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Washington, D.C.

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1535619

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Port and Waterways Project - Belgium - Loan 0107 - P037350 -
Administration - Volume 1



USA PATENT No. 1484611
MADE IN U. S. A.

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BELGIUM -Loan (107BE)
 Administration.

Gallo	SEP 14 1967	SEP 15 1967
Deeley	OCT 27 1967	NOV 1 1967

THIS FILE IS CLOSED AS OF

DECEMBER 1965.

FOR FURTHER CORRESPONDENCE SEE:

1966 - 1968.

RECORDS MANAGEMENT SECTION
February 1969

Y e l l o w

August 12, 1965

Mr. Fernand Suykens
Hoofdadviser Bij de Algemene
Directie van het Havenbedrijf
Stadhuis
Antwerpen
Belgium

Dear Mr. Suykens:

Some time ago when we met at the Belgian Embassy in Washington you were kind enough to propose sending us some literature with respect to operations of the port of Antwerp. Such information would be of great interest to the World Bank staff concerned with port projects, and we would appreciate receiving it, if possible, in English and/or in French.

Thanking you in advance,

Sincerely yours,

J. De Gryse
Transportation Division

1965 AUG 15 11 00 AM

RECEIVED
GENERAL FILES
COMMUNICATIONS

1965 AUG 18 PM 4:42

International Relations
1. De Galle

Director General

Director General

in English and/or in French.

Both projects and we would appreciate receiving if, if possible,
would be of great interest to the World Bank staff concerned with
research to operations of the Bank of America. Such information
you may find useful to propose sending us some information with

some time ago when we met at the Belgian Embassy in Washington

Dear Mr. Director:

Belgium
American
Director
Director and not Director
Director General of the Bank
Mr. Director General

Director General

A 6 11 0 0

Director General

INCOMING MAIL ROUTING SLIP		Date 7-26	
Mr. Alter	510	Mr. Loftus	578
Mr. Avramovic	1033	Mr. Lutolf	547
Mr. Bart	640	Mr. Mason	622
Mr. Benjenk	560	Mr. McIvor	606
Mr. Broches	810	Mr. Melmoth	674
Mr. Calika	541	Mr. Michaels	1217
Mr. Cargill	600	Mr. Nelson	576
Mr. Cavanaugh	700	Mr. Nurick	805
Mr. Chaufournier	510	Office of Information	461
Mr. Cheek	645	Office of Secretary	1205
Mr. Clark	805	Office Services	107
Mr. Collier	646	Personnel Division	206
Mr. Consolo	839	Projects	
Mr. Cope	651	Mr. Reamy	722
Mr. de la Renaudiere	544	Mr. Rist	1127
Mr. Demuth	845	Mr. Schmidt	1122
Mr. de Vries	800	Mr. Stevenson	606
E.D.I.		Mr. Street	600
Mr. El Emery	552	Mr. Tolbert	625
Mr. Fontein	651	Travel Office	224
Mr. Friedman	1223	Treasurer's	717
Mr. Ghoshal	659	Mr. Twining	1210
Mr. Goodman	600	Mr. Vignes	500
Mr. Goor	851	Mr. Weiner	513
Mr. Gordon	845	Mr. Wiese	570
Mr. Hartwich	650	Mr. Williams	552
Mr. Kamarck	800	Mr. Wilson	1220
Mr. Knapp	1220	Mr. Woods	1220
Mr. Knox	584	Mr. Worthington	446
Mr. Kruthof	546	Mr. Wright	852
Mr. Lejeune	1210	<i>Mr. J. J. J. J.</i>	

Operational Files

Bruxelles, le 23-7-1965

TRESORERIE
ET DETTE PUBLIQUEInternational Bank for Reconstruction
and Development
1818 H Street N. W.

WASHINGTON D. C. 20.433 (U. S. A.)

4e Direction - 2e Bureau

T. N° 840/2

C. D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

Objet : Emprunt B. I. R. D. (107 BE) de \$ 20.000.000 (1954).

Messieurs,

J'ai l'honneur de vous transmettre, sous pli séparé, la carte et le planing concernant le projet D : Canal Charleroi-Bruxelles, fournis par l'Administration des Voies hydrauliques du Ministère des Travaux publics et relatifs au 4e trimestre 1964.

En outre, ladite administration communique les renseignements suivants :

Renseignements techniques : néantRenseignements financiers :

Projets	Estimation totale	Liquidation avant le 4e trimestre 1964	Liquidation pen- dant le 4e trim. 1964
1. Canal Charleroi- Seneffe	3.160.000.000	3.086.681.971	35.706.768
2. Canal Seneffe- Clabecq	2.100.000.000	1.849.392.888	117.578.135
3. Canal Circulaire à Gand	2.375.000.000	1.086.439.276	32.439.787

10:10 AM JUL 23 1965

COMMUNICATIONS
RECEIVED
RECEIVED

...



TRESORERIE
ET DETTE PUBLIQUE

4e Direction - Le Bureau

International Bank for Reconstruction
and Development
1818 H Street N. W.

WASHINGTON D. C. 20.433 (U.S.A.)

Affectation de certains crédits budgétaires aux programmes qui sont ou qui ont été sous emprunt :

Veillez agréer, Messieurs, l'assurance de ma considération distinguée.

Au nom du Ministre :
Pour le Directeur général,
LE CONSEILLER,

Dans la réponse mentionner les
indications ci-dessous.

R. GRYSON
R. GRAYSON

Objet : Emprunt B.I.R.D. (107 BE) de \$ 20.000.000 (1954).

Messieurs,

J'ai l'honneur de vous transmettre, sous pli séparé, la carte et le planing concernant le projet D : Canal Charleroi-Bruxelles, fournis par l'Administration des Voies hydrauliques du Ministère des Travaux publics et relatifs au 4e trimestre 1964.

En outre, ladite administration communique les renseignements suivants :
Renseignements techniques : néant
Renseignements financiers :

Projets	Estimation totale	Liquidation avant le 4e trimestre 1964	Liquidation pendant le 4e trimestre 1964
1. Canal Charleroi-Genève	3.160.000.000	3.086.681.971	32.706.768
2. Canal Genève-Clusard	2.100.000.000	1.849.392.888	117.578.135
3. Canal Clusard à Gand	2.375.000.000	1.086.439.276	32.439.787

1965 JUL 26 AM 10:10

RECEIVED
GENERAL FILES
COMMUNICATIONS

Bruxelles, le 23-7-1965

B-107

Belgm. tn 107

Mr. J. W. Lowdon

April 30, 1964

Roger A. Chaufournier

BELGIUM Waterway and Port Projects Loan 107 BE
Belgium Canals Project Loan 174 BE
End-Use Inspection, February 10-11, 1964

In answer to your request I am confirming that our Department concurs with the recommendations contained in your memorandum of February 19, 1964, that no further action need to be taken at this time by the Bank and that no further end-use visits be made.

RACHaufournier:fgs
I.B.R.D. *PK*

DF
cc: Mr. Fontein (cleared with)

Copy in Belgm. tn 174

End-Use Inspection.

ROUTING SLIP

Date

NAME

ROOM NO.

~~Mr. Lope~~
blue copies

~~640~~
651

Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Belgium water ways.

You will be interested to hear about these projects.

I find this situation quite illuminating in terms of the relativity of our notions re developed vs. underdeveloped countries.

From

R. Chany aumes

Belgium-107

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

To : Files February 19, 1964

From : J. W. Lowdon

Subject : Belgium Waterway and Port Projects Loan 107-BE ✓
 Belgium Canals Project Loan 174-BE
End-Use Inspection, February 10-11 1964

Report

Summary

(i) It was expected that Project B, Ghent Ring Canal (Southern and Western Sections) the only remaining item of Loan 107 would be completed in 1967. This compares with a date of 1962 given in the revised project description, and of 1965 as foreseen at the time of the last end-use inspection in 1960.

(ii) About 85% of Charleroi-Seneffe section of the Loan 174 project was complete and in partial service. Correction of the slips which occurred prior to 1960 was not yet complete and further serious slips had occurred. It was now expected to complete the whole section in 1967 as compared with 1960 originally forecast and 1961 as foreseen in 1960.

(iii) Completion of the Seneffe-Clabecq section of the Loan 174 project was now forecast for 1967 as compared with 1962 as envisaged in the project description and 1964 as forecast in 1960. Work on the "inclined plane" at Ronquieres was well in hand.

(iv) In view of the generally low level of activity at the sites visited and the possibility of further constructional difficulties, the writer considers that overall completion may be delayed even beyond 1967.

Recommended Action

None (see paragraph 16).

Appendices

- 1. Extract from a Belgian newspaper of 9/10 February 1964.

Report

General

- 1. The inspection was brief. Visits were paid to the Ghent Ring Canal, and to parts of the Charleroi-Seneffe Clabecq Canal. The projects were discussed with the following officials of the Inland Waterways Administration of the Department of Public Works:

Mr. Doyen - Inspector General
 Mr. Vandervelden
 Mr. Sportmans.

Copy in Belgium - 107.

Belgium Waterways and Port Projects Loan 107-BEBackground

2. Loan 107 was signed December 14, 1954, the amount being US\$20,000,000. It was fully disbursed in 1957. Amortization begins in 1965. The project originally comprised five items: (A) the Baudouin Lock at Antwerp; (B) the Ghent Ring Canal, Southern and Western Sections; (C) a new section of the Nimy-Blaton-Peronnes Canal; (D) improvements to the Charleroi-Seneffe section of the Charleroi-Brussels canal; and (E) a dam and lock at Neuville-Sous-Huy on the Meuse. The original total estimated cost of the whole Loan project was US\$118 million equivalent of which US\$20 million was to be provided from the Bank Loan; US\$30 million by borrowing in the United States; and the remaining US\$68 million by the government.

3. Of the foregoing, (A), (C) and () are complete. Loan 174 provided further finance for (D), progress on which is described in paragraphs (7) to (9) below. The position of item (B) was as follows.

4. In 1956 the Bank agreed to a request of the Borrower that construction effort should be concentrated on the Northern section of the Ring Canal, a work not forming part of the Loan project. At the same time the Loan project description was revised to show completion of item (B) in 1962 instead of 1958. Since 1958 work has proceeded fairly steadily on the Northern section but only to a limited extent on item (B).

5. At the time of the inspection progress on the whole Ghent Ring Canal project was as follows.

(a) In the Northern Section four of the five bridges were completed and the remaining bridge nearly so. The one lock in the section was complete. Excavation of the canal and all other works required for completion were in progress and it was expected to put the Section into service in mid-1964. i.e. one year later than foreseen in 1960 when the last inspection was made.

(b) In the Southern and Western sections project item B above, 24 bridges are now involved, one originally proposed having been deleted since the last inspection. Eleven of these were complete, and seven in progress, leaving six not begun. The one principal lock is under construction. Excavation and revetment of the canal is in progress. It was forecast that all works would be completed in early 1967.

6. If expectations are realized, the Northern Section will thus be completed a year later than foreseen in 1960. Project item (B) will be completed two years later than foreseen in 1960, 5 years later than the already revised date of 1962 referred to in para. 4 above, and 9 years later than the date given in the project description.

Belgium Canal Project - Loan 174 BEBackground

7. Loan 174 was signed September 10, 1957, the amount being

US\$10,000,000. It was fully disbursed in February 1960. Amortization began in 1963. The project comprised the outstanding improvement work on the Charleroi-Seneffe section of the Charleroi-Brussels canal, the improvement of which section had been one of the Loan 107 projects, and the improvement of the Seneffe-Clabecq section of the same canal. The Loan project description stated that "The Project is scheduled to be completed by the end of 1962". The total cost of the project was estimated to be US\$106 million equivalent.

Charleroi-Seneffe Section

8. All structures on this section were complete, and 85% of its length was in partial service. Reportedly the only work required to permit the section being fully commissioned was the correction of bank slips which had occurred. However completion of this work was not expected until the beginning of 1967.

9. The position regarding the slips was as follows. Those referred to in the last end-use report had been corrected except in the case of that between Pont a' Celles and Passerelle de Fichaux, where work was still in progress. Further serious slips had occurred south of Godarville, involving both sides of the canal over a distance of about 500 meters. The difficulty is to be overcome by trimming back the sides of the cutting in which the canal lies to a slope of about 1 in 5, and constructing cut off trenches filled with sand and gravel reaching down to rock. From these trenches the water which is causing the difficulty will be continuously pumped. All contracts in connection with the various correction works were stated to have been let.

Seneffe-Clabecq Section

10. On this section, construction of the one lock was in progress, completion being expected in mid 1965. Construction of the "inclined plane" at Ronquieres, a major work, is in full swing, completion being expected at the beginning of 1967. Only one contract remained in connection with the excavation, revetment and bridges in this section. This had just been let, with a completion date in early 1966.

11. The "inclined plane" is a unique structure of its size and is attracting attention throughout the world from those involved in the technical aspects of inland water transport. The present estimate of its complete cost is US\$40 million equivalent, twice the figure given in 1960.

Completion of Loan 174-BE Project

12. The two sections of the Canal are thus expected to be completed in 1967, i.e. three years later than expected in 1960 and 5 years later than stated in the project description.

Expenditure on Loan Projects

13. At the end of 1963 this was as follows. (000 Belgian francs)

	<u>Loan - 107 BE</u>	<u>Total Estimated Cost</u>	<u>Spent</u>
(a) Ghent Ring Canal (S & W Sections) (revised estimate)		2,375,000	935,042
		<hr/>	<hr/>
	<u>Loan 107 BE/174 BE</u>		
(b) Canal Charleroi-Senneffe		3,160,000	2,909,727
(c) " Senneffe-Clabecq		2,100,000	1,448,973
		<hr/>	<hr/>
		5,260,000	4,358,700
		<hr/>	<hr/>

It was expected that the cost of (a) would be approximately as shown but that the figure for (b) and (c) would be substantially exceeded.

Reason for delays which have occurred

14. Officials concerned said that apart from the construction difficulties encountered the principal reasons for the extended delays which had occurred in these projects were: (a) delays in acquiring land, the procedure for which is complicated; (b) the need to keep the whole of the Administration's annual program within the funds available; (c) in the case of the Charleroi-Clabecq canal, some shortage of labor.

General Comment

15. Excepting at Ronquieres, where a good deal was being done on the construction of the "inclined plane", the level of activity at the sites visited was not high. The difficulties of construction encountered in the Charleroi-Senneffe section are serious, and it is not a matter of certainty that the corrective measures now being taken will be successful. Terrain likely to give similar difficulties also exists in the Southern Section of the Ring Canal. The writer accordingly obtained the impression that it is by no means certain that the projects will be entirely completed in 1967 as forecast.

16. The Belgian public appears critical of the protracted delays which have occurred, as evidenced by the extract from a Belgian newspaper of 9/10 February 1964 attached (Appendix 1).

Recommendations

17. After the 1960 end-use inspection the Belgian authorities attention was drawn to the delays which occurred and to the fact that the work did not appear to have been programmed so that a return could be obtained on capital invested at the earliest possible date. (Letter of

October 10 1961 to the Minister of Finance). A somewhat perfunctory reply was received (Letter of January 25, 1962 from the Director General, Department of the Treasury and National Debt, Ministry of Finance), but after careful consideration it was decided not to pursue the matter. Although the delays are proving more prolonged than then envisaged, it is doubtful whether any useful purpose would be served by making further representations. In forming this opinion the comparatively small participation by the Bank in financing the projects and the considerable time which has elapsed since the Loans were made have been taken into account. It is also suggested that while the Bank should continue to receive quarterly progress reports from the Inland Waterways Administration, no further end use visits should be made.

jk:ch
February 19, 1964
BANK

cc: Messrs. S. Aldewereld
H. B. Ripman
A. D. Spottswood
R. Chauffournier (2)
H. J. van Helden

La modernisation (au ralenti) du canal Charleroi-Bruxelles

Opération « dernière chance » ce lundi à la Fléchère !

Si elle ne réussit pas, il faudra envisager de détourner le tracé du canal à cet endroit

Charleroi, 7 février.

On n'a certainement pas oublié, que lorsqu'il fut annoncé que les travaux de modernisation du canal de Charleroi-Bruxelles, se heurtaient à de très sérieuses difficultés, non seulement budgétaires, mais aussi d'ordre purement technique, le ministre des Travaux publics, M. Georges Bohy, commença par protester. Après avoir tenté d'expliquer l'inexplicable, M. Bohy admit qu'il y avait des difficultés à vaincre tant à Ronquières qu'à la Fléchère (à Gouy-lez-Piéton), comme nous l'avions d'ailleurs révélé. Mais en faisant ces aveux, le ministre des Travaux publics s'empressa de noter :

- 1) à Ronquières, il n'y a plus de difficultés à craindre : nous les avons vaincues et le plan incliné sera achevé dans les délais;
- 2) à la Fléchère à Gouy-lez-Piéton : il y a eu des ennuis avec les terrains mouvants qui caractérisent l'endroit, mais nous avons finalement trouvé la solution que

nous cherchions depuis si longtemps.

A PROPOS D'UNE SOLUTION

Que se passait-il exactement à la Fléchère, endroit situé aux confins de Pont-à-Celles et Gouy-lez-Piéton ? Sur les berges du canal, les terres ne cessaient de s'affaisser, au fur et à mesure que les machines mécaniques creusaient pour élargir et approfondir le canal, les berges glissaient en direction de la cuvette fraîchement creusée pour la combler. On l'a compris : les travaux ne progressaient absolument pas dans ce secteur long de plusieurs kilomètres. Aux hauts fonctionnaires du département des Travaux publics qui prenaient le ciel à témoin de leur déconvenue, des anciens fonctionnaires du même ministère ne cessaient de répéter : « Vous n'avez que ce que vous méritez ! Ceux qui connaissent bien le site de Gouy et de Pont-à-Celles vous avaient dit d'éviter de passer par là avec le nouveau canal modernisé, parce qu'ils savaient que tous ces ennuis surgiraient pour retarder les travaux, sinon pour empêcher leur réalisation ! »

A ceux-là, M. Bohy et ses fonctionnaires actuels répondraient : on finira pourtant bien par triompher un jour de toutes les difficultés !

ENFIN

UNE (VRAIE) SOLUTION ?

Ce jour est-il enfin arrivé ? Si l'on en croit certains fonctionnaires, oui. Selon eux, en effet, une solution aurait réellement été trouvée pour résoudre le problème des affaiblissements des berges à Gouy, au lieu dit « La Fléchère ».

En quoi consiste cette solution ? Nul ne le sait parce que précisément les techniciens intéressés n'en soufflent mot. Au vrai : personne n'est certain que les nouveaux travaux qui vont être exécutés en cet

endroit crucial, donneront de meilleurs résultats que les autres travaux qui ont été exécutés à la Fléchère au cours de ces huit dernières années, en pure perte !

OPERATION « DERNIERE CHANCE » ?

Dans les milieux intéressés par la mise au gabarit de 1.350 tonnes, on ne cache pas d'ailleurs que la « solution » à laquelle M. Bohy a si souvent fait allusion au cours de ces derniers mois, ne suscite que méfiance et pessimisme. On ne se dissimule pas non plus, que les travaux qui vont être repris et qui doivent débiter ce lundi matin, sont, somme toute, une sorte d'opération « de la dernière chance ». Il est évident, en effet, que si la dernière solution qui va être appliquée à la Fléchère devait ne pas donner les résultats escomptés, il faudrait envisager rien moins que de détourner le tracé du canal en cet endroit ! Autrement dit, ce serait retarder encore l'achèvement d'un canal dont la modernisation est promise depuis 1960 et dont il devient de plus en plus évident que, contrairement à tout ce que peut promettre M. Bohy, qu'elle ne sera pas achevée avant encore au moins trois ou quatre ans sinon plus !

En quoi vont consister les travaux de l'opération « dernière chance » ? Les travaux qui sont arrêtés depuis décembre dernier dans le secteur Pont-à-Celles-Gouy, viennent de reprendre sur le territoire de Pont-à-Celles. Ils reprendront ce lundi matin sur le territoire de Gouy.

