate before they may purchase these goods.

Category 9: Hardwood (mainly for ships).

This is imported almost exclusively for the ship yards which submit their applications direct to the Directorate of Supplies.

Category 10: Yarn and Textile raw materials.

These supplies are imported in accordance with a system of quota and go direct to spinners. The materials are imported from the United States. As far as their use inside of Denmark is concerned the spinners have to operate according to a general cotton plan, and weavers have to obtain licences to buy yarn.

Category 11: Chemicals

These are imported from the United States and consist of special
types such as carbon black. A special application for permission to import has to be made by the Company which intends to use the chemicals.
DATE: FEBRUARY 21, 1952

TO: DOLINSEC
NARODNA BANKA
BELGRADE, (YUGOSLAVIA) (RCA)

CLASS OF SERVICE DESIRED

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DEFERRED | FULL RATE |
|          |          |

TELETEYPE |

TEXT: RETURNED WASHINGTON WILL WRITE YOU SOON ABOUT TALKS WE HAD
HOLLAND AND DENMARK REGARDS

ALDEWERELD
INTRAFAIM

AUTHORIZED BY:
NAME: S. Aldewereald
DEPT.: Treasurer's

FILE COPY
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<thead>
<tr>
<th>TO-</th>
<th>Name</th>
<th>Room No.</th>
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<td>Mr. Cliff</td>
<td>1004</td>
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<td>2</td>
<td>Mr. C. Jones</td>
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<td>3</td>
<td>Mr. Aldenweel</td>
<td>09</td>
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<tr>
<td>4</td>
<td>Mr. Brown</td>
<td>17</td>
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<td>Recommendation</td>
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<td></td>
<td></td>
<td>Signature</td>
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</tbody>
</table>

REMARKS

"Should we answer them?"
"We are to wait to hear within a few days about travel"
"Mr."
The Management,
International Bank for Reconstruction and Development,
Washington, D.C.,
U.S.A.

Dear Sirs,

We have these days had the pleasure of seeing with us your delegates Mr. Simon Aldewereld and Mr. René Brion, with whom we have discussed various items of special as well as general interest.

The main purpose of this visit is well known to you, and we need hardly say that we at any time shall be happy to cooperate and with utmost care handle any transaction you may entrust to our bank.

Yours faithfully,

Aktieselskabet
KJØBENHAVNS HANDELSBANK
The Management

International Bank for Reconstruction and Development

Washington, D.C.

U.S.A.

Dear Sirs,

We have pleasure in the pleasure of bearer of...

...and we very much hope that we may be able to cooperate with you in the execution of the transaction you may entrust to our bank.

Yours faithfully,

Kroenhagens Handelsbank

[Signature]

[Date]
INCOMING WIRE

DATE OF WIRE: JANUARY 31, 1952 1300

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: LONDON

TEXT: FOR CENA FEBRUARY ONE TO FIVE PARKHOTEL AMSTERDAM FIVE TO EIGHT HOTEL ANGLETERRE COPENHAGEN EIGHT TO TWELVE HOTEL DORCHESTER LONDON SAILING FEBRUARY TWELVE QUEEN ELIZABETH.

ALDEWERELD

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

DUPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: JANUARY 16, 1952

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: ROMA

TEXT:

TOUR TEN FOR CRENA DE IONGH MAILING ADDRESS NAPLES CARE AMERICAN EXPRESS

ALDEWERELD

ROUTING

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

DUPLICATE
DATE: JANUARY 15, 1952
TO: ALDEWERELD
      HOTEL FLORA
      ROME, ITALY
TEXT:

Ten

WIRE MAILING REPEAT MAILING ADDRESS NAPLES

AUTHORIZED BY:
NAME: D. Crena de Iongh
DEPT.: Treasurer's

FILE COPY
DATE OF WIRE: JANUARY 14, 1952  2050
TO: MR. CRENA DE IONGH
FROM: ROMA

TEXT:
YOUR NINE STAYING ROME HOTEL FLORA THROUGH JANUARY EIGHTEEN.
WILL THEN PROCEED NAPLES ABOUT ONE WEEK ARRIVING LONDON
ABOUT TWENTYSEVENTH UPON WHICH WILL VISIT AMSTERDAM COPENHAGEN
SAILING ISLE DE FRANCE FEBRUARY SEVEN .

ALDEWERELD
**INCOMING WIRE**

**DATE OF WIRE:** JANUARY 14, 1952

**TO:** MR. BLACK  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

**FROM:** ROMA

**TEXT:**

UNDERSTAND YOU ARRIVE LONDON JANUARY 28. WOULD WELCOME OPPORTUNITY TALKING WITH YOU ABOUT YOUGOSLAVIA. PLEASE CABLE HOTEL FLORA ROME BEFORE JANUARY 18 IF AND WHEN I CAN SEE YOU REGARDS.

**ALDEWERELD**
INCOMING WIRE

DATE OF WIRE: JANUARY 14, 1952
FROM: MR. MAC
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Rome

TO:

INFORMATION COPY TO

ACtion COPY TO

When you arrive in London January 26, would you be able to
opportunity talking with you about your suggestions. There is
a hotel near your room in Hyde Park — and when I
see you will be waiting.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 16 44 A M 1952

REPOST. AND DUPLICATE,
OUTGOING WIRE

DATE: JANUARY 14, 1952

TO: ALDEWERELD
    HOTEL FLORA
    ROME (ITALY)

TEXT:

PLEASE CABLE YOUR MAIL ADDRESS NEXT FEW DAYS AND FURTHER TRAVEL PLANS

AUTHORIZED BY:

NAME: D. Crena de Jongh
DEPT.: Treasurer's

FILE COPY
January 11, 1952

Dear Mr. Aldewereld:

I enclose a copy of a letter from Dr. R. Mattioli. I wrote to him at the time that you will be in Italy at the beginning or middle of January. No doubt you either have seen him in Milan already or will see him in Rome.

With the kindest regards from

Yours ever,

P.N. Rosenstein-Rodan

Encl.

Mr. S. Aldewereld
c/o Hotel Flora
Rome, Italy

PNRR/js

cc: LB Rist, Files
DATE: JANUARY 8, 1952

TO: S. ALDEWERELD
   HOTEL HASSLER
   ROME

TEXT:

HAVE SENT YOU YESTERDAY LETTER CARE PARIS OFFICE GIVING DETAILS DUTCH
SHIPS AND REQUESTING IF POSSIBLE CHECK OF REGISTERS IN HOLLAND BY BRION
OR YOURSELF

HENRY W. RILEY
INTEGRAFAB.

AUTHORIZED BY:
NAME: Henry W. Riley
DEPT.: Treasurer's

FILE COPY
DATE OF WIRE: January 8, 1952

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: ROMA

TEXT:

PLEASE MAKE AVAILABLE BANCA DITALIA ADDITIONAL THREEHUNDRED THOUSAND LIRe AS MUST FINANCE SECRETARY. ADDRESS ROME HOTEL FLORA NOT HASSLER.

ALDEWERELD
Mr. Eugene R. Black

S. R. Cope

Yugoslavia

January 2, 1952

The following message from Mr. Aldwerneld has been received through the United Kingdom Treasury and Supply Delegation in Washington:

"I have, as requested by Black, had a discussion with the British Ambassador and Mudie and will send a report which will arrive in Washington early in the New Year. I will also write to the Bank regarding important price increases."

cc. Mr. M. M. Rosen
Mr. R. A. Wheeler

SRCope/bvm
The following message has been received from Belgrade:-

Please convey to the International Bank, Washington, the following message from Aldewereld.

"I have, as requested by Black, had a discussion with the British Ambassador and Mudie and will send a report which will arrive in Washington early in the New Year. I will also write to the Bank regarding important price increases."
DATE OF WIRE: DECEMBER 31, 1951

TO: MR. GARNER
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: BERNE

TEXT:

AIRMALLED TODAY LETTER WITH ADDITIONAL INFORMATION REGARDING PRICE INCREASES.

ALDEWERELD
DATE OF WIRE: DECEMBER 26, 1951 1841

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: ZAGREB

TEXT:

8 VISITS TO PROJECTS LIKELY TO BE FINISHED DECEMBER THIRTY. MISSION SPENDING NEW YEAR BLED YUGOSLAVIA EXPECT MATTER WHO WILL VISIT PARENTS BERNE. PLEASE MAKE AVAILABLE MATER AMERICANEXPRESS BERNE TWOHUNDREDFIFTY DOLLARS. MISSION AND DOLINSEK WILL DISCUSS ITALIAN DISBURSEMENTS YUGOSLAV LOAN WITH MILAN BANKS JANUARY THREE TO SIX. PLEASE SEND ANY URGENT COMMUNICATIONS AMERICANEXPRESS MILAN. WILL START WORK ITALIAN LOAN JANUARY SEVEN. HAPPY NEW YEAR.

ALDEWERELD

As received
<table>
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<tr>
<th>TO-</th>
<th>Name</th>
<th>Room No.</th>
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<tbody>
<tr>
<td>1</td>
<td>Dr. Black</td>
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<td>2</td>
<td>Mr. Cope</td>
<td>425</td>
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**FOR-**

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<td>Full Report</td>
<td>Recommendation</td>
</tr>
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<td>Information</td>
<td>Signature</td>
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</tbody>
</table>

**REMARKS**

Attached is Simon Alewevelov’s reply to my cable asking him to discuss Yugoslav situation with Dr. British.

**FROM-**

[Signature]
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: DECEMBER 26, 1951 1841

TO: MR. COPE
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FROM: ZAGREB

TEXT:

MATTER YOUR CABLE DEALT WITH REPORT FOLLOWS HAPPY NEW YEAR.

ALDEWERELD
**International Bank for Reconstruction and Development**

**INCOMING WIRE**

<table>
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<td>ACTION COPY TO MR. COPE</td>
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<td>INFORMATION COPY TO</td>
</tr>
</tbody>
</table>

December 77

**DATE OF WIRE: DECEMBER 77, 1951**

**TO:**
International Bank for Reconstruction and Development

**FROM:** Zager

**TEXT:**

Matter your cable dealt with report 707/02's hourly newspaper.

**ALTERNATE:**

**DEC 27, 1951 9 AM**

Reconst. and Dept.
International Bank for Reconstruction and Development

**ORIGINAL**
December 21, 1951

Mr. S. Aldewereld  
International Bank for Reconstruction  
and Development  
67 rue de Lille  
Paris, France

I enclose copies for yourself and Alfred of two letters which have been sent to Turkey in connection with Alfred's reports. I am also enclosing a copy of a memorandum which will explain why in our letter to Toprak we did not follow up one suggestion which Alfred made in his report.

We shall probably be giving the Comision a further $30,000,000 some time in January; there has been a fire on board the floating power plant in Rio which has done considerable damage; otherwise there are no items of very great interest in the way of general news.

With best wishes to you all for Christmas and the New Year.

Hugh B. Ripman

HBRipman:pt
December 21, 1951

Dear Mr. Mattioli:

Thank you very much for your letter. The Bank representative from the Treasurers Department, Mr. Sien Aldenfeldt, will be in Rome at the beginning of January to arrange matters referred to in your letter.

I shall send him a copy of your letter and I hope that you will find an opportunity of seeing him when he is in Rome.

With kindest regards,

Very sincerely yours,

Paul N. Rosenstein-Rodan

Mr. R. Mattioli
Banca Commerciale Italiana
Milano, Italy

Rosenstein-Rodan
DATE: DECEMBER 21, 1951

TO: MR. S. ALDEWERIELD
    c/o DOLINSEK, VICE GOVERNOR
    NATIONAL BANK OF YUGOSLAVIA
    BELGRADE

TEXT: Fl

CLASS OF SERVICE DESIRED

- NIGHT LETTER
- DEFERRED
- FULL RATE [X]
- TELETEYPE

BRITISH EMBASSY HAS MESSAGE FOR YOU STOP HAPPY CHRISTMAS.

COPE
INTBAFRAD

AUTHORIZED BY:

NAME  A. S. G. Hoar, Loan Director
DEPT.  Loan

FILE COPY
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

DATE: DECEMBER 13, 1951

TO: S. ADEWERELE
Office DOLINSEK
BANQUE NATIONALE DE YUGOSLAVIE
BELGRADE, YUGOSLAVIA

TEXT:

F

UNLESS WE HEAR TO THE CONTRARY PROPOSE SENDING ALL MAIL TO YOU

CAREOF PARIS OFFICE

HENRY W. RILEY
INTRAFOAD

AUTHORIZED BY:

NAME Mr. Henry W. Riley
DEPT. Treasurer's

FILE COPY
OUTGOING WIRE

DATE: December 10, 1951

TO: S. Aldewereld
    c/o Dolinsek Banque Nationale de Yugoslavia
    Belgrad

TEXT:

No record cables four or five received here.

AUTHORIZED BY:

NAME Henry W. Riley
DEPT. Asst. Treasurer

FILE COPY
DATE OF WIRE: DECEMBER 9, 1951 1935

TO: MR. RILEY
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FROM: BEOGRAD

TEXT: UNNUMBERED PLEASE CABLE MONDAY MORNING WHETHER MY CABLE FIVE RECEIVED.

ALDEWERELD
DATE OF WIRE: NOVEMBER 3, 1951 1647

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: BEOGRAD

TEXT:

MISSION ARRIVED BELGRADE DECEMBER FIRST WORK STARTED

ALDEWERELD
<table>
<thead>
<tr>
<th>TO-</th>
<th>Name</th>
<th>Room No.</th>
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<tr>
<td>1</td>
<td>Mr. Ripman</td>
<td></td>
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<tr>
<td>2</td>
<td>Mr. Riley</td>
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<td>Full Report</td>
<td>Recommendation</td>
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<td>Information</td>
<td>Signature</td>
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</table>

**REMARKS**

- File
DATE OF WIRE: NOVEMBER 29, 1951

TO: MR. RILEY
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: FRANKFURT

TEXT:

THREE MATTER FLYING THIRTIETH SWISSAIR ZUERICH BELGRAD REST MISSION FLYING DECEMBER FIRST YUGOSLAV AIRLINES FRANKFURT BELGRAD. PLEASE ADDRESS ALL MAIL CARE DOLINSEK BANQUE NATIONALE DE YUGOSLAVIE BELGRAD REGARDS.

ALDEWERELD
DATE OF WIRE: NOVEMBER 27, 1951

TO: MR. RILEY
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: FRANKFURTMAIN

TEXT:
TWO ARRIVED FRANKFURT. MAILING COMPREHENSIVE DETAILS REPORT
DISBURSEMENT PROCEDURE ENGLAND FRANCE BELGIUM GERMAN IN A FEW DAYS
EXPECT ARRIVAL BELGRADE THURSDAY OR FRIDAY REGARDS.

ALDEWERELD

DUPLICATE
DATE OF WIRE: NOVEMBER 25, 1951

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
    MR. POORE

FROM: BRUXELLES

TEXT:

PLEASE MAKE AVAILABLE BRION TWO HUNDRED DOLLARS AMERICAN EXPRESS FRANFORT.

ALDEWERELD
INCOMING WIRE

DATE OF WIRE: NOVEMBER 22, 1951

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: BRUXELLES

TEXT:

ONE REFERENCE YOUR CABLE JUST TELEPHONED. MATTHEW HIS MOVEMENTS UNCERTAIN DEPENDING WHETHER MISSION LEAVING FOR BELGRADE FROM FRANKFURT 26TH OR ZURICH 30TH. HE WILL AWAIT MY INSTRUCTIONS PLEASE SEND HIS DOCUMENTS CARE DOLINSHEK BANQUE NATIONALE YUGOSLAVIE BELGRADE.

ALDEWERELD

28 - 30

Ducks forwarded with Parker 11/23.
DATE OF WIRE: NOVEMBER 20, 1951

TO: MR. POORE
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FROM: PARIS

TEXT:
EXPECT LONGER STAY BELGIUM PLEASE MAKE EQUIVALENT ONE HUNDRED
DOLLARS AVAILABLE THURSDAY BRUSSELS BANQUE NATIONALE

ALDEWERELD
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

DATE: NOVEMBER 20, 1951
TO: S. ALDEWERELD
INTEBAFRAD
(PARIS)

CLASS OF SERVICE DESIRED

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TELETYPE

MATTER ARRIVES ZURICH WEDNESDAY ADDRESS CARE SWISSAIR STOP PLEASE CABLE YOUR PLANS FOR HIS MOVEMENTS SO THAT DOCUMENTS REQUESTED BY HIM CAN BE SENT TO REACH HIM SOONEST

AUTHORIZED BY:

NAME
HENRY W. RILEY

DEPT.
TREASURER'S

FILE COPY
DATE OF WIRE:    NOVEMBER 19, 1951
TO:            RIPMAN, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
FROM:          BEYOGLU

TEXT:

ATTENTION RIPMAN THANKS YOUR CABLE. INFORMED MINISTRY OF CONTENT.
SHALL ARRIVE GENEVA WEDNESDAY AND CONTACT ALDEWERELD VIA SWISSAIR ZURICH
MATTER
DATE: NOVEMBER 19, 1951

TO: ALFRED E. MATTER
PARC HOTEL
ISTANBUL

TEXT:

PLEASE CABLE ALDEWERELD CARE PARIS OFFICE 67 RUE DE LILLE WHERE HE CAN CONTACT YOU IN ZURICH

CLASS OF SERVICE DESIRED

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</table>

DEFERRED     FULL RATE

TELETYPE

AUTHORIZED BY:

NAME       DEPT.
HENRY W. RILEY TREASURER'S

FILE COPY

For Use by Archives Division

Checked for Dispatch
DATE: NOVEMBER 19, 1951

TO: S. ALDEWERELD
    INTRAFAFRAD
    PARIS

TEXT:

HAVE INSTRUCTED MATTER TO CABLE YOU CARE PARIS OFFICE WHERE YOU CAN
CONTACT HIM IN ZURICH

AUTHORIZED BY:
NAME HENRY W. RILEY
DEPT. TREASURER'S

FILE COPY
OUTGOING WIRE

DATE: NOVEMBER 16, 1951
TO: ALFRED E. MATTER
PARC HOTEL
ISTANBUL

TEXT:
YOUR HANDWRITTEN LETTER OF NOVEMBER 6 RECEIVED (STOP) WE SHOULD NOT
OBJECT IN PRINCIPLE TO POSSIBILITIES IN QUESTION PROVIDED QUALITY AND
PRICE RIGHT AND SETTLEMENT AFTER RECEIPT

RIPMAN

AUTHORIZED BY:
NAME Henry W. Riley
DEPT. Treasurer's

FILE COPY
DATE OF WIRE: NOVEMBER 16, 1951
TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
FROM: PARIS
TEXT: REFERENCE MATTER CABLE NOVEMBER 10 ATTACHED TO RIPMANS LETTER NOVEMBER 13. HAVE NO INDICATION WHERE TO CONTACT MATTER IN ZURICH PLEASE CABLE.

ALDEWERELD
<table>
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<th>Mr. Chairman and Council</th>
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<td>Mr. Chairman and Council</td>
</tr>
<tr>
<td>Date of issue</td>
<td>NOVEMBER 15, 1951</td>
</tr>
<tr>
<td>From</td>
<td>PARIS</td>
</tr>
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</table>

The following matter as referred to above has been referred to the above-named department.