A Pont-à-Celles, les équipes d'ouvriers spécialisés se risquent en ce moment à enlever le mur qui retient les terrains mouvants qui n'ont cessé de glisser en direction du lit du canal.

A la Fléchère, à Gouy-lez-Piéton, les ouvriers aidés de puissantes et nombreuses machines vont tenter de faire sauter le fameux bouchon qui a été provoqué par les glissements de terrains en direction du canal. Ce sont ces travaux qui débiteront lundi dès les premières heures de la journée. Ceux de Pont-à-Celles, nous l'avons dit ci-dessus, sont en cours depuis quelques jours.

— H.R.

Indices boursiers

	1963 26-12	1964 30-1	1964 6-2
Rentes dir. et ind.	117,7	116,6	116,6
Banques - Sociétés à portefeuille	793,5	820,4	822,8
Immobilières	408,7	408,9	408,6
Ch. de fer et Transp.			
par eau	242,9	240,2	239,1
Tramways	188,2	196,0	192,4
Trusts	593,8	620,4	634,3
Electricité	505,3	528,1	521,4
Distribution d'eau	236,2	243,4	245,4
Métallurgie	447,6	474,5	471,4
Zincs, plombs, mines	1696,9	1701,4	1723,3
Produits chimiques	965,6	1031,6	1044,4
Charbonnages	223,5	213,9	211,2
Glaceries et verreries	822,1	824,5	820,3
Construction	1915,9	1918,3	1907,9
Textiles	705,2	727,5	722,6
Valeurs congolaises	109,9	103,9	101,0
Plantations	103,8	101,4	99,4
Alimentation	461,0	478,8	472,1
Brasseries	206,2	201,0	200,8
Sucreries	345,7	357,9	371,2
Diverses	1864,1	1898,7	1912,2
Papeteries	1747,9	1805,8	1806,3
Grands Magasins	2086,6	2159,6	2170,0
Ind. général	606,4	620,2	620,9
Ind. gén. des actions	623,0	637,3	638,0
Ind. gén. des actions			

Emprunt à lots de 1953

565^{me} tirage du 7 février 1964
Un lot de 1.000.000 de francs est échû à l'obligation

Série 1755 n. 709

Un lot de 500.000 francs est attribué à l'obligation

Série 246 n. 601

Un lot de 250.000 francs est attribué à l'obligation

Belgen-107

INCOMING WIRE

DATE OF WIRE: FEBRUARY 3, 1964 1735
LOG NO.: WU 14
TO: INTBAFRAD
FROM: BRUXELLES

ROUTING	
ACTION COPY:	TECHNICAL OPERATIONS
INFORMATION COPY:	
DECODED BY:	

TEXT:

ATTENTION J.H. VAN HELDEN ✓
 VOTRE LETTRE DU 7 JANVIER CONCERNANT EMPRUNTS 107 ET 174 BE. ✓
 MONSIEUR LOWDON EST PRIE PRENDRE CONTACT AVEC MONSIEUR DOYEN
 INSPECTEUR GENERAL DES PONTS ET CHAUSSEES ADMINISTRATION DES
 VOIES HYDRAULIQUES MINISTERE DES TRAVAUX PUBLICS 155 RUE DE LA
 LOI BRUXELLES.

GRYSON

TYPED
GENERAL FILES
CORRESPONDENCE

FEB 3 1 54 PM 1964



OFFICE MEMORANDUM

TO: J. W. Lowdon

DATE: January 15, 1964

FROM: H. J. van Helden

SUBJECT: End-Use inspection in connection with Belgian Canals Projects -
Loans 107 and 174 BE and Taiwan Dredging Project - Credit 6 CHA etc.

1. On or about February 9, 1964 you will proceed from Portugal to Brussels, where you will make a brief inspection of the Belgian Canals projects, paying particular attention to physical progress. Your stay in Belgium is expected to last 2-3 days.
2. You will then proceed to Holland where you will make a brief inspection of the following items included in the Taiwan Dredging Project.
 - (a) Construction of hopper dredge by IHC
 - (b) Dredge personnel training arranged by IHC.

You will also pay brief visits to the Port of Rotterdam and the Delta reclamation works. Your stay in Holland is expected to last 2-3 days.

jk

Copy to and cleared with Mr. R. Chaufournier
Mr. G. M. Street

Copy in Belgium - J of R.
Copy in Rm 174
Cha. Cr. 6

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: January 7, 1964

TO: Mr. Williot

FROM: Mr. Van Helden

FILED UNDER: BE-174

SUMMARY: Re visit of Mr. Lowdon to Belgian Canal Projects Loan Nos. 107 and 174 BE.

FORM NO. 92 (10-61)		IDA	IBRD	IFC
CORRESPONDENCE RECORD FORM				
FROM MINISTERE DES FINANCES, -Bruxelles-			DATED No date	
SUBJECT Envelop containing drawings re "Canal de Charleroi a Bruxelles".				
REFERRED TO Mr. Chaufourier			DATE RECEIVED rd October 16, 1963	

IDA

IBRD

IFC

FORM NO. 92
(10-61)

CORRESPONDENCE RECORD FORM

FROM

MINISTRE DES FINANCES DE
BELGIQUE.

DATED

June 17, 1963

SUBJECT

Letter in French re a map and plans concerning
the Canal Charleroi-Bruxelles and sent under
separate cover. Loan 107 BE.

rd

REFERRED TO

Mr. van Helden (T.O.)

DATE RECEIVED

June 19, 1963

Mr. Fontein
Room 7A2

MINISTRY OF FINANCE
BELGIUM
Department of the Treasury
and Public Debt
(Division 4 - Branch 2)

Brussels, 31 December 1962

IBRD
Washington, D.C.

Dear Sirs:

In my communication of 9 October 1961 directions were given to you with respect to the possible deduction at source (précompte) of 10% on interest coupons on loans 107-BE for \$ 20 million, 1954 at 4-5/8% and 174-BE for \$ 10 million, 1957 at 5-3/4%.

I have the honor to inform you that under the new provisions that form the subject of the Act of 20 November 1962, amending income taxes, the withholding at source of a 10% advance deduction for supplementary taxes on personal income will be replaced with effect from 1 January 1963 by the withholding at source of a 15% advance deduction in respect of supplementary taxes on income from securities.

I should therefore be grateful if with effect from 1 January 1963 and in the cases referred to in my communication of 9 October 1961, you would withhold 15% from coupons maturing subsequent to September 1, 1961.

I should like to remind you for all relevant purposes that the deduction should be made on the coupons of bearer bonds in the following cases:

- (a) If your institution does not consider it is able to sign a certificate worded in conformity with the example annexed to my communication under reference, or
- (b) Whenever coupons sent to you for collection by Belgian intermediaries who have paid these coupons in Belgium, are not accompanied by a certificate recording that these intermediaries have conformed to the fiscal regulations governing such transactions.

No changes have been made in the procedural instructions described in my communication of 9 October 1961.

As was stated in my letter of 20 March 1962, there is no intention of imposing the deduction at source on income received by or for the account of your Bank.

TRANSLATION SECTION

Translated From: French 1/11/63 By: JHtec 29/63

The instructions described or referred to above will therefore only apply to that part of the loans that may possibly be in the form of bearer bonds.

I remain

Yours very sincerely,

/s/ M. Williot
Director General
for the Minister

Cop. Filed

Cleared with Mr. Wilson and Mr. Cavanaugh

October 10, 1962

Dear Mr. Rostenne,

June 26/62

Since I last wrote to you on the subject of the "impôt complémentaire personnel", we have given some further thought to the matter, and Mr. Black wishes to raise the question personally with Mr. Dequee.

I am sending you enclosed a draft of a letter which Mr. Black might address to the Minister of Finance. As you will note, the letter makes a number of statements regarding the Royal Decree of July 14, 1961 and its interpretation. Before sending the letter we should like to be sure that our reading of the Decree is correct and that the letter is in other respects in accordance with Belgian law.

We should also be grateful for advice of your institution on two other aspects of this matter. The first is that we have in mind, provided that the Minister of Finance accepts our views as to our legal rights, to waive in respect of any future issues our objections to the withholding of tax in accordance with the provisions with the Royal Decree. Should this, in your opinion, be regarded as making future issues less attractive? The second point concerns the now outstanding 5% Belgian Franc Bonds of 1959. As you know, both the prospectus and the bonds contain a section entitled "Régime Fiscal". The prospectus also contains a description of the Bank which includes a recital of the Bank's immunities, among which the Bank's immunities from liability for collection of any tax or duty. Is the Bank, in the opinion of your institution, under any legal or moral obligation to see to it that the interest on its bonds is paid without deduction of tax? In that connection it would be interesting to know whether you have heard of any criticism by bondholders of the fact that tax was withheld.

Mr. A. Rostenne
Directeur-Secrétaire
Administration Centrale
Banque de la Société Générale de Belgique
3, Montagne du Parc
Brussels 1, Belgium

..//..

2.-

Before proceeding further in this matter it would be most valuable to us to have the benefit of the advice of our bankers and their legal counsel. May I thank you in advance for the attention which you and your associates will give to this matter.

Meanwhile I remain with personal regards,

Sincerely yours,

A. Broches
General Counsel

Enclosure

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: July 3, 1962

TO: Mr. Robert de Lesseps, Paris Office.

FROM: Robert W. Cavanaugh

FILED UNDER: Belgium - Loan 174

SUMMARY: Re withholding tax.

June 26, 1962

Dear Mr. Rostenne,

I am ^{lejos} writing to thank you for your letter of June 21, 1962, and for the information contained therein with respect to the collection of coupon No. 3 of our Belgian Franc Bonds of 1959.

We have in the meantime received (apparently by seaimail) a letter from the Minister of Finance confirming the negative decision on the request which we made in our letter of January 15, 1962 on the subject of the withholding tax. ✓

The United States Legislation about which I wrote you in my last letter is still pending before Congress. Until this Legislation has been finally disposed of I do not think that there is anything we can usefully do.

Meanwhile I remain with personal regards,

Sincerely yours,

(Signed) A. Broches

A. Broches
General Counsel

Mr. A. Rostenne
Directeur-Secetaire
Banque de la Societe Generale de Belgique
Administration Centrale
3, Montagne du Parc
Brussels 1, Belgium

June 26, 1962

Dear Mr. Minister,

I have the honor ^{deval} to acknowledge receipt of your letter of May 18, 1962, ref. CI.R.9 BIRD/213.438, on the subject of the "Precompte d'impot complementaire personnel".

The Bank regrets that you have not found it possible to accede to the request made by the Bank in its letter of January 15, 1962, and may wish to revert to this matter at a later time.

Respectfully yours,

(Signed: A. Broches

A. Broches
General Counsel

His Excellency A. Dequae
Minister of Finance
Brussels, Belgium

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: May 21, 1962

TO: Mr. A. Rostenne, Banque de la Societe Generale de Belgique,
Brussels, Belgium.

FROM: A. Broches

FILED UNDER: Belgium - Loan ~~107~~ 174

SUMMARY: Re withholding tax.

Balfm. Rm 107

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

INTERNATIONAL FINANCE
CORPORATION

DATE OF WIRE: MARCH 30, 1962 1517
LOG NO.: RC 16
TO: INTBAFRAD
FROM: AMSTERDAM

ROUTING
ACTION COPY: MR. BROCHES' OFFICE
INFORMATION COPY:
DECODED BY:

TEXT:

ARRIVED CARLTON HOTEL AMSTERDAM.
SEEING FOREIGN OFFICE AND PERMANENT COURT MONDAY
AND MINISTRY FINANCE BRUSSELS RE WITHHOLDING TUESDAY.
BEST WISHES ANNEKE

BROCHES

FAMILY NOTIFICATION MADE

CROSS REFERENCE SHEET

COMMUNICATION: Memorandum

DATED: February 19, 1962

TO: Files

FROM: Joseph Fajans

FILED UNDER: Belgium - Loan 174

SUMMARY: Belgian Canal Loans.

This afternoon, Mr. Williams told me that Mr. Cope had decided, for the time being, to give up the idea of the staff making a statement to the Executive Directors on the delay in the completion of the Ghent Ring Canal and the Charleroi-Seneffe-Clabecq Canal. The decision was taken after consideration of the contents of Mr. Williot's letter of January 25, 1962 and in the light of Mr. Lowdon's comment that the reasons for the delay given in the letter did not express the independent opinion of the Belgian Ministry of Public Works but were a restatement of the points made in Mr. Cope's letter of October 10, 1961 to Minister Dequae.

✓

Belfon - In 107

Mr. Lowdon
Room 3A18

MINISTERE DES FINANCES
DE BELGIQUE
(BELGIAN MINISTRY OF FINANCE)

DEPARTMENT OF THE TREASURY
AND NATIONAL DEBT

Brussels, 25th January 1962

Ref. Le Direction-2e Bureau
T.D. No. 840/2

I.B.R.D.

For the attention of Mr. S.R. Cope, Director of Operations -
Europe, Africa and Australasia.

Subject: Works covered by I.B.R.D. loans (\$20,000,000 from
1954 and \$10,000,000 from 1957).

Dear Sirs:

Further to your letter of the 10th October 1961 I am writing
to bring the following particulars, which have just been sent to
me by the Waterways Administration of the Ministry of Public Works,
and which relate to the carrying out of the works in connection
with the Ghent circumferential canal and the Charleroi-Brussels
canal, to your notice, and to ask you to consider them.

Ghent circular canal

As regards the works covering the Northern Section of this
canal, it should be noted that they are all either finished or in
course of execution, except for the roads, and that it can be
anticipated that this section of canal will be put into service,
for vessels of 2,000 tons, at the end of 1963.

Concerning the continuation of the works covering the South-
ern and Western Sections, the carrying out of which was delayed
owing to geo-technical studies, there is every reason to antici-
pate that the bridge and other construction works, as also the
bank protection works and the earthworks, will be put out to tender
in 1962, so that - unless some unforeseeable delay occurs - it will
be possible for 2,000 ton vessels to use these sections towards the
beginning of 1965.

In the matter of the off-set between the financial gain
arising from the building of the Northern Section and the loss
suffered owing to the investment in the works in the Southern and

TRANSLATION SECTION 111/62
Translated From French 2/2/62 By:GHS:asl

Original in Belfon - In 174

Western Sections remaining temporarily unproductive, it should be remarked that, while the Southern Section was being studied, work was in progress on the Northern Section, and some of the land thus formed was in an area favourable for establishing industries.

On the other hand, the earth available from the excavation of part of the drainage system of the Western and Southern Sections has been used to advantage in building the embankment of the Brussels-Ostend motor road, which runs along part of the canal at a short distance from the latter.

Charleroi-Seneffe-Clabecq Canal, part of the Charleroi-Brussels canal.

A solution was found in the case of the repurchase of the Ronquieres waterfall, so it was possible for the contract for the electromechanical equipment for the inclined plane to be awarded on the 28 September 1961. The successful tenderer has been entrusted with the carrying out of the works.

The awarding of contracts for the civil engineering and related works, and also for the framework of the ferry slips and the gates took place on the 5 and 12 of December 1961 respectively.

After the lowest tender has been examined the contractors will be promptly notified of the approval of the tenders.

This very large project, involving an expenditure of the order of F2 billion, should be finished, in theory, at the end of 1965.

It should be pointed out that there has been considerable delay in carrying out the works connected with this canal as a result, among other factors, of the embankments having slipped in some cases, owing to the particularly poor nature of the soil, and also on account of the complexity of the technical studies made of the inclined plane of Ronquieres.

Yours faithfully,

On behalf of the Minister
DIRECTOR GENERAL
(signed) M. WILLIOT.

COPY

Belgen - In 107

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

TO: Files

FROM: S. R. Cope

SUBJECT: Belgium

DATE: January 25, 1962

Mr. van Campenhout telephoned me today to say that Mr. Ansiaux had told him that the Ministry of Finance was pressing the Ministry of Public Works to provide an answer to the various points raised in our letter of October 10, 1961, and that we would be advised as soon as possible of the result

SR Cope:mmr

cc: Mr. H. van Helden
Mr. J. Fajans

Original in Belgen - In 174

January 15, 1962

Mr. A. Rostenne
Secrétaire
Banque de la Société Générale
de Belgique
Bruxelles, Belgium

Dear Mr. Rostenne:

Thank you for your letter of January 9 and for your very kind offer to assist us in the matter of the "impôt complémentaire personnel". We have not yet had a reply to our earlier letter of November 16, 1961 to the Ministry of Finance and I have accordingly sent the enclosed letter to the Ministry. I shall let you know of any reply as soon as possible.

With kindest regards,

Sincerely yours,

A. Broches
General Counsel

Enclosure

DJFontein:ea

Legend

Jan 15 1962
Bonds - Belgium - 5%
1959

December 21, 1961

Banque de la Société Générale de Belgique
3, Montagne du Parc
Brussels, Belgium

Attention: Messrs. A. Rostenne and J. Heenen

Dear Sirs:

I acknowledge with thanks receipt of your kind letter of December 14 and the enclosed note concerning the "précompte à l'impôt complémentaire personnel" from which I gather that you are in agreement with the position we have taken in the matter.

We have not yet received an answer to our letter of November 16, 1961 addressed to the Minister of Finance. As discussed with you by Messrs. Cavanaugh, Miller and Fontein in Brussels, we propose to wait until the first week in January before approaching the Ministry again at which time we shall also communicate with you.

I enclose herewith for your information a copy of an article appearing in the Journal des Tribunaux of September 24, 1961. The passage on page 517, marked in red, is of particular interest. The statement in the second paragraph of the passage that international organizations have already subjected themselves to certain tax obligations "particularly in the field of retention at the source in respect of payments of income due by them" does not apply to the Bank, and it would appear, therefore, that this part of the Government's reasoning is without support as far as the Bank is concerned.

Very truly yours,

A. Broches
General Counsel

Enclosure

cc: Messrs. Miller and Cavanaugh

✓ X Belgen - In 165
✓ X Belgen - In 174
✓ X Belgen - In 184

BANQUE
DE LA
SOCIÉTÉ GÉNÉRALE
DE BELGIQUE

Brussels, December 14th, 1961.

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT,
1818 H Street, N.W.
WASHINGTON 25 D.C.

- U.S.A. -

To the attention of Mr. A. BROCHES,
General Counsel

Dear Sirs,

Complying with the wish Mr. Cavanaugh has expressed to us during the very pleasant talk we have had with him and Messrs. Miller and Fontein, we beg to hand you enclosed a notice relating to the possible obligations of the International Bank for Reconstruction and Development in connexion with the "précompte à l'impôt complémentaire personnel" laid down by the Belgian law.

We very willingly are at your entire disposal to give you every further information or advice you might desire.

If you wish to be assisted during your possible talks with the Belgian Ministry of Finance, we shall take much pleasure in helping you as far as possible.

Yours faithfully,

J. HEENEN,
Head of the Legal
Department.

A. ROSTIENNE,
Secretary.

✓ Belfm - ln 165
✓ Belfm - ln 174
✓ Belfm - ln 184

ack Dec 21/61

NOTE

sur les obligations éventuelles de la Banque Internationale pour la Reconstruction et le Développement en ce qui concerne la perception du précompte de 10 % à l'impôt complémentaire personnel belge.

I. - Les statuts de la Banque Internationale pour la Reconstruction et le Développement, dont le texte a été approuvé par le législateur belge, prévoient en leur article VII, Section 9 (a) que :

" La Banque, ses avoirs, biens, revenus, ainsi que ses opérations
" et transactions autorisées par le présent Accord seront exonérés
" de tous impôts et de tous droits de douane. La Banque sera également
" exemptée de toute obligation relative au recouvrement ou au paiement
" d'un impôt ou droit quelconque."

La dernière partie de cette disposition dispense expressément la Banque Internationale pour la Reconstruction et le Développement de l'obligation d'effectuer aucune retenue d'impôt au profit d'un Etat membre, aussi bien sur les revenus qu'elle paie elle-même que sur les revenus qui sont payés à son intervention.