...
DATE: November 13th, 1951

TO: MR. ALDEWIERIJD INTBAFRAD PARIS

TEXT:
REFERENCE GORDON'S LETTER NOVEMBER NINTH ENCLOSING MEMO EXCHANGE RISKS
ROSEN HAD NO COMMENTS STOP MR. CRENA ADVISED TODAY FROM NEW YORK AS FOLLOWS:
PRIMO HE AGREES ALL POINTS MADE EXCEPT AS NOTED SECUNDO BELOW BUT SUGGESTED
REDBRAFTING SECOND PARAGRAPH AND SUBSEQUENT PARAGRAPHS WHERE NECESSARY TO
BRING OUT MORE CLEARLY FOR THOSE NOT FAMILIAR WITH SUBJECT THE DIFFERENCE
BETWEEN ACTUAL EXCHANGE RISKS INVOLVED AND CHANGES IN THE DOLLAR EQUIVALENT
OF THE LOAN STOP YOUR DISCUSSIONS NEED NOT AWAIT REBRAFTING STOP
SECUNDO HE BELIEVES RISK MENTIONED LAST PARAGRAPH PAGE FOUR CONNECTION
UNUTILIZED LETTER OF CREDIT SHOULD BE FOR THE YUGOSLAVS AND THAT COMPARABLE
LOSS CONSEQUENT TO PURCHASE AT REQUEST OF YUGOSLAWS MENTIONED TOP PAGE FIVE SHOULD
BE FOR THE YUGOSLAWS STOP THEREFORE HE DESIRES YOU DETERMINE POSITION OF
YUGOSLAWS ON THIS POINT AS WELL AS THEIR AGREEMENT ON ALL ACTION PROPOSED IN
MEMO STOP TERTIO PAPER WILL NOT BE SENT TO SLC UNTIL RECEIPT YOUR REPORT OF
DISCUSSIONS WITH YUGOSLAWS

HENRY W. RILEY

INTBAFRAD

AUTHORIZED BY:

NAME

DEPT.
Dear Mr. Crena de Jongh,

I have in hand your letter dated November 5th, informing me of the presence in Brussels in the near future of Messrs. Aldewereld and Brion.

I will be pleased to have the visit of these gentlemen, and I am looking forward to show them our plant in good action.

With personal regards,

Yours truly,

M. Gevers

Mr. D. CRENA DE IONGH
Treasurer
International Bank for Reconstruction and Development
WASHINGTON 25, D.C.
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: NOVEMBER 10, 1951 2145

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
FROM: ANKARA

TEXT: PLAN LEAVING ANKARA NOVEMBER 16 FOR IZMIR AND ISTANBUL AND RETURN ZURICH VIA ROME WEDNESDAY 21 UNLESS OTHERWISE INSTRUCTED

decoded by

Matter

Original
DATE OF WIRE: **NOVEMBER 8, 1951**

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

FROM: **LONDON**

TEXT: **ARRIVED LONDON**

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Decoded By:

**ALDEWERELD**
Air Mail

November 5, 1951

Dear Mr. Pfeiffer:

The other day, while returning to Washington from a meeting in New York, I was talking with Ivar Booth about a trip to Yugoslavia I shall start within the next few days. He thought it would be a good idea for me to have a talk with Mr. Mladek, Chief of the Fund’s mission to that country. However, it was his belief that the mission would have left Yugoslavia before my arrival there but that Mr. Mladek was likely to be in Paris during November.

I am scheduled to stop in Paris before going on to Yugoslavia. On Monday, November 12, I will know the dates of my stay in Paris, which are as yet uncertain, and I will telephone from London on November 12 to the Paris office of the Bank. Will you be kind enough to get in touch with Walter Hill after I have telephoned him, so that he can tell you when I will arrive in Paris, and then arrange a meeting for me with Mr. Mladek?

With sincere appreciation of your helpfulness in this matter, and looking forward to seeing you in Paris,

Sincerely yours,

S. Aldewereld

Mr. Albin Pfeiffer
International Monetary Fund
67 Rue de Lille
Paris 7, France
Air Mail

November 5, 1951

Dear Davidson:

Upon my return from Panama a few days ago I found your letter of October 12. Much to my regret I am unable to write you an extensive letter because I have to leave tonight for Europe, where I am going to stay approximately two months. I will be in England, France, Belgium, Germany, Yugoslavia and Italy, and Kitti is accompanying me this time. When I am in the neighborhood I will call Guepin & von der Vlugt to find out where you are. In case you are, for instance, in France about the middle of November, please drop a note to our Paris office, 67 Rue de Lille, and perhaps we can get together.

With kindest personal regards from Kitti and myself,

Sincerely yours,

Siem Aldewereld

Mr. B. Davidson
c/o Guepin & von der Vlugt
Spaarne 50
Haarlem, Holland
AIR MAIL

November 5, 1951

Dear Joyce:

This is just a short note, written on the last day in Washington, to reassure you about the cigarettes. I will bring some with me so that we both will have them.

It will be a pleasure to see you again. I am happy to hear you are looking forward to the trip.

Sincerely yours,

S. Aldewereld

Miss Joyce Campbell-Major
229 Earl's Court Road
London, S.W. 5
England
November 5, 1951

Dear Mr. Milovanovic:

I am enclosing a copy of the cable sent to General Velshop in Belgrade, as I promised you I would do during our conversation last week.

Sincerely yours,

S. Aldewereld

Mr. Vasilije Milovanovic
Embassy of the Federal People's Republic of Yugoslavia
1520 Sixteenth Street
Washington, D. C.
DATE OF WIRE: NOVEMBER 4, 1951

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: ANKARA

TEXT: ATTENTION ALDEWERELD
CAN USE MORE TIME. SHALL MAKE TENTATIVE RESERVATION
ARRIVAL ZURICH NOVEMBER 22 VIA ROME BECAUSE BOOKINGS HEAVY

MATTER
DATE OF WIRE: NOVEMBER 2, 1951 10:36

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: ANKARA

TEXT: ATTENTION ALDEWERELD

ARRIVED ANKARA. MAKING TENTATIVE RESERVATION

RETURN ZURICH NOVEMBER 15 VIA ROME

MATTER
INCOMING WIRE

DATE OF WIRE: NOVEMBER 5, 1951
TIME: 18:30

UNITED NATIONS
OFFICE OF THE SECRETARY-GENERAL
ATTN: MR. ALBRIGHT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
ATTN: MR. ALBRIGHT

RADIO TELEPHONE MARRIOTT HOTEL
Rome

Return Journey November 15 via Rome

WINTER

NOV 5, 1951

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ORIGINAL
# ROUTING SLIP

**International Bank for Reconstruction and Development**

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<td>Mr. Hurt</td>
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**REMARKS**

**FROM-**

[Signature]

**FROM-**

[Signature]
Dear Mr. Prud'Homme,

I have received your letter dated October 23, 1951, from which I learn with pleasure about the visit of Mr. Simon Aldewereld, Assistant to the Treasurer of your Bank.

I thank you very much for the information and I am looking forward to receiving the cable about the arrival of Mr. Simon Aldewereld.

I feel sure that after the cordial atmosphere of our conversations in Washington, it will not be difficult to reach a good and satisfactory result with this Mission also.

Thanking you very much for your kind words, I send you my best regards,

yours sincerely

(Prof. Avv. Alfredo Scaglioni)

Mr. HECTOR PRUD'HOMME
International Bank for Reconstruction and Development
1818 H Street N.W.

WASHINGTON, D.C.
Dear Aldewereld,

It was good news to learn that we may hope to see you here for a few days around 11th November when we shall be pleased to place a room at your disposal.

As you will guess we have little experience with the guarantee procedure under I.B.R.D. loans as in the case of Brazilian Traction orders are placed with manufacturers, the goods paid for direct from their own funds in London and presumably thereafter they secure reimbursement from you. For this reason I shall be grateful if you will come and discuss procedure with us before launching yourself in the market.

As regards the loan to Yugoslavia, we should not wish to take part in any discussions which you have with London banks although I am sure you will keep us informed of progress. The Bank will be concerned from the Exchange Control angle and on the banking side when cash cover has to be provided by the International Bank; but I would not expect any difficulty on these two points.

We, of course, would have no objection to your seeing the bankers in your room here if that proves to be the most convenient method.

With kindest regards.

Yours sincerely,

[Signature]

Please file.

(Notes by Mr. Aldewereld)

Mr. S. Aldewereld.
Bank of England

London, R.S.

3rd November, 1961

Dear Mr. Acheveria,

I was pleased to learn that we may hope to see you here for a few days during November when we shall be pleased to place a room at your disposal.

As you will know, we have no little experience with the procedures of the Bank and the Bankers, and freedom from our own business in London has enabled us to become familiar with the procedures of the market. If you will come and give us any advice on the procedures with us, we are pleased to see you.

We regret the loss of your business, and we should not mind to take part in any discussions which you may have with London banks. The Bank will be pleased to contribute to the expenses of your trip to London, and the Bank can arrange for you to be put up during your visit to London. We should be pleased to see you.

We, of course, would have no objection to your seeing the premises of our department if that proves to be the most convenient method.

With kindest regards,

Yours sincerely,

[Signature]

Mr. Acheveria
DATE: NOVEMBER 2, 1951
TO: MR. ALFRED E. MATTER
    HOTEL ANKARA PALAS
    ANKARA
TEXT: [RCA]

ARRIVAL DATE BELGRADE PROBABLY POSTPONED UNTIL ABOUT NOVEMBER 24. STOP
YOU ACCORDINGLY HAVE MORE TIME TO COMPLETE WORK IN TURKEY. STOP SHALL
TELEGRAPH YOU WHEN AND WHERE TO MEET US. NEW SUBJECT PUBLIC RELATIONS
ANXIOUS TO HAVE BEST POSSIBLE PHOTOGRAPHIC COVERAGE BOTH PROJECTS
PLEASE MAKE ARRANGEMENTS

ALDEWERELD
INTBAFRAD

AUTHORIZED BY:

NAME: S. ALDEWERELD
DEPT: Treasurer's

FILE COPY
INCOMING WIRE

DATE OF WIRE: OCTOBER 31, 1951

TO: MR. ALDEWERELD
INTERNATIONAL BANK FOR
RECONструкTION AND DEVELOPMENT
PARIS

FROM:

TEXT: WELL ARRIVED PARIS MATTER PROCEEDING TURKEY

ROUTING

ACTION COPY TO MR. ALDEWERELD
INFORMATION COPY TO
Decoded By

BRION
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: OCTOBER 31, 1951

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
FROM: ANKARA

TEXT:
THANKS EXPECTING MATTER NOVEMBER SECOND

CHRISTENSEN
DATE OF WIRE: OCTOBER 31, 1951

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: ZURICH

TEXT:
TWO FLIGHTS WEEKLY ZURICH BELGRAD. YUGOSLAV AIRLINE WEDNESDAYS AND SWISS AIR FRIDAY BOTH LEAVING 1030 AM
INCOMING WIRE

ROUTING

DATE OF WIRE: OCTOBER 31, 1951
FROM: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
SUBJECT: TWO FLIGHTS WEEKLY BUREAU REPORT, DUCOSVILLE AIRLINES, 1050 AIRLINE AVENUE, AND SWISS AIR PREVIEW BOTH JANUARY 1952 ON

MATTER

NOV 9 1951

RECONSTITU AND DEVEL.
INTERNATIONAL BANK FOR
Mr. S. Aldewereld
Assistant to the Treasurer
International Bank for Reconstruction and Development
Washington 25, D.C.

Dear Siem:

Thank you for your letter of October 25, from which I understand that Mr. Brion will require secretarial assistance in Paris on his return from Brussels on November 9. We shall naturally be glad to assist him.

Best wishes.

Yours sincerely,

Walter Hill
Special Representative in Europe
Dear Sir:

Thank you for your letter of October 29 from
which I understand that Mr. Blomoff MII has sent
an invitation to participate in the meeting of Thursday
on November 8. We shall naturally be glad to assist
him.

Yours sincerely,
[Signature]

[Signature]
Dear Mr. Grafftey-Smith:

This is to let you know that I plan to leave Washington on November 7 and arrive in London on or about November 11 for a stay of a few days.

As you know, the Bank recently granted a loan to Yugoslavia in the amount of $28,000,000, to be disbursed exclusively in non-dollar currencies. Part of the loan is likely to be spent in Sterling and it is contemplated that the Sterling purchases which will be financed by the Bank will be secured by letters of credit to be opened by the Yugoslav National Bank with two or three London commercial banks. We plan to guarantee these letters of credit irrevocably if the Yugoslavs request us to do so. Since the London banks have had very little experience in our guarantee procedures, we consider it advisable for me to talk with the London banks concerned about the procedures to be established and the purpose of my visit to London will be to make the necessary arrangements with them. It is likely that a representative of the Yugoslav National Bank will also be present during the discussions.

I am unable to say at this time what London banks will be involved and exactly when the discussions will take place, as I will not know this until I have received further information from Belgrade which I expect at any moment.

It occurs to me that duplication of effort might be avoided if we could get all the banks concerned together "on neutral ground", for instance the Bank of England. I don't know how you would regard this and furthermore I don't know what the reaction of the Yugoslavs would be.
Would you mind dropping me a note at your earliest convenience telling me what you think?

Hoping to see you in a few weeks, and with kindest personal regards,

Sincerely yours,

Siem Aldewereld

Mr. A. P. Grafftey-Smith
October 26, 1951

Monsieur J. Wertz
Directeur
Ministere des Colonies
Place Royale
Bruxelles, Belgique

Dear Monsieur Wertz:

With reference to my letter of October 15, 1951, in which I informed you that I would be in Bruxelles the first week of November, I can now tell you that I have made definite arrangements to arrive in Bruxelles on November 4, 1951, in the afternoon. The Bank has taken care of hotel reservations. I will be in your office Monday morning, November 5, 1951.

Looking forward to seeing you soon.

Sincerely yours,

Rene Brion
Rene Brion

S. Aldewereld

Terms of Reference

You will proceed to Brussels in order to make arrangements with the Belgian authorities in connection with:

1. Disbursement procedures for withdrawals from the Loan Accounts of the Kingdom of Belgium and the Belgian Congo.

2. Follow up of the Otraco Project.

1. DISBURSEMENTS

a) Find out what system of recording expenditures is presently used.

b) Decide if this system could be used as it is in the preparation of applications for withdrawals.

c) If not, work out with the Belgians a draft of schedules suitable for that purpose and showing for each subdivision of the Otraco Project:

- amount of Budgetary Credits
- amount of Expenditures made on each credit during the period under review.
- amount of Balance Available

d) In any case, a first table should be established showing budgetary credits, actual expenditures and amounts available at the date of June 30, 1951.

e) Obtain the agreement of the Belgians on the draft application forms prepared by the Bank.

f) Arrange for submission of applications at regular intervals (probably monthly).

g) Check to be sure that they understand how to make payment instructions.
h) Inquire about where actual purchase documents are available for checking.

i) Raise the question of appointment of persons authorized to sign applications.

2. END-USE

A. Financial Aspect

a) Inquire about status of preparation of the extraordinary budget for 1952.

b) Pay special attention to the reports of expenditures used in connection with applications for disbursements, keeping in mind the fact that the same tables will be used to follow up the financial progress of the Otraco Project.

B. Technical Aspect

Inquire about material available in connection with the technical progress of the Otraco Project with particular regard to:

a) Monthly reports prepared by Otraco Engineering Staff in Leopoldville.

b) Quarterly progress reports on the plan.

c) Published information.

d) Any other reporting material prepared in the course of business.

In addition to these duties related to disbursement and end-use supervision, you will remind the Belgian authorities about the information to be submitted in connection with the whole development program, along the lines of the questionnaire left by Mr. Kamarck with the Ministry of Colonies.
Dear Mr. Aldewereld:

I hear from Mr. Legh-Jones that I am to go with you to Yugoslavia and Italy for about six weeks - I am looking forward to the trip very much.

It is possible to get a visa from the Yugoslav Embassy here in London quite easily, though apparently it would have been quicker with a letter of authorisation from the Bank. However I have started things going.

I would like to beg one favour, and ask one question. The question - how long are we likely to stay in each place, and what sort of setup and work will it be? And the favour - I am told that cigarettes are 7/- for 20 in Belgrade - they are also difficult to get in bulk over here in England, and I was wondering whether I could ask you to bring me some from the States, either Philip Morris or Chesterfield, and then I could pay you for them either in Paris, or wherever you like. I really would be most grateful, being an inveterate smoker as you will doubtless remember.

I look forward to seeing you in Paris. Yours sincerely, Joyce Campbell-Major
October 25, 1951

Dear Walter:

I am writing to you with reference to my letter of October 17 in which I informed you that I planned to go to Yugoslavia and Italy to make arrangements in connection with the loan recently granted by the Bank to those countries.

My assistant, Rene Brion, will accompany me but will go first to Brussels in connection with the loan to Belgium and to the Belgian Congo. He will be in Brussels from November 4 to November 8 and will be in Paris on November 9 to write a report on his visit. I would appreciate it very much if you could make available to him some secretarial assistance for one day or so.

Looking forward to seeing you, and with very kindest regards,

Sincerely yours,

S. Aldewereld

Mr. Walter Hill
International Bank for Reconstruction and Development
67 Rue de Lille
Paris 7e, France
October 18, 1951

Dear Walter:

With further reference to my letter of October 17th and to Bill Howell's letter of the same date, I wish to inform you that the mission is likely to stay in Yugoslavia from four to six weeks, starting on or about November 15th. As Bill mentions in his letter, it would be impractical to take a secretary from here when it would be possible to get one of your girls. Therefore, if it is satisfactory to you, would you be kind enough to let me know that you can make a girl available to the mission?

She could travel with the other members of the mission from Paris to Belgrade via Zurich on or about November 15th.

In case you see your way clear to making a girl available perhaps you could have Legh-Jones arrange for the necessary visa for her.

Please let me know at your earliest convenience if you can help me out; be assured that I am very grateful for anything you can do for me.

Sincerely yours,

S. Aldewereld

Mr. Walter Hill
International Bank for Reconstruction and Development
67 rue de Lille
Paris, France

cc: Mr. Howell

SA:1kb
Dear Walter:

This is to let you know that I have been requested to head a Disbursement and "End-Use" mission to Yugo-Slavia. The mission will consist of Mr. Erion, Mr. Matter and myself, and it is likely we will spend from four to six weeks in Yugo-Slavia. Upon completion of the work there Erion and I may visit a number of commercial banks in Europe which will open letters of credit in connection with the Yugo-slav loan.

After this the mission will visit Italy to lay the basis for Disbursement and End-Use supervision in connection with the $10,000,000 loan recently granted to Italy.

I plan to arrive in Paris from London on my way to Yugo-Slavia on or about November thirteenth. I will let you know the exact date of my arrival as soon as my plans have been finalized.

In view of my long absence from home Mrs. Aldewereld will accompany me. She and I are looking forward to seeing Mrs. Hill and you.

With kindest personal regards to you both,

Sincerely yours,

S. Aldewereld

Mr. Walter Hill, Special Representative
International Bank for Reconstruction and Development
67 Rue de Lille
Paris (7e), France
Le 15 octobre 1951

Monsieur J. Wertz
Directeur
Ministère des Colonies
Place Royale
Bruxelles, Belgique

Cher Monsieur Wertz,

Je vous envoie ci-joint les projets de formules pour demandes de retraits de fonds.

Je ne pense pas qu'elles présentent de difficultés particulières. Dans la formule de demande de retrait pour le prêt au Congo Belge, les deux montants en dollars devant figurer au paragraphe No. 1 seront évidemment identiques; chacun représente, aux termes du Contrat de Prêt, la moitié du montant à retirer du compte ouvert au nom du Congo, ou l'équivalent des 2/7 du montant total des dépenses pour la période considérée.

Je pense être à Bruxelles la première semaine de Novembre (après les fêtes de la Toussaint) si cela vous convient. Dès que je saurai plus précisément ma date d'arrivée, je vous la ferai connaître.

Merci pour votre lettre du ler octobre et pour les documents annoncés que je pense recevoir prochainement.

Veuillez croire, cher Monsieur Wertz, à mes sentiments les meilleurs.

Rene Brion
Geachte Kitty! Roem,

Ik kan hier vandaag over een lezing van de
Bank aan Tilburg. Bekijk dat klaagje, Roem,
derze dagen, hoor bent? Loop dan, leven, op
mi dit hotel, waar ik tot 23 december denk
te blijven.

Ik kom dit jaar niet naar de l.b., blijf
Daarentegen in Europa rondtrekken. Ik
ga in november nog voor enige weken,
naar Holland, maar daarna denk ik mijn
leven nog te brengen in Frankrijk en Duitsland
waarschijnlijk was 20 deca. — eerste januari is
nu in Mirne, en daarna aan de Riviera.