II. - Le précompte de 10 % à l'impôt complémentaire personnel instauré par la loi belge du 14 février 1961 ainsi que par l'arrêté royal du 14 juillet 1961, constitue une retenue sur un revenu, au profit de l'Etat belge, à valoir sur un impôt dû à celui-ci.

La perception de ce précompte tombe directement sous le coup de la disposition des statuts de la Banque Internationale pour la Reconstruction et le Développement reproduite sub. I) ci-dessus.

III. - Il apparaît dès lors que la Banque Internationale pour la Reconstruction et le Développement est formellement dispensée de percevoir le précompte sur tous les revenus payés par elle, soit pour son compte, soit pour le compte de tiers.

IV. - En ce qui concerne les emprunts émis par la Banque Internationale pour la Reconstruction et le Développement, la dispense prévue à la disposition précitée des statuts s'applique non seulement à la B.I.R.D. elle-même, mais aussi aux institutions financières qui agissent comme mandataires de celle-ci et paient les revenus pour son compte.

V.- Les principes ci-dessus exposés concernent exclusivement la dispense pour la Banque Internationale pour la Reconstruction et le Développement d'agir comme collecteur d'impôt et de percevoir le précompte à l'impôt complémentaire personnel belge. Ils ne modifient en rien le régime fiscal des emprunts de la Banque Internationale pour la Reconstruction et le Développement ou des emprunts d'Etats membres souscrits par la B.I.R.D. et cédés par elle.

En ce qui concerne plus particulièrement les emprunts émis par la Banque Internationale pour la Reconstruction et le Développement, ils bénéficient de l'exonération de la taxe mobilière dans les limites prévues par la loi belge; par contre, il n'est pas prévu à leur égard d'exonération de l'impôt complémentaire personnel belge.

En conséquence, les personnes assujetties à la loi fiscale belge restent tenues à la déduction de ce dernier impôt, nonobstant l'absence de retenue du précompte.

Quant aux emprunts émis par l'Etat belge et souscrits par la Banque Internationale pour la Reconstruction et le Développement, ils subissent chacun leur régime fiscal propre.

Le 14 décembre 1961.

L'Ardenne ! Il la sentait, il la pratiquait, il l'aimait, il la chantait comme nul autre ne l'a jamais chantée. En des vers d'une pureté de cristal, d'un élan religieux — car sa poésie toujours tournée vers Dieu, avait la piété et l'envol d'une prière — et aussi d'une douce et pénétrante sonorité.

L'Ardenne fut, durant un demi-siècle, la source vibrante et quasi quotidienne de son inspiration. Avec quelle allégresse il retournait à elle, chaque année, tel un amoureux toujours fidèle à un premier amour :

*Seigneur, nous voici donc une nouvelle fois,
Revenus dans la paix des prairies et des bois.*

Ses vers, toujours émouvants dans leur simplicité, toujours riches de nuances délicates ou de couleurs vives, toujours débordant de vie intérieure, s'élevaient aux cimes les plus exaltantes quand il évoquait de grands « absents » ou de grands morts dont il magnifiait les épreuves, les vertus, le talent ou le sacrifice.

Que de jolies pages il a consacrées à Péguy, son cher Péguy, chez qui il retrouvait sans doute ce don d'enfance, cette piété dépouillée, ce sens de la terre et de la patrie, cet amour du pays natal qui l'ont si souvent imprégné lui-même ! Et quelle grandeur aussi dans ce culte des cimetières où, à Rossignol et en d'autres hauts lieux, règne grâce à lui, le pur souvenir d'un Ernest Psichari et de ses compagnons d'infortune ou de gloire !

Mais l'un de ses plus purs joyaux est peut-être son salut à un jeune officier français qui, en août 1914, avait cantonné dans sa maison de campagne ardennaise et avait été tué le lendemain, au combat. *O Lieutenant Robert de la Forest Divonne
je ne t'ai pas connu, mais ton nom clair bourdonne
dans mon sommeil comme un frelon dans l'églantier.*

Il imaginait, faisant l'inventaire du pavillon, y passant quètement la soirée *Puis ton dernier sommeil ennoblit ma maison.
J'imagine ton cri d'amour et l'âpre goût de vie qui t'exalta le soir du lendemain le vingt-trois août, quand tu tombas sur les genoux
dans la bruyère en fleurs, à gauche du chemin
Nos plus belles forêts désormais t'environnent
et t'offrent les senteurs de la Forêt divonne.*

Comment oublier aussi les accents bouleversants de son « Thrène pour la mort du Roi » :

*La tête en bas
Comme saint Pierre
la tête en bas
les bras en croix
et les deux mains reposant sur la pierre.*

Ou encore, son éloge d'une Reine défunte « *sœur des petites abeilles, butinant pour les pauvres, ou mieux Reine médiatrice Regina Cœli, Astrid, pleine de grâce, advocata nostra* »...

Son corps était resté alerte, son cœur solide, sa taille haute, droite et puissante, Il avait à peine grisonné. Peut-être était-il devenu un peu dur d'oreille mais, ainsi qu'il le disait avec un sourire bonhomme : « Qu'importe, si je garde l'oreille de la Cour ».

Il poursuivait ainsi d'un pas sûr et équilibré, le chemin qu'il s'était tracé, aurolé maintenant des lauriers de l'Académie et des honneurs professionnels du barreau, entouré du respect qui saluait le grand et rayonnant bâtonnier qu'il avait été mais resté semblable à lui-même, serviteur du Droit, ciseleur de substantifs précieux, imperturbablement optimiste, confiant dans la bonté de la nature et éclairé par le phare toujours lumineux de sa Foi.

Une dure épreuve devait, hélas, assombrir le soir de ce cheminement qui semblait devoir s'achever en beauté. Les brumes avaient voilé son esprit qui, si souvent, avait répandu la lumière.

Il n'avait pu, comme il en avait exprimé le souhait

*« jusqu'au suprême accueil
O mon Dieu ! conserver une âme émerveillée
par le spectacle auquel vous l'avez éveillée. »*

Il avait dû quitter pour toujours ce palais de justice et ses innombrables salles d'audience qui, toutes, gardent l'écho de sa voix ailée, comme les forêts d'Ardenne gardent l'écho du grand vent qui les a vivifiées, même lorsqu'il a pris un cours plus lointain. Son dernier passage parmi nous fut un symbole de son attachement persistant à ce barreau dont il avait défini et pratiqué les règles d'or avant d'en être le chef respecté : il avait tenu à participer à l'élection d'un de ses successeurs et à assister à une assemblée générale de l'Ordre.

Ce furent ensuite les ombres envahissantes. Eloigné du présent qui lui était devenu étranger, il était retourné à ses souvenirs d'enfance. La grande figure de son père, à qui il avait gardé un culte que le temps n'avait pu altérer, lui redevenait singulièrement proche et il reprenait avec lui les affectueux entretiens d'autrefois. Il aimait à fixer, de ses yeux demeurés perçants, la maison familiale de la rue du Prince Royal, qu'il lui semblait n'avoir jamais quittée. Il avait formé avec insistance le vœu de dormir son dernier sommeil dans l'humble cimetière de Dilbeek, aux côtés de ce père vénéré dont il avait conservé l'immarcescible empreinte.

La mort l'emporta sans souffrance; il s'endormit paisiblement dans une nuit de septembre, au cœur de « beau temps » des vacances dont il avait si souvent célébré le charme et la douceur. Ses traits n'avaient pas changé. « En son regard chargé de bonté, la malice et la naïveté mêlaient leurs étincelles ».

Sa compagne des bons et des mauvais jours, celle qu'Alfred Dorff avait baptisée la « Dame de la Mambore » — la Mambore, colline inspirée, face à laquelle il avait consacré ses vers les plus pressants à son Ardenne et à son cher Mais-sin dont il était si fier d'être « citoyen d'honneur » — la Dame de la Mambore lui avait prodigué jusqu'aux derniers moments le réconfort d'une tendresse intelligente, affinée et délicate, tout comme elle s'était associée à tant d'années de sa vie, la complétant et l'éclairant de son sourire de madone de Boticelli.

A elle, à ses fils qui, comme lui, font honneur à la robe d'avocat, à toute l'admirable lignée qui perpétuera ses traits et ses exemples, va aujourd'hui notre sympathie, bouleversée par leur chagrin, qui est aussi le nôtre.

Thomas Braun, figure de proue, qui ne ressemblait à aucune autre, est de ces hommes dont le souvenir vivra longtemps dans ce palais dont il fut la fierté.

« Le vrai tombeau des morts est au cœur des vivants ».

Paul STRUYE

COMMENTAIRES LÉGISLATIFS

Le précompte

Commentaire des dispositions légales et réglementaires organisant, à partir du 1^{er} septembre 1961, la perception de l'impôt complémentaire personnel par voie de retenue à la source sur certains revenus mobiliers.

CHAPITRE PREMIER.

Introduction.

§ 1^{er}. — Textes et sources d'interprétation.

1. — L'article 131 de la loi du 14 février 1961 d'expansion économique, de progrès social et de redressement financier (1) complète l'article 39 des lois coordonnées relatives aux impôts sur les revenus par la disposition suivante :

(1) *Moniteur*, 15 févr. 1961.

« Le Roi détermine, parmi les revenus visés à l'article 41, ceux pour lesquels la perception de l'impôt complémentaire personnel par voie de retenue sera effectuée suivant un taux uniforme qui ne peut dépasser 10 % et ce, quels que soient les bénéficiaires de ces revenus et le montant de ceux-ci. Il règle les modalités de calcul et de versement de l'impôt dû à la source, ainsi que les conditions qui doivent être observées par le bénéficiaire de ces revenus en vue de l'imputation ou de la restitution éventuelle de cet impôt retenu à la source. »

2. — C'est en exécution de cette disposition légale qu'a été pris l'arrêté royal du 14 juillet 1961 relatif à la perception de l'impôt complémentaire personnel par voie de retenue à la source sur certains revenus mobiliers (2).

Cet arrêté ne comporte pas de rapport au Roi, et si le projet d'arrêté a été soumis au Conseil d'Etat, l'avis rendu par celui-ci le 22 juin 1961 n'a pas été publié (3).

L'interprète ne dispose dès lors que de deux sources d'interprétation des textes :

- 1° les travaux préparatoires de la loi du 14 février 1961, dans la mesure où ils concernent l'article 131 de cette loi (4);
- 2° le commentaire administratif de l'arrêté royal du 14 juillet 1961 (*Moniteur*, 19 août 1961, pp. 6541 à 6563, et annexe A, *Moniteur*, 31 août 1961, pp. 6823 à 6825).

§ 2. — Physionomie générale du précompte.

3. — La retenue à la source de 10 % sur les revenus de certaines valeurs mobilières, ou précompte, constitue un mode de perception de l'impôt complémentaire personnel, et non un impôt nouveau (5) : de même que l'impôt complémentaire personnel afférent aux rémunérations est « perçu par voie de retenue en même temps que la taxe professionnelle selon les mêmes modalités » (art. 39 des lois coordonnées relatives aux impôts sur les revenus), de même l'impôt complémentaire personnel afférent aux revenus de certaines valeurs mobilières est, depuis le 1^{er} septembre 1961, perçu par voie de retenue à la source à l'instar de la taxe mobilière.

4. — Ce mode de perception de l'impôt complémentaire personnel présente toutefois deux graves défauts.

a) Il atteint des personnes qui ne sont pas assujetties à l'impôt complémentaire personnel. En effet, cet impôt n'est dû sur les rémunérations et sur les revenus des valeurs mobilières que lorsque leur bénéficiaire est une personne physique habitant en Belgique (art. 37 des lois coordonnées), alors que la retenue à la source atteint ces revenus même si le bénéficiaire habite à l'étranger ou est une personne morale (6).

b) Lorsque les bénéficiaires des revenus sont assujettis à l'impôt complémentaire personnel, le montant de la retenue est souvent loin de correspondre à celui de l'impôt réellement dû. Ceci est évidemment plus vrai

encore du précompte, dont le taux est uniformément fixé à 10 %, que de la retenue sur les rémunérations, dont le taux est progressif.

5. — Les défauts de ce mode de perception expliquent que le précompte, comme la retenue sur les rémunérations, ne soit qu'un mode de perception provisoire de l'impôt complémentaire personnel, sujet à régularisation ultérieure.

Lorsque le bénéficiaire des revenus n'est pas assujetti à cet impôt, les sommes perçues à la source doivent être restituées.

Lorsque le bénéficiaire est redevable de l'impôt complémentaire personnel, les retenues effectuées ne le dispensent pas de déclarer chaque année l'ensemble de ses revenus, y compris ceux qui ont été atteints par la retenue à la source. Le montant de l'impôt réellement dû une fois déterminé, l'Administration restitue le trop perçu ou établit une cotisation complémentaire pour la part de l'impôt qui n'a pas été perçue à la source (7).

6. — Le précompte présente deux importantes particularités par rapport à la retenue à la source de l'impôt complémentaire personnel sur les rémunérations.

a) Alors que le bénéficiaire des revenus, qu'il soit ou non assujetti à l'impôt complémentaire personnel, ne peut éviter la retenue à la source sur les rémunérations, il lui est au contraire loisible d'échapper au précompte. Il lui suffit, à cette fin, d'autoriser l'organisme payeur à renseigner l'Administration sur le montant des revenus payés et sur l'identité du bénéficiaire, ou, si le bénéficiaire n'est pas redevable de l'impôt complémentaire personnel, de fournir une déclaration relative aux raisons pour lesquelles cet impôt n'est pas dû (8).

b) Lorsque le précompte est effectivement perçu sur les revenus de valeurs mobilières, l'organisme payeur ne révèle pas à l'Administration l'identité du bénéficiaire et le montant de ses revenus (9) comme il doit le faire en cas de paiement de rémunérations taxées à la source (10).

En somme, le système de taxation des revenus de valeurs mobilières institué par l'arrêté royal du 14 juillet 1961 comporte soit la perception de l'impôt à la source, soit un moyen de contrôle des déclarations à l'impôt complémentaire personnel, tandis que le système d'imposition des rémunérations comporte à la fois perception à la source et moyen de contrôle des déclarations d'impôt.

CHAPITRE II.

Revenus soumis au précompte.

7. — Principes généraux. — A. Le précompte n'atteint que des revenus de capitaux mobiliers susceptibles d'être soumis à l'impôt complémentaire personnel. Des sommes qui, de par leur nature, ne constituent pas des revenus taxables à l'impôt complémentaire personnel échappent nécessairement au précompte.

tion à la source soit une personne morale. Le cas peut toutefois se présenter : ainsi, une société possédant la personnalité juridique peut être administrateur d'une autre société et subir la retenue à la source sur les tantièmes.

(7) En ce qui concerne la retenue à la source sur les rémunérations, voy. l'art. 16 de l'arrêté royal du 22 septembre 1937, modifié par celui du 20 mars 1951; — Cass., 10 déc. 1959, *Par.*, 1960, I, 423 et notes.

(8) Voy. *infra*, chapitre III, n° 14 à 22.

(9) Voy. *infra*, chapitre IV, n° 28.

(10) Voy. art. 18 à 20 de l'arrêté royal du 22 septembre 1937, modifiés par celui du 20 mars 1951.

Ainsi, « les boni de liquidation des sociétés par actions n'étant pas imposables à l'impôt complémentaire personnel (11), ils échappent dans tous les cas à la perception de cet impôt par voie de retenue » (12).

De même, « l'impôt complémentaire personnel n'est pas perçu par voie de retenue sur les revenus exonérés dudit impôt en vertu de l'article 41, § 1^{er}, a et b, des lois coordonnées relatives aux impôts sur les revenus ou de dispositions légales particulières » (13).

B. Mais le précompte n'atteint pas tous les revenus de capitaux mobiliers qui doivent être déclarés à l'impôt complémentaire personnel conformément à l'article 41 des lois coordonnées. Il ne s'applique qu'à certains revenus en espèces (14) de certaines valeurs

(11) Cass., 20 mars 1956, *Par.*, I, 774.

(12) Commentaire administratif, n° 6, *Moniteur*, 19 août 1961, p. 6543.

(13) Art. 2, § 2, 1^o de l'arrêté royal.

Une liste des fonds publics dont les revenus sont exonérés du précompte a été publiée au *Moniteur* sous forme d'annexe au commentaire administratif (*Moniteur*, 31 août 1961, pp. 6824 et 6825).

Aux « revenus exonérés de l'impôt complémentaire personnel en vertu de dispositions légales particulières », cette liste ajoute toutefois les revenus de certains emprunts publics extérieurs qui ne sont pas légalement exonérés de l'impôt complémentaire personnel : il s'agit d'emprunts en dollars, en francs suisses ou en florins émis par l'Etat belge, par l'ancienne colonie du Congo belge et par le Ruanda-Urundi sous la garantie de l'Etat belge, et par certains organismes publics (Régie des Télégraphes et Téléphones, Société nationale de crédit à l'industrie, Otraco). Les revenus produits par ces emprunts sont exonérés du précompte tantôt à condition que les titres n'appartiennent pas à un habitant du Royaume, tantôt à condition qu'ils n'appartiennent ni à un habitant du Royaume ni à une personne morale belge, tantôt dans tous les cas, mais sans que les bénéficiaires des revenus soient dispensés de déclarer ceux-ci, le cas échéant, à l'impôt complémentaire personnel (voy. notes 1, 2 et 3 sous la liste publiée au *Moniteur* du 31 août 1961, p. 6825). Ces modalités d'exonération du précompte répondent aux conditions dans lesquelles les emprunts en question ont été émis.

Ainsi, pour les revenus de fonds d'Etat que l'on exonère du précompte quels qu'en soient les bénéficiaires, les arrêtés royaux relatifs à l'émission prévoyaient : « le paiement des coupons et le remboursement des obligations sont exempts de tous impôts et taxes réels quelconques, présents et futurs, au profit de l'Etat, des provinces et des communes » (voy., par exemple, art. 6 de l'arrêté royal du 16 février 1960 relatif à l'émission d'un emprunt d'Etat en francs suisses, *Moniteur*, 18 févr. 1960, p. 1011). Dans ce cas-ci le précompte est donc assimilé par l'Administration à un impôt « réel ».

Les conditions d'émission d'autres emprunts prévoyaient qu'ils seraient exempts de tous impôts présents ou à venir, sauf en ce qui concerne les obligations qui appartiendraient « à une personne domiciliée en Belgique ou ayant sa résidence habituelle en Belgique », lesquelles ne seraient exemptes « que des impôts et taxes réels présents ou futurs » (voy., par exemple, arrêté royal du 9 septembre 1957, relatif à l'émission d'un emprunt d'Etat en dollars, *Moniteur*, 9-10 sept. 1957). D'après le commentaire administratif, les revenus de ces emprunts ne seraient exonérés du précompte qu'à la condition que les titres n'appartiennent pas à un habitant du royaume : on paraît donc considérer cette fois que le précompte n'est pas un impôt « réel » !

A notre avis, bien qu'il s'agisse d'un mode de perception de l'impôt complémentaire personnel, le précompte, qui atteint en principe les revenus mobiliers à un taux uniforme quels qu'en soient les bénéficiaires, doit être considéré comme un impôt réel : il ne peut dès lors, en aucun cas, être prélevé sur les intérêts d'emprunts publics extérieurs exempts de tous impôts réels.

(14) Ne sont en effet pas soumis au précompte « les revenus encaissés ou recueillis sous la forme soit de primes d'émission ou de remboursement afférentes à des titres visés au § 1^{er}, 2^o et 4^o, du présent article (titres belges), soit de titres susceptibles de produire un revenu » (art. 2, § 2, 2^o de l'arrêté royal).

(2) *Moniteur*, 17 juill. 1961.

(3) 5 avis du Conseil d'Etat relatifs aux arrêtés royaux sont normalement « annexés aux rapports faits au Roi » (loi du 23 décembre 1946 organique du Conseil d'Etat, art. 2). Mais, en l'absence de rapport au Roi, aucune publication n'est prévue par la loi. Le gouvernement a toutefois communiqué à la presse un résumé de l'avis du Conseil d'Etat du 22 juin 1961 : voir *Le Soir*, 11 juillet 1961.