Hoe gaat 't jullie? Tot mijn kleden heb ik
jullie deze, doen niet in Holland onweert,
neen aan, dat het air-conditioned apt.
daarom, Schelde heeft! Komt en nog wel
die iets van jullie.... Ik heb mijn daarmee
in, het croquet deze, doen best vermaakt.
Spreide zelfs nog mee in, een cricketwedstrijd
in Engeland.

Hopenwezen spoed of jullie te horen, en
met beste groeten.
Mr. S. Aldewereld  
Assistant to the Treasurer  
International Bank for Reconstruction and Development  
Washington, D.C.

Dear Mr. Aldewereld:

This is to acknowledge your letter of March 15 (No. EU/154) addressed to Mr. Hill with regard to Mr. Saitzoff's visit in Europe. Mr. Legh-Jones is acquainted with the authorities at USINOR and will make the necessary arrangements for Mr. Saitzoff to visit Denain and Montataire.

Sincerely yours,

Robert F. Skillings
Mr. S. Aidwezi
Assistant to the Treasurer
International Bank for Reconstruction
and Development
Washington, D.C.

Dear Mr. Aidwezi:

This is to acknowledge your letter of March 30 (No. 31/45) addressed to Mr. Hill with
reference to Mr. Sefenkol's visit to Europe. Mr. Sefenkol's leave in Washington has been
approved and will make the necessary arrangement for his visit to assist Dr. David and
Montecito.

Sincerely yours,

[Signature]

Robert F. Shaw
Letter No. EU/205

April 6, 1951

Dear Mr. Saitzoff:

With reference to my letter No. EU/185 of March 27, I am sending you herewith copies of the replies we have received from the S.A. d'Ougree-Maribaye and the U.C.E. Linalux, from which you will see that both of the companies will be pleased for you to visit their plants during the latter part of April, but that they would each like to be advised of the exact date of your anticipated arrival.

Yours sincerely

Henry W. Riley
Assistant Treasurer

Mr. A.M. Saitzoff
o/o Palace Hotel
Karachi, Pakistan

NGJones:emk
Dear Mr. Saitzoff:

I am sending you herewith copies of the replies we have received from Ferblatil and ARBED to our letters enquiring if it would be convenient for you to visit their plants sometime during the latter part of April. We shall no doubt receive similar replies from the other companies in due course, and copies will be sent to you provided there is sufficient time for them to be received by you before you leave Bangkok.

I assume that you will be advising all the companies concerned of the exact date of your proposed visit.

I am sending a copy of this letter to you c/o the Hotel Metropole, Karachi.

Yours sincerely

Henry W. Riley

Mr. A. M. Saitzoff
c/o Hotel Orientale
Bangkok, Siam

Attachments: 2

NGJones:emk
As you are aware, General Wheeler, at my request, has agreed that advantage should be taken of the fact that you will be passing through Europe on your return from Thailand and Pakistan to arrange for visits to be made by you to certain projects, in which the Bank is interested, in France, Luxembourg and Belgium. You will understand that there is no intention of making any detailed inspection of the plants in question, and that the object of these visits is to express in a friendly way the Bank's interest in the projects, and to limit the technical enquiries made to the minimum necessary in order to form a general judgment.

Specifically, you will visit the two steel mills in France at Dijon and Montataire, and the steel mill at Dudelange in Luxembourg. As you are aware from information already received, these three projects should now be in operation and the object of your visit, therefore, is to form an opinion as to whether or not construction of the plants was completed in a satisfactory manner and in accordance with sound engineering practice, and also to form an opinion of the general efficiency with which operations are being carried on.

In Belgium you will visit the power station at Avise, which is being constructed by the Société Limalux, and the steel mills, which have been built by the Société Ferblatil at Tilleur and the S.A. Ongre-Marihaye at Ongre. The Blooming Mill at Ongre was completed and put into operation during the summer of 1950, and the Ferblatil plant, which had reached an advanced stage of completion at the end of last year, was expected to start production in January. As in the case of the steel mills in France and Luxembourg, the object of your visits to the plants at Ongre and Tilleur will, therefore, be to form an opinion as to whether they have, from an engineering point of view, been completed in a satisfactory manner and are now being operated efficiently. In the case of the power plant at Avise, you should form an opinion of the efficiency with which the work is being carried out and should ascertain what major difficulties, if any, have been experienced since the date of your previous visit to this project and what measures have been taken to overcome them. You should also ascertain whether any material delays or difficulties are anticipated in connection with the completion of this project and the cause of such anticipated delays.

On your return to Washington you should submit a brief report on your findings.

HBRipman/NCJones:enk

cc. Gen. Wheeler
Dear Mr. Black,

I wish to acknowledge the receipt of your letter of the 1st February 1951, and to inform you that I have advised the appropriate authorities in the Union of the forthcoming visit of Mr. D. Crena de Iongh and have requested that the necessary arrangements be made to facilitate his mission. I have, of course, also informed them that he will be accompanied by Mrs. Crena de Iongh.

Allow me to take this opportunity to express to you, on behalf of my associates and myself, my very deep appreciation for the cooperation and assistance which you and members of the Bank gave us in successfully negotiating the loans on behalf of my Government and the Electricity Supply Commission. May I also thank you for the excellent arrangements made by the Bank for the simultaneous conclusion of the Agreements with your Bank and the private American Banks.

With kind regards,

Yours sincerely,

[Signature]

Mr. Eugene Black,
President,
International Bank for Reconstruction and Development,
1818 H. Street N.W.,
Washington, D.C.
## Document Content

**National Bank for Reconstruction and Development**

**FROM:**
1. Office of the President
2. Office of the Vice President

**Date:** Feb. 7

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<tr>
<th>TO-</th>
<th>Name</th>
<th>Room No.</th>
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<td>1</td>
<td>Mr. C. Jones</td>
<td>1201</td>
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<tr>
<td>2</td>
<td>Mr. B. Blank</td>
<td>1003</td>
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<td>3</td>
<td>Mr. J. Miller</td>
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**REMARKS**

[Handwritten remark]
OFFICE MEMORANDUM

TO: Mr. E.G. Burland
FROM: Henry W. Riley
SUBJECT: End-Use Supervision at January 31, 1951

DATE: February 7, 1951

I have the pleasure to attach for your information a copy of a memorandum dealing with the situation at the end of January 1951 in respect of the following loan:

South Africa - Loan to ESCOM
South Africa - Lean to ESCOM - Position as of January 31, 1951

An outline of the financial information required for supervision has been drafted for use by Mr. Crema de Longh in discussions during his forthcoming visit to South Africa. The engineering requirements are in course of preparation.

cc: Mr. E. G. Burland
    Mr. G. de Beaufort
J. Thomsen Lund, Esq.,
International Bank for Reconstruction
and Development,
WASHINGTON 25, D.C.
U.S.A.

Dear Dr. Lund,

I was delighted to receive your letter of September 5th, informing me that you were arriving at London Airport on September 28th. I shall most certainly be at the Airport to meet you, and will provide you with all the information you require.

Please give my kindest regards to Dr. Kephart and tell him we are looking forward to seeing him over here soon also.

Here's wishing you a good air passage, and looking forward to meeting you in the near future.

Yours sincerely,

[Signature]

E.F. Dykes.
September 8, 1950

Dr. J. T. Lund  
International Bank for  
Reconstruction and Development  
1818 H Street, N.W.,  
Washington, D.C.

Dear Sir:

With reference to your forthcoming trip to the Near and Far East, we are pleased to supply you with the names and addresses of our direct-employed personnel in these areas. In addition to Mr. Wallace (Hong Kong), whom you already know, these men are as follows:

Mr. G. A. Navrotsky, Regional Manager, Middle East, c/o American Embassy, Cairo, Egypt

Mr. V. M. Booth, c/o Worthington-Simpson Ltd., 10 Clive Street, Calcutta, India

Mr. W. B. Woodward, c/o Jaleel Bros., Inc., Karachi, Pakistan

Any of these men will be pleased to give you all the assistance they can during your visit to the respective territories for which they are responsible.

Sincerely yours,

WORTHINGTON PUMP AND MACHINERY CORPORATION

Charles Stempf
Washington District Office

CS: sq
June 5, 1950

Letter No. P/312

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

Dear Mr. de Tchihatchef:

Thanks very much for your letter of May 31. I think that your procedure in contacting the Belgian companies in the way you did was a most happy one, and I am very glad that on their own initiative they asked Mr. Riley to come and see their works. I am sure he must have been quite interested to see the industries, as well as the ARBED in Luxembourg.

We are expecting Mr. Riley to be back in the office the day after tomorrow and I am sure that what he has to tell us will show that he has much benefited from your assistance.

With kind regards,

Yours sincerely,

DC/mct

D. Crena de Jongh
Dear Mr. Crena de Jongh,

Your letter No. P/276 of May 19, 1950, arrived at this office after my departure on tour with Mr. Riley and I had not seen at that time the Bank's Information Bulletin of March 19, to which you refer as it only reached this department a day after your said letter came to hand.

In the circumstances and in order to avoid any possible misunderstanding I should like to make it quite clear that Mr. Riley's tour of the neighbouring countries in which the Bank is interested, was carefully evolved in accordance with the two objectives you indicated in your letter No. P/244 of May 4 on this subject, viz. (a) the desirability of showing Mr. Riley during his stay in Europe something of the Dutch and Belgian economic activities and as good a picture of our task in Europe which the time limits at his disposal permitted, (b) the avoidance of any embarrassment to the managements of the Belgian projects which had been inspected twice quite recently. These two postulates being set, the following program appeared the only possible way of killing two birds with one stone, namely to take care of Mr. Riley and at the same time obtain from our clients, by calling personally instead of telephoning, the specific information expected by Headquarters during the current month. The clients involved were LINALUX and FERBLATIL who on hearing that Mr. Riley was in Europe for the first time, suggested that he should have a look at their new works of which they are, not unnaturally, very proud. They fully realised that in this instance our visits were of a courtesy nature and not of a purely inspection character. The same comments apply to the ARBED in Luxembourg.

Whilst in Holland I endeavoured to give Mr. Riley as all-round a picture as possible of the country's various economic and cultural activities.

With kindest personal regards,

Sincerely yours,

A. de Tchihatchef
Office Memorandum

TO: Mr. D. Crena de Iongh

FROM: A. M. Saitzoff

DATE: March 6, 1950

SUBJECT: Reports on End Use Supervision of 6 plants in France, Belgium and Luxembourg

In accordance with the terms of reference which were given me, I am enclosing individual reports on the projects which I inspected in France, Belgium and Luxembourg. They cover the inspection of 5 steel plants and of one power plant.

Because of the similarity of the construction at the steel plants, some general conclusions can be drawn. I found that the engineering was excellent and the plant layout very adequate. The civil engineering work for all practical purposes is completed at all plants with the exception of Denain where it will be finished by April 15th. The foundation work is sufficiently advanced to proceed with the erection of the equipment. While a lot of foundation and some excavation work still remain to be done, this at present is not holding up the advancement of the work. At Denain erection of the equipment will start as soon as the building is completed.

At every plant I was faced with the same situation of a delay on scheduled construction ranging from 2 to 6 months. The invariable reason given was the failure on the part of American manufacturers to supply on time the construction plans as well as delays in the shipment of the equipment. The main complaint was against the United Engineering Co. of Pittsburgh. At present about 80% to 90% of the mechanical equipment and 60% to 70% of the electrical equipment is either delivered or already shipped from the U.S. There is a bitter feeling against certain American manufacturers and a unanimous opinion that the European orders were not given proper attention. The blame for the delay in completing the projects is squarely placed on U.S. manufacturers and probably that is where it belongs. In order to catch up on lost time, the erection work is now speeded up to the utmost and certain plants, as Ferblatil, are working on a three-shift schedule. Unfortunately, the construction of the hot strip mills has suffered a bigger delay than the cold mills. This creates a difficult problem of supply of coils to the cold mills and will further delay the production at a normal rate of cold rolled sheets.

The situation at the power plant at Awirs is somewhat different. The equipment which has been ordered in Europe is largely ready for shipment, in advance of schedules. Here, the civil engineering work is about 2 months late. This delay will not affect the completion date of the power plant provided the erection of the boilers can be started on time. There is reason to believe, however, that the schedules for the erection of the boilers will not be met and the matter requires to be followed up.

In conclusion, I was very satisfied with the execution of the work that I inspected at all the plants. There is no reason for complaint, as a delay in scheduled construction up to 6 months is not a bad result under present conditions and considering the difficulties incurred. No action on the part of the Bank is required. Because of the excellent personal relations which Mr. de Tchihatchef entertains to the management of these various plants, it would be recommended that he inquire over the phone at the dates indicated in the reports whether the work as scheduled at present is completed.
The visit of a Bank representative was welcome at all the plants. All means of inspection and information were fully made available to me. I stressed that I had not been sent to criticize or to supervise the work, but was assigned as a representative of the Bank, of which their country is a member, to see the progress of work and to consult with them, if necessary, on any difficulties they might have encountered. I found great interest in the Bank's policies and answered questions regarding the Bank's international activities.
Mr. A.M. Saitzoff  
D. Crema de Lonagh

January 16, 1950

Terms of Reference

You are about to proceed to Europe to inspect projects being constructed in France, Luxembourg and Belgium in connection with loans granted by the Bank. You will visit the two steel mills in France at Demain and Montataire and the steel mill at Dudelange in Luxembourg. As far as concerns these three projects your task is to inspect the site on which the work is taking place and to form an opinion of the general efficiency with which the project is being carried out. You should take the opportunity to ascertain from those responsible for the development of these projects whether any delays in the completion of the respective projects are anticipated, and if so the reasons for such anticipated delays. You should moreover enquire what major difficulties, if any, have been experienced so far and how they have been solved.

You will also visit the power station which is being constructed by the Linalux Company, and the steel mills being built by Ferblatil and Ougree-Marihaye. In these cases you should inspect the sites on which the plants are being constructed, form an opinion of the efficiency with which the work is being carried out, and confirm the accuracy of the last periodical reports which have been submitted to the Bank, as far as concerns the engineering data. You should ascertain what major difficulties, if any, have been experienced since the commencement of the construction of these projects, and what measures have been taken in order to overcome them. Finally, you should find out whether any material delays or difficulties are anticipated in connection with these three projects, and the cause of such anticipated delays.

On your return to Washington you should submit a brief report on your findings.
January 12, 1950

Letter No. B/EU/1
Mr. A. de Tchihatchef
International Bank for Reconstruction
and Development
67 Rue de Lille
Paris, France

Dear Mr. de Tchihatchef:

With reference to your letter 193 regarding the provisional appointments made for the inspection visits for Mr. Saitzoff and yourself to Linalux, Cugree and Ferblatil, I assume that these appointments were made through the medium of the Banque Nationale de Belgique, although you were not specifically instructed to do so. In any event, upon your arrival in Belgium with Mr. Saitzoff you should, of course, call upon Banque Nationale before visiting the companies concerned.

Sincerely yours,

S. Aldewereld

PAKanters:fc
Letter No. F/690

January 5, 1950

Dear Mr. de Tchatchef:

This is to advise you that arrangements regarding U.S. Dollar Traveller's cheques, mentioned in the final sentence of Mr. Grena de Iongh's letter No. F/689 of today's date, have been superseded by those contained in COVET 137.

Yours sincerely

[Signature]

S. Aldewereld

Mr. A. de Tchatchef
International Bank for Reconstruction and Development
67, rue de Lille
Paris, France

NGJones:emk
Letter No. F/689

January 5, 1950

Dear Mr. de Tchihatchef:

Thank you for your letter No. F/988 of December 30.

The points raised in the first page of your letter concerning the schedule of visits to the various plants in France, Luxembourg, and Belgium have, I think, been answered by Mr. Aldewereld's letters No. F/687 and F/688 of December 30 and January 4 respectively.

With regard to your accompanying Mr. Saitzoff on his inspection visits as mentioned in my COVET 135, I feel on consideration that it will be quite unnecessary for you to remain with him during his investigations in Belgium as he will no doubt have to spend several days in each of the plants concerned. After introducing Mr. Saitzoff to the appropriate officials of the three Belgian companies, you should therefore return to Paris where Mr. Saitzoff can immediately get in touch with you should he run into any unexpected difficulties and require your assistance. Unless anything unforeseen develops, you will therefore only need to spend one or two days in Luxembourg and a day in Belgium. In these circumstances I have arranged for a cheque drawn on the Caisse d'Epargne de l'Etat, Luxembourg, for 7500 francs to be sent to you by airmail as an advance for your travelling expenses. This cheque should be cashed for Belgian francs, as after leaving Luxembourg you will be proceeding to Belgium.

With regard to your visit to Finland, we are writing to you c/o the Bank of Finland setting out the present status of the Finnish loans and suggesting a few points you should raise with the Finnish authorities, supplementary to those indicated in my letter No. F/674 of November 17, 1949. Arrangements are being made today to authorize the American Express Company to cable authority to their Paris Office to issue to you U.S. Dollar Traveller's Cheques for the amount of $500 as an advance for travel expenses to Finland.

Yours sincerely

D. Crema de Iongh
Treasurer

Mr. A. de Tchihatchef
International Bank for Reconstruction and Development
67 rue de Lille
Paris, France
Appendix to the Report
on end use supervision of steel plants in
France, Belgium and Luxemburg
January–February 1950

Plants visited:
USINOR at Denain and at Montataire, France
ARBED at Dudelange, Luxemburg
Ougree at Ougree, Belgium
Ferblatil at Tilleur, Belgium

Comparative figures on steel development projects in the above three
countries and in Holland might be of interest:

(1) Usinor is erecting the first continuous 66" hot strip mill in France at Denain of a theoretical capacity of up to 1 million tons per year and a continuous 3 stand cold sheet mill at Montataire for 300,000 tons/year. The rival Solac group (de Wendel, Rombas, Marine-Homecourt) is installing an 80" hot strip mill and a continuous 5 stand tinplate mill which will not be in operation before two to three years. A project for a cold sheet mill is also under consideration by Solac.

(2) Arbed in Luxemburg is erecting a combination plate and strip mill 60" wide of a capacity of 400,000 tons/year, and two reversing cold sheet mills.

(3) In Belgium, a reversing cold mill and tinplate line of a capacity of 250,000 tons/year is under construction at Ferblatil. Ougree is erecting a new blooming and slabbing mill with no planned increase of the present capacity. Ougree has also two other projects under consideration to include a 66" semi-continuous 4-high reversing hot strip mill and a cold sheet mill for 60,000 tons/year. The first of these projects is estimated at $16,000,000 and the second at $8,000,000 of which 45% is to be spent on U.S. equipment. These projects have been approved by OMC and have been submitted for approval to the ECA in Washington. A hot strip mill and cold sheet rolling plant is being completed at Esperance-Londoz using second-hand equipment purchased in the USA.
(4) A $23,000,000 project for an almost 100% increase in hot strip and cold rolling facilities at Ymuiden, Holland has been approved by ECA, Washington.

When these new installations start regular production beginning with 1951, they will represent an important addition to the present capacity of production. In particular, the rapid increase of cold rolling facilities which is now being developed calls for proper planning and marketing to insure against overproduction. In the U.S., about 75% of the thin gage flat rolled products are used by the automobile industry (50%) and for tinplate (25%), 10% for furniture and household uses and 15% for various purposes. This proportion should be quite different in Europe. Usinor in France expects to sell one-third of their sheet production to the automobile industry and less than that after Solac will be in production. The Benelux has no automobile industry. Belgium exports 75% and Luxemburg 90% of their steel production. Tinplate is still a comparatively small item of total sales. In short, there are no statistical data in support of basic requirements of domestic industries in these countries for thin gage rolled products to show a growing demand within the next years.

I found the situation in the steel industry somewhat depressed. The Belgians and Luxemburgers complain of a drop in production at the time of devaluation. In September-October the Arbed had a reduction of almost 40% in production. At present, the production has gradually risen to last August's level, e.g., about 80% of capacity. Sales prices are low leaving almost no profit. The reasons given are the difficulties in export sales because of scarcity of Belgian currency, as well as excessive cost of coal and prevailing high level of wages in Belgium and Luxemburg to which must be added about 30% to be paid by the manufacturer for social welfare. Because of the dual practice of prices in Western European countries, the Belgian and Luxemburg steel mills still pay a higher price for French ore loco pit than the French mills. This situation
tends to become better and the differential in domestic and export prices for ore, which was almost 100% a year ago, has now been reduced to about 15%.

The situation is not as bad in France where wages are almost 50% lower than in Belgium on the basis of hard currency, but the efficiency is also lower and most of the existing equipment in the French mills is older and not as well maintained. It might be interesting to compare prices of coking coal based on Belgian currency, bearing in mind that approximately 1 1/2 tons of coal is required to produce 1 ton of steel:

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<th>Country</th>
<th>Approx. Cost of 1 Ton of Coking Coal (Belgian Francs)</th>
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<tr>
<td>Belgium</td>
<td>640 (720 last October)</td>
</tr>
<tr>
<td>France</td>
<td>523</td>
</tr>
<tr>
<td>Germany</td>
<td>387</td>
</tr>
<tr>
<td>Holland</td>
<td>327</td>
</tr>
<tr>
<td>U.K.</td>
<td>317</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>230 ($4.60)</td>
</tr>
</tbody>
</table>

The Belgians are making a great effort through better working methods and organization to reduce the handicap due to the excessive cost of domestic coal. They are also putting pressure on the government to allow the import of coal, which is now forbidden. The high cost of domestic coal is due to a lack of labor in the coal mines and a miner earns at present almost twice the wages of an average worker in the steel industry. To increase production of higher grades of steel, experiments on an industrial basis are being conducted jointly by Cockerill, Ougree and Experance-London, namely, the addition of oxygen to the air blown into the basic Thomas converter. Excellent results have been obtained so far and, during my stay, a metallurgist of ECA from Paris, Mr. Scott, came to Liege to investigate the results of the tests.

In connection with the drop in sales there is much talk on the matter of over-capacity of the steel plants in Western Europe. In France, Usinor is so far the only group that has put up the first continuous mill in Western Europe.
The rival Solac group with ECA credits is erecting a second continuous mill and a 5 stand tinplate mill which will be in operation in two to three years. What is particularly worrying the Usinor group is that Solac is also planning the construction of a cold sheet mill almost identical to the one at Montataire (80" against 66"). When these projects will be completed the unanimous consensus both in France and Belgium is that the capacity at that time will be in excess of what the domestic and export market can absorb, unless some radical changes such as a requirement for war purposes would change the production picture. The Belgians have prudently withdrawn from this competition and shelved any plans they might have had for the erection of continuous mills. Usinor is well aware of the danger, as the financial charges on their new plant make it mandatory to operate the continuous mill at near capacity in order not to lose money.

Both the French and Belgian steel mills are unanimous in crediting the Dutch Government with the responsibility for creating a detrimental over capacity in sheet and tinplate and in violating agreements made with the French and Belgian industries. The 60% government-owned plant at Ymuiden has obtained lately a $23 million grant from the ECA for the expansion of the Dutch mill, which amounts to about 50% of the required capital. The expansion program provides for an increase in steel production from the present 300,000 tons to 570,000 tons per year, sufficient to cover approximately half of the domestic demand. While no objection was raised against this legitimate goal, the Dutch have now decided that the expansion will cover chiefly the production of cold rolled sheets and tinplate in direct competition to the new programs already underway in Belgium, Luxembourg and France. The Dutch expansion program for hot and cold rolled steel plate is given as follows:
Actually, considering the national requirements, the Dutch are perfectly right. Ymuiden is a very modern plant ideally located and it is reasonable to believe that with cheaper coal and labor in Holland the plant will be able to produce strip and sheet at lower prices than the Belgians or the French. This is, however, yet another proof of uncoordinated expansion policy between neighboring Western European countries which will be detrimental to the steel industry considered as a whole, or even worse, will tend to create new custom barriers. Whether competition in impoverished Europe can bring steel prices down and develop new markets for steel on the basis of American practice remains to be seen. On the basis of the conversations I have had with leading men of the steel industry, I concur with their opinion that a dangerous situation is being created due to an excess in steel capacity.
Letter No. F/687

December 30, 1949

Dear Mr. de Tchihatchef:

We have received your COVET 193 and note that you have made provisional appointments for inspection visits by Mr. Saitzoff and yourself to the projects mentioned in our COVET 135 during the period commencing January 23 and ending February 4. These appointments should be kept on a provisional basis as the scope of Mr. Saitzoff's investigation has not been finally determined and it is also possible that Mr. Saitzoff may find it necessary to spend more time at one plant than at another.

You will receive a copy of Mr. Saitzoff's terms of reference when they have been finally approved.

Yours sincerely

S. Aldewereld

Mr. A. de Tchihatchef
International Bank for Reconstruction and Development
67 rue de Lille
Paris - France
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire: DECEMBER 29, 1949

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

From: PARIS

TEXT:

COVET 193. REFERENCE YOUR COVET 135 SUBJECT SAITZOFF VISITS. HAVE MADE FOLLOWING PROVISIONAL APPOINTMENTS WITH COMPANIES CONCERNED FRANCE DENAIN STEEL MILL JANUARY 23 AND 24, MONTATAIRE JANUARY 25 AND 26, LUXEMBOURG ARBED JANUARY 27 AND 28, BELGIUM LINALUX JANUARY 30 AND 31, FERBLATIL FEBRUARY 1 AND 2, OUOERE FEBRUARY 3 AND 4. AM MAKING ARRANGEMENTS FOR VISITING FINLAND ABOUT JANUARY 10. REFERENCE YOUR LETTER NUMBER BM/2 OF DECEMBER 21 WILL SEE BERGER IN BRUSSELS ON JANUARY 3. LETTER FOLLOWS TOCHIATCHEF

ROUTING:
ACTION copy to MR. CRENA DE IONGH

INFORMATION copy to

Decoded by

DUPLICATE
INCOMING WIRE

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

December 29, 1949

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

To

Paris

From:

Sie refer to your report 1st subject satisfaction.

I have made following provisional appointments with companies concerned:

- Phenix, January 31 and February 1 and 2, Luxembourg February 2 and 3, Phenix, February 1 and 2.

I have made arrangements for visiting Phenix and Montalier about January 30 and 31. If you send me your letter number and report of December 21, I will be pleased to discuss our January 31, letter following.

Thank you.

REGENT AND DEER
INTERNATIONAL BANK FOR RECONSTRUCTION

RECEIVED

DUTCHESE

ACTION copy to MR. CRASH, DE IORIO
INFORMATION copy to

Decoded by

Received
OFFICE MEMORANDUM

TO: Files
FROM: R. Brion
SUBJECT: Yugoslavia - Timber Loan

DATE: December 28, 1949

In a cable sent to Mr. de Tchihatchef on December 27, 1949, it was stated that "the trip to Yugoslavia should be postponed until further instructions".

The reason for postponing that trip, originally planned to take place in January 1950, is that the Timber Loan to Yugoslavia is not yet effective. Mr. Orvis Schmidt, consulted on this point, stated that the Loan Department would prefer that we wait until the loan has become effective to arrange a visit to Belgrade in connection with end-use supervision. As soon as the loan becomes effective, instructions must be sent to Mr. de Tchihatchef in order for him or Mr. Geclot to go to Yugoslavia.

cc: Mr. Aldewereld
    Mr. Ripman
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

Date: DECEMBER 27, 1949

To: A. DE TCHIRATCHEF
INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
67 RUE DE LILLE
PARIS, FRANCE

TEXT: COT 135

REFERENCE MY LETTER NUMBER F/674 OF NOVEMBER 17 IT HAS BEEN DECIDED THAT A. M. SAITZOFF A MEMBER OF BANK'S ENGINEERING STAFF WILL VISIT EUROPE LATTER HALF JANUARY TO INSPECT LINALUX FERBLATIL AND OUGREE PLANTS BELGIUM COMA DENAIN STEEL MILL AND MONTATAIRE SITE FRANCE COMA AND ARBED MILL LUXEMBOURG STOP IT IS PROPOSED THAT SAITZOFF SHOULD LEAVE WASHINGTON FOR PARIS BY AIR ABOUT JANUARY 21 AND THAT YOU SHOULD ACCOMPANY HIM ON VISITS WHICH WILL TAKE APPROXIMATELY THREE WEEKS STOP PLEASE ARRANGE FOR VISITS WITH COMPANIES CONCERNED INFORMING THEM THAT SAITZOFF IS MEMBER OF ASSOCIATION DES INGÉNIEURS DE LIEGE AND ADVISE ME OF ARRANGEMENTS MADE AS SOON AS POSSIBLE STOP REGARDING VISITS TO FINLAND AND YUGOSLAVIA MENTIONED IN PARAGRAPHS 1 AND 2 MY LETTER UNDER REFERENCE YOU SHOULD ARRANGE TO VISIT FINLAND PRIOR TO SAITZOFF'S ARRIVAL AND VISIT TO YUGOSLAVIA SHOULD BE POSTPONED UNTIL FURTHER INSTRUCTIONS

D. GREGA DE IONGH

INTRAFRAD

AUTHORIZED BY:

NAME: D. Grega de Iongh
DEPT: Treasurer

AUTHENTICATED FOR DISPATCH BY:

GENERAL FILE COPY
OUTGOING WIRE

CLASS OF SERVICE DESIRED

[ ] FULL RATE
[ ] CODE RATE

DEC\#: 5 Dec 1949

AUTHORIZED BY:

RECEIVED BY:}

GEN\#: 1949
July 8, 1949

AIR MAIL - Letter No. 8

Mr. D. Crema de Iongh
c/o Paris Office
67 rue de Lille
Paris (7e)
France

Dear Mr. Crena de Iongh:

For your information we are enclosing the following:

1. Information Bulletin No. 27.
3. Envelope marked "Confidential."

Very truly yours,

[Signature]

Herbert G. A. Woolley
Chief, Information Division

Enclosures

HGAW:jh
July 5, 1949

Mr. S. Aldewereld
c/o International Bank for
Reconstruction and Development
67 Rue de Lille
Paris, France

Dear Simon:

Enclosed are the following papers with regard to the CDC application which I thought might be of help to you in your forthcoming conversations with the CDC people.

1. Memo to the Staff Loan Committee embodying the Loan Department's recommendations with regard to the CDC loan in the light of my recent trip to London;
2. The minutes of the Staff Loan Committee meeting at which the above memo was considered;
3. A copy of my letter to Daly outlining the Bank's present position.

I hope you are having an enjoyable trip, and I look forward to hearing about the outcome of your London talks when you return.

Sincerely yours,

Signed

Orvis A. Schmidt
Assistant to the Loan Director

P.Acheson: ad
June 30, 1949
INCOMING WIRE

Date of Wire: JUNE 9, 1949

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

From: SGRAVENHAGE

Text:
PLEASE DISREGARD MY LETTER NR 5 OF JUNE 7TH. LETTERS RECEIVED MEANWHILE.

ALDEWERELD

ROUTING:
ACTION copy to MR. RILEY
INFORMATION copy to
Decoded by

DUPLICATE
INCOMING WIRE

Date of Wire: June 3, 1949

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

From: Surveillance

Please disregard my letter of June 7th. It refers to:

Received Meanwhile

ALIENATED

Routine:
ACTION copy to
MR. RILEY

INFORMATION copy to
I

Decoded by

DUPLICTE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

Date: JUNE 9, 1949

To: D. CRENA DE IONGH
HOTEL THREE KINGS
BASEL, (SWITZERLAND) (Rec)

TEXT: EXPECT TO BE FRANKFURT BY JULY SECOND. SEE YOU THIRD OR FOURTH

McCLOY

OFFICIAL xx
PERSONAL □

AUTHORIZED BY:
NAME J. J. McCloy
DEPT. President

CLEARED BY:

AUTHENTICATED FOR DISPATCH BY:

GENERAL FILE COPY
OUTGOING WIRE

CLASS OF SERVICE DESIRED

☑ FULL RATE
☐ DAY LETTER
☐ CODE RATE

Date: June 3, 1970
To: Mr. James D. Jones
Hotel: Three Kings
Basel, Switzerland
(15 cm)

Text: Expect to be present by July second, see you there on fourth.

Copy

CLEARED BY: T. E. Mccoy
RECEIVED: 5/5/1949

OFFICIAL
☐ PERSONAL

AUTHORIZED BY:

NAME: T. E. McCoy
DEPT. President

AUTHORIZED FOR DISPATCH BY:

GENERAL FILE COPY
JUNE 9, 1949

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

SCRAVENHAGE

TEXT:

FOR MCCLOY

HAVE ARRANGED BEING IN GERMANY WITH FURTH AND HILL
FROM JUNE SIXTEENTH THROUGH JULY FOURTH. IN ORDER
ENABLE ME DRAW UP MY FURTHER TRAVEL PROGRAM PLEASE
CABLE ME HOTEL THREE KINGS BASEL WHERE AM ARRIVING
FRIDAY WHETHER WE CAN REPORT TO YOU IN FRANKFORT ON OR
BEFORE JULY FOURTH. GREETINGS.

CRENA DE IONGH

ROUTING:

ACTION copy to MR. MCCLOY
INFORMATION copy to

Decoded by

DUPLICATE
JUNE 2, 1949

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

TO
Mr. B. H. McDowell

FROM
J. D. Trimble

SUBJECT
FOR MCKEON

TEXT:

I have arranged to be in Germany with Purdy and Hill from June sixteenth through July fourth. In order to enable me draw up my further travel program please carak me hotel three nights basin where am arriving Friday with whom can report to you in Frankfurt or Prague July Fourth. Greetings

C. Donald

DUPPLICATE
Date: June 8, 1949
To: CRENA DEIONGH
    INTBAFRAD THE HAGUE (Rca)

TEXT: SWAN 3
FOLLOWING SENT TO HILL TODAY QUOTE MCCLOY STATES YOU SHOULD
AS MEMBER CRENA MISSION CONSOLIDATE YOUR FINDINGS WITH HIS
AND FURTHS INTO ONE REPORT. CONFIDENTIAL MCCLOY EXPECTS LEAVE
AROUND JULY FIRST. COPY CABLED CRENA UNQUOTE.

PARKER
INTBAFRAD
**OUTGOING WIRE**

<table>
<thead>
<tr>
<th>Class of Service Desired</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] Full Letter</td>
</tr>
<tr>
<td>[x] Code Rate</td>
</tr>
<tr>
<td>[ ] Day Letter</td>
</tr>
</tbody>
</table>

**Date:** June 8, 1949

**Text:** Swain, following wire to fill today's report. Include your estimates with the attached copy of the cable covering our suggestion.

**PARTNER**

**INTERPRET**

Cleared by: 15.30 PM 1949

**AUTHORISED BY:**

**RECEIVED AND CLEARED:**

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

**DUPLICATE**
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire: JUNE 8, 1949

To: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

WASHINGTON, D.C.

From: SCRAVENHAGE

TEXT:

FOR RILEY

SUN ONE SINCE INFORMATION RE SWISS FRANCS REQUIREMENT

NOT RECEIVED PLEASE WIRE THIS INFORMATION TO THE HAGUE.

PLEASE WIRE WHETHER REQUESTED DATA RE FINISH LOAN (LIST

OF GOODS AND PROJECT DISCRIPION) ALREADY MAILED.

ALDEWERELD

ROUTING:

ACTION copy to MR. RILEY

INFORMATION copy to

Decoded by

DUPLICATE
INCOMING WIRE

Date of Wire: JUNE 4, 1949

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

From: SGRAVENHAGE

TEXT:

FOR RILEY

PLEASE TRANSMIT TO BLACK FOLLOWING SAW D ESCURY AND ALBARDA
AS PROMISED. THEY HAD JUST CABLED YOU AND ARE DELIGHTED
WITH RESULT. I THINK THEY HAVE DONE EXCELLENT JOB. AS
WILL SEE HOLTROP AND LIEFTINCK PLEASE CABLE BY RETURN WHETHER
YOU WANT ME TO STRESSES SPECIFIC POINTS THIS CONNECTION.
GREETINGS.

CRENA DE IONGH

RECD: JUNE 6

ROUTING:

ACTION copy to MR. RILEY

INFORMATION copy to

Decoded by

DUPLICATE
Date: June 6, 1948

International Bank for Reconstruction and Development

WASHINGTON, D.C.

Dear Mr. Riley:

Please transfer to Black Postwire saw & recuity and allaria
as promised. They had just certified you and are delivered
with result. I think they have done excellent job as
with return. Will see Dr. Hollop and priority please call by return wire
you want me to stress specific points this connection

Yours sincerely

C. R. Smith

Routed to:

Mr. Riley

Information copy to

Decoded by

Jun 6 1948
<table>
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<th>TO-</th>
<th>Name</th>
<th>Room No.</th>
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<td>Recommendation</td>
</tr>
<tr>
<td></td>
<td>Information</td>
<td>Signature</td>
</tr>
</tbody>
</table>

REMARKS
Letter No. 3.

June 2, 1949

Dear Mr. Riley:

In view of Mr. Grena de Jongh's changed plans I have had to change my itinerary too. Please find enclosed a new itinerary which is self-explanatory. Maybe you could inform Cavanaugh, Street, Ripman and Brion about my change in plans. It might be worth while if Brion could inform Cope and Schmidt also.

I would appreciate it if you would be kind enough to arrange with Cope to let me have the papers he promised me in time so that I can take them with me to Finland. I refer chiefly to the list of goods and possibly other information which may have a bearing on my discussions in Finland. I would also appreciate if you could let me have the final drafts of the forms we are going to use in guaranteeing letters of credit. As you know I need these forms for my discussions in Helsinki.

Would you also be kind enough to ask Brion to send me a copy of the letter we sent to the Belgians on the forward exchange transactions (unless he has already done so).

There is nothing further to report. Our visit to Copenhagen has been quite satisfactory. Mr. Grena de Jongh is sending you under separate cover a minute on our discussions about the position of the various categories under the Danish loan.

With kind regards,

Yours sincerely,

(signed) S. ALDERBERG.

Mr. Henry W. Riley
International Bank for Reconstruction and Development
1515 H Street N.W.
Washington 25, D.C.
U.S.A.
June 2, 1949

CHANGE IN MR. ALDEWERELD'S ITINERARY

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>June</td>
<td>Leave Basel for Brussels</td>
</tr>
<tr>
<td>1h</td>
<td>Brussels c/o Mr. F. Berger, Banque Nationale de Belgique</td>
</tr>
<tr>
<td>&quot;</td>
<td>Netherlands c/o IBRD office, The Hague</td>
</tr>
<tr>
<td>&quot;</td>
<td>Stockholm</td>
</tr>
<tr>
<td>&quot;</td>
<td>19.15 hours leave Stockholm - 22.10 hours arrive Helsinki</td>
</tr>
<tr>
<td>26 - 2</td>
<td>Helsinki c/o Mr. Sakari Tuomioja, Governor, Bank of Finland</td>
</tr>
<tr>
<td>July</td>
<td>6.30 hours depart Helsinki - 7.30 hours arrive Stockholm</td>
</tr>
<tr>
<td>2</td>
<td>Stockholms</td>
</tr>
<tr>
<td>3 - 4</td>
<td>Paris c/o IBRD office, Paris</td>
</tr>
<tr>
<td>&quot;</td>
<td>Holiday in France</td>
</tr>
<tr>
<td>&quot;</td>
<td>Paris c/o IBRD office, Paris</td>
</tr>
<tr>
<td>July</td>
<td>London c/o Mr. Daly, Colonial Development Corporation,</td>
</tr>
<tr>
<td>23 - 2</td>
<td>33 Dover Street, London, W.I.</td>
</tr>
<tr>
<td>August</td>
<td>Leave for New York</td>
</tr>
</tbody>
</table>
Date of Wire: JUNE 2, 1949
To: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
    WASHINGTON, D.C.
From: COPENHAGEN

Text:
WHALE 26 RILEY.
PLEASE ASK FURTHER ARRANGE MEET ME GENEVA MONDAY NIGHT JUNE THIRTEENTH AND MAKE ALL ARRANGEMENTS FOR INTERVIEWS THERE ON TUESDAY FOURTEENTH. INTEND VISIT BERNE ON WEDNESDAY AND LEAVE THAT NIGHT VIA BASLE FOR FRANKFURT GREETINGS.
CRENA DE IONGH

RECD: JUNE 2ND

ROUTING:
ACTION copy to: MR. RILEY
INFORMATION copy to

Decoded by

ORIGINAL
INCOMING WIRE

June 5, 1949

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

COLOGNE

WHILE SO INTEREST

PLEASE MAKE FURTHER ARRANGEMENTS FOR MONDAY NIGHT JULY
THEME AND MAKE ALL ARRANGEMENTS FOR KNOXFORD'S THREE
ENGLISH TOURS. REMEMBER, I SHOULD NOT BE ABLE TO ARRIVE AT
AND LEAVE THE PUBLIC AIRPORT FOR FRANCOFORT OPERATIONS.