(4) Les principaux passages des travaux préparatoires de la loi concernant l'article 131 sont les suivants :

— Exposé des motifs du projet de loi (sur l'art. 130, devenu l'art. 131 de la loi) : *Doc. parl.*, Chambre, 1959-1960, n° 649-1, p. 71.

— Rapport fait au nom de la Commission des Finances de la Chambre par M. Discry : *Doc. parl.*, Chambre, 1960-1961, n° 649-28, pp. 19 à 21.

— Rapport fait au nom de la Commission des Finances du Sénat par M. Adam : *Doc. parl.*, Sénat, 1960-1961, n° 104, pp. 22 à 28 et p. 30.

(5) Cf. exposé des motifs du projet de loi, *Doc. parl.*, Chambre, 1959-1960, n° 649-1, p. 71; rapport fait à la Chambre, *Doc. parl.*, Chambre, 1960-1961, n° 649-28, p. 19; rapport fait au Sénat, *Doc. parl.*, Sénat, 1960-1961, n° 104, p. 23.

(6) Sans doute est-il exceptionnel que le bénéficiaire de rémunérations faisant l'objet d'une percep-

mobilières belges et étrangères (voy. *infra*, nos 8 à 12).

C. En ce qui concerne les revenus auxquels s'applique, le précompte doit être retenu, en principe (15), quels qu'en soient les bénéficiaires, même si ceux-ci ne sont pas assujettis à l'impôt complémentaire personnel (16). Cette règle souffre toutefois une exception (voy. *infra*, n° 13).

§ 1^{er}. — Valeurs mobilières belges.

S. — Vue d'ensemble. Exclusion des titres nominatifs. — Les valeurs mobilières belges ont les revenus subissant le précompte sont numérotés à l'article 2, § 1^{er}, 1^o à 4^o.

Ce sont, sous réserve des précisions que nous apporterons ultérieurement (17), les *arts de sociétés par actions et de fonds communs de placement belges et les titres d'emprunt émis par des personnes morales elges de droit privé ou de droit public.*

Mais les revenus de ces valeurs ne sont soumis au précompte que si elles sont créées *ordre ou au porteur*. L'article 2, § 2, 3^o, exclut en effet du champ d'application du précompte « les revenus visés au § 1^{er}, 1^o à 4^o, du présent article, produit par des titres nominatifs ou par des inscriptions nominatives au Grand-Livre de la Dette Publique ».

Les raisons de cette dérogation en faveur des titres nominatifs ont été données au cours des travaux préparatoires de la loi du 4 février 1961. Voici le passage du rapport et la commission de la Chambre relatant les explications du Gouvernement à ce sujet : Le Ministre précise encore que les titres nominatifs ne seront pas soumis au précompte. La plupart de ceux-ci sont détenus par des sociétés, ou bien lorsqu'il s'agit de titres nominatifs de la dette publique, par les personnes morales, ou constituent des biens d'enfants mineurs : les premiers étant pas redevables de l'impôt complémentaire personnel, et dans le second cas, aucune fraude n'étant possible (18). Il en sera de même des intérêts des dépôts bancaires et des intérêts payés par la Caisse générale d'Épargne et de Retraite. Ceci étant donné qu'il s'agit, dans la plupart des cas, de petits comptes, qui ne justifient guère de mesures contre une fraude éventuelle (19).

Ce régime de faveur se justifie mal, à notre avis, en ce qui concerne les titres nominatifs émis par les sociétés par actions, car l'Administration ne dispose, dans l'état actuel de notre législation, d'aucun moyen de connaître l'identité des propriétaires de ces titres (20). Les actionnaires désireux d'échapper à l'impôt complémentaire personnel pourront dès lors, usant du droit que leur confère l'article 46 des lois coordonnées sur les sociétés, faire convertir leurs actions en parts nominatives.

9. — Parts de sociétés par actions. — Le précompte atteint, en premier lieu, « les revenus d'actions ou parts quelconques, émises par des sociétés par actions, civiles ou commerciales, ayant en Belgique leur siège social ou leur principal établissement administratif » (art. 2, § 1^{er}, 1^o, de l'arrêté royal).

(15) Sauf accomplissement des formalités permettant d'échapper au précompte : voy. *infra*, chapitre II, nos 14 à 22.

(16) Cf. *supra*, n° 4, litt. a.

(17) Voy. *infra*, nos 9 à 11.

(18) L'Administration est armée pour empêcher la fraude en ce qui concerne les revenus des titres nominatifs de la dette publique : voy. art. 57bis, § 1^{er} des lois coordonnées sur les impôts sur les revenus.

(19) Rapport de la Commission de la Chambre, *Doc. parl.*, Chambre, 1960-1961, n° 649-28, p. 20; cf. rapport de la Commission du Sénat, *Doc. parl.*, Sénat, 1960-1961, n° 104, p. 22.

(20) Il n'en est pas de même en ce qui concerne les parts nominatives des sociétés autres que par actions : voy. art. 35, § 4, des lois coordonnées relatives aux impôts sur les revenus, et *infra*, n° 9.

Il s'agit des sociétés visées à l'article 14, § 1^{er}, 1^o, des lois coordonnées, c'est-à-dire des sociétés belges constituées sous la forme de société anonyme ou de société en commandite par actions (21).

Il était inutile de soumettre au précompte les revenus des parts des sociétés autres que par actions possédant la personnalité juridique, puisque ces sociétés sont tenues de joindre à leur déclaration annuelle « un relevé indiquant, pour chaque bénéficiaire, l'adresse et le montant des sommes qui lui sont allouées ou attribuées » (art. 35, § 4 des lois coordonnées). La fraude fiscale que le précompte vise à pallier ne se conçoit donc pas de la part des associés, actifs ou non actifs, de ces sociétés.

10. — Parts de fonds communs de placement. — Sont soumis au précompte « les revenus des titres représentatifs de droits de propriétaire indivis dans des fonds communs de placement belges régis par des dispositions légales particulières » (art. 2, § 1^{er}, 3^o).

Les dispositions particulières régissent actuellement les fonds communs de placement sont celles de la loi temporaire du 27 mars 1957, dont les effets prendront fin le 31 décembre 1961 (22).

11. — Titres d'emprunts émis par des personnes morales. — A. Sont encore soumis au précompte, aux termes de l'article 2, § 1^{er}, les revenus des titres suivants :

1) « Obligations, bons de caisse ou autres titres représentatifs d'emprunts ou de dépôts, émis par des sociétés, associations, institutions, établissements ou organismes de droit privé ayant en Belgique leur siège social, leur principal établissement administratif ou leur siège de direction ou d'administration » (art. 2, § 1^{er}, 2^o).

Les titres visés par cette disposition sont les titres à ordre ou au porteur (23), représentatifs d'emprunts ou de dépôts (24), émis :

a) Par des personnes morales belges de droit privé (sociétés civiles ou commerciales, associations sans but lucratif, établissements d'utilité publique, institutions sans but lucratif ayant obtenu la personnalité juridique avant la loi du 27 juin 1921, etc.).

b) Par des collectivités dénuées de la personnalité juridique, ayant leur siège de direction ou d'administration en Belgique. — Il n'est pas douteux que le paragraphe 1^{er}, 2^o, de l'article 2 embrasse les sociétés et associations dénuées de la personnalité juridique (25), bien que, strictement parlant, les emprunts contractés dans le cadre de ces so-

(21) Sur le champ d'application de l'art. 14, § 1^{er}, 1^o, des lois coordonnées, voy. Schreuder, *Les impôts sur les revenus*, n° 62. — Les anciennes sociétés coloniales qui avaient leur principal établissement administratif en Belgique et n'ont pas décidé de transférer au Congo conformément à l'article 2, § 1^{er}, de la loi du 17 juin 1960, relative au statut des sociétés belges de droit colonial, sont régies par le droit belge : l'art. 2, § 1^{er}, 1^o, de l'arrêté royal leur est applicable.

(22) Sur cette loi, voy. Van Ryn, *Principes de droit commercial*, t. II, nos 1341 à 1353; — Schreuder, *op. cit.*, n° 228bis.

(23) Voy. *supra*, n° 8.

(24) Quels sont les titres de dépôt visés ? On peut certes concevoir qu'un dépôt en banque soit représenté par un titre à ordre ou au porteur, mais nous nous demandons s'il ne s'agit pas là d'une hypothèse d'école.

(25) Cela résulte non seulement de la généralité des termes du paragraphe 1^{er}, 2^o, mais aussi du rapprochement de cette disposition avec :

— le paragraphe 1^{er}, 4^o, qui vise « les établissements organismes ou autres personnes morales de droit public »;

— le paragraphe 2, 4^o, litt. b, qui contient la même énumération que le paragraphe 1^{er}, 2^o, et prévoit expressément le cas où les organismes énumérés seraient dénués de la personnalité juridique.

ciétés ou associations ne soient pas « émis par des sociétés, associations, etc. », mais bien par les personnes physiques qui composent ces groupements. Toutefois, on imagine mal que de tels groupements émettent des titres d'emprunt à ordre ou au porteur, de sorte que cette disposition restera vraisemblablement lettre morte en ce qui les concerne.

2) « Titres émis par l'Etat, les provinces et les communes, par l'ex-Congo belge et les territoires sous mandat belge ainsi que par les établissements, organismes et autres personnes morales de droit public de la Belgique, de l'ex-Congo belge et des territoires sous mandat belge » (art. 2, § 1^{er}, 4^o).

Il est assez surprenant de voir assimiler aux fonds publics belges les titres émis par l'ancienne colonie du Congo belge et par les personnes morales de droit public de cette ancienne colonie, alors que celle-ci est devenue un Etat indépendant. Il semble que ce texte ne vise que les titres d'emprunts congolais dont les revenus sont garantis et payés par l'Etat belge, les autres constituant à tous égards des « valeurs mobilières étrangères » ne pouvant être soumises au précompte que dans les conditions fixées par le 5^o de l'article 2, § 1^{er}.

En ce qui concerne l'application du précompte aux bons de capitalisation émis par certains établissements publics de crédit, voy. commentaire administratif, n° 8, *Moniteur*, 19 août 1961, pp. 6543 et 6544.

B. Les revenus de titres d'emprunts ne sont toutefois pas soumis au précompte lorsqu'ils sont « encaissés ou recueillis sous la forme ... de primes d'émission ou de remboursement » (art. 2, § 2, 2^o).

Les intérêts qui, dans certains cas, sont bonifiés pour la période comprise entre la date de souscription et la date d'émission des titres sont assimilés à des primes d'émission (26).

§ 2. — Valeurs mobilières étrangères et titres d'emprunts

émis par des organismes internationaux de droit public.

12. — Valeurs mobilières étrangères. — L'article 2, § 1^{er}, 5^o, soumet au précompte « les revenus des valeurs mobilières étrangères » — « y compris les certificats des fonds communs de placement étrangers n'ayant pas la personnalité juridique et les certificats au porteur représentatifs d'actions nominatives étrangères émis par des sociétés belges » (27) — dans deux cas :

a) « lorsque ces revenus sont encaissés ou recueillis en Belgique »;

b) « lorsque ces revenus sont encaissés ou recueillis à l'étranger, pour autant que les instruments de recouvrement auxquels ils se rapportent (28) soient envoyés en Belgique à un établissement qui assure le service financier du débiteur de ces revenus ».

Les conditions d'application du précompte aux revenus des valeurs mobilières étrangères encaissées ou recueillies à l'étranger apparaissent ainsi comme plus larges que celles de la taxe mobilière. En effet, celle-ci n'est due sur les revenus des valeurs mobilières étrangères encaissés ou recueillis à l'étranger que si les bénéficiaires sont « des personnes physiques ou morales domiciliées ou résidant dans le pays » (art. 14, § 1^{er}, 4^o, des lois coordonnées). La taxe mobilière n'est dès lors pas retenue à la source sur les revenus encaissés ou recueillis à l'étranger par des personnes résidant à l'étranger, même si les instruments de recouvrement sont envoyés

(26) Commentaire administratif, n° 7, *Moniteur*, 19 août 1961, p. 6543.

(27) Commentaire administratif, n° 3, 5^o, *Moniteur*, 19 août 1961, p. 6541c.

(28) Ne faut-il pas lire : « les instruments de recouvrement se rapportant à ces revenus » ?

en Belgique à un établissement qui assure le service financier du débiteur des revenus; dans cette hypothèse, le précompte sera au contraire perçu, à moins que le bénéficiaire des revenus n'accomplisse les formalités requises pour y échapper (29).

Cette divergence entre les conditions d'application du précompte et celles de la taxe mobilière retenue à la source est d'autant moins justifiée que les personnes habitant à l'étranger ne sont évidemment pas redevables de l'impôt complémentaire personnel.

12bis. — Titres d'emprunts émis par des organismes internationaux de droit public. — Les revenus « des titres d'emprunts émis par des organismes internationaux ou supranationaux de droit public dont la Belgique est membre » sont soumis au précompte dans les mêmes conditions que les valeurs mobilières étrangères (art. 2, § 1^{er} de l'arrêté royal). Et ces organismes (29bis) sont redevables du précompte dans la mesure où les revenus sont encaissés ou recueillis chez eux, en Belgique, soit par le bénéficiaire, soit par un intermédiaire autre qu'une banque établie en Belgique ou un établissement belge de crédit » (art. 3, § 1^{er}, 2^o; voy. *infra*, n° 24).

Le Conseil d'Etat avait objecté, à juste titre, croyons-nous, que les organismes internationaux de droit public qui sont installés sur le territoire belge jouissent d'un statut juridique spécial et que leur nature s'oppose à ce que le gouvernement belge puisse leur imposer l'obligation de percevoir un impôt à la source pour son compte.

Si le Gouvernement n'a pas cru devoir suivre cet avis, c'est qu'en fait ces organismes se soumettent déjà à certaines obligations fiscales « notamment en matière de retenue source sur les revenus dont ils sont débiteurs » (30). Nous ne savons si le Gouvernement visait par là la retenue à la source de la taxe mobilière ou de la taxe professionnelle. Quoi qu'il en soit, la situation du fait invoquée ne nous paraît de nature à assurer la légalité des obligations fiscales imposées aux organismes internationaux de droit public par l'arrêté royal.

§ 3. — Exception

13. — Titres déposés à découvert en Belgique avant le 1^{er} janvier 1961 par des personnes établies à l'étranger. — Sauf accomplissement des formalités permettant d'y échapper (31), le précompte est perçu sur les revenus des valeurs mobilières belges et étrangères que nous venons de passer en revue (32) quels qu'en soient les bénéficiaires.

Cette règle souffre toutefois une exception. Suivant l'article 2, § 2, 4^o, litt. a, de l'arrêté royal, l'impôt complémentaire personnel n'est pas perçu par voie de retenue sur les revenus « produits par des valeurs mobilières belges ou étrangères déposées à découvert en Belgique » avant le 1^{er} janvier 1961 :

- « par des personnes physiques n'ayant en Belgique ni leur domicile, ni leur résidence »;
- ou par des personnes morales « n'ayant pas en Belgique leur siège social ou leur principal établissement administratif ».

Ces deux catégories de personnes ne sont pas redevables de l'impôt complémentaire personnel sur les revenus des capitaux mobiliers, puisque seules les personnes physiques habitant en Belgique (33) sont soumi-

(29) Voy. *infra*, n° 20, litt. b.

(29bis) Le commentaire administratif cite comme exemples de ces organismes : la C.E.C.A., la C.E.E., l'Euratom et la B.I.R.D. (voy. *Moniteur*, 19 août 1961, p. 6541).

(30) Voy. le compte rendu de l'avis du Conseil d'Etat publié dans *Le Soir*, 11 juillet 1961.

(31) Voy. *infra*, n° 14 à 22.

(32) Voy. *supra*, n° 8 à 12.

(33) Il est regrettable, à cet égard, que la terminologie de l'arrêté royal (domicile ou résidence en Bel-

ges à cet impôt. Aussi leur permet-on, en principe, comme nous le verrons (34), d'échapper au précompte par la remise d'un certificat affirmant, principalement, qu'elles sont propriétaires ou usufruitiers des titres productifs des revenus et n'ont pas leur principal établissement en Belgique.

Mais en vue de ne pas nuire au commerce de banque, les auteurs de l'arrêté royal ont admis que le précompte serait de plein droit inapplicable aux valeurs mobilières déposées à découvert en Belgique par ces personnes avant le 1^{er} janvier 1961 (35).

La limitation de ce régime exceptionnel aux dépôts à découvert antérieurs au 1^{er} janvier 1961 répond évidemment au souci de prévenir la fraude qui consisterait, pour des habitants du royaume, à déposer leurs titres à découvert sous le nom d'une personne physique habitant à l'étranger ou d'une personne morale étrangère.

Aussi l'Administration entend-elle par « valeurs mobilières déposées à découvert en Belgique avant le 1^{er} janvier 1961 » non seulement les valeurs effectivement incluses dans un dépôt existant au 31 décembre 1960, mais aussi celles qui les auront remplacées à partir du 1^{er} janvier 1961 par suite des nécessités d'une gestion normale et celles qui proviendront du rempli de coupons ou de valeurs remboursées (36). En effet, pour les valeurs provenant de pareils emplois, la fraude que l'arrêté royal vise à empêcher ne se conçoit guère.

CHAPITRE III.

Moyens d'éviter l'application du précompte.

14. — Il appartient, en principe, aux bénéficiaires des revenus soumis au précompte d'échapper à la retenue de 10%, moyennant certaines formalités.

Celles-ci diffèrent selon que le bénéficiaire des revenus est ou non redevable de l'impôt complémentaire personnel sur les revenus des capitaux mobiliers.

§ 1^{er}. — Bénéficiaires assujettis à l'impôt complémentaire personnel.

15. — Principe. — Les personnes physiques habitant en Belgique peuvent éviter l'application du précompte sur leurs revenus de valeurs mobilières belges ou étrangères, pour autant que ces revenus soient « encaissés ou recueillis en Belgique » (art. 2, § 2, 5^o, litt. a).

En revanche, il leur est impossible d'échapper au précompte lorsqu'ils encaissent ou recueillent à l'étranger.

- soit des revenus de titres belges;
- soit des revenus de titres étrangers dont les instruments de recouvrement sont envoyés en Belgique à un établissement qui assure le service financier du débiteur des revenus.

A notre avis, l'impossibilité d'échapper au précompte en pareil cas est injustifiée.

16. — Autorisation à donner par le bénéficiaire des revenus. — Pour échapper au précompte sur leurs revenus « encaissés ou recueillis en Belgique », les personnes physi-

gique : voy. art. 2, § 2, 4^o, litt. a, et 5^o; art. 6, §§ 2 et 3; art. 7 et 8; art. 9, 3^o, b) ne soit pas calquée sur celle de l'art. 37 des lois coordonnées relatives aux impôts sur les revenus (« habitant du royaume », c'est-à-dire « celui qui y a établi son domicile ou le siège de sa fortune »).

(34) Voy. *infra*, n° 20 et 21.

(35) Cette règle peut être rapprochée de l'exemption de la taxe mobilière prévue par l'art. 14, § 1^{er}, 4^o, al. 2, des lois coordonnées en ce qui concerne « les revenus des valeurs étrangères déposées en Belgique par des personnes physiques ou morales n'ayant dans le pays ni domicile, ni résidence, ni établissement ».

(36) Commentaire administratif, n° 9, *Moniteur*, 19 août 1961, p. 6544.

ques habitant en Belgique doivent autoriser l'organisme payeur à remettre à l'Administration des contributions directes, avant le 15 mars de chaque année, « des fiches individuelles indiquant, pour chaque opération d'encaissement ou de recouvrement de revenus :

- 1^o l'identité ou la dénomination et l'adresse complète du bénéficiaire et, en outre, lorsque les revenus sont encaissés ou recueillis à l'intervention d'un tiers, l'identité et l'adresse complète de ce tiers;
- 2^o la date d'encaissement ou de recouvrement des revenus;
- 3^o le montant net, en francs belges, des revenus encaissés ou recueillis, sous déduction de la taxe mobilière due à la source (en ce qui concerne les revenus de valeurs mobilières étrangères, mais avant déduction de tous frais éventuels);
- 4^o la dénomination et l'adresse complètes de la personne physique ou morale qui remet la fiche à l'Administration des contributions directes » (art. 7 de l'arrêté royal).

Cette autorisation est donnée :

- a) quant aux revenus encaissés au guichet : isolément lors de chaque présentation de coupons;
- b) quant aux revenus des titres déposés à découvert : globalement pour les revenus de tous les titres d'un même dépôt (37). En ce cas, l'autorisation peut être donnée et révoquée à tout moment; l'autorisation et la révocation prennent effet immédiatement.

Grâce aux fiches visées à l'article 7, que l'organisme payeur doit remettre, « accompagnées d'un relevé récapitulatif, au contrôleur des contributions du ressort, au plus tard le 15 mars de l'année suivant celle à laquelle elles se rapportent », l'Administration connaîtra le montant total des revenus sujets au précompte que l'organisme payeur aura versés au cours de l'année au bénéficiaire : celui-ci ne pouvant plus, dès lors, passer sous silence le montant de ces revenus dans sa déclaration à l'impôt complémentaire personnel, la retenue de 10 % devient inutile.

On trouvera en annexe au commentaire administratif un modèle de fiche individuelle et de relevé (38).

Il convient de souligner que ces fiches et relevés ne fourniront à l'Administration aucune indication ni sur la nature des valeurs mobilières ni sur la date d'attribution des revenus auxquels se rapportent les paiements (38bis).

§ 2. — Bénéficiaires non assujettis à l'impôt complémentaire personnel.

A. — Personnes morales belges.

17. — Système de l'arrêté royal. — Les personnes morales belges peuvent soustraire au précompte :

a) Les revenus de leurs valeurs mobilières déposées à découvert en Belgique : en remettant au depositaire une déclaration par laquelle elles :

- « certifient être propriétaires ou usufruitiers des titres déposés;
- » et l'autorisent à faire connaître à l'Administration des Contributions directes, avant le 15 mars de chaque année, les

(37) Si le déposant désire que les effets de l'autorisation soient limités à certaines valeurs déposées, il lui est loisible de faire scinder son dépôt en deux comptes distincts. — Sur le cas où un intermédiaire dépose à découvert à un compte unique des titres lui appartenant et des valeurs appartenant à ses clients, voy. commentaire administratif, n° 10, *Moniteur*, 19 août 1961, p. 6544.

(38) Voy. modèles n° 800 et 801 T, annexes B et F, *Moniteur*, 19 août 1961, pp. 6549 et 6558.

(38bis) Cf. Brutsaert, *Le précompte ou la réponse à la question : faut-il laisser retenir ou ne faut-il pas laisser retenir les 10 % ?*, p. 5.

mandataires de leurs dépôts, voir communication et voir annexe complètes» (art. 2, § 2, 4^e, litt. b).

b) Les revenus encaissés ou recueillis en Belgique de valeurs mobilières non déposées à découvert dans le pays : en autorisant l'organisme payeur à fournir à l'Administration des contributions directes, avant le 15 mars de chaque année, « les fiches individuelles prévues à l'article 7 » (art. 2, § 2, 5^e, litt. a). Comme nous l'avons vu (39), ces fiches renseignent l'Administration sur le montant des revenus payés et sur l'identité du bénéficiaire.

Pas plus que les personnes physiques habitant en Belgique, les personnes morales belges ne peuvent échapper au précompte sur les revenus encaissés ou recueillis à l'étranger (40).

18. — **Légalité.** — La loi du 14 février 1961 n'a habilité le Roi qu'à réglementer « la perception de l'impôt complémentaire personnel par voie de retenue à la source ».

Or les personnes morales ne sont pas assujetties à l'impôt complémentaire personnel.

Dans la mesure où il ne leur permet d'éviter la retenue de 10 % qu'à la condition de faire connaître à l'Administration leur identité et le numéro de leur dépôt à découvert ou le montant de leurs revenus de titres, l'arrêté royal n'institue-t-il pas un moyen de contrôle des déclarations à la taxe professionnelle et ne sort-il pas du cadre tracé par le législateur ?

Nous ne le pensons pas, car la loi du 14 février 1961 a incontestablement donné au Roi le pouvoir de prescrire la retenue de 10 % sur les revenus de personnes non assujetties à l'impôt complémentaire personnel, à condition que celles-ci puissent en obtenir la restitution (41).

Or la restitution aux personnes morales du précompte appliqué à leurs revenus implique nécessairement que celles-ci fassent connaître à l'Administration leur identité et le montant des revenus auxquels la retenue a été appliquée.

Ayant le pouvoir de subordonner à ces renseignements la restitution des sommes retenues à la source, le Roi possède, *a fortiori*, le pouvoir d'y subordonner la non perception du précompte.

19. — **Assimilation aux personnes morales des groupements n'ayant pas la personnalité juridique.** — Les « sociétés, associations, institutions, établissements ou organismes quelconques ayant en Belgique... leur siège de direction ou d'administration » peuvent soustraire au précompte leurs revenus de valeurs mobilières dans les mêmes conditions que les personnes morales belges (art. 2, § 2, 4^e, litt. b, et 5^e, litt. a) : il suffit donc à leurs mandataires de permettre la communication à l'Administration de l'identité du groupement et, suivant les cas, du numéro de son dépôt à découvert ou du montant des revenus encaissés par le groupement (42).

(39) Voy. *supra*, n° 16.

(40) Cf. *supra*, n° 15.

(41) Ce pouvoir conféré au Roi résulte du texte de l'art. 131 de la loi du 14 février 1961 (« Le Roi détermine, parmi les revenus visés à l'art. 41, ceux pour lesquels la perception de l'impôt complémentaire personnel par voie de retenue sera effectuée... quels que soient les bénéficiaires de ces revenus... Il règle les conditions qui doivent être observées par le bénéficiaire de ces revenus en vue de la restitution éventuelle de cet impôt dû à la source ») interprété à la lumière des travaux préparatoires : le Ministre a expressément envisagé, tant devant la commission de la Chambre que devant celle du Sénat, la perception du précompte à charge des étrangers et des personnes morales (voy. *Doc. parl.*, Chambre, 1960-1961, n° 640-28, p. 19, et *Doc. parl.*, Sénat, 1960-1961, n° 103, p. 23).

(42) Cf. *supra*, n° 17.

Ce régime n'est guère conforme aux principes, car les revenus d'un groupement dénué de la personnalité juridique constituent, au point de vue juridique, des revenus des personnes physiques faisant partie de ce groupement : celles-ci sont donc redevables de l'impôt complémentaire personnel sur leur part des revenus du groupement (43), et l'arrêté royal leur permet néanmoins d'échapper au précompte sans que leur identité et le montant de leur part dans les revenus du groupement soit révélés à l'Administration (44).

L'assimilation aux personnes morales des groupements sans personnalité juridique se justifie, à notre avis, par les difficultés pratiques auxquelles se serait heurtée l'application du régime prévu pour les personnes physiques (45) aux valeurs mobilières ainsi mises en commun. Il arrive souvent en effet que les groupements dénués de personnalité juridique comportent un nombre considérable de membres et possèdent un portefeuille important (46) : s'il fallait considérer celui-ci comme indivis entre les personnes physiques composant le groupement, l'organisme payeur devrait, lors de chaque paiement de coupons, établir autant de fiches individuelles que le groupement compte membres !

Il n'en reste pas moins que l'arrêté royal laisse aux particuliers un moyen commode d'échapper au précompte et d'éviter l'impôt complémentaire personnel : il suffit à plusieurs personnes de mettre en commun leurs valeurs mobilières et de constituer une société civile sans personnalité juridique, ayant son siège d'administration en Belgique (47) et ayant pour objet la gestion du portefeuille social, qui sera déposé en banque au nom de la société (48).

B. — Personnes établies à l'étranger.

20. — **Personnes physiques.** — Les personnes physiques habitant à l'étranger peuvent soustraire à la retenue de 10 % :

a) Les revenus encaissés ou recueillis en Belgique (49) : en remettant au premier intermédiaire belge, à l'appui soit de leur dépôt, soit des instruments de recouvrement des revenus, une déclaration datée et signée par laquelle elles indiquent leur identité et adresse complète et certifient :

- 1° être propriétaires ou usufruitiers des titres productifs des revenus;
- 2° n'avoir en Belgique ni leur domicile ni leur résidence (voy. art. 2, § 2, 5^e, b, et art. 8).

Un modèle des déclarations à souscrire par le bénéficiaire, par le tiers qui encaisse

(43) Il en est ainsi même dans le cas des exploitations en commun soumises au régime des art. 27, § 3 et 31, § 2, des lois coordonnées, car celles-ci ne sont traitées comme des entités juridiques que pour l'application de la taxe professionnelle.

(44) Les renseignements auxquels est subordonnée la non perception de la retenue à la source ne comportent, en effet, pas la moindre indication au sujet de la composition du groupement et de la division des revenus entre ses membres.

(45) Sur ce régime, voy. *supra*, n° 15 et 16.

(46) Un exemple en est donné par les caisses créées au sein de certaines entreprises qui groupent en association de fait les membres de leur personnel en vue de leur assurer, au moyen de leurs cotisations et de celles de l'employeur, des avantages complétant les pensions légales de retraite et de survie.

(47) Sur le cas des groupements sans personnalité ayant leur siège de direction ou d'administration à l'étranger, voy. *infra*, n° 22.

(48) Les revenus des parts de cette société ne seraient pas soumis au précompte, et la société elle-même ne pourrait être considérée comme une exploitation en commun redevable de la taxe professionnelle, puisqu'il ne s'agirait pas d'une exploitation industrielle, commerciale ou agricole (voy. art. 27, § 1^{er}).

(49) Il s'agit des revenus des titres qui n'ont pas été déposés à découvert en Belgique avant le 1^{er} janvier 1961 : sur le régime des titres déposés à découvert en Belgique avant cette date, voy. *supra*, n° 13.

les revenus pour le compte du bénéficiaire et par l'intermédiaire figure en annexe du commentaire administratif (50).

b) Les revenus encaissés ou recueillis à l'étranger. — Pour que les personnes physiques habitant à l'étranger échappent au précompte sur les revenus qu'elles encaissent ou recueillent à l'étranger, il faut qu'une banque étrangère envoie à une banque belge ou à la personne morale belge émettrice des titres les instruments de recouvrement des revenus, accompagnés d'une attestation (51) par laquelle la banque étrangère certifie, sans révéler l'identité des bénéficiaires des revenus :

— que ceux-ci « 1° sont propriétaires ou usufruitiers des titres productifs des revenus; 2° sont des personnes physiques n'ayant en Belgique ni leur domicile ni leur résidence »;

— « qu'aucun des tiers qui ont encaissé ou recueilli ces revenus pour le compte des bénéficiaires n'a en Belgique son domicile ou sa résidence » (art. 2, § 2, 6^e, et art. 9 de l'arrêté royal) (52).

21. **Personnes morales.** — Les personnes morales étrangères peuvent échapper au précompte sur leurs revenus encaissés ou recueillis en Belgique ou à l'étranger dans les mêmes conditions que les personnes physiques habitant à l'étranger (art. 2, § 2, 5^e, litt. b, et 6^e), sous cette seule réserve que les certificats qui doivent être remis doivent indiquer, en plus des mentions prescrites pour les personnes physiques, que la personne morale bénéficiaire des revenus n'a pas pour objet exclusif ou principal la gestion de participations ou de valeurs de portefeuille (art. 8 et 9 de l'arrêté royal) (53).

En d'autres termes, l'arrêté royal ne permet pas aux personnes morales étrangères ayant pour objet la gestion de participations ou de valeurs de portefeuille d'échapper à la retenue à la source de 10 %. Mais il leur permet, comme nous le verrons (54), d'obtenir à tout moment restitution des sommes retenues sur demande écrite, appuyée des pièces justificatives, adressée au Ministère belge des Finances (art. 6, § 2).

Comment s'explique cette évidente contradiction ?

Le Gouvernement paraît avoir initialement prévu, dans le projet soumis au Conseil d'Etat, que les sociétés « holding » étrangères ne pourraient, tout au moins en principe, ni échapper au précompte, ni obtenir la restitution des sommes perçues à la source. Le Conseil d'Etat a fait observer que l'article 131 de la loi du 14 février 1961 n'avait pas donné au Roi le pouvoir de créer un impôt nouveau à charge de personnes morales étrangères non assujetties à l'impôt complémentaire personnel et que les sociétés « holding » étrangères ne pouvaient dès lors, sans illégalité, être privées du droit d'obtenir restitution des sommes perçues à la source. Le Gouvernement s'est incliné devant cette observation du Conseil d'Etat, qui ne concernait que la restitution des sommes perçues à la source, mais a

(50) Voy. modèle n° 805, annexe C du commentaire administratif, *Moniteur*, 19 août 1961, p. 6552.

(51) Un modèle du certificat à délivrer par la banque étrangère figure en annexe du commentaire administratif : voy. modèle n° 804, annexe D du commentaire administratif, *Moniteur*, 19 août 1961, p. 6554.

(52) Cette dernière mention qui doit figurer sur le certificat bancaire est destinée à prévenir la fraude consistant à faire passer des valeurs mobilières belges à l'étranger par le mandataire d'un précompteur étranger.

(53) Voy. aussi modèle n° 805, annexe C du commentaire administratif, *Moniteur*, 19 août 1961, p. 6550.

(54) Voy. *infra*, n° 30.

laissé subsister, par inadvertance, l'interdiction d'échapper au précompte (55).

Dans ces conditions, il faut, à notre avis, considérer le littéra a du 3^e des articles 8 et 9 comme non écrit : en renonçant à priver les sociétés « holding » étrangères de leur droit à la restitution des sommes perçues à la source, le Gouvernement a implicitement renoncé à les priver de la possibilité d'échapper au précompte (56).

22. — Groupements sans personnalité juridique. — Les « sociétés, associations, institutions, établissements ou organismes quelconques » dénués de la personnalité juridique et ayant leur siège de direction ou d'administration à l'étranger sont assimilés aux personnes morales étrangères (art. 2, § 2, 5^e, b, et 6^e). Ils peuvent donc recueillir leurs revenus sans prélèvement du précompte :

a) En Belgique : à condition de remettre au premier intermédiaire belge un certificat indiquant, non pas l'identité des personnes physiques faisant partie du groupement, mais celle du groupement lui-même, et affirmant que celui-ci a son siège de direction ou d'administration à l'étranger et est propriétaire ou usufruitier des titres (art. 8).

b) A l'étranger : à condition que les instruments de recouvrement des revenus envoyés en Belgique soient accompagnés d'un certificat bancaire attestant que le bénéficiaire des revenus est un groupement dénué de la personnalité juridique ayant son siège à l'étranger et qu'il est propriétaire ou usufruitier des titres (art. 9).

Toutefois, l'assimilation à des personnes des des groupements sans personnalité juridique ayant leur siège à l'étranger n'est pas complète : les certificats qui doivent être remis pour éviter l'application du précompte doivent affirmer en outre qu'aucun des associés ou membres du groupement « n'est une personne physique ayant en Belgique son domicile ou sa résidence » (3^e, litt. b, des art. 8 et 9), à moins que le groupement intéressé ne soit un fonds commun de placement (57).

En d'autres termes, les groupements dénués de la personnalité juridique — autres que les fonds communs de placement — ayant leur siège à l'étranger ne peuvent éviter l'application du précompte du moment qu'un seul de leurs membres est un habitant du royaume. Toutefois, ils peuvent toujours obtenir restitution de la retenue à la source « dans la mesure correspondant au rapport existant entre, d'une part, la quotité des revenus soumis à cette retenue qui revient à des personnes physiques n'ayant Belgique ni leur domicile ni leur résidence ou à des personnes morales, et, d'autre part, l'ensemble de ces revenus » (art. 6, § 3).

Il est assez paradoxal que l'on ait si minutieusement réglementé la perception du précompte à charge des habitants du royaume faisant partie de groupements dénués de la personnalité juridique lorsque ceux-ci ont leur siège à l'étranger, et que l'on n'ait rien prévu pour le cas où ces mêmes groupements ont leur siège en Belgique (58).

(55) Nous déduisons cette application du résumé de l'avis du Conseil d'Etat publié dans le journal *Le Soir*, du 11 juillet 1961.

(56) Si cette interprétation n'était pas admise, il y aurait lieu, à notre avis, de considérer l'alinéa discuté des art. 8 et 9 comme illégal, pour les mêmes raisons que celles qui ont motivé l'avis du Conseil d'Etat en ce qui concerne la non-restitution des sommes perçues à la source.

(57) Cette dérogation ne résulte pas du texte de l'arrêté, mais du commentaire administratif, n° 5, 1^o, litt. c, et 3^o, litt. a (*Moniteur*, 19 août 1961, p. 6543) : l'Administration assimile donc complètement les fonds communs de placement étrangers dénués d'individualité juridique à des personnes morales. — Cf. *supra*, n° 12 et note 27.

(58) Voy. et comp., *supra*, n° 17.

CHAPITRE IV. Redevables du précompte.

§ 1^{er}. — Détermination des redevables.

23. — Système initialement prévu par le Gouvernement. — Au cours des travaux préparatoires de la loi du 14 février 1961, le Ministre des Finances a fait la déclaration suivante, tant devant la commission de la Chambre que devant celle du Sénat :

« Pour les titres belges, le précompte sera retenu à la source et versé au Trésor en même temps et de la même manière que la taxe mobilière, par la société ou l'organisme débiteur des revenus.

Pour les titres étrangers, la retenue sera effectuée par les banques et agents de change en même temps que la perception de la taxe mobilière qu'ils doivent déjà retenir actuellement » (59).

Ce système de perception du précompte, calqué sur celui de la taxe mobilière (60), consistait à faire de l'organisme émetteur des titres le premier redevable du précompte et à n'imposer cette retenue aux intermédiaires (banquiers, agents de change, etc...) qu'à titre subsidiaire, dans les cas où l'organisme émetteur des titres était établi à l'étranger.

Tel n'est pas, cependant, le système que consacre l'arrêté royal du 14 juillet 1961.

24. — Système institué par l'article 3 de l'arrêté royal. — Aux termes de l'article 3, § 1^{er}, de l'arrêté royal, sont redevables du précompte :

- « 1^o Les débiteurs de revenus visés à l'article 2, § 1^{er}, 1^o à 4^o, dans la mesure où ces revenus sont encaissés ou recueillis chez eux, en Belgique ou à l'étranger, soit par le bénéficiaire, soit par un intermédiaire autre qu'une banque établie en Belgique ou un établissement belge de crédit;
- » 2^o les débiteurs de revenus visés à l'article 2, § 1^{er}, 5^o, dans la mesure où ces revenus sont encaissés ou recueillis chez eux, en Belgique, soit par le bénéficiaire, soit par un intermédiaire autre qu'une banque établie en Belgique ou un établissement belge de crédit;
- » 3^o les banques, établissements de crédit, agents de change et autres intermédiaires, établis en Belgique, y compris l'administration des postes, auprès desquels les revenus visés à l'article 2 sont encaissés ou recueillis, soit par le bénéficiaire, soit par un intermédiaire précédent, autre qu'une banque établie en Belgique ou un établissement belge de crédit. »

Il faut donc distinguer trois ordres de redevables : les banques et établissements de crédit, les organismes émetteurs des titres et les intermédiaires autres que les banques et établissements de crédit.

A. Banques et établissements de crédit. — Deux règles se dégagent de l'article 3, § 1^{er}.

1) Chaque fois qu'une banque établie en Belgique ou un établissement belge de crédit encaisse ou recueille pour le compte d'autrui des revenus soumis au précompte, l'organisme qui les lui paye n'est pas redevable du précompte.