Sincerely yours,

[Handwritten notes and signatures]

DEED: June 5th

ROUTEING: Action copy to MR. THENY
INFORMATION copy to
[Handwritten notes]

Decoded by
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
ORIGINAL
OUTGOING WIRE

Date: JUNE 1, 1949
To: D. GRENDA DE IONGH
NY KONGENSGADE 15
COPENHAGEN, DENMARK

TEXT:
SWAN 1. BE YOUR CABLE MAY 31 FURTHER COMPLETELY AGREABLE TO ALL PROPOSALS EXCEPT THAT HE MEET YOU WHERE YOU DESIGNATE AFTER JUNE 11 RATHER THAN ON JUNE 10. HE STATES NEAR IMPOSSIBLE TO CHANGE HIS VIEIRA ARRANGEMENTS. PLEASE ADVISE IF AGREEABLE FOR FURTHER TO JOIN YOU JUNE 12 OR LATER BEST WISHES.

HENRY W. RILEY
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICIAL [x]
PERSONAL [ ]

AUTHORIZED BY: HENRY W. RILEY
DEPT. TREASURER'S

AUTHENTICATED FOR DISPATCH BY: [ ]

GENERAL FILE COPY
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire  MAY 31, 1949

To
HENRY RILEY
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

From
COPENHAGEN

TEXT:
REFERRING TODAY'S TELEPHONE CONVERSATION WILL MCCLOY PLEASE INFORM FURTH FEDERAL RESERVE THAT MCCLOY WANTS US TO VISIT GERMANY SOONEST POSSIBLE. MCCLOY AGREED MY SUGGESTION THAT FURTH AND I MEET WITH HILL, WHO WILL ACCOMPANY US, AT BALE TENTH OF JUNE AND LEAVE FOR FRANKFURT SHORTLY AFTER HIS MEETING. SUGGEST FURTH AND I VISIT BERNE AND GENEVA ON FOURTEENTH AND FIFTEENTH AND WE ALL LEAVE FIFTEENTH BY NIGHT TRAIN FOR FRANKFURT. FURTH MAY VISIT VIENNA AND PARIS AFTER GERMAN TRIP. TRUST RETURN JULY THIRTEENTH VIENNA AMSTERDAM CAN REMAIN UNCHANGED. PLEASE CABLE WHETHER ALL THIS SUITABLE TO FURTH. LEAVING COPENHAGEN NEXT FRIDAY FOR HOLLAND GREETINGS.

CRENA DE IONGH

ROUTING:
ACTION copy to MR. RILEY
INFORMATION copy to
Decoded by

ORIGINAL
May 31, 1946

Mr. HENRY RITCHIE

International Bank for Reconstruction and Development

Copenhagen

Re: Bioengineering today's telephone conversation with Mccloy please

Inform purh the federal reserve that Mccloy wants us to visit

Germany soonest possible. Mccloy agreed my suggestion that

Puth and I meet with Nill and will accompany us at Bar
twelfth of June and leave for Brackenheim shortly after the

meeting. Success Puth and I visit Berlin and Geneva on

Porthenth and Porthenth and we all leave Porthenth by

night train for Porthenth. Porthenth may visit Vienna and Paris

after Germany trip. Trust return July Thirteenth. Wishing

amsterdam can remain unchanged. Please cable whether

all this suitable to Porthenth. Leaving Copenhagen next

Friday for Holland and Berlin.

Cmnia de Iccon

OriGinal
Letter No. 5

May 23, 1949

Mr. S. Aldewereld
C/o Bank of England
Threadneedle Street
England

Dear Mr. Aldewereld:

The draft of the U.K. Colonies Loan Agreement has been changed, Saturday morning, on the initiative of the Legal Department, just before Mr. Schmidt's departure and after I sent you the draft proposed to, and approved by the Staff Loan Committee on Friday afternoon.

Enclosed herewith are copies of the last draft of the Loan and Guarantee Agreements.

The only alteration is that, now, CDC and CDCEngineering Ltd. would be co-borrowers.

Sincerely,

Enclosure:

RBrion/dm
May 20, 1949

Letter No. 2

Mr. S. Aldewereld
c/o Bank of England
Threadneedle Street
England.

Dear Mr. Aldewereld:

I would like to give you an up-to-date picture of the following items:

1. U.K. Colonies Loan: I enclose herewith draft of the Loan and Guarantee Agreements, submitted to-day to the Staff Loan Committee, with covering memorandum by Mr. McLain and copy of a memorandum from the Loan Director. A memo of things to be done, in this respect, is also enclosed.

Mr. Orvis Schmidt is going to London to negotiate the Loan along the lines of the memorandum to the Staff Loan Committee and I have advised him to get in touch with you there, in order to coordinate your actions, towards the CDC.

Relative to the end-use provisions of the Loan Agreement, I would mention that Mr. Ripman is agreeable. I would like to draw your attention to Article VII, Section 9, relating to the resale of goods by the Borrower or its subsidiary, to be authorized in Schedule 2, which can only be drafted after Mr. Schmidt's return from London.

2. Guarantee of Letters of Credit: I also enclose herewith memorandum by Mr. Cavanaugh on the guarantee of letters of credit (now called Agreement to Reimburse). We had a meeting on May 17, which lasted practically all day, with Messrs. Sommers, Broches, Street, Cavanaugh and Connor. As provided in Mr. Cavanaugh's memo, I sent revised forms to Cosgriff on May 18, asking him for a prompt answer. As soon as the forms are finalized, I will send a set to you. If, however, we are not able to have them cleared before your trip to Finland, I will send you copies of the forms, in their present draft state.

3. Belgian Loan: I had hoped to be able to send to you, to-day, a copy or at least a final draft of the letter to Berger relative to the purchases in Switzerland. I do not want to make this letter too long by describing all the discussions we have already had with the Loan and Legal Departments on this matter but, to make a long story short, after several counter proposals and many drafts of a letter to Berger, it seems that everybody agrees now on the solution you proposed before you left, after your talk with Mr. Rosen. I expect to send you a copy of a letter to Berger within the next few days.

4. Timber Loan: The Staff Loan Committee has agreed not to request an assignment to the title of the goods to be financed under the Timber Loan. I enclose a note for the files written by Mr. Ripman, which may interest you.

I hope your trans-Atlantic trip proved calm and pleasant.

Sincerely,

[Signature]

RBrion/dm
May 16, 1949

Mr. A. P. Grafftey Smith  
Bank of England  
London, England  

Dear Mr. Grafftey Smith:

This morning we received the following message by cable from Lord Trefgarne:

"Kindly inform Mr. Crena de Iongh we have asked Grafftey Smith arrange meetings Wednesday 25th and Monday 30th."

Mr. Crena de Iongh is already in New York, but I discussed the message with him over the telephone. Inasmuch as we want to see you on the morning of Wednesday, the 25th, we would appreciate it if you could arrange the meeting with Lord Trefgarne for that date at 3:30 in the afternoon. On the other hand, the meeting with him on Monday, the 30th, will be all right if it is held in the morning. I hope you can take care of this without too much trouble.

I am looking forward to finding you in your usual good spirits when we get together in London. With best regards,

Yours sincerely,

S. Aldewereld
Date: May 16, 1949
To: Mr. A. P. Grafftey-Smith
Bank of England
Threadneedle Street
England

TEXT: (WM)
REPLY YOUR CABLE MAY 16 PLEASE RESERVE BED IN OUTSIDE BERTH CABIN CARONIA
THANKYOU

Henry W. Riley
INTBAFRAD

OFFICIAL ☑
PERSONAL ☐

AUTHORIZED BY: Henry W. Riley
DEPT. Treasurer's

AUTHENTICATED FOR DISPATCH BY: GENERAL FILE COPY
OUTGOING WIRE

CLASS OF SERVICE DESIRED

□ NIGHT LETTER
□ FULL RATE
□ DAY LETTER
□ CODE RATE

DATE: PM 16 4 46
PM 1946

TO:

TEXT:

REPLY YOUR NAME TO THE POSTAL RESERVE BED IN OUTSIDE DEPARTMENT CACHIN CAROLINA

THANK YOU

Henry W. Pittay
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

AUTHORIZED BY:

GENERAL FILE COPY
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire: MAY 16, 1949

To: CRENAD E IONGH
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

From: LONDON

TEXT: YOUR LETTER TWELFTH MAY CANNOT IMPROVE ON BED IN OUTSIDE BERTH CABIN IN CARONIA PRICE NINETYFIVE POUNDS NOTHING AVAILABLE ON QUEEN ELIZABETH CABLE IF WE SHOULD TAKE FIRM.

GRAFFTEY SMITH

ROUTING:
ACTION copy to MR. CRENAD E IONGH
INFORMATION copy to

Decoded by

DUPLICATE
INCOMING WIRE

Date of Wire: May 16, 1949

To: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

From: LONDON

TEXT:

YOUR LETTER TELLING US YOU CANNOT IMPROVE ON PETIT IN OUTSIDE BERTH CAIRN IN CANADA PRIOR MINTERY POUNDS NOTHING AVAILABLE ON QUEEN ELIZABETH CAIRN IF WE SHOULD TAKE PETIT.

GRATTET SMITH
INCOMING WIRE

Date of Wire: MAY 13, 1949

To: ILIFF
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

From: LONDON

TEXT: 109 KINDLY INFORM MR DEIONGH WE HAVE ASKED GRAFFTEY SMITH
ARRANGE MEETINGS WEDNESDAY 25TH AND MONDAY 30TH. WE SHALL
BE GLAD TO SEE MR BAYNE ANY TIME 23RD OR 24TH PLEASE
ADVISE WHEN VISIT FINALLY FIXED.

TREFOARNE VELOP LONDON

RECD: MAY 16

ROUTING:
ACTION copy to MR. ILIFF

INFORMATION copy to

Decoded by

DUPLICATE
INCOMING WIRE

DATE: MAY 13, 1949

TO:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LONDON

FROM:

Mr. Smith

TEXT:

I hope you can inform Mr. Brown that we have agreed to meet on

Wednesday, 26th and Monday, 30th. We shall

arrange meetings Wednesday 26th and Monday 30th. We shall

be glad to see Mr. Haynes any time before 3rd or 4th please.

Advise when visit finally fixed.

Thank you

Mr. Smith

LONDON

RECEIVED: MAY 16

ROUTING:

ACTION copy to Mr. Hill

INFORMATION copy to

Decoded by

DUPLEXER

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MAY 16 1949
Letter No. F/576

May 12, 1949

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

Dear Mr. Tyler:

In reply to your unnumbered letter of May 9, it is apparent that you had not received a copy of my letter addressed to Mr. de Tchihatchef on April 26, contents of which are as follows:

"In reply to your letter of April 23 (No. H/6d7), together with two copies of the Preliminary Schedule for our coming trip to Europe, I notice that you have arranged for Mr. and Mrs. Crena de Longh to leave Brussels for Paris on Saturday, June 18, whereas I am listed to leave Brussels on the following Tuesday, June 21.

I understood that it was intended that I should also leave Brussels on Saturday, June 18 and I would like you to change the reservation so that I leave on the same plane as Mr. and Mrs. Crena de Longh and perhaps you would also notify Mr. Tyler, to ensure that hotel reservations in Paris are made for me from Saturday, June 18."

I should therefore be pleased if you would retain the hotel reservation you have already made for me, from June 18.

Very truly yours,

S. Aldewereld.
May 12, 1949.

A. P. Graffe-Smith, Esq.,
Bank of England,
Threadneedle Street,
England.

Dear Graffe-Smith:

We have been experiencing great difficulty in our efforts to obtain a west-bound passage for Aldewereld and now, it is with much regret at having to bother you, that I ask for any assistance you might be able to give me in this respect. It would be greatly appreciated if you could make a reservation for Aldewereld, either on the "Queen Elizabeth" leaving Southampton on July 29, or on the "Caronia" leaving the same port on August 2. Our Travel Department here, at the Bank, has been quite unsuccessful, but thought a reservation could still be obtained in England. If this is possible, perhaps you would also be kind enough to pay for the passage and charge it to our Account A.

I trust you will forgive the liberty I take in making use of our association in this way.

With many thanks and looking forward to seeing you on our arrival in London, on May 21,

Sincerely yours,

D. Orena de Iongh.
May 11, 1949

Mr. Francis R. Poore

S. Aldewereld

European Trip

Would you please be kind enough to make the following amounts available for use during the forthcoming European Trip of Mr. Crenn de Jongh and myself:—

Mr. Crenn de Jongh:

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<th>Amount</th>
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<td>$ 1,500.00</td>
</tr>
<tr>
<td>Check (One hundred pounds)</td>
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<tr>
<td>Check</td>
<td>1,000 Danish Kroner</td>
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<td>Check</td>
<td>500 Guilders</td>
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<td>Check</td>
<td>7,500 Belgian francs</td>
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<td>Two checks of 750 Swiss francs each</td>
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<tr>
<td>Two checks (one of 100,000 French francs and one of 50,000 French francs)</td>
<td>150,000 French francs</td>
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S. Aldewereld:

<table>
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<th>Amount</th>
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<td>500 Swiss francs</td>
</tr>
<tr>
<td>Check</td>
<td>60,000 French francs</td>
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I would appreciate your having these checks ready before the end of this week.
Letter No. H/476.  
April 26, 1949

Mr. A. de Tchihatchef  
International Bank for  
Reconstruction and Development  
5 Johan van Oldenbarneveltsaan  
The Hague  
Holland

Dear Mr. de Tchihatchef:

In reply to your letter of April 23 (No. H/647), together with two copies of the Preliminary Schedule for our coming trip to Europe, I notice that you have arranged for Mr. and Mrs. Crena de Iongh to leave Brussels for Paris on Saturday, June 18, whereas I am listed to leave Brussels on the following Tuesday, June 21.

I understood that it was intended that I should also leave Brussels on Saturday, June 18 and I would like you to change the reservation so that I leave on the same plane as Mr. and Mrs. Crena de Iongh and perhaps you would also notify Mr. Tyler, to ensure that hotel reservations in Paris are made for me from Saturday, June 18.

Very truly yours

S. Aldewereld
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire: APRIL 24, 1949

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

From: PARIS

TEXT:
CRENA DE IONGH COVET 136
MADIGAN LEAVES TODAY FOR LONDON HOTEL MAYFAIR PROCEEDING
BRUSSELS HOTEL PLAZA WEDNESDAY APRIL 27 SCHEDULE STANDS
OTHERWISE.

TYLER

RECD: APRIL 25

ROUTING:
ACTION copy to MR. CRENA DE IONGH
INFORMATION copy to

Decoded by

DUPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

APRIL 25, 1949

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

PARIS

CRIA MAIOR COEUR 150

HMARCIAL INVESTIGATIVE STAFF FOR LONDON HOTEL MAYFAIR PROCEDINGS

PARIUS HOTEL PLASA AVENUE ARMY STAFF SCHEDULE STANDS

OTHERWISE.

STYLE

RECEIVED APRIL 25

ROUTING:
ACTION copy to MR. CRIA MAIOR
INFORMATION copy to

Dated

Receives
Date: April 15, 1949
To: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
67, RUE DE LILLE
PARIS (FRANCE)

TEXT: COVET 102
MR. AND MRS. MADIGAN LEAVING AIR FRANCE NOON APRIL 17 FLIGHT NUMBER 008 SCHEDULED TO ARRIVE PARIS 9:30 AM APRIL 18

S. ALDEWERELD
INTRAFRAD

OFFICIAL ☑

AUTHORIZED BY:
NAME S. ALDEWERELD
DEPT. TREASURER'S

AUTHENTICATED FOR DISPATCH BY:

DUPLICATE
Date: April 15, 1949

To: TCHIHATCHEF

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
5 JOHAN VAN OLDENBARNEVELTSTRAAT
THE HAGUE (THE NETHERLANDS) REU

TEXT:

Mr. Madigan likely to need secretarial assistance Brussels the Hague
and possibly other places Stop Mr. Madigan will arrange details with
you please accommodate him

S. ALDEWERELD
INTRAFAAD

OFFICIAL [x]
PERSONAL [ ]

AUTHORIZED BY:

NAME S. ALDEWERELD
DEPT. TREASURER'S

CLEARED BY:

DUPLICATE
Letter No. 472

April 15, 1949

Mr. A. de Tchihatchef
International Bank for
Reconstruction and Development
5 Johan van Oldenbarnevelldlaan
The Hague, The Netherlands

Dear Mr. de Tchihatchef:

When talking to Mr. Madigan this morning, it occurred to me that since he is interested in all aspects of engineering, he should see the "Afsluitdijk" and whatever further might be of interest in connection with the "Zuiderzeewerken." You know that Mr. Madigan is traveling through Europe in an official capacity; that he wants to gather information about engineers and engineering outfits which may be of further interest to the Bank; and therefore an impression of the Dutch position in hydraulic engineering should fit into the picture. Maybe, therefore, you could try to make the necessary arrangements for Mr. Madigan to spend one day seeing the above projects, possibly accompanied by an engineer of the "Zuiderzeewerken."

Sincerely yours,

[Signature]

S. Aldewereld
April 15, 1969

A. de TOCQUEVILLE
INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
5 JOHN VAN OLDENBARNEVELTLAAN
THE HAGUE THE NETHERLANDS

MR. MADIGAN LIKELY TO NEED SECRETARIAL ASSISTANCE BRUSSELS THE HAGUE
AND POSSIBLY OTHER PLACES STOP MR. MADIGAN WILL ARRANGE DETAILS WITH
YOU PLEASE ACCOMMODATE HIM

S. ALDERSHELD
INTRAFAAD

S. ALDERSHELD
TREASURER'S
April 15, 1949

ROYALL TILER
INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
67 RUE DE LILLE
PARIS FRANCE

MR. AND MRS. MADIGAN LEAVING AIR FRANCE NOON APRIL 17 FLIGHT NUMBER
008 SCHEDULED TO ARRIVE PARIS 9:30 AM APRIL 18

S. ALDENBERG

INTRA FRAD

S. ALDENBERG

TREASURER’S
Date of Wire
APRIL 13, 1949

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

From
PARIS

TEXT:

COVET 137

REFERENCE OUR LETTER 740 OF 6 APRIL OUR FUNDS REDUCED TODAY TO ONE HUNDRED FORTY THREE THOUSAND FRANCS. PLEASE REMIT TO OUR ACCOUNT X BY RETURN FRANCS 771204 AF WE HAVE PAYMENT OF FRANCS 323000 TO MAKE ON APRIL 15.

TYLER

ROUTING:
ACTION copy to MR. CRENA DE IONGH

INFORMATION copy to

Decoded by

DUPLICATE
INCOMING WIRE

APRIL 15, 1945

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

PARIS

COURT 72A

We refer to your letter of April 9, 1945, in connection with the
request for an additional advance which you have made in respect to
your account No. 234567. Settlement in full has now been made of
your account and we would confirm your request for an additional
advance of $10,000 to make a total of $25,000.