2) Chaque fois qu'une banque établie en Belgique ou un établissement belge de crédit paye des revenus soumis au précompte, que ce soit au bénéficiaire ou à « un intermédiaire précédent, autre qu'une banque éta-

(59) Rapport de la commission du Sénat, *Doc. parl.*, Sénat, 1960-1961, n° 104, p. 24; cf. rapport de la commission de la Chambre, *Doc. parl.*, Chambre, 1960-1961 n° 649-28, p. 19.

(60) Sur les redevables de la taxe mobilière, voy. art. 20, § 1^{er} et 23 des lois coordonnées, et le commentaire de ces dispositions par Schreuder, *op. cit.*, n° 52 et 135.

blie en Belgique ou un établissement belge de crédit», cette banque ou cet établissement est redevable du précompte.

Les banques établies en Belgique et établissements belges de crédit (61), auxquels l'arrêté royal assimile l'administration des postes (62), seront donc au premier chef les redevables du précompte. Si ce système a été préféré à celui de la taxe mobilière, primitivement envisagé (63), c'est sans doute que l'on a estimé que les banques étaient les mieux outillées pour satisfaire aux obligations complexes qu'entraîne la perception du précompte.

B. Organismes émetteurs des titres. — Les organismes émetteurs des titres ne sont redevables du précompte sur les revenus qu'ils payent qu'à deux conditions. Il faut :

- 1) qu'il s'agisse d'organismes belges ou, s'il s'agit d'organismes étrangers, que les revenus soient encaissés ou recueillis chez eux en Belgique;
- 2) que les revenus soient payés soit au bénéficiaire, soit à « un intermédiaire autre qu'une banque établie en Belgique ou un établissement belge de crédit » (art. 3, § 1^{er}, 1^o et 2^o).

C. Intermédiaires autres que les banques et les établissements de crédit. — Il s'agit en ordre principal, des agents de change, mais aussi de tous les autres intermédiaires établis en Belgique, et notamment de ceux visés par l'article 20, § 1^{er}, 3^o, des lois coordonnées (notaires, gérants d'affaires).

1) Ces intermédiaires ne sont jamais redevables du précompte sur les revenus de titres belges (64).

En effet de deux choses l'une.

Ou bien l'intermédiaire encaisse les revenus chez l'organisme émetteur des titres : en ce cas, c'est cet organisme qui est seul redevable du précompte (voy. *supra*, litt. B).

Ou bien l'intermédiaire encaisse les revenus à la banque ou à l'établissement de crédit qui assure le service financier de l'organisme émetteur. En ce cas, cette banque ou cet établissement est redevable du précompte (voy. *supra*, litt. A.).

Sans doute le texte du 3^o de l'article 3, § 1^{er}, paraît-il disposer que tout intermédiaire est redevable du précompte sur les revenus qu'il paye au bénéficiaire, mais ce n'est vrai pour l'intermédiaire autre qu'une banque ou un établissement de crédit que s'il n'encaisse pas lui-même les revenus auprès d'un redevable d'une autre catégorie (banque ou établissement de crédit, organisme émetteur des titres) car le précompte ne peut évidemment être perçu qu'une fois sur un même revenu.

2) Les intermédiaires établis en Belgique — autres que les banques et les établissements de crédit — sont redevables du précompte sur les revenus d'origine étrangère payés par eux s'ils les encaissent ou les recueillent :

— soit à l'étranger;

(61) Suivant le commentaire administratif, « la Caisse générale d'Epargne et de Retraite, les comptoirs d'escompte de la Banque Nationale de Belgique et les organismes ou établissements publics belges qui interviennent, à un titre quelconque, dans l'encaissement ou le recouvrement de revenus de capitaux mobiliers, sont assimilés à des banques établies en Belgique ou à des établissements belges de crédit » (Commentaire administratif, n° 12, 2^o, *Moniteur*, 19 août 1961, p. 6545).

(62) Voy. art. 3, § 1^{er}, 3^o, et commentaire administratif, n° 12, 2^o (*Moniteur*, 19 août 1961, p. 6545). — Cette assimilation n'est pas justifiée, car l'administration des Postes n'a pas de personnalité distincte de celle de l'Etat et lorsque les titres émis par l'Etat sont encaissés ou recueillis chez cette administration, c'est en réalité l'Etat qui les paye directement (cas visé par l'art. 3, § 1^{er}, 1^o).

(63) Voy. *supra*, n° 23.

(64) Cf. toutefois *infra*, n° 25, in fine.

— soit en Belgique, auprès d'un intermédiaire autre qu'une banque ou qu'un établissement de crédit.

Les cas dans lesquels ces intermédiaires sont redevables du précompte sont donc à peu près les mêmes que ceux dans lesquels ils sont constitués débiteurs de la taxe mobilière (65).

25. — Inconvénients du système consacré par l'arrêté royal pour les agents de change. — Il résulte de la détermination des redevables telle qu'elle est réglée par l'article 3 de l'arrêté royal que lorsque le service financier de l'organisme émetteur des titres est assuré par une banque établie en Belgique, c'est celle-ci qui est redevable du précompte, même si les revenus sont encaissés ou recueillis chez elle par un agent de change pour le compte du bénéficiaire.

Cette règle a pour corollaire que les agents de change sont obligés de révéler aux banques l'identité et l'adresse de leurs clients.

En effet, si le client d'un agent de change manifeste la volonté de toucher ses revenus à 100 %, sans prélèvement du précompte, l'agent de change devra transmettre à la banque assurant le service financier de l'organisme émetteur des titres l'autorisation prévue à l'article 7, qui indique notamment « l'identité ou la dénomination et l'adresse complète du bénéficiaire et, en outre, lorsque les revenus sont encaissés ou recueillis à l'intervention d'un tiers, l'identité et l'adresse complètes de ce tiers » (66).

Si, au contraire, le client de l'agent de change ne fournit pas cette autorisation, le redevable du précompte — la banque, dans le cas que nous envisageons — doit, comme nous le verrons (67), délivrer au bénéficiaire des revenus une pièce justificative indiquant notamment son identité et son adresse complètes (art. 5, § 2, 1^{er}). Pour obtenir cette pièce justificative, dont son client a besoin en vue de l'imputation ou de la restitution du précompte, l'agent de change devra donc, dans ce cas encore, révéler l'identité du client à la banque.

Suivant le commentaire administratif, il y a lieu de considérer « que les intermédiaires autres que les banques belges et les établissements belges de crédit sont les bénéficiaires des revenus lorsqu'ils les encaissent ou les recueillent pour compte de tiers auprès d'un autre intermédiaire ou auprès du débiteur des revenus sans déclarer qu'ils agissent pour le compte des véritables bénéficiaires et sans indiquer, pour chacun de ceux-ci, l'identité ou la dénomination, l'adresse complète et le montant des revenus » (68). En pareil cas, si l'agent de change autorise la banque à informer l'Administration du montant des revenus qu'il encaisse (69), il sera personnellement taxé sur ces sommes à l'impôt complémentaire personnel. Et s'il ne souscrit pas cette autorisation, les pièces justificatives seront établies au nom de l'agent de change et ne permettront pas au client de celui-ci d'obtenir l'imputation ou la restitution du précompte.

En obligeant ainsi les agents de change à révéler aux banques l'identité et l'adresse de leurs clients, l'arrêté royal risque de causer un grave préjudice à la profession d'agent de change, car les banques pourront profiter de ces renseignements pour procéder à une publicité intensive auprès des clients des agents de change (70).

Il est à noter toutefois que les agents de change qui exercent leur profession en société en nom collectif (71) peuvent échapper à ce danger, car la société qu'ils forment, n'étant pas redevable de l'impôt complémentaire personnel, peut sans inconvénient encaisser à 100 % les revenus des titres de ses clients sans révéler l'identité de ceux-ci : il lui suffit d'accomplir en temps utile les formalités par lesquelles les personnes morales belges peuvent soustraire leurs revenus au précompte (72).

En ce cas, la société d'agents de change sera redevable du précompte sur les revenus qu'elle transmet à ses clients, même s'il s'agit de revenus d'origine belge (73).

§ 2. — Obligations des redevables.

26. — Registre. — Les redevables visés à l'article 3, § 1^{er}, sont tenus d'inscrire, dans un registre dont le modèle est déterminé par le Ministre des Finances (74), pour chaque opération d'encaissement ou de recouvrement de revenus visés à l'article 2 (75) :

- « a) le numéro d'ordre de l'opération;
- « b) le montant, en francs belges, des revenus encaissés ou recueillis, sous déduction de la taxe mobilière due à la source en ce qui concerne les revenus des valeurs mobilières étrangères, mais avant déduction de l'impôt complémentaire personnel éventuellement perçu par voie de retenue et de tous frais éventuels;
- « c) le montant de l'impôt complémentaire personnel éventuellement perçu par voie de retenue;
- « d) la justification succincte de la non-perception de l'impôt complémentaire personnel » (art. 10, § 1^{er}).

Ce registre, ainsi que les documents justificatifs des inscriptions qui y sont portées, doit être conservé, pendant quatre ans à partir du 1^{er} janvier de l'année à laquelle il se rapporte et doit être exhibé à toute réquisition de l'Administration des Contributions directes (art. 10, § 2).

27. — Cas de paiement des revenus sans prélèvement du précompte. — Lorsqu'il est invité à payer les revenus sans prélèvement du précompte, le redevable doit, principalement :

A. S'il s'agit de revenus de titres non déposés à découvert (encaissement au guichet sur présentation des instruments de recouvrement) : « s'assurer de l'identité ou de la dénomination et de l'adresse complète du bénéficiaire des revenus ou, éventuellement, de celles du tiers qui encaisse les revenus pour le compte du bénéficiaire » (art. 10, § 1^{er}).

Le présentateur des instruments de recouvrement des revenus doit donc être invité à exhiber sa carte d'identité ou son passeport, et s'il refuse, le précompte doit être perçu (76).

qu'ils sont longtemps restés dans l'idée que les agents de change seraient mis sur le même pied que tous les organismes financiers qui paient des coupons, et que les banques leur paieraient les revenus à 100 % : c'est en effet ce dont le président de la Commission de la Bourse avait assuré les agents de change, à la suite d'une entrevue que le ministre des Finances lui avait accordée quelques jours avant la publication de l'arrêté (voy. *Le Soir*, 6 juillet 1961, p. 3).

(71) Voy. art. 73 de la loi du 30 décembre 1867 portant révision du titre V du livre I^{er} du Code de commerce, modifié par l'arrêté royal n° 84 du 30 janvier 1935.

(72) Voy. *supra*, n° 17.

(73) C'est là une dérogation à la règle que nous avons dégagée *supra*, n° 24, litt. C.

(74) Voy. modèle n° 802, annexe G du commentaire administratif, *Moniteur*, 19 août 1961, p. 6560.

(75) Il s'agit des revenus que nous avons passés en revue au chapitre II, n° 7 à 13.

(76) Commentaire administratif, n° 17, 1^{er}, *Moniteur*, 19 août 1961, p. 6547.

B. En outre, qu'il s'agisse ou non de revenus de titres déposés à découvert :

1) si le bénéficiaire est établi en Belgique (77) : établir ou compléter les documents nécessaires pour que le précompte ne soit pas perçu (78) et les transmettre à l'Administration avant le 15 mars de chaque année, accompagnés éventuellement d'un relevé récapitulatif (art. 2, § 2, 4^o, litt. c, et 5^o, litt. a, et art. 7) ;

2) si le bénéficiaire est une personne physique ou morale établie à l'étranger (79) : établir ou compléter les documents nécessaires pour que le précompte ne soit pas perçu et les conserver à l'appui du registre pendant quatre ans (art. 8 et 9, *in fine*).

28. — Cas de paiement des revenus après prélèvement du précompte. — Lorsqu'il paye (79bis) des revenus soumis au précompte sans que les formalités requises pour y échapper soient accomplies, le redevable doit :

A. Retenir le précompte (art. 3, § 2). — Le montant à retenir « est calculé, au taux uniforme de 10 %, sur le montant, en francs belges, des revenus encaissés ou recueillis (80), sous déduction de la taxe mobilière due à la source en ce qui concerne les revenus de valeurs mobilières étrangères, mais avant déduction de tous frais éventuels » (art. 4, § 1^{er}).

La base de calcul de la retenue est donc :

- a) pour les revenus d'origine belge : le montant pour lequel le coupon est payable;
- b) pour les revenus d'origine étrangère : le montant qui sert de base au calcul de la taxe mobilière, diminué de ladite taxe (12 %) ou, en cas d'exonération, le montant payable en Belgique (81).

B. Verser l'impôt retenu au receveur des contributions de son ressort dans les quinze jours qui suivent l'expiration du mois pendant lequel les revenus imposables ont été encaissés ou recueillis. — Lors de chaque versement, le redevable de l'impôt remet une déclaration mentionnant le montant des revenus soumis à la retenue de l'impôt complémentaire personnel et celui de la retenue. Dans cette déclaration, le redevable certifie que la somme versée correspond au montant total des retenues effectuées pendant le mois écoulé (art. 4, § 2) (82).

C. Délivrer au bénéficiaire des revenus une pièce justificative de la retenue (art. 5, § 1^{er}). — Cette pièce justificative doit porter

(77) Cf. *supra*, n° 16 à 19.

(78) Fiche individuelle ou affirmation de propriété avec autorisation de révéler l'existence du dépôt (voy. *supra*, n° 16 et 17).

(79) Cf. *supra*, n° 20 à 22.

(79bis) Le redevable doit, à notre avis, prélever le précompte à l'occasion de toute opération permettant au propriétaire des titres d'encaisser ou de recueillir les revenus de ceux-ci : peu importe que le redevable paye les revenus parce qu'il en est débiteur, ou parce qu'il a été chargé d'assurer le service financier du débiteur, ou parce qu'il a acheté les coupons, après ou avant l'échéance, au propriétaire des titres (cf., en matière de taxe mobilière, art. 23 des lois coordonnées). La vente de coupons, échus ou non échus, à une personne non assujettie à l'impôt complémentaire personnel ne permet donc d'échapper le précompte que si l'acquéreur ne doit pas lui-même prélever celui-ci sur le prix de vente en vertu de l'art. 3, § 1^{er}, de l'arrêté royal (cf. Brutsaert, *op. cit.*, pp. 18 et 19).

(80) « Le revenu imposable est fixé en dizaines de francs, par bénéficiaire et par opération, la dernière fraction de moins de 10 francs étant négligée » (art. 4, § 1^{er}, al. 2).

(81) Commentaire administratif, n° 13, *Moniteur*, 19 août 1961, p. 5645.

(82) Un modèle de cette déclaration mensuelle figure en annexe du commentaire administratif : modèle n° 803, annexe E, *Moniteur*, 19 août 1961, p. 6556.

(65) Sur les cas dans lesquels les intermédiaires sont redevables de la taxe mobilière, voy. art. 20, § 1^{er} et 23 des lois coordonnées, et Schreuder, *op. cit.*, n° 52, litt. B. — Cf. toutefois *supra*, n° 12.

(66) Voy. *supra*, n° 16.

(67) Voy. *infra*, n° 28, litt. C.

(68) Commentaire administratif, n° 12, 3^o, *Moniteur*, 19 août 1961, p. 6545.

(69) Le cas est prévu par le commentaire administratif, n° 16, 6^o, 4, *Moniteur*, 19 août 1961, p. 6546.

(70) Si les milieux intéressés ne paraissent pas s'être émus de ce danger, c'est, pensons-nous, parce

les mêmes mentions que celles qui doivent être inscrites au registre lors de chaque opération donnant lieu à la perception du précompte (numéro d'ordre du registre, montant des revenus, montant du précompte: voy. supra, n° 28) et en outre:

- 1° l'identité et l'adresse complète du bénéficiaire des revenus;
- 2° la date d'engagement ou de recouvrement des revenus;
- 3° la dénomination et l'adresse complète de la personne qui délivre la pièce justificative (art. 5, § 2) (83).

Les pièces justificatives ainsi établies sont destinées à permettre au bénéficiaire des revenus, s'il le désire, d'obtenir l'imputation ou la restitution du précompte (voy. *infra*, n° 31).

29. — Sanctions. — Ni la loi du 14 février 1961, ni l'arrêté du 14 juillet 1961 ne prévoient de sanction pour le cas où un redevable ne s'acquitterait pas de ses obligations.

Les sanctions applicables doivent dès lors être recherchées dans les lois coordonnées relatives aux impôts sur les revenus, dans le Code pénal et dans les principes de la responsabilité civile.

Sans avoir la prétention d'être complet, nous indiquons ci-après les principales sanctions auxquelles les redevables s'exposeraient en négligeant de s'acquitter de leurs obligations.

A. *Lois coordonnées relatives aux impôts sur les revenus.* — En cas d'absence de déclaration ou de déclaration incomplète ou inexacte, le redevable du précompte peut être tenu d'office, mais la preuve du chiffre de ses revenus incombe, à notre avis, à l'Administration (84) et il n'y a pas lieu à triplement d'impôt (85). Toutefois, si l'absence de déclaration ou la déclaration incomplète ou inexacte est dictée par « l'intention d'échapper à l'impôt », les peines correctionnelles prévues par l'article 77, § 3, des lois coordonnées seront, semble-t-il, applicables, eu égard à la généralité des termes de cette disposition.

A défaut de paiement dans les délais prévus par l'arrêté royal, les sommes dues à titre de précompte font l'objet de rôles spéciaux (art. 51 des lois coordonnées), et les intérêts moratoires sont dus, en l'absence de texte spécial (86), au taux ordinaire en matière civile (4, 5 % par an).

B. *Code pénal.* — Le redevable qui conserverait frauduleusement par devers lui les sommes retenues à la source commettrait évidemment un détournement pénalement punissable (art. 491 du Code pénal).

Le faux écriture et l'usage de faux communiés dans l'intention d'échapper au précompte ou d'y faire échapper un tiers est punissable conformément au livre II, titre III, chapitre IV, du Code pénal (art. 77, § 4, des lois coordonnées).

C. *Responsabilité civile.* — Au cas où les redevables du précompte refuseraient de délivrer aux bénéficiaires des revenus les pièces justificatives de la retenue, ils seraient responsables, conformément au droit commun, du préjudice qui en résulterait pour ceux-ci.

(83) Voy. modèle n° 800, annexe B du commentaire administratif, *Moniteur*, 19 août 1961, p. 6549.

(84) Le renversement du fardeau de la preuve prévu par l'art. 56 des lois coordonnées ne s'applique en effet qu'aux déclarations prévues par les art. 53 et 54 des lois coordonnées.

(85) Le champ d'application de l'art. 57 est en effet le même, à notre avis, que celui de l'art. 56 des lois coordonnées.

(86) L'art. 59, § 2, n'est en effet applicable qu'aux impôts payables dans les délais fixés par le paragraphe 1^{er} de cet article.

CHAPITRE V. Imputation et restitution du précompte.

30. — Cas dans lesquels il y a lieu à imputation ou à restitution. — A. Le bénéficiaire des revenus peut obtenir la *restitution intégrale* de l'impôt complémentaire personnel perçu par voie de retenue:

1° S'il n'est pas assujéti à l'impôt complémentaire personnel, c'est-à-dire s'il est:

— une personne physique habitant à l'étranger;

— une personne morale belge;

— une personne morale étrangère, même s'il s'agit d'une société « holding » (87).

2° Si, étant assujéti à l'impôt complémentaire personnel, il n'en est pas redevable en raison du caractère peu élevé de ses revenus (88).

B. Lorsque le bénéficiaire des revenus ayant subi le précompte est imposable à l'impôt complémentaire personnel, il peut obtenir que le montant des sommes retenues à la source soit *imputé* sur sa cotisation à l'impôt complémentaire personnel et que l'excédent éventuel lui soit *restitué*.

Un tel excédent se présentera lorsque l'impôt complémentaire personnel dû par le bénéficiaire sur l'ensemble de ses revenus imposables n'atteindra pas 10 % (89). C'est le cas, actuellement, pour les redevables n'ayant pas de charges de famille, lorsque leur revenu total taxable à l'impôt complémentaire personnel n'excède pas 327.000 francs (90).