Yours truly,

[Signature]

[Bank's Name]

APR 13
INT. 72A
RECONSTR. AND DEVEL.
April 12, 1949

Letter No. F/552.

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

Dear Mr. Tyler:

Thank you for your letter No. 743 of April 8, confirming hotel reservations for Mr. and Mrs. Madigan.

With regard to hiring a car for Mr. Madigan, he does not know, at the moment, whether he will require one and I would suggest his using the office car, if this is at all possible.

I would mention that Mr. Madigan is travelling in an official capacity for the Bank.

Very truly yours

B. Crena de Longh
Treasurer
INCOMING WIRE

Date of Wire: APRIL 12, 1949

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

From: PARIS

TEXT:

GOVERN 136 FOR CRENA DE LONGH
REFERENCE YOUR LETTER APRIL 7 UNNUMBERED HAVE RESERVED AS
FOLLOWS BEING ONLY ROOMS AVAILABLE WITH GRAFFETY SMITHS
ASSISTANCE "YOU AND MRS. CRENA DE LONGH R FLEMINGS HOTEL
MAY 24 TO 31 DOUBLE BEDROOM AND BATH AND SITTING ROOM
FOUR GUINEAS PER DAY EXCLUSIVE ALDEWERELD AND TYLER
SINGLE AND BATH CONNAUGHT.

TYLER

ROUTING:

ACTION copy to MR. CRENA DE LONGH

INFORMATION copy to MR. RILEY, MR. ALDEWERELD, MR. RIPMAN (2)

Decoded by

DUPLICATE
INCOMING WIRE

DATE & TIME: 7/29 4:30 PM

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

TO: FROM:

SUBJECT: CONFIRM YOUR ARRIVAL AT THE INTERNATIONAL HOTEL IN NEW YORK CITY AND MAKE ARRANGEMENTS FOR YOUR ACCOMMODATIONS.

WIRE TO BE REMITTED ONCE ARRIVAL IS CONFIRMED.

Yours sincerely,

[Signature]

ACTION: COPY TO MR. PERRY, MR. ADAMS, AND MR. RYAN (2)

INTERNATIONAL BANK FOR

[Seal]
DATE OF WIRE: APRIL 12, 1949

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

FROM: PARIS

TEXT:

COVET 135 FOR CROEN DE IOMGH
FLAPS RESERVATIONS SECURED FOR MR. AND MRS. MADDIGAN AS REQUESTED YOUR COVET 98 EXCEPT IN THAT THEY WILL LEAVE ZURICH FOR ROMA MAY 8 EVENING THERE BEING ONLY TWO DIRECT FLIGHTS WEEKLY BETWEEN THESE POINTS. HOTEL RESERVATIONS COMPLETE.

TYLER

ROUTING:
ACTION copy to MR. CROEN DE IOMGH
INFORMATION copy to MR. RILBY, MR. ALDRIDGE, MR. RIFMAN (2)

Decoded by

DUPLICATE
Letter No. F/548

April 8, 1949

Mr. Royall Tyler
International Bank for Reconstruction
and Development
67 rue de Lille
PARIS, France

Dear Mr. Tyler:

With reference to our telegrams COVET 98 and COVET 100, and to your telegram COVET 133, I confirm that we should be grateful if you would arrange for Mr. Madigan to meet M. Damien, and to visit the sites of the steel mills at Denain and Montataire, in order to familiarise himself with the progress which has been made on these projects.

I shall appreciate anything that you may be able to do to render Mr. Madigan's stay in Paris a pleasant one and to facilitate any arrangements which he may wish to make.

Sincerely yours,

D. Crena de Lough
Treasurer

c.c. Mr. Madigan
HBRipman:pc
Letter No. F/549

April 8, 1949

Mr. Royall Tyler
International Bank for Reconstruction
and Development
67 rue de Lille
PARIS, France

Dear Mr. Tyler:

With reference to my separate letter of today's date, among the tasks which Mr. Madigan will be carrying out for the Bank during his trip to Europe is that of visiting the three firms responsible for the development of the projects in which the Bank is interested in Belgium. The companies concerned are known as Ferblatil, Linalux and Ougree-Marihaye. I enclose memoranda relating to these projects.

Although the Bank's borrower is the Belgian Government, the loan was negotiated on behalf of Belgium by Mr. F. Berger of the Banque Nationale de Belgique, and it is with Mr. Berger that we are in correspondence concerning the end use supervision arrangements in the three projects in question.

I shall in the circumstances be grateful if you would telephone Mr. Berger, acquaint him with the date on which Mr. Madigan is due to arrive in Brussels from Paris, and request him to be kind enough to make arrangements for Mr. Madigan to visit the three firms in question while he is in Belgium.

You will be receiving a copy of a letter which I have today written to Mr. de Tchihatchef, from which you will see that I have asked the latter to make arrangements for Mr. Madigan to pay a visit to the Arbed steel works in Luxembourg. If it is to be possible to fit this in it is of course necessary that Mr. Madigan's visits to the three firms in question should be completed during the first days of the week which he is spending in Brussels.

Mr. Madigan will get in touch with Mr. Berger immediately after his arrival in Brussels.

Sincerely yours

D. Crema de Iongh
Treasurer

c.c. Mr. Madigan
Mr. de Tchihatchef
Letter No. II/468

Mr. Andrew de Tchiatchef
International Bank for Reconstruction and Development
Ny Kongensgade 15
COPENHAGEN, Denmark

April 8, 1949

Dear Mr. de Tchiatchef:

Mr. Michael J. Madigan, one of the partners of Madigan-Nyland, a firm of consulting engineers in New York whose services the Bank is using in various connections, is about to take a trip in Europe with his wife. We have sent a cable to Mr. Tyler in which we ask him to cooperate with you in arranging travel facilities and hotel accommodations for Mr. Madigan and his wife. I enclose a copy of this cable for your information.

Among the tasks which Mr. Madigan is to carry out on behalf of the Bank during this trip is to visit the site of the Arbed Steel Mill in Luxembourg, in order to inspect the progress which has been made and to make arrangements for reporting future progress. I feel that the most practical point in his journey at which to fit in this trip would be the last days of his stay in Brussels. It would in the circumstances perhaps be best if you could arrange with Arbed that Mr. Madigan should visit them on April 29 or 30. I think that it would be most pleasant for him to hire a car for the trip from Brussels to Luxembourg, and to stay over night in Luxembourg in order to avoid too much travelling on one day.

You will be receiving a copy of a letter which I am today writing to Mr. Tyler concerning the inspections which Mr. Madigan is to make in Belgium during his stay there, and you will see from this that he will be on a fairly tight schedule. You should, therefore, coordinate the arrangements which you make for him to visit Luxembourg with those which Mr. Tyler is making through the Banque Nationale de Belgique for him to inspect the various projects in which the Bank is interested in Belgium. I shall appreciate anything which you may be able to do to facilitate the arrangements for Mr. Madigan's trip and to make his stay and that of his wife in Holland a pleasant one.

Sincerely yours,

D. Crena de Iongh
Treasurer

Cc: Mr. Madigan
Mr. Tyler
OUTGOING WIRE

Date: APRIL 8, 1949
To: MURIEL TYLER
INTBAFRAD
PARIS

TEXT:
GOVET 100
YOUR GOVET 133 PLEASE CONTACT DAMIEN AND ARRANGE VISIT FOR MADIGAN TO DEMAIN DAZIN

CENA DE IONCH

CLASS OF SERVICE DESIRED

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OFFICIAL ☑
PERSONAL □

AUTHORIZED BY: D. CENA DE IONCH
DEPT. TREASURER

CLEARED BY: 

AUTHENTICATED FOR DISPATCH BY: c.c. Mr. Aldewereld

DUPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire: APRIL 7, 1949

To: CREMA DE IONGH
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

From: PARIS

TEXT:

COVET 133 YOUR COVET 98 NOTHING AVAILABLE RITZ HAVE RESERVED FOR MR AND MRS MADIGAN CRILLON. WILL MAKE HOTEL AND PLANE RESERVATIONS WITH TCHIBATCHEF AND MEET AT AIRPORT AS REQUESTED. PLEASE CABLE WHETHER DENAIN DANZIN VISIT CONTEMPLATED.

TYLER

REG: APRIL 8

ROUTING:
ACTION copy to MR. COOK
INFORMATION copy to MR. CREMA DE IONGH
Decoded by DUPICATB
Date: APRIL 6, 1949

To: NLT TYLER
INTBAFRAD
PARIS (VIA WU)

TEXT:
COVET 98
MR. MADIGAN ACCOMPANIED BY MRS. MADIGAN LEAVING NEW YORK AIR FRANCE APRIL 17 ARRIVE PARIS APRIL 18 LEAVING PARIS FOR BRUSSELS APRIL 25 LEAVING BRUSSELS FOR AMSTERDAM MAY 1 LEAVING AMSTERDAM FOR ZURICH MAY 5 LEAVING ZURICH FOR ROME MAY 9 LEAVING ROME FOR LONDON MAY 16 LEAVING LONDON FOR IRELAND MAY 18 RETURNING FROM IRELAND TO LONDON MAY 23 STAYING IN LONDON UNTIL JUNE 1 STOP PLEASE MAKE HOTEL RESERVATIONS IN COOPERATION WITH TCHIHATCHEF AS FOLLOWS PARIS RITZ OR CRILLON OR MEURICE IN THIS ORDER OF PREFERENCE BRUSSELS PLAZA OR METROPOLE THE HAGUE DES INDES ZURICH DOLDER ROME HASLER LONDON CONNAUGHT OR SAVOY STOP PLEASE MAKE PLANE RESERVATIONS ACCORDING TO ABOVE SCHEDULE EXCEPT LONDON TO IRELAND AND RETURN STOP WOULD APPRECIATE BOTH YOU AND TCHIHATCHEF EXTENDING ALL COURTESY AND MEETING THEM AT AIRPORTS IN PARIS AND AMSTERDAM.

OFFICIAL [X]
PERSONAL [ ]

AUTHORIZED BY:

NAME

DEPT.

AUTHENTICATED FOR DISPATCH BY:

ORIGINAL
I

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire

APRIL 5, 1949

To

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

From

PARIS

TEXT:

COVET 132 FOR HOWELL YOUR LETTER F541. AM MAKING SECRETARIAL
ARRANGEMENTS AND CHANGING BRUSSELS AND THE HAGUE RESERVATIONS
ACCORDINGLY. FAILING FURTHER INSTRUCTIONS I ASSUME
STEPHENSON STILL REQUIRES CRILLON RESERVATION APRIL 11
AS PER YOUR COVET 97.

TYLER

ROUTING:

ACTION copy to MR. COOK

INFORMATION copy to MR. GREGA DE IONGH MR. RILEY MR. ALDEWERELD MR. RIPMAN(2)

Decoded by

DUPLICATE
OUTGOING CABLE

MARCH 29, 1949

NLT TYLER
INTBAFRAD
PARIS (VIA WU)

COVET 97

YOUR COVET 129 WE ARRANGED HOTEL BOOKINGS PENTON AND ROSEN HOWEVER NEED SINGLE ONE WEEK ALEXANDER STEPHENSON ARRIVING AFTERNOON APRIL 11 CRILLION PREFERRED.

HOWELL
INTBAFRAD

Drafted by Mr. Cook
March 15, 1949

Mr. G. L. Bowen, Manager
Cunard White Star Line
1504 K Street, N.W.
Washington, D.C.

Dear Mr. Bowen:

This letter is merely a reminder that you are endeavoring to improve the westbound first class accommodations for Mr. Simon Aldewereld, who is now holding a bed in A-43 and $375.00, on the June 25 sailing of the SS "Mauretania" from Cherbourg to New York.

As you know Mr. Aldewereld is assistant to the Treasurer of the Bank and will be travelling with Mr. D. Crenn de Iongh, our Treasurer, on the same sailing.

Sincerely yours,

John L. Cook, Chief
Travel and Transportation Section
Office Services Division
January 5, 1949

MEMORANDUM TO THE FILES

Subject: Supervision of "Projects" in Europe.

Several months ago it was agreed upon that Mr. Madigan would do the preparatory work for the supervision of the Arbed and Denain et D'Ansain "projects" during a trip to Europe which he had planned to make at that time. As a result of the cancellation of Mr. Madigan's trip, nothing has been done until now, in this connection. Mr. Madigan is now planning to leave for Europe in March, 1949 and has undertaken to carry out this preparatory work. He will use the opportunity of his visit to Western Europe to talk with the three Belgian companies on the subject of end-use supervision. Before Mr. Madigan's departure, we will have to work out the details with him.

S. Aldewereld.

cc. Mr. Street
    Mr. Ripman
    Mr. Brion
My dear Crena:

Thank you for your letter of September 4, written from Luxembourg. I have had most of the letter reprinted in the Confidential Bulletin.

As regards the various points you discussed in the letter:

Timber Project. We are still waiting for something from the Department of Commerce about export licences, although we are hopeful that they will be forthcoming. A meeting of the various U.S. Government agencies which are interested is actually being held today, and we hope to have a definite pronouncement within the next 24 hours. If this is favourable, we are arranging to send Schmidt, Stephens and Nurick (from Legal Department) to Geneva. Schmidt will stay only for a very short time, but Stephens and Nurick will remain behind to work out the details of the loan and documentation.

Belgium. The Belgian loan remains in cold storage. I am glad, however, that you were able to dispel the misgivings of the companies about end-use supervision. There still, however, remains the question of the negative pledge clause and for your confidential information I may tell you that we have had private advice from Basyn from Brussels, that the Belgian Government are extremely reluctant to give it.

E.C.A. E.C.A. have written to each of the 16 who have either formally or informally presented applications to the Bank, and have enjoined them to proceed promptly with their applications on the ground that E.C.A. financing was never intended to fill the whole needs of Western Europe. They make no commitment that Bank loans will not be taken into account in assessing the overall amount of E.C.A. aid to a particular country, but E.C.A.'s exhortation that they should press on with their applications to the Bank contains sufficient encouragement to induce them to do so.

Madigan's Visit to Europe. As things have turned out it is extremely doubtful whether Madigan will be able to visit Europe in the near future and it might be as well if, in your further conversations, you would not hold out any immediate hope that he will be able to do so.

Yours sincerely,

W.A.R. Iliff

Mr. D. Crena de Longh
c/o Hotel Meurice
Paris, FRANCE.

WABI/eme
My dear Shiff,

We have reached Luxembourg now and will be in Zurich tomorrow. Thanks for your cable. I hope that if the government has no objection against the export of goods, they will let you know in time as it would be a pity to miss this opportunity to visit Geneva, a preliminary discussion on the superimposed problem certainly will be a rather complex matter.

I saw Mr. Rothschild of the Nestlebank in the Hague and told him about Madigan’s visit. I think that it would be quite useful if...
Madagascar would visit him.

The Belgians wanted us to explain the practice of our supervision which we did. The wording of all these supervision clauses had made them very apprehensive of our measures, but in our discussion it became clear that supervision will not stand in the way of the loan.

The matter is queued especially, degree had raised various objections, they have the money (that is Anglo) and would much prefer the National Bank to sell them the dollars. I am sure that the government will arrange everything to our satisfaction mostly
I have made up their minds that they will want the loan. The real question is the negative pledge. Up to this point it became quite clear that as soon as they had made up their mind is that respect they would go ahead.

The Luxembourgers told me that the dollar needed another 4,000,000 which the government intended to get from E. C. A. I doubt really E. C. A. will go for that type of business and if asked them when we could be
Sure that if they did not get that money the whole project would be completed and we would not run the risk that our goods and machinery would stand idle. They assured me that this would not be the case, but we will keep our eyes peeled. As the auto-rails will be delivered a little later than expected part of the payment will be late (at $1,000 each) may come after the closing date. I told them to approach you five times to get a decision as soon as they hear all the
GRAND HÔTEL BRASSEUR
Restaurant Brasseur
OLD INN BAR
Luxembourg

Téléphone 58-01 (4 lignes)
Chèque postal 212

Circumstances.

With best regards

[Signature]
Letter No. 35

Mr. S. Aldewereld
Hotel Meurice
Paris, France

September 9, 1948

I am enclosing a copy of a letter which is today being sent to the Chase National Bank in connection with the insurance of the Dutch ships. I am going up to New York over Sunday night, and shall be visiting the Chase National Bank to discuss the question at issue with their insurance people. I shall also see Cunard White Star, in order to find out what policy they follow in this field.

During the morning, I am going to see Siemon at Fomento with Ripperger in order to discuss the draft letters from the Bank to Fomento which I have prepared setting out our requirements by way of information about end use. I have cleared these drafts with Clee and Bengston in advance.

In case I do not write again before you leave, I hope you all have a very pleasant voyage back to America.

Hugh B. Ripman
Letter No. 26

September 1, 1948

Mr. S. Aldewereld
Grand Hotel Brasseur
38 Grand' rue
Luxembourg

In your unnumbered letter of August 29 you ask that I, on the end use side, and Gordon Street and Connor on the disbursement side should prepare a resume of what has gone on in your absence for you to study on your return, in order that you may bring yourself up to date in the shortest possible time.

I have asked Gordon Street and Connor to carry out their part of this, and I will not fail on my side to provide you with what you require.

Hugh B. Ripman
The Hague, 1st September 1948.

H.B. Ripman Esq.
International Bank for
Reconstruction and Development
1818 H Street N.W.
WASHINGTON 25 D.C.
U.S.A.

My dear Hugh.

Mr. Aldewereld has asked me to drop you a line to let you know that your letters Nos. 2, 11 and 17 have not up to date come to hand.

He would appreciate it very much therefore if you would have copies made and forwarded to him at your earliest convenience.

With all best wishes,

Yours ever,

AT/Th.
My dear Hugh:

This is an unnumbered letter. It is namely Sunday night, I left my papers in the office, so I do not know the next number.

In the first place I do hope that everything is well with Mildred. Please give her my kindest regards.

In the second place, when thinking today about the various points to cover in Paris, I could not recall exactly the essence of one of the two letters which Mr. McCloy sent to Mr. Garner in Paris, which letters were prepared in our office. One of the letters, I know, referred to a backlog in documentation by the French, but as mentioned, I do not recall the other. Would you be kind enough to refresh my memory. It may be that I need the information when we will be in Paris.

In the third place would you be kind enough to prepare a resume for me of the various problems of end use supervision which you have dealt with while I was abroad? For instance Chile - Brazil - Dutch ship loans, etc. etc. You have kept me posted excellently; this request, therefore should not be considered as a criticism. I do think, however, that a comprehensive resume will help me to catch up quickly on my return. Please transmit the same request mutatis mutandis, to Gordon and Connor, as far as disbursement matters are concerned.

Lastly I found matters well in hand in Denmark. Geolot is doing a fine job. He made, however, a rather depressed impression on me. Possibly a result of financial worries. Crena and I will discuss this on our return to headquarters.

I am not through yet with my work in Holland. I think it best therefore
to give you my impression later, possibly on my return. By the way, I have asked Geolot to transmit to Washington a report on our discussions. I O.K'ed the draft. I will do the same for Holland and Paris.

The short stay in each country resulted in a rather concentrated program. They have kept me rather busy.

No more news now. Best regards for the gang.

Yours

/Sgd/ Siem

P.S. As far as the ship loans supervision is concerned, I had already a discussion with Tchihatchef. He is studying the matter during the weekend and I have asked him to draft a "plan de campagne". This will be ready tomorrow. It is my intention to go over it (if I have time) and to have him send it to headquarters for examination, consultation with the lawyers and loan department and final drafting of instructions for the field. In case you think the matter urgent please clear it before my arrival, if not you may wish to wait. I leave it to you.

/s/ Siem
my dear Hugh

This is an unnumbered letter. It is namely Sunday night, I left my papers in the office, so I do not know the next number.

In the first place I do hope that everything is well with Mildred. Please give her my kindest regards.