C. La restitution de l'impôt complémentaire personnel perçu par voie de retenue est effectuée de préférence par affectation des sommes indûment prélevées à l'apurement d'autres cotisations dont le bénéficiaire des revenus est redevable (art. 6, § 1^{er}). Ce n'est qu'à défaut de semblables cotisations que la restitution se fait en espèces.

31. — Moyens d'obtenir l'imputation et la restitution du précompte. — L'article 6 de l'arrêté royal prévoit deux moyens d'obtenir l'imputation et la restitution du précompte.

A. *Production des pièces justificatives à l'appui de la déclaration aux impôts sur les revenus.* — « Lorsque le bénéficiaire des revenus souscrit, pour un exercice d'imposition déterminé, une déclaration aux impôts sur les revenus (91), appuyée des pièces justificatives prévues à l'article 5 (92) concernant les revenus imposables de cet exercice, le montant de l'impôt complémentaire personnel perçu par voie de retenue est imputé sur sa cotisation audit impôt; l'excédent éventuel ou à défaut de cotisation à l'impôt complémentaire personnel, ledit montant perçu par voie de retenue, est affecté à l'apurement d'autres cotisations dont il est redevable ou, à défaut de semblables cotisations, est restitué d'office dans les cinq ans à partir du 1^{er} janvier de l'exercice auquel appartient l'impôt complémentaire personnel perçu par voie de retenue » (art. 6, § 1^{er}).

Le commentaire administratif ajoute qu'en ce cas, l'affectation à l'apurement d'autres cotisations ou la restitution « ne sera effec-

(87) Cf. *supra*, n° 21.

(88) Sur le minimum imposable à l'impôt complémentaire personnel, voy. art. 45 des lois coordonnées.

(89) Cf. rapport de la commission du Sénat sur l'art. 130 du projet de la loi du 14 février 1961, *Doc. parl.*, Sénat, 1960-1961, n° 104, p. 25.

(90) Ce chiffre résulte de l'application des taux indiqués à l'art. 46 des lois coordonnées. Cf. Brutsaert, *op. cit.*, p. 8.

(91) Il ne s'agit pas nécessairement d'une déclaration à l'impôt complémentaire personnel: le texte de l'art. 6, § 1^{er}, vise toute déclaration annuelle aux impôts sur les revenus, et notamment les déclarations à la taxe professionnelle des personnes morales.

(92) Sur ces pièces justificatives, voy. *supra*, n° 28, litt. C.

tuée qu'après vérification de la déclaration aux impôts sur les revenus du contribuable intéressé » (93).

Cette règle ne vaut, à notre avis, que pour les bénéficiaires des revenus qui souscrivent une déclaration à l'impôt complémentaire personnel; la détermination du montant de l'impôt complémentaire personnel qui a été indûment perçu dépend en effet, en ce cas, de la vérification de la déclaration.

Mais pour les bénéficiaires de revenus, telles les personnes morales belges, qui ne sont pas assujéti à l'impôt complémentaire personnel, et produisent les pièces justificatives à l'appui de leur déclaration à la taxe professionnelle, l'Administration ne pourrait, à notre avis, subordonner la restitution à la vérification de cette déclaration. Sans doute l'arrêté royal permet-il d'affecter le précompte indûment prélevé à l'apurement d'autres cotisations dont le bénéficiaire des revenus est redevable, mais il s'agit là d'une application du principe de la compensation légale, qui ne peut être invoqué par l'Etat dans le cas où la créance du redevable est liquide et exigible et où sa dette vis-à-vis du Trésor ne l'est pas.

B. *Demande écrite appuyée des pièces justificatives.* — La restitution doit également être accordée, dans les cinq ans à partir du 1^{er} janvier de l'exercice auquel se rattache l'impôt complémentaire personnel perçu par voie de retenue, sur demande écrite du bénéficiaire appuyée des pièces justificatives, lorsque ledit bénéficiaire:

- 1) n'est pas tenu de souscrire une déclaration aux impôts sur les revenus,
 - soit qu'il ne soit pas assujéti à l'impôt complémentaire personnel (94);
 - soit qu'il soit dispensé de renouveler sa déclaration annuelle en raison de la modicité de son revenu global (art. 53, § 2, des lois coordonnées);
 - soit que son revenu global d'un exercice ait été retenu forfaitairement pour la détermination de la base imposable des deux exercices suivants (art. 53, § 4, des lois coordonnées);

2) ou n'a pas souscrit une déclaration aux impôts sur les revenus, alors qu'il était tenu de le faire;

3) ou encore s'est abstenu de produire, à l'appui de la déclaration qu'il a souscrite, les pièces justificatives prévues à l'article 5 (voy. art. 6, § 2).

A notre avis, les bénéficiaires de revenus soumis au précompte qui ne sont pas assujéti à l'impôt complémentaire personnel, mais doivent souscrire une déclaration à la taxe professionnelle, peuvent demander la restitution du précompte de la manière prévue à l'article 6, § 2 à tout moment, sans attendre la date à laquelle ils déclarent leurs revenus (95).

La demande de restitution doit être adressée:

- a) au contrôleur des contributions du ressort du bénéficiaire des revenus, si celui-ci est une personne physique habitant en Belgique ou une personne morale belge;
- b) au Ministère belge des Finances, administration des contributions directes, « lorsque le bénéficiaire des revenus est une personne physique habitant à l'étranger, ou une personne morale étrangère ou un groupement sans personnalité juridique ayant à l'étranger son siège de direction ou d'administration » (art. 6, § 2).

(93) Commentaire administratif, n° 21, *Moniteur*, 19 août 1961, p. 6548.

(94) Voy. les cas visés *supra*, n° 30, litt. A, 1^{er}.

(95) Le texte vise, de manière générale, les cas où « le bénéficiaire des revenus n'a pas souscrit ou n'est pas tenu de souscrire une déclaration aux impôts sur les revenus »: celui qui, tenu de souscrire une déclaration annuelle, ne l'a pas encore souscrite parce que l'exercice n'est pas encore clos, nous paraît répondre à ces conditions.

Sur le droit à restitution des groupements sans personnalité juridique ayant leur siège de direction ou d'administration à l'étranger, voy. *supra*, n° 22.

32. — Absence d'intérêts de retard sur les sommes à restituer. — En vertu de l'article 74, alinéa 6, des lois coordonnées relatives aux impôts sur les revenus, « aucun intérêt n'est alloué en cas de restitution d'impôts dus à la source, autres que la taxe mobilière ». Ce texte est applicable, à notre avis, à la restitution du précompte.

33. — Contestations. — Si l'Administration refuse au bénéficiaire des revenus une restitution à laquelle ce dernier estime avoir droit, il pourra intenter devant le tribunal civil une action en répétition de l'indu. Il a, en effet, un droit civil à la restitution (96).

Cette action se prescrit par cinq ans à partir de l'ouverture de l'exercice auquel l'impôt complémentaire personnel litigieux se rattache (97).

CHAPITRE VI.

Influence du précompte sur la fraude fiscale.

34. — Exercice à venir. — Le taux de l'impôt complémentaire personnel, progressif par tranches, atteint 10 % pour la tranche de 150.000 à 200.000 francs (sauf réduction pour charges de famille) (98).

Par conséquent, le bénéficiaire de revenus soumis au précompte a intérêt à les faire figurer dans sa déclaration à l'impôt complémentaire personnel dans la mesure où la déclaration de ces revenus ne porte pas sur un revenu global imposable au-delà de 200.000 francs; jusqu'à ce seuil, la fraude est devenue désavantageuse pour les revenus mobiliers soumis au précompte.

En revanche, la fraude fiscale reste mal-

(96) Voy. résumé de l'avis du Conseil d'Etat, publié dans *Le Soir* du 11 juillet 1961.

(97) Ce délai de prescription ne résulte pas tant de l'art. 6 de l'arrêté royal, qui vise le délai dans lequel le précompte doit être restitué, que de l'article 34 de la loi sur la comptabilité de l'Etat.

(98) Voy. art. 46 et 49bis des lois coordonnées.

heureusement payante pour les revenus de titres qui portent le revenu global du contribuable au-delà de 200.000 francs (99).

35. — Exercices passés. — Les contribuables qui n'ont déclaré, lors des exercices antérieurs à l'exercice fiscal 1962, qu'un revenu global inférieur à 200.000 francs, seront tentés, si leur revenu réel est égal ou supérieur à cette somme, d'inclure dans leurs déclarations futures des revenus de titres qu'ils avaient antérieurement passés sous silence, de façon à porter leur revenu déclaré à 200.000 francs.

Mais cette augmentation de leurs revenus mobiliers, qui risque de faire apparaître à l'Administration la dissimulation dont les intéressés se sont rendus coupables au cours des années antérieures, ne les exposera-t-elle pas, en conséquence, à des rappels de droits et à des triplements d'impôt ?

Suivant le commentaire administratif, « il a été décidé que les renseignements obtenus à la faveur du précompte ne pourront être utilisés pour justifier le rappel de droits d'exercices antérieurs. Ces renseignements ne seront donc pas invoqués par les services de taxation pour contester le montant des revenus mobiliers antérieurs déclarés à l'impôt complémentaire personnel: ils ne seront pas retrus non plus au titre de signes ou indices révélant un revenu supérieur à celui qui a été soumis précédemment à la taxe professionnelle » (100).

Au cours des travaux préparatoires de la loi du 14 février 1961, le Ministre des Finances avait pris l'engagement de donner des instructions en ce sens à son administration (101). Il n'en reste pas moins que, comme l'a fait observer un sénateur, c'est dans la loi qu'aurait dû être inscrite cette exemption d'impôt que constitue une renonciation au rappel de droits (102).

John KIRKPATRICK.

(99) Cf. Brutsaert, *op. cit.*, pp. 7 et 10 à 12.

(100) Commentaire administratif, n° 25, *Moniteur*, 19 août 1961, p. 6548.

(101) Voy. rapport de la commission du Sénat, *Doc. parl.*, Sénat, 1960-1961, n° 104, p. 23.

(102) Voy. même rapport, *Doc. parl.*, Sénat, 1960-1961, n° 104, p. 27.

Attendu que, le législateur n'ayant pas défini « l'état d'ivresse », il échet de donner à cette expression sa signification usuelle; que, dans le langage courant, une personne ivre est celle qui se trouve sous l'influence de la boisson dans une telle mesure, qu'elle n'a plus le contrôle permanent de ses actes, sans qu'elle ait nécessairement perdu la conscience de ceux-ci;

Attendu que, par la seule adoption des considérations précitées du premier juge, le jugement attaqué ne constate pas que le demandeur se trouvait en pareil état et, partant, ne justifie pas légalement la condamnation sur base de l'article 2-4 de la loi du 1^{er} août 1899, modifiée par l'article 3 de la loi du 15 avril 1958, applicable au fait datant du 4 août 1959;

Cass. (2^e ch. plén.),
8 février 1961.

Prés. : M. GIROUL, prés.

Rapp. : M. LOUVEAUX, cons.

Min. publ. : M. DEPELCHIN, av. gén.

(Mehaignoul Jules et S. A. La Zurich, p.c., c. Lixon Alfred, pr.)

INSTRUCTION CRIMINELLE. — ACTION CIVILE. — Fondement. — Fait délictueux et préjudice. — Conséquence de ce fait délictueux constituant un délit de coups et blessures et une infraction au Code de la route. — Action civile tendant à la réparation du préjudice causé tant aux personnes qu'aux biens. — Prescription.

Si, pour servir de base à l'action civile devant les tribunaux répressifs, il faut nécessairement un fait délictueux, objet de la poursuite, et que le préjudice dont la réparation est demandée soit la conséquence de ce fait délictueux.

Les articles 3 et 4 de la loi du 17 avril 1878 ne requièrent ni que le dommage dont la réparation est demandée ait été causé par chacun des éléments de l'infraction ni que l'existence de ce dommage soit l'un des éléments de l'infraction.

Lorsqu'un même fait délictueux constitue à la fois un délit de coups ou blessures involontaires et une infraction au Code de la route, une action civile, née de ce fait délictueux et tendant à la réparation du préjudice causé tant aux personnes qu'aux biens, peut, devant le juge répressif, être légalement fondée indifféremment sur l'une ou l'autre de ces infractions ou concurremment sur les deux infractions dès lors que le juge en est légalement saisi.

D'autre part, il ne se conçoit pas qu'un fait culpeux unique générateur de dommages à la fois aux personnes et aux biens, engendre deux actions civiles totalement différentes soumises à des prescriptions différentes.

Dans ce cas, c'est la prescription la plus longue au point de vue répressif qui doit régir le sort de l'action civile.

Vu l'ordonnance rendue par M. le premier président ff., le 18 janvier 1961, décidant que la cause sera traitée en audience plénière;

Vu l'arrêt attaqué, rendu le 27 mai 1960 par la Cour d'appel de Liège;

Sur le moyen pris de la violation des articles 3, 4, 21, 22, 23, 25, 26 et 28 de la loi du 17 avril 1878 contenant le titre préliminaire du Code de procédure pénale, des articles 1^{er} et 2 de la loi du 30 mars 1891 qui la modifie, 25, 28, 38, 65, 85 et 100 du Code pénal, 2 et 7 de la loi du 1^{er} août 1899 sur la police du roulage, 16 de l'arrêté royal du 8 avril 1954 (modifié par l'article 1^{er} de l'arrêté royal du 15 juin 1954) portant règlement général

JURISPRUDENCE

Cass. (2^e ch.), 20 février 1961.

Prés. : M. BAYOT, prés. ff.

Rapp. : M. NAULAERTS, cons.

Min. publ. : M. Paul MAHAUX, av. gén.

(De Corte Mauritius, pr., c. De Loocke André, p.c.)

ROULAGE. — Conduite d'un véhicule. — ETAT D'IVRESSE. — Notion. — Perte du contrôle permanent de ses actes.

Le législateur n'ayant pas défini « l'état d'ivresse » il échet de donner à cette expression sa signification usuelle dans le langage courant : une personne ivre est celle qui se trouve sous l'influence de la boisson, dans une telle mesure qu'elle n'a plus le contrôle permanent de ses actes sans qu'elle ait nécessairement perdu la conscience de ceux-ci.

N'est pas légalement motivé le jugement qui ne constate pas que le demandeur se trouvait en pareil état et, partant, ne justifie pas légalement la condamnation sur base de l'article 2, 4^e, de la loi du 1^{er} août 1899, modifiée par l'article 3 de la loi du 15 avril 1958 applicable aux faits datant du 4 août 1959.

Vu le jugement attaqué, rendu le 22 septembre 1960 par le tribunal correctionnel de Gand, statuant en degré d'appel;

I. — En tant que le pourvoi est dirigé contre la décision sur l'action publique :

Sur le moyen pris d'office de la violation de l'article 2-4 de la loi du 1^{er} août 1899, modifiée par l'article 3 de la loi du 15 avril 1958,

en ce que les motifs du jugement ne justifient pas le dispositif :

Attendu que le jugement attaqué condamne le demandeur à une amende pour avoir, en état d'ivresse, conduit un véhicule ou une monture dans un lieu public, et le déclare en même temps déchu pendant un délai d'un mois du droit de conduire un véhicule, un aéronef ou une monture;

Attendu que le jugement se borne à adopter les motifs du premier juge et à déclarer que le fait mis à charge du demandeur est demeuré établi;

Attendu que le premier juge avait fondé son dispositif sur les considérations que « si le prévenu ne se trouvait pas dans un état d'ivresse manifeste, il était néanmoins sous l'influence de la boisson, de sorte que, lors de l'arrivée de l'auto, il n'eut pas le réflexe, qui s'imposait, de se porter autant que possible à droite pour éviter ainsi l'auto » et que si le prévenu ne donnait pas à cet instant l'impression d'être ivre, il doit cependant être admis qu'il avait consommé plus d'alcool qu'il n'était admissible pour quelqu'un qui, en pleine nuit, devait effectuer un trajet en motocyclette;



Record Removal Notice

File Title Port and Waterway Project - Belgium - Loan 0107 - P037360 - Administration - Volume 1		Barcode No. 1535619		
Document Date November 16, 1961	Document Type Letter			
Correspondents / Participants To: Ministere des Finances From: A. Broches				
Subject / Title Tax in relation to Bank's loans				
Exception(s) Attorney-Client Privilege				
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Withdrawn by Vlada Alekankina	Date October 03, 2019			

Belgium Ln 107

Messrs. Broches, Clark and Nurick

November 2, 1961

Richard G. Bateson

Belgian Withholding Tax

At the last legal staff meeting it was decided that we should get up a list in the Bank's Belgian loans which the Belgians had indicated in a letter to us would be affected by the new Belgian Withholding Tax.

Attached are lists of participants in our Loans: No. 107, No. 165, No. 174 and No. 184 BE.

The list has been compiled by Mr. Deely who has indicated to me that for a couple of cases under 184 BE he has listed nominees of the Chase Bank since "the sale evidently was of Belgian origin."

RGB:ajt
Attachment

✓ X Belgium - Ln 165
✓ X Belgium - Ln 174
✓ X Belgium - Ln 184

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: October 10, 1961

TO: His Excellency Andre Dequae, Minister of Finance, Ministry of Finance,
Brussels, Belgium.

FROM: S. R. Cope

FILED UNDER: Belgium - Loan 174

SUMMARY: Re the progress of the canal projects included in our loans of 1954
and 1957.

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: September 23, 1961

TO: Mr. Lejeune

FROM: S. R. Cope - Vienna - Annual Meeting

FILED UNDER: Australia - Snowy Mountains project.

SUMMARY: BELGIUM.

Mr. Decuse undertook to give us a statement on the reasons for delays on the canal projects. We are to give him a note on the points to be covered.

Central files

m 107
(p-2)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL MONETARY FUND

BOARDS OF GOVERNORS 1961 ANNUAL MEETINGS VIENNA AUSTRIA

Address replies to:
INTERMEET
19TH AND H STREETS, N.W.
WASHINGTON 25, D.C.

CABLE ADDRESS
INTERMEET

Memorandum to Files

September 23, 1961

From: J. H. Williams
Subject: Annual Meeting - Belgium /hw.

The Congo Loans

The Belgians agreed without qualification that there should be no resumption of disbursements until conditions in the Congo were more settled and until the Bank had reviewed any changes necessary in the projects for which the loans had originally been made.

Congo Assets Study

Mr. Black said that he did not believe that any serious progress could be made until there was a recognized government in the Congo which controlled Katanga and other areas in dispute. He favored doing nothing at all for the time being. Mr. Dequae said that the government welcomed the proposal for a fact-finding study and thought it would be useful for the Bank to start an informal and strictly private examination of what could be found out in Brussels so that as soon as conditions favored a formal study, the foundations for it would have been laid. Mr. Ansiaux and Mr. Strycker felt that the principal problem was to define the questions to be examined. At some point, the Belgians would have to agree with the Congolese on the scope of the study as a whole. The Belgians knew perfectly well what subjects they themselves would wish to see examined, notably the Congo debt, but they did not know what terms of reference any future Congo Government would wish to see. The Belgians had begun to study what would be involved in a fact-finding study and would write to the Bank when they felt ready to receive an informal mission to Brussels. Sir William Iliff felt that it would, on balance, be useful to explore confidentially what information was available in Brussels but everyone agreed that it was very important that the Congolese should not be given any cause for thinking that the Bank and the Belgians were getting together before listening to the Congolese case.