In the second place, when thinking today about the various points to cover in Paris, I could not recall exactly the essence of one of the two letters which Mr. Mr. Clay sent to Mr. James which letters were prepared in our office. One of the letters I know, referred to a backlog by documentation by the French, but, as mentioned, I do not recall the other. Would you be kind enough to refresh my memory. It may be I need the information.
When we will be in Paris.

In the third place would you be kind enough to prepare a resume for me of the various problems of indirekte supervision which you have dealt with while I was abroad? For instance: Chili - Brasil - Dutch ship loans etc. etc. You have kept me posted excellently; this request, therefore, should not be considered as a criticism. I do think, however, that a comprehensive resume will help me to catch up quickly on my return. Please transmit the same request, mutatis mutandis, to Fordy and Common, as far as disturbance matters are concerned.

Lately I found matters well in hand in Denmark. Scolot is doing a fine job. He made, however, a rather depressed impression on me. Possibly a result...
I have been worried, Crema and I will discuss this on our return to headquarters.

I am now through yet with my work in Holland. I think it best therefore to give you my impression later, possibly on my return.

By the way, I have asked Golo to transmit to Washington a report on our detentions.

O.K. ed the draft. I will do the same for Holland and Paris.

The short stay in each country resulted in a rather concentrated program. They have kept me rather busy.

No more news now. Best regards for the gang.

Yours
P.S. As far as the ship looks, supervision is concerned, I had already a detention with Tekholzef. He is studying the matter during the weekend and I have asked him to draft a "plan de campagne". This will be ready tomorrow. It is my intention to go over it (if I have time) and to have him send it to headquarters for examination, consultation with the lawyers and loan department and final drafting of instructions to Washington. In case you think the matter urgent, please clear it before my arrival, if not you may wish to wait. I leave it to you.

Sinc.
August 24, 1948

Mr. D. Crena de Iongh
Hotel Wittebrug
Nieuwe Parklaan
The Hague

Dear Mr. Crena de Iongh:

For your information when you are in Belgium I enclose copy of a letter which Mr. Iliff has sent to M. Berger. The S.M.C.I. sent us a copy of the draft legislation to permit the Minister of Finance to guarantee a loan from the International Bank. For your information again, the Legal Department are considering writing to Belgian Counsel for an opinion as to whether the powers included in the draft of the legislation are sufficiently comprehensive to enable the Minister to sign an agreement containing the Bank's standard negative pledge and consultation covenants.

Although the position may therefore be said to have progressed very slightly since you left Washington, we are still in doubt as to whether the Belgian Government will ultimately wish to resume negotiations with the Bank or not. Should there be any further developments before the end of the month, we will communicate with you again.

Yours very truly,

John M. Penton

enclosure

JMPenton/mvp
20 August 1948

Mr. Crenna de Longh
Copenhagen, Denmark
c/o Hotel d'Angleterre, Kongens Nytorv

Dear Crena:

I enclose a copy of the Loan Department's Progress Report for the week ended 14 August 1948, which I believe will serve to keep you in touch with such developments as there have been in Washington since you left.

I hope to continue to send you the same sort of thing each week.

Best wishes to your wife and yourself.

Yours sincerely,

W. A. B. Iliff
Loan Director
LETTER No. 1

R.M.S. MAURETANIA
August 16, 1948

Dear Mr. Riley:

This morning Mr. Crena and I went through the list of things we have to do while on the Continent and we noticed that neither of us had a copy of the Ship Loan agreements with us. Would you be kind enough to send me a complete copy by airmail to our the Hague office?

Up to now we have had extraordinarily good weather. The ship did not roll at all. According to the weather forecast, however, the weather in Europe is very bad, rain and cold.

With kindest regards, also for all the others

Yours,

SIEM ALDEWERELD

cc: ACTION: G.H. Street
    H.B. Ripman
    D. Connor
Date: August 12th, 1948.

To: RAFFAELE PILOTTI
INTERBANK
BASLE

TEXT: REFERENCE YOUR CABLE AUGUST TENTH MR. CRENA DE IONCH PREFERENCES
PLANE BASLE PARIS.

CLASS OF SERVICE DESIRED

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AUTHORIZED BY:  HENRY W. RILEY

NAME

DEPT.  TREASURER'S

CLEARED BY:

DUPLICATE
OUTGOING WIRE

CLASS OF SERVICE DESIRED

☐ URGENT
☐ DEFERRED
☐ FULL LETTER
☐ DAY LETTER
☐ CODE RATE

DATE: August 15th, 1944
TO: RAPHAEL PILATI

REFERENCE YOUR CARELESSNESS TUNNELL MJR. CHERRY DE JONG PREPARES

TEXT: PLANE BASEL PARIS

AUTHORIZED BY: HENRY M. RILEY
NAME: TREASURER
DEPT:

DUPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire AUGUST 12, 1948

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

From NEW YORK

TEXT: PLEASE CABLE BIS WE PREFER LEAVING FROM BASLE.

ALDEWERELD

MR. STREET

ROUTING:
ACTION copy to

INFORMATION copy to

Decoded by

DUPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

AUGUST 15, 1948

MR. STREET
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.
NEW YORK

To

From

Please cable BIS WE PREPARE ILLUSTRATION FROM BALLERY

ADDRESS:

Routine:

ACTION copy to

INFORMATION copy to

Decoded by

DUPLICATE
ITINERARY

1948
August 11
Washington to New York.
Sail on "Mauretania" (10:30 P.M.)

Wednesday
August 18
Arrive at Southampton, at night.
Train from Southampton to London.

London address: Connaught Hotel, Carlos Place, W.1.


Sat. Aug. 21
(Mr. Crena de Iongh) By air to Copenhagen - Flight No. BE 508
Sun. Aug. 22
(Mr. Aldewereld) Leaving Kensington Air Station 12:23 P.M.
Arriving Copenhagen, Kastrup 5:52 P.M.

Address in Copenhagen: Hotel d'Angleterre, Kongens Nytorv, Tel: Central 95.

Appointments (Monday, Tuesday and Wednesday - August 23rd, 24th and 25th)
Minister of Finance, also Mr. Dige of the Ministry of Finance.
The Governor of the Central Bank, Mr. Bramsnaes and the Management of the Bank.

Wednesday, August 25
By air to Amsterdam - K.L.M. Flight No. 171
Leaving Copenhagen (Kastrup) 1:20 P.M. (Danish time)*
Arriving Amsterdam (Schiphol) 2:50 P.M. (Dutch time)

*Danish time is one hour ahead of Dutch time.

Do.
Motor to The Hague.

Address at The Hague: Hotel Wittebrug, Nieuwe Parklaan, Tel: The Hague 55-23-95

Appointments (Thursday, August 26th and Monday, August 30th)
The Minister of Finance, Mr. Lieftinck, also Mr. Treep and Mr. Keesing of the Ministry of Finance.

Ministry of Overseas Territories: The Minister Without Portfolio, Mr. Coetzen and Mr. Bannier, Commissioner for the Netherlands East Indies.

Mr. Posthumus of the Herstelbank(?)

Amsterdam appointments (Friday, August 27th)
Management of the Netherlands Bank.
Personal visit of Mr. Crena de Iongh to Mr. Verwey of N. V. Hollandsche Belegging en Beheer Maatschappij, Keizersgracht 706, Amsterdam C.

By air to Brussels - Sabena Flight No. 629
Leaving Amsterdam (Schiphol) 9:25 A.M.
Arriving Brussels (haren) 10:20 A.M.

Brussels Address: Hotel Astoria, Tel: Brussels 17-62-90.
Brussels appointments being made through the Belgian National Bank via Mr. Th. Basyn, Alternate Executive Director of the Bank (Belgium).

Linalux, Cockerill and Ougree Mariaye (?)

Friday
September 3
By car to Luxembourg
Luxembourg Address: Grand Hotel Brasseur, 88 Grand' rue; Tel: Luxembourg 5801.

Appointments (Saturday, September 4th)

Mr. Dupong, Minister of Finance; also Mr. Werner of the Ministry of Finance.

Sunday
September 5
By air to Zurich - Luxembourg Airways
Leaving Luxembourg 12:15 P.M.
Arriving Zurich 2:15 P.M.

Zurich Address: Dolder Grand Hotel; Tel: Zurich 41.700.

Monday
September 6
Basle
Basle address: Hotel Drei Konige; Tel: Basle 41850.

By plane to Paris.

Paris Address: Hotel Meurice.

Appointments (Monday, Tuesday and Wednesday, September 13th, 14th and 15th)

September 8 to 11 inclusive not yet "dated".

Mr. Baumgartner of the Credit National Banque de France: Messieurs Monnick, Governor; Bolgert and Koszul.
M. Guindai of the Ministry of Finance.
EGA - Mr. T. McKittrick and Mr. Brewer, and any other persons suggested by Mr. Tyler.

Personal appointments of Mr. Crena de Iongh:

Mr. Starkenborgh, Netherlands Ambassador
M. Jacques de Neuflyze of the firm of De Neuflyze.
M. Bloch Laine of the firm of Lazard Freres et Cie.
M. Belin, President de la Banque Francaise du Commerce Exterieur.

Thursday
September 16
Sail from Cherbourg on "Queen Elizabeth".

Tuesday
September 21
Arrive New York.
INCOMING WIRE

Date of Wire AUGUST 10, 1948

To D. CRENA DE IONGH
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT
WASHINGTON, D.C.

From BASEL

TEXT:
HAVE BOOKED FOR 8TH SEPTEMBER THREE SEATS PLANE BASLE PARIS
ARRIVING PARIS 18.50 AND THREE SEATS ZURICH PARIS ARRIVING
PARIS 15.30. PLEASE CABLE WHICH YOU PREFER

PILOTTI

ROUTING: MR. CRENA DE IONGH

ACTION copy to

INFORMATION copy to

Decoded by

DUPLICATE
Mr. Francis R. Poore.
S. Aldewereld.
Expenses re European Trip.

With reference to our conversation to-day, will you please be kind enough to let me have a check for a further $250.00 as an advance for travelling expenses.

Approved: D. Crena de Jongh.

SA/dm
August 6, 1943

TO WHOM IT MAY CONCERN:

This will certify that Mr. D. Crena de Iongh, Treasurer of the International Bank for Reconstruction and Development, is proceeding to Europe on business on behalf of the Bank. Mr. Crena de Iongh's duties will require him to visit the United Kingdom, France, Luxembourg, Belgium, Holland, Denmark and Switzerland, and he expects to return to the United States about the end of September, 1943.

Any assistance given to Mr. Crena de Iongh in the course of his journey will be greatly appreciated.

His specimen signature is shown below for purposes of identification.

[Signature]

M.M. Mendels
Secretary

---

Specimen Signature of
Mr. D. Crena De Iongh
August 6, 1948

TO WHOM IT MAY CONCERN:

This will certify that Mr. S. Aldewereld, Assistant to the Treasurer of the International Bank for Reconstruction and Development, is proceeding to Europe on business on behalf of the Bank. Mr. Aldewereld's duties will require him to visit the United Kingdom, France, Luxembourg, Belgium, Holland, Denmark and Switzerland, and he expects to return to the United States about the end of September, 1948.

Any assistance given to Mr. Aldewereld in the course of his journey will be greatly appreciated. His specimen signature is shown below for purposes of identification.

[Signature]

N.M. Mandels
Secretary

---

Specimen Signature of
Mr. S. Aldewereld
August 5, 1948

Mr. MacRobbie
Cunard White Star Line
1504 K Street, N. W.
Washington, D.C.

Dear Mr. MacRobbie:

Please let me thank you for making the necessary changes on the tickets for the Aldeserads and the Creina de Iongh.

You will remember I mentioned in my letter to you that Mrs. Creina de Iongh is an American Citizen and consequently is not subject to United States head tax. Since we included the head tax in our final settlement check, you mentioned that it would be possible to correct her ticket deducting the $3.00 amount and give us a refund check payable to Mrs. Creina de Iongh.

Kindly make the necessary adjustment to this ticket and return it to me along with your refund draft.

Very truly yours,

John L. Cook, Chief of
Travel and Transportation
Office Services Division

WM:lfw
Enclosure
3 August 1948

As I told you this morning, I have arranged with the Mail and Records Section that the code word "DOVE" shall be used as a prefix in all cables exchanged between the Bank and yourself and Mr. Crena de Iongh during your forthcoming trip abroad. Cables from the Bank and those addressed to the Bank will each be in a separate numerical series. Mail and Records will pass all cables received in this series in the first instance to Mr. Riley.

cc: Mr. Crena de Iongh
Mr. Riley
Mr. Street
Miss Georgion

HER:fe
The following message was received

"VIA COMMERCIAL"

JB18-041 LONDON 23 26 145P

INTERBANK

WASHN

FOR CRENA DE IOGH YOUR TELEGRAM 22ND JULY ACCOMODATION
BOOKED AT MOUNT ROYAL HOTEL AND PLANE RESERVATIONS ARRANGED
CONGRATULATIONS

GRAFFTEY SMITH.
COMMERCIAL CABLES

To obtain our rates and
accurate service send
your message.

"VIA COMMERCIAL"

WASHINGTON, D.C.

The following message was received:

1948-07-14 London 23 55 EAP

FOR CRESTA DE JOUR YOUR TELEGRAM SUND JULY ACCOMODATION
BOOKED AT MOUNT ROYAL HOTEL AND PLANE RESERVATIONS ARRANGED.

CONGRATULATIONS.

CRAFTSMITH
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

To: Miss Georgiou

Mr. Cook

John Plo

Note the attached

Noted

7/21/48
July 9, 1948

Mr. G. L. Bowen, Manager
Cunard White Star Line
1504 K Street, N.W.
Washington, D.C.

Dear Mr. Bowen:

I should like to express my appreciation for the accommodations you were able to arrange for Mr. and Mrs. Crena de Iongh and Mr. Simon Aldewereld in the SS "Mauretania" sailing from New York to Southampton on August 11 and returning in the SS "Queen Elizabeth" sailing from Cherbourg for New York on September 16.

While all of the above space has been accepted, Mr. Aldewereld would be pleased to have his accommodations in the "Mauretania", eastbound, improved if superior first class berthing becomes available. Also, please endeavor to improve all assignments for this party, westbound, on September 16. If at all possible, Mr. and Mrs. Crena de Iongh should have a double room.

As you know Mr. Crena de Iongh and Mr. Aldewereld are the Treasurer and Assistant Treasurer, respectively, of this international organization. These officials will no doubt mingle with and do considerable entertaining among our 1948 conference delegations who will be sailing from Europe in the SS "Queen Elizabeth" on September 16.

Sincerely yours,

John L. Cook, Chief of
Travel and Transportation
Office Services Division
International Bank for Reconstruction and Development

Incoming Wire

WU E15

Date of Wire
February 16, 1948

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

From
London

Text:
Heron Fifty Two for Crena de Iongh
Arrived London on schedule.

Aldeweerd

FEB. 16TH

Routing:
Mr. Crena de Iongh
ACTION copy to
INFORMATION copy to

Decoded by

Duplicate
INCOMING WIRE

WU D39 NLT

Date of Wire   FEBRUARY 13, 1948
To   INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
     WASHINGTON, D.C.
From   PARIS

TEXT:
HERON FORTY SIX FOR CRENA DE IONGH
BOTH ARRIVED PARIS ON SCHEDULE LAST SWISS CABLE WAS
THIRTY FOUR.

ALDEWERELD

FEB. 16TH

ROUTING:
ACTION copy to MR. CRENA DE IONGH
INFORMATION copy to
Decoded by

DUPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire: February 12, 1948

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

From: GRAVENHAGE

TEXT:
HERON FORTYFIVE FOR CRENA
MAILING OF REPORT NUMBER FOUR FROM HAGUE DELAYED BY MISUNDERSTANDING
UNTIL MORNING NINTH FEBRUARY STOP IF STILL MISSING FRIDAY NIGHT
CABLE ME IN PARIS

RIPMAN

ROUTING:
ACTION copy to Mr. Crena de Iongh, Treasurer
INFORMATION copy to
Decoded by

DUPLICATE
OUTGOING WIRE

Date: FEBRUARY 11, 1948
To: HUGH RIPMAN
    HOTEL DES INDIES
    THE HAGUE
    THE NETHERLANDS

TEXT:
HERON 8

REPORTS FIVE AND SIX OF EUROPEAN MISSION RECEIVED BUT REPORT NUMBER FOUR HAS NOT ARRIVED STOP PLEASE SEND COPIES

INTRA FRAD

CLASS OF SERVICE DESIRED

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AUTHORIZED BY:  
NAME: Henry W. Riley  
DEPT: Treasurer's Department

CLEARED BY:

DUPLICATE
INCOMING WIRE

WU E26

Date of Wire FEBRUARY 10, 1948

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

From HAGUE

TEXT:
HERON FORTY ONE FOR CRENA DE IONGH.
ARRIVED HAGUE ON SCHEDULE.

RIPMAN

FEB. 10TH

ROUTING:
ACTION copy to MR. CRENA DE IONGH
INFORMATION copy to
Decoded by

DUPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

RC2 LC

Date of Wire: FEBRUARY 9, 1948

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

From: BASEL

TEXT:
HERON THIRTY THREE FOR CRENA DE IONGH
ARRIVED BASLE ON SCHEDULE.

ALDEWERELD

FEB. 9TH

ROUTING:
ACTION copy to MR. CRENA DE IONGH
INFORMATION copy to
Decoded by

DUPLICATE
INCOMING WIRE

WU 063 MEF

FEBRUARY 7, 1948

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, DC.

COPENHAGEN

TEXT:

HERON THIRTY ONE FOR CRENA DE IONGH.
HERON NUMBERS THIRTY TWO THROUGH FORTY RESERVED FOR MY USE
DURING SWISS VISIT. ANY CABLES SENT BY HIPMAN WILL BEAR NUMBERS
FORTY ONE AND FOLLOWING. WE SHALL MAINTAIN DAILY CONTACT BY
TELEPHONE UNTIL MEETING FRIDAYS IN PARIS.

ALDERWERELD

FEB. 9th.

ROUTING:

ACTION copy to
MR. CRENA DE IONGH

INFORMATION copy to

Decoded by

DUPLICATE
February 6 1948

Mr. Edward Valentine  
Holland America Line  
29 Broadway  
New York 6, New York

Dear Mr. Valentine:

Please refer to my letter of February 2 in which I asked that you arrange for the necessary cancellation of three westbound first class passages booked in the names of Mr. Simon Aldewereid, Mr. Hugh B. Ripman and Mr. Royal Tyler on the February 13 sailing of the "Nieuw Amsterdam" from Southampton.

For your refund action, I am now enclosing westbound passage contracts #57108 - Tyler - $460 and #57115 - Aldewereid & Ripman - $890.

If refund in full is in order, please prepare a check payable to the International Bank for Reconstruction and Development in the amount of $1,350. and forward same to my personal attention.

Your attention to this matter is deeply appreciated and I sincerely regret having to cancel the bookings you so kindly made for us.

Very truly yours,

John L. Cook, Chief of  
Travel and Transportation  
Office Services Division
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

WU B60

Date of Wire
FEBRUARY 5, 1948

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

From
COPENHAGEN

TEXT:
HERON TWENTY SEVEN
PARTY ARRIVED COPENHAGEN ON SCHEDULE.

ALDERWERELD

FEB. 6TH

ROUTING:
ACTION copy to MR. CRENA DE IONGH
INFORMATION copy to
Decoded by

DUPLICATE
INCOMING WIRE

WU G7 NLE

Date of Wire   FEBRUARY 4, 1948
To
From  SCRAVENHAGE

TEXT:

HERON TWENTY FIVE FOR CRENA DE IONGH. REFERENCE OUR HERON TWENTY TWO. ALDEWERELD ARRIVE BASEL SCHWEIZERHOF HOTEL MONDAY NINTH FROM COPENHAGEN. RIPMAN ARRIVE HAGUE HOTEL DESINDES FROM COPENHAGEN WITH TCHICHATCHEF TUESDAY TENTH. ALDEWERELD AND RIPMAN ARRIVE PARIS CLARIDGES HOTEL FRIDAY THIRTEENTH AND BOTH ARRIVE LONDON MOUNT ROYAL HOTEL SUNDAY FIFTEENTH.