IDA Membership

Mr. Dequae and Mr. Ansiaux argued forcefully that there was very little point in taking the issue of IDA membership to the Council of Ministers unless a lower quota could be negotiated. The Government had already tried twice and failed. Mr. Black said that he appreciated that the Belgians had very strong arguments on their side, but that it was quite unrealistic to expect that the Board would be prepared to reduce the Belgian quota. He said that Belgium could always offer to make a special contribution of a smaller amount, without of course having any voting rights. Mr. Black was not surprised at the lack of enthusiasm for that suggestion. Mr. Dequae outlined the government's present plans to consolidate the considerable external short-term debt. The government was planning a \$ 25 million bond issue and \$ 25 million placement of notes through Morgan Stanley and had to organize public issues on placements in The Netherlands, Germany and France by the end of the year. The Government hoped to reduce the floating debt from about BF 25 billion to less than BF 7 billion in 1961 and to limit long-term borrowing to about BF 13 billion compared to BF 27 billion in 1960. The potential burden of the Belgian guaranteed Congo debt was a major preoccupation. He had roughly estimated that it could amount to well in excess of BF 1 billion over the next ten years.

✓ Canal Loans

Mr. Cope explained that we would feel obliged to acquaint the Board at some point that the progress on two of the canal projects was seriously behind the timetable originally agreed and we would therefore welcome an explanation from the Belgian Government that could, if necessary, be given to the Board. He offered to give them a short note.

Belgium

Mr. Andre Dequae
Mr. Hubert Ansiaux
Mr. Cecil de Strycker
Mr. Andre van Campenhout

Bank

Mr. E.R. Black
Sir William Iliff
Mr. L. Rist
Mr. S. R. Cope
Mr. J. H. Williams

Mr. Michael L. Lejeune

July 7, 1961

Joseph Fajans *JF.*

Belgian Canals (Loans 107 and 174)

*Attachments Piled 174-BE
with original memo.*

1. You will recall Mr. Cope's intention of last fall to bring to the attention of the Executive Directors the delay in the completion of two of the Belgian canal projects, on which Mr. Lowdon reported last November after an end-use visit. I attach two notes exchanged in early January between you, Mr. Cope and myself.

2. As you probably know, Mr. Lowdon, who was to write the Inland Waterways Administration in Brussels about his findings and subsequently make a statement to the Board, was absent from the Bank for a long time earlier this year for reasons of health.

3. I called him today and learned that he would be going on home leave tomorrow and would not be back before September. We discussed the matter and agreed that there would be a good reason for making another inspection of the progress of work on the two canals on the occasion of a possible field assignment in the Middle East later this year. The findings could then be communicated to, and discussed with, the Ministry of Public Works in Brussels and the Executive Directors could be advised of the status of the projects, if we decided that such action were necessary.

JFajans:mc

Cleared with and copy to Mr. Lowdon

Belgen - m 107

Mr. J. W. Lowdon

January 12, 1961

Joseph Fajans *JF*

Belgian Canals

1. As I mentioned yesterday, Mr. Cope has agreed that we do not, for the time being, inform the Executive Directors of the delay in the carrying out of the Ghent and Charleroi Canals. We should, however, write to Brussels and advise the Ministry of Public Works of the findings and conclusions of your mission.
2. We shall revert to the matter in a few weeks and, possibly in the light of the Belgian reply, decide how best to bring to the attention of the Board the status of the two projects.

JFajans:re

cc.: Messrs. Cope, Lejeune, Bateson

Copy of a handwritten letter to Mr. van Helden from Mr. Lowdon, San Francisco, California, dated November 30, 1960.

Belgen - In 107
VA

November 30th, 1960

Dear Hank,

Belgian Canals Loans

Some days ago, Mr. Fajans told me that after reading my back-to-office report, Mr. Cope was considering the advisability of reporting to the Board that completion of the Ghent Ring Canal (8.J Section) would be much later than contemplated, also that completion of the second loan project would be delayed. Mr. Cope had discussed the matter with Mr. Aldewereld.

Just before I left yesterday, Mr. Fajans came to see me and discussed the projects. I told him of what I had seen and of our feeling that work on the Ghent Ring Canal and on the Loan 174 project might have been programed so as to give an earlier return on the capital invested.

Thinking over the matter en route here, it seemed to me that while there might be no great harm in simply advising the Board of the delays, it would be inadvisable to enter into anything implying criticism of the Inland Waterways Administration, either in respect of the delays or of unsystematic programing, until T. O. D. had officially called the attention of the Administration to the matters involved.

As far as I know this was not done during the disbursement of the loans, and I feel that the Administration might object, perhaps with some justification, should criticism now be made at a higher level. As you will appreciate, during my recent visit, while the Administration officials may have understood our feelings from the nature of my questions, the latter mainly took the form of enquiries as to fact, and I voiced no direct criticism.

I think Area are still turning the matter over in their minds, and may finally decide to drop the subject. However, I think you may like to have my views in case the matter comes to a head while I am away.

With best wishes,

Yours sincerely,

(Signed) J. W. Lowdon

JWLowdon mcw
December 2, 1960

Copy in Belgen - In 174

cc: Mr. Aldemirell
Mr. Fajans (2)

HOTEL

Mark Hopkins

NOB HILL · SAN FRANCISCO

November 30th 1960

Dear Hank,

Belgian Canals Loans.

Some days ago, Mr. Fajans told me that after reading my bank's office report, Mr. Cope was considering the advisability of reporting to the Board that completion of the Ghent Ring Canal (S. V. Section) would be much later than contemplated, also that completion of the second loan project would be delayed. Mr. Cope had discussed the matter with Mr. Aldemirell.

Just before I left yesterday, Mr. Fajans came to see me and discussed the projects. I told him of what I had seen and of our feeling that work on the Ghent Ring Canal as a the loan 174 project might have been programmed so as to give a earlier return - the capital invested.

Thinking over the matter en route here, it seemed to me that while there might be no great harm in simply advising the Board of the delays, it would be inadvisable to enter into anything implying criticism of the Inland Waterways Administration, either in respect of the delays or of unsystematic programming, with J. O. D. had ^{finally} called the attention of the Administration to the matters involved.

As far as I know this was not done during
the discussion of the loans, and I feel that the
Administration ought to be held, perhaps with some justification,
should criticism can be made at a higher
level. As you will appreciate, during my recent
visit, while the Administration officials ^{may} have
and feelings for the nature of my questions, the
latter nearly into the form of inquiries as to
fact, and I would not direct criticism.

I still have me still having the matter
over in their minds, and my faculty desire
to drop the subject. However I still you
like to have my views in case the matter
comes to a head while I am away.

With best wishes

Yours sincerely

Glavin.

End-Use Inspection
October 1960.

Belgium - In 107

OFFICE MEMORANDUM

TO: Files

DATE: November 30, 1960

FROM: J. W. Lowdon *MA*

SUBJECT: Belgian Waterway and Port Projects: Loan 107-BE ✓
Belgian Canals Project : Loan 174-BE
End-Use Inspection, October 27 and 28, 1960.

Report

Summary

- (i) It was now expected that Project B, Ghent Ring Canal (Southern and Western Sections) the only remaining item of Loan 107, would be completed in 1965. This compares with a date of 1962 given in the revised project description.
- (ii) About one-third of the Charleroi-Seneffe section of the Loan 174 project was complete and in service. The whole section was expected to be completed towards the end of 1961 as compared with the original forecast of the end of 1960. However, in one part of the section serious slips had occurred which may cause further delay.
- (iii) Completion of the Seneffe-Clabecq section of the Loan 174 project was forecast for 1964 as compared with 1962 as envisaged in the project description. The Technical Committee set up to study the problem of overcoming the difference in level at Ronquieres had decided in favor of an "inclined plane". It was hoped to invite tenders for this in March 1961.
- (iv) In the case of the Ghent Ring Canal and the Charleroi-Clabecq Canal improvements, the construction program did not appear to have been planned with a view to obtaining an early return on invested capital. Had this been done more return might already be accruing from these projects than is the case.

Recommendations

That progress reports should in future be made at six-monthly intervals instead of quarterly, the reports to cover the Loan 174 project and the Ghent Ring Canal (paragraph 12).

List of Appendices:

- Appendix 1. Charleroi-Clabecq Canal - Status of Contracts, October 1960.

Copy in Belgium. In 174.

ReportGeneral

1. The inspection was brief. Visits were paid to the Ghent Ring Canal, Northern and Southwestern Sections, and to the Charleroi-Seneffe-Clabecq Canal. The projects were discussed with the following officials of the inland Waterways Administration of the Department of Public Works:

Mr. Sportmans	- Engineer in Chief.
Mr. Vandervelden	- Chief Engineer of the area which includes the Ghent Ring Canal.
Mr. Raepers	- Chief Engineer of the area which includes the Charleroi-Brussels Canal.
Mr. Rooryk	- District Engineer in charge of the Charleroi-Clabecq works.

Belgian Waterways and Port Projects Loan 107-BEBackground

2. Loan 107 was signed December 14, 1954, the amount being US\$20,000,000. It was fully disbursed in 1957. Amortization begins in 1965. The project originally comprised five items: (A) the Baudouin Lock at Antwerp; (B) the Ghent Ring Canal, Southern and Western Sections; (C) a new section of the Nimy-Blato-Peronnes Canal; (D) improvements to the Charleroi-Seneffe section of the Charleroi-Brussels canal; and (E) a dam and lock at Neuville-Sous-Huy on the Meuse.

3. Of the foregoing, (A), (C) and (E) are complete. Loan 174 provided further finance for (D), progress on which is described in paragraph 7 below. The position of item (B) was as follows.

4. In 1956 the Bank agreed to a request of the Borrower that construction effort should be concentrated on the Northern section of the Ring Canal, a work not forming part of the Loan project. At the same time the Loan project description was revised to show completion of item (B) in 1962 instead of 1958. Since 1958 work has proceeded fairly steadily on the Northern section but only to a limited extent on item (B).

5. At the time of the inspection progress on the Ghent Ring Canal was as follows.

In the Northern section, four of the five bridges were complete and one under construction. The one lock in the section was under construction and about one-third complete. Excavation for the canal itself was in progress. All contracts had been awarded. Completion was forecast for 1963.

In item (B), Southern and Western sections, 13 of the 25 bridges were complete, together with some canal excavation and revetment, but the one lock had not been started. Work was in progress only on minor items of the project. It was forecast that work would be completed two years after the Northern section, i.e., in 1965. This will be three years later than the already revised date of 1962 referred to in paragraph 4 above.

Belgian Canal Project - Loan 174-BEBackground

6. Loan 174 was signed September 10, 1957, the amount being US\$10,000,000. It was fully disbursed in February 1960. Amortization begins in 1963. The project comprised the outstanding improvement work on the Charleroi-Seneffe section of the Charleroi-Brussels canal, the improvement of which section had been one of the Loan 107 projects, and the improvement of the Seneffe-Clabecq section of the same canal. The Loan project description stated that "The Project is scheduled to be completed by the end of 1962".

Charleroi-Seneffe Section

7. As to the time of the inspection all the bridges in the section were complete. Two of the three locks were complete and in service, and the third was complete save for electrical work. The canal was complete and in service for about one-third of its length at the Charleroi end, excavation and revetment of the remainder being well advanced. All contracts had been awarded and completion towards the end of 1961 was expected. Appendix 1 gives the status of the various contracts.

8. In the central part of this section a number of slips had taken place in the sides of the new canal. On the east bank between Pont a' Celles and Passerelle de Fichaux, such a slip had carried away the road parallel to the canal, endangering the abutment of the Pont a' Celles bridge. It was proposed to deal with this by trimming back the slope and building a relieving span to the bridge. The latter was however still in use. New sheet piled revetment was being constructed on the west bank south of Pont a' Celles, to replace revetment carried away by similar slips.

South of Pont de Gouy les Pietons a slip about 150 feet long occurred some time ago. This was dealt with by removing surcharge, but in early October 1960 a more serious slip about 600 feet long occurred at the same place.

Geotechnical study of the problem involved in these slips was in progress at the time of the inspection. However it appeared that the geotechnical surveys and studies undertaken before the projects were put in hand may have been insufficiently extensive. The matter is a serious one, possibly involving delay in the completion of the project.

Seneffe-Clabecq Section

9. On this section, excavation, revetment and the construction of bridges was in progress over about one-third of the length, and excavation for the one lock was in progress. It was anticipated that all remaining contracts would be let during 1961 and that all work would be complete by 1964. Appendix 1 gives the status of the various contracts. The last item to be completed will be the aqueduct and "inclined plane" at Ronquieres.

10. The technical committee set up to study various proposals for overcoming the difference in level of 68 meters at Ronquieres decided in favor of an "inclined plane". Two individually counterbalanced barge tanks will be used, traveling on separate tracks and able to operate independently in either direction. The gradient will be 5% and the speed of travel 1.2 meters per second. Experiment had indicated that no surge problem existed providing adequate arrangements were made for acceleration and retardation. The estimated cost, including the approach aqueduct was US\$20,000,000 equivalent. Detailed designs were almost complete and tender documents were being prepared with a view to obtaining bids by March 31, 1961.

General Comment

11. As has been pointed out in the past, the conception that project execution should be programmed so that a return on capital invested can be obtained at the earliest possible date does not appear to have been given great weight in carrying out these works. Had one or other section of the Ghent Ring Canal been concentrated on from the beginning, substantial return might soon be accruing. As it is, no benefit at all will be obtained until 1963. In the case of the Charleroi-Clabecq canal, the benefit now being obtained from partial use might be much greater had construction been planned with a view to the improved canal being put into service section by section as work was completed.

Miscellaneous

Progress Reports

12. The Inland Waterways Administration has hitherto sent the Bank a quarterly progress report. Recently the report did not cover the Seneffe-Clabecq section of the Charleroi-Brussels canal, the officials of the Administration having formed the opinion that this was not part of the Loan project, neither did it cover the Ghent Ring Canal. Seeing that Bank loans are fully disbursed and in view of the slow progress of the projects, it is suggested that the reports might now be made on a six-monthly basis. However they should cover the Seneffe-Clabecq section and the Ring Canal.

13. Copies of the following were obtained and have been sent to files:

- (a) Canal de Charleroi a Bruxelles. Progress plan marked up to September 30, 1960.
- (b) Ronquieres Inclined Plane - Sections. Drg. K. 358E280
- (c) Ronquieres Inclined Plane Plan.

cc: Messrs. S. Aldewereld
P. J. Squire
J. Fajans (2)
H. J. van Helden

CHARLEROI-CLABECQ CANAL
Status of Contracts October 1960

A.- Travaux en cours d'exécution.

Désignation de l'entreprise.	Montant de la soumission	Montant des travaux exécutés.
① Liaison 2F-3F à Viesville (S.B.B.)	54 M.	52 M.
X ② Liaison Seneffe-Ronquières (1ère partie) LABOREMUS	83 M.	11 M.
X ③ Modernisation de l'embranchement principal 1ère partie - SATERCO	106 M.	12 M.
X ④ Liaison 5F - Clabecq (2ème partie) C.F.E.	81 M.	43 M.
X ⑤ Terrassements écluse 5F S.O.C.O.L.	84 M.	62 M.
X ⑥ Liaison 5F - Clabecq - 1ère partie. Section A - Voûtement de la Seneffe. C.F.E.	18 M.	1 M.
X ⑦ Ecluse 3F - S.O.G.E.T.R.A.	188 M.	170 M.
X ⑧ Liaison 3F - Luttre - S.O.G.E.T.R.A.-	64 M.	60 M.
X ⑨ Crête de partage - 2ème partie - Section B S.O.C.O.L.	382 M.	352 M.

B. Travaux à mettre prochainement en adjudication.

X ⑩ Liaison 5F - Ronquières - De Brock -	Estimation	220 M.
X ⑪ Ecluse 5F - Cotman -	"	180 M.
X ⑫ Liaison 5F - Clabecq 1ère partie - Section B	"	60 M.
X ⑬ (a) Pont-Canal (b) Hauts-Remblais (c) Plan incliné (électromécanique et génie civil)	"	1000 M.
14 (a) Bouchons Virginal (b) Bouchon Oisquercq et enlèvement de l'écluse	"	100 M.
15 2 bouchons versant Sambre	"	60 M.

End-Use Inspection
October 27 & 28, 1960.

OFFICE MEMORANDUM

TO: Files

DATE: November 3, 1960

FROM: J. W. Lowdon *JA*

SUBJECT: Belgian Ports and Waterways Project - Loan 107-BE ✓
Belgian Canal Project - Loan 174-BE ✓
End-Use Inspection, October 27 and 28, 1960.

1. Brief conversations were held with officials of the Inland Waterways Administration and visits were made to the work still in progress on the Loan projects.

Loan 107-BE (Fully Disbursed)

2. The projects covered by this loan have been completed with the exception of Project B, Ghent Ring Canal (Southern and Western Sections).

In 1956 the Bank agreed that construction effort should be concentrated on the Northern Section of this canal, a work not covered by the loan. At the same time the project description was amended to show a postponed completion of Project B by 1962. Since 1956 work on the latter has been carried on to only a limited extent.

At the time of the inspection, 13 of the 25 bridges in Project B were complete together with some canal excavation and revetment, but work on the main locks had not been begun. It was forecast that the project will be completed two years after the Northern Section, now expected to be finished in 1963, i.e. Project B will be completed in 1965, three years later than the date given in the revised project description.

Loan 174-BE (Fully Disbursed)

3. This loan covered the completion of the improvement of the Charleroi-Brussels canal between Charleroi and Seneffe and the improvement of the canal between Seneffe and Clabecque.

Charleroi-Seneffe Section

The improved canal was complete and in service over about one-third of its length, work on the remainder being well advanced. Completion, originally forecast for the end of 1960, was now expected towards the end of 1961. However on one section serious slips in the sides of the new cutting had occurred, the repair of which may occasion further delay.

Seneffe-Clabecque Section

Work was in progress over about one-third of the length of the section. Completion was forecast for 1964 as compared with 1962 as originally envisaged.

The technical committee appointed in 1957 to study the problem of overcoming a difference in level of 68 meters at Ronquieres had decided in favor of an "inclined place". Detailed designs were almost complete and it was hoped to invite tenders for the work in March 1961.

General

4. The standards of design and construction were high throughout. However, as has been pointed out in the past, a lack of systematic programming of construction was evident. Had such programming existed, a greater length of improved canal might now be in service, bringing a more appreciable return on the large sums already invested.

cc: Messrs. S. Aldewereld
P. J. Squire
H. J. van Helden
A. F. Geolot
J. Fajans

JWLowdon mcw

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: September 14, 1960

TO: M. le Directeur Leon Tresorerie et Dette Publique, Ministere des Finances,
30 Avenue des Arts, Bruxelles, Belgium.

FROM: H.J. van Helden

FILED UNDER: Belgium - Loan 174

SUMMARY: Advising that Mr. Lowden will be visiting Bank-financed projects in
Belgium - Loans 107 and 174 BE.

September 15, 1958

Ministere des Finances de Belgique
Trésorerie et Dette Publique
3^e Direction - 3^e Bureau
Bruxelles, Belgique.

Gentlemen:

Re: Information Supplied Under Loans 107 & 174-III

On March 21, 1958 we wrote to you on the above subject, asking you to restrict your quarterly information to the Ghent Ring Canal, the Charleroi-Brussels Canal and the dam and lock at Neuville-sous-Huy, as work on the other project of interest at that time, the Canal Nisay-Niaton-Perennes, had practically been completed.

We find now after Mr. van Helden's visit to the projects and on the basis of the information announced by your letter of August 14, that a further reduction in the information supplied to the Bank is feasible. As a consequence we would like to suggest the following procedure.

The project on which any work of substance is at present going on, is the Canal Charleroi-Brussels, (sections Charleroi-Seneffe and Seneffe-Clabecq) and we would appreciate it if you continue to supply us each quarter with the information along the lines agreed upon between us.

With respect to the Ghent Ring Canal (Southern and Western Sections), however, we would suggest that the supply of information be suspended until such time that work of any importance on these sections is resumed. At that time, we can again decide upon the type of information to be produced.

With respect to the dam and lock at Neuville-sous-Huy, work is practically completed and information on this project can be stopped. We would, however, appreciate your telling us in due course of the final completion date of the project.

Sincerely yours,

J. F. Main
Chief, Transportation Division
Department of Technical Operations

W Cleared with and cc to Mr. Stevenson
HCWytzes:bwf

Copy in Belgen. Am 174

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

Copy in Lm 174

TO: Files