ALDEWERELD

FEB. 9TH

ROUTING:

ACTION copy to  MR. CRENA DE IONGH

INFORMATION copy to

Decoded by
Date: February 4, 1948
To: S. Aldewereld
    IBRD
    Johan Van Oldenbarneveld Laan 5,
    The Hague, Holland.

TEXT: Heron 7 answer to your Heron 22 STOP You proposals approved

D. Crena de Iongh
Treasurer

AUTHORIZED BY: D. Crena de Iongh
DEPT. Treasurer's Office

CLEARED BY: [Signature]

DUPLICATE
OUTGOING WIRE

DATE: February 4, 1945

TO: Allied Forces

TEXT: Hello V, answer to your letter 22 STOP. For purposes of exploring.

Please go to order

Acknowledged.

DUPLICATE
INCOMING WIRE

WU 614

Date of Wire
FEBRUARY 3, 1948

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

From
SCRAGENHASE

TEXT:
HERON TWENTY-TWO FOR CHINA DE IONGH. REFERENCE YOUR HERON THREE
SUBJECT TO YOUR APPROVAL RIPMAN WITH RETURN WITH TOHERHATCHF TO HOLLAND IN
ORDER TO OBTAIN FIRST HAND EVIDENCE OF PRACTICABILITY OF COMBINATION
OF DIRECT AND INDIRECT CHECK WHICH DUTCH HAVE SUGGESTED AND WHICH SEEMS
UNAVOIDABLE ON BASIS PRESENT EXPERIENCE AND DISCUSSIONS BUT HAVE NOT
BEN TESTED IN PRACTISE. RIPMAN WOULD THEN JOIN ME IN PARIS ON MY
ARRIVAL THERE FROM BASEL ABOUT THIRTEENTH FEBRUARY FOR SEVERAL DAYS
(REFER TELEPHONE CONVERSATION) AND WE WOULD BOTH RETURN TO LONDON IN
TIME FOR EMBARKATION.

ALDEWERLELD

ROUTING:
ACTION copy to
INFORMATION copy to
Decoded by
WORLD BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire: 1948

To:

From:

Subject: Your favorable opinion with reference to material to Holland in

Order to obtain first-hand evidence of practicability of cooperation

of direct and indirect claims which you have suggested and which seem

unavoidable. We have made arrangements and discussions but have not

been able to get to Paris. I should like to join us in Paris or

arrive there from Paris about Thursday next (presumably for several days

after telephone conversation) and we would both return to London in

TIME FOR INFORMATION.

ADMIRALTY

ROUTING:
ACTION: copy to
INFORMATION: copy to
Decoded by

DUPPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

WU 615

Date of Wire FEBRUARY 3, 1948

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

From SCRABENHAGE

TEXT: HERON TWENTY THREE FOR CRIENA DE IONGH

IN ADDITION TO PROPOSAL MENTIONED IN TELEPHONE CONVERSATION DUTCH FIND
THEMSELVES UNABLE TO SUBMIT EXPLANATIONS SUFFICIENT TO COVER FULL AMOUNTS
ORIGINALLY ALLOCATED TO NEW ITEMS IN FOLLOWING CATEGORIES TO FOLLOWING
EXTEND: TIMBER TWO MILLION DOLLARS CEMENT ONE AND ONE HALF MILLION
DOLLARS COAL (INCLUDING FREIGHT) THREE AND THIRTEENTH MILLION DOLLARS.
TOTAL SIX AND EIGHTEENTH MILLION DOLLARS. DUTCH PROPOSE COMPENSATING
INCREASE IN ROLLING MILL PRODUCTS FOR IRON AND STEEL SEEDING GRAINS
FERTILIZERS AND NONE BUT HAVE NOT REPEAT NOT YET SUBMITTED DIVISION
BETWEEN THREE FOUR CATEGORIES. THERE IS NO REPEAT NO OBJECTION TO THIS
PROPOSAL FROM POINT OF VIEW OF END USE SUPERVISION.

ALDWERKELD

FEB. 3RD

ROUTING:
ACTION copy to MR. CRiena DE IONGH
INFORMATION copy to
Decoded by

INTERNATIONAL BANK

DUPLICATE
INCOMING WIRE

DATE: 3/1948

TO:

FROM:

SUBJECT:

IN FRONT OF THREE MILLION DOLLARS FOR TELEPHONE CONSTRUCTION DURING THE FOLLOWING QUARTER, ALONG WITH THE FOLLOWING CATEGORIES TO FOLLOW:

TOTAL SIX AND EIGHTH MILLION DOLLARS. THE PROPOSED CONSTRUCTION ENHANCED IN PHASE 1 WILL PRODUCE FOR ILLUSTRATION AND MORE BUT HAVE NOT REAScENT NOT THE SUBMITTED DIVISION BETWEEN DESIGN AND PERFORMANCE. THERE IS NO REQUEST ON COLLABORATION TO THIS

AGREEMENT

AM. 301

ROUTINE:

ACTION copy 10

INFORMATION copy 10

DECEMBER 1, 1948

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

DUPPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

Date of Wire: FEBRUARY 3, 1948

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

From: SCHAEFFERAGE

TEXT:
HERON TWENTY. REFERENCE YOUR HERON 6.
MANY THANKS TICKETS AIRMAILED TODAY.

ALDERWERELD

FEB. 3RD

ROUTING:
ACTION copy to MR. COOK
INFORMATION copy to MR. CREWEN DE LEONCH

Decoded by

DUPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

Date: FEBRUARY 2, 1948

To: S. ALDEWERELD
    HOTEL des INDES
    THE HAGUE

TEXT:

Stream 6 —

NIEUW AMSTERDAM BOOKINGS YOURSELF RIPMAN TYLER THIRTEENTH CANCELLED
RETURN HOLLAND AMERICA TICKETS THIS OFFICE FOR REFUND ACTION.
CONTACT KERNAN CUNARD LONDON ELIZABETH TICKETS NINETEENTH DOUBLE
ROOM B-104.

COOK

CLASS OF SERVICE DESIRED

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AUTHORIZED BY:  
NAME: JOHN L. COOK  
DEPT.: TRAVEL AND TRANSPORTATION

CLEARED BY:  

DUPLICATE
OUTGOING WIRE

CLASS OF SERVICE DESIRED

☐ PREPAID
☐ REGISTERED
☐ AIR MAIL
☐ RETURNED
☐ NORMAL RATE
☐ PRIORITY RATE
☐ CODE RATE
☐ RETURNED

Date:
5.10.49

TO:
THE HAGUE

TEXT:

RETURNABLE BOOKING VOUCHER FOR MR. TAYLOR, HB 17TH JANUARY CANCELLED

CONTACT MR. KERNAL CUNARD LONDON ELIZABETH TICKETS IMMEDIATELY, DOUBLE ROOM B-TOP.

NAME: J. L. COOK

AUTHORISED BY:

DEPT.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CLEARED BY:

DUPLICATE
INCOMING WIRE

Date of Wire
WU 72 LC
ZURICH
FEBRUARY 2, 1948

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

From
SGRAVENHAGE

TEXT:
HERON SIXTEEN
PARTY ARRIVED HAGDE ON SCHEDULE.

ALDEWERELD

FEB. 2ND

ROUTING:
ACTION copy to MR. CRENA DE IONGH
INFORMATION copy to

Decoded by

DUPLICATE
INCOMING WIRE

DATE OF WIRE

FROM

TEXT:

FROM ARIZONA DEPARTMENT OF EDUCATION

Approval

ACTION copy to MR. CRAIN DE JOHNSON

INFORMATION copy to

DEPARTMENT OF

ENRICHMENT

DATE 2-94

DUPLICATE
INCOMING WIRE

WU D70 NLT

Date of Wire

JANUARY 31, 1948

To

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

From

SCRAVENHAGE

TEXT:
HERON SEVENTEEN REFERENCE YOUR HERON THREE
IMPOSSIBLE STATE NEW ITINERARY UNTIL LATER. PLANNING AT PRESENT
THAT PARTY SHOULD LEAVE HAGUE FOR COPENHAGEN AND THAT ALDEWERELD
SHOULD PROCEED TO BASEL ON DATE ORIGINALLY PLANNED. WILL CABLE
SOONEST POSSIBLE MAY MOVEMENTS FROM BASEL ONWARD AND RIPMENS FROM
COPENHAGEN ONWARD.

ALDEWERELD

ZANX

FEBRUARY 2ND

ROUTING:

ACTION copy to

MR. CRENA DE IONGH

INFORMATION copy to

Decoded by

DUPLICATE
INCOMING WIRE

UNPRO wires

November 31, 1948

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON D.C.

SUBJECT:

NEW GUIDELINES ON YOUR MR. SCHNEIDER's END." These new guidelines are intended to clarify and expand the scope of the existing procedures. They should be implemented immediately.

ACTION:

Copy to:

Mr. Schneider's Office

Dated:

February 2, 1948
OUTGOING WIRE

Date: January 30, 1948

To: S. Aldewereld
    Hotel des Indes
    The Hague
    The Netherlands

CLASS OF SERVICE DESIRED

- URGENT
- DEFERRED
- FULL RATE
- NIGHT LETTER
- DAY LETTER
- CODE RATE

TEXT:

HERON THREE

AGREE EXTENSION YOUR EUROPEAN STAY WE ARE ARRANGING CANCELLATION
WITH TRAVEL DEPARTMENT AS SUGGESTED PLEASE CABLE NEW ITINERARY

Grena de Longh

AUTHORIZED BY:

NAME: D. Grena de Longh

DEPT: Treasurer

CLEARED BY:

DUPLICATE
OUTGOING WIRE

CLASS OF SERVICE DESIRED

☐ Present  ☐ Deferred  ☐ Full Rate  ☐ Night Letter  ☐ Day Letter  ☐ Code Rate

Date: January 20, 1948

To: S. A. Baber

The Regent

To be opened on arrival in London.

ACP 29

TEXT:

AFTER EXTENSION YOUR EUROPARK STAY WE ARE ARRANGING CANCELLATION

WITH TRAVEL DEPARTMENT AS SOON AS POSSIBLE PLEASE CLEAR NEW ITINERARY

Cleared by:

AUTHORIZED BY:

NAME

DEPT.

Treasurer

DPLICATE
INCOMING WIRE

WU D 35 NLT

Date of Wire
JANUARY 29, 1948

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

From
LUXEMBOURG

TEXT:
HERON FIFTEEN FOR CRENA DE IONGH.
IN ORDER TO BE CERTAIN OF COMPLETING OUR PRESENT MISSION WE ANTICIPATE WE SHALL NEED APPROXIMATELY FIVE DAYS MORE THAN ORIGINALLY PLANNED.
SUBJECT TO YOUR APPROVAL SUGGEST CANCELLATION IN WASHINGTON OF OUR RETURN PASSAGES ON NIEUW AMSTERDAM (TICKETS CAN BE RETURNED BY US TO SHIPPING COMPANY IN HOLLAND TOGETHER WITH TYLER'S TICKET) AND THAT HEADQUARTERS ARRANGE PASSAGE FOR RIPMAN AND MYSELF ON QUEEN ELIZABETH SAILING FROM SOUTHAMPTON FEBRUARY NINETEEN TICKETS TO BE ISSUED TO US IN LONDON. OF COURSE THIS ARRANGEMENT WILL ALWAYS BE SUBJECT TO UNFORTUNATE DEVELOPMENTS. GRATEFUL YOUR CABLED CONFIRMATION.

ALDEWERELD

JAN. 30TH

ROUTING:
ACTION copy to
MR. CRENA DE IONGH

INFORMATION copy to
INTERNATIONAL BANK

Decoded by

DUPLICATE
INCOMING WIRE

January 22, 1948

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

INFORMING

WE ARE PREPARING A PAPER TO BE SUBMITTED TO OUR PRESIDENT OF THE BANK.

WE NEED A CONFIRMATION OF THE DATES OF THE CONFERENCE HELD IN WASHINGTON ON OUR RETURN TO THE UNITED STATES. WE WOULD LIKE TO MEET WITH YOU AT THE TIME OF THE CONFERENCE.

WHAT IS THE ARRANGEMENT FOR THE RETURN OF MY TACTICS AND MEMO TO OUR OFFICE IN LONDON TOGETHER WITH THE AIRLINE TICKET?

UNOBSERVED DEVELOPMENTS. REPORT YOUR CANCELLATION.

JAN 20TH

ACTION copy to
INTERNATIONAL BANK

INFORMATION copy to
Washington, D.C.

DUPLICATE
INCOMING WIRE

Date of Wire: JANUARY 28th 1943

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

From: LUXEMBOURG

TEXT: HERON THIRTEEN PARTY ARRIVED LUXEMBOURG ON SCHEDULE.

ALDEWIERELD

JAN. 28TH

ROUTING: ACTION copy to MR. CRENÁ DE IONGH

INFORMATION copy to

Decoded by

DUPLICATE
INCOMING WIRE

INCOMING WIRE

Date of Wire: January 25, 1948

From: International Bank for Reconstruction and Development, Washington, D.C.

To: International Bank for Reconstruction and Development, Washington, D.C.

Text:

Arrangements

1948

For Reconstruction and Development

Routine: 1

ACTION copy to

INFORMATION copy to

Passed by

International Bank

DUPLICATE
77 Avenue des Champs Elysees,
Paris.

January 27, 1948.

Mr. D. Crena de Longh, Treasurer,
International Bank for
Reconstruction & Development,
Washington, D.C.

Dear Mr. Crena de Longh:

I wish to acknowledge receipt of your letter of January 2. As you have noted from the two cables I sent you, I have discussed with the British and French Central Banks the possibility of the use of our 13 percent. I am looking forward now for further information from Headquarters, as expressed already in my cable No. 2. I think that the atmosphere is right at present to do business with the British, so if information is available I think that favorable results can be obtained.

I have noted your suggestions about my talks with the Bank for International Settlements in respect of the multilateral clearing and I will keep these suggestions in mind. I learned with great pleasure that the proposal regarding the charging of interest and commission has been accepted. This is certainly a load off my mind.

With kind regards,

Sincerely yours,

S. Aldenweirdt
77 Avenue des Champs Elysees
Paris

January 27, 1948.

Mr. D. Grena de Longh, Treasurer,
International Bank for
Reconstruction & Development,
Washington, D.C.

My dear Mr. Grena de Longh:

I have received your letter No. 1 of January 12, instructing me to discuss the Martinsen News Letter in Copenhagen. I will do so on my arrival there, and will let you know thereafter.

With kindest regards,

Sincerely yours,

[Signature]

S. Aldewereid
INCOMING WIRE

WU 022

Date of Wire: JANUARY 23, 1948

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

From: PARIS

TEXT:
HERON FIVE FOR CRENA

HAVE HAD PRELIMINARY DISCUSSION WITH TYLER ON ADMINISTRATIVE MATTERS.

SINCE TYLER IS NOT ABLE TO LEAVE PARIS TO ACCOMPANY US ON TRIP AND SINCE
HE HAS TO VISIT ROME NEXT WEEK I HAVE ASKED TCHIHATCHEF TO COME TO
PARIS EARLY NEXT WEEK FOR JOINT DISCUSSIONS ON GENERAL SUPERVISION
AND ADMINISTRATIVE MATTERS. HOPE TO AIRMAIL RECOMMENDATIONS REMUNERAT-
ION EUROPEAN PERSONNEL MONDAY.

ALDEWERELD

ROUTING:
ACTION copy to MR. CRENA DE IONGH
INFORMATION copy to
Decoded by

DUPLICATE
Incoming Wire

Date of Wire: January 23, 1948

To: International Bank for Reconstruction and Development, Washington, D.C.

From: Paris

Text:

Mr. Premier, I have had preliminary discussion with Mr. G.Y. on administrative matters. Since Mr. G.Y. is not able to leave Paris to accompany us on trip and since he has to visit Rome next week I have asked Mr. H.C. to come to Paris early next week for joint discussions on general supervision and administrative matters. Hence to arrange an immediate conference immediately.

Yours sincerely,

[Signature]

Routine: Action copy to Mr. Chenai De Jongel

Information copy to

International Bank

Duplicate
INCOMING WIRE

Date of Wire: JANUARY 22, 1948

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

From: PARIS

TEXT:
HERON THREE
ARRIVED PARIS ON SCHEDULE.

ALDEWERELD

JAN. 22ND

ROUTING:
ACTION copy to
INFORMATION copy to
Decoded by

DUPLICATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

WU 618

JANUARY 20, 1948

To

SOUTHAMPTON

From

HERON ONE FOR CRENA

TEXT:

AFTER EXTREMELY ROUGH CROSSING PARTY AROVE INTACT SOUTHAMPTON

REGARDS

ALDIVERKED

JAN. 20TH

ROUTING:

ACTION copy to

INFORMATION copy to

Decoded by

DUPLICATE
INCOMING WIRE

1948 JANUARY 20

CWA of Wire

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

WASHINGTON, D.C.

To

FROM

MEMORANDUM

WE ARE INFORMED THAT EXTREMELY HEAVY CROSSING PARTLY ARRIVED YESTERDAY NIGHT.

ADDRESS

ACTION COPY TO

INFORMATION COPY TO

DISTRIBUTION

DUPLICATE
TO: Mr. A.S.G. Hoar
FROM: D. Crena de Jongh
SUBJECT: Visit to Europe

DATE: January 8, 1947

I wish to advise you that Mr. Aldewereld and Mr. Ripman are sailing for a few weeks to Europe on January 13; I enclose a copy of their itinerary as at present planned and should be grateful if you would let me know in case during their absence any representative of your department will be in the same country as they are, in order that I may let Mr. Aldewereld know. I am sending a memorandum on similar lines to Mr. Rist.

HBR:PC
**ITINERARY**

**Tue. Jan. 13**
Sail from Hoboken, N. J., in Nieuw Amsterdam (pier at foot of 5th Street) at 4 PM  
Cabin No. 210

**Tue. Jan. 20**
Arrive Southampton and proceed by train to London  
(Mount Royal Hotel, Marble Arch)  
Office address: c/o Mr. A. P. Grafftey-Smith  
Bank of England

**Thu. Jan. 22**
Leave London by air for Paris (report Airways House 11:45 AM)

**Wed. Jan. 28**
Leave Paris by train for Luxemburg (Hotel Brasseur, 88 Grande Rue; phone 5801)

**Fri. Jan. 30**
Leave Luxemburg by train at 5:25 PM for Brussels  
arriving Schaerbeek Station 10:20 PM (Palace Hotel; phone 176200)

**Sat. Jan. 31**
Leave Brussels by air (Sabena flight No. 1002) from  
Haren airport at 8:30 AM arriving at Amsterdam,  
Schipol airport, 9:25 am (Hotel des Indes, The Hague; phone 115660)

**Thu. Feb. 5**
Leave Amsterdam, Schipol airport (KLM flight No. 171)  
at 1:15 PM arriving Copenhagen Kastrup airport 3:55 PM  
(Hotel d Angleterre; phone Central 95)

**Tue. Feb. 10**
Leave Copenhagen, Kastrup airport (Danish Airlines  
flight No. DT 301) 10:30 AM arriving London, London  
airport, 1:04 PM

**Sat. Feb. 14**
Leave London by train for Southampton and sail on  
Nieuw Amsterdam

**Sat. Feb. 21**
Arrive Hoboken, N. J.

**Mon. Feb. 23**
Arrive Washington
MEMORANDUM TO THE FILE

1. All cables sent from the Bank to Messrs. Aldewereld and Ripman during their European trip will bear the prefix HERON and will be numbered consecutively in a single numerical series. Originators of telegrams may obtain numbers from the Mail and Records Section.

2. Similarly, all outgoing letters will be numbered in a separate single numerical series. Numbers in this series may be obtained from Miss Gotterell (Ext. 2338).

HUGH B. RIPMAN

January 8, 1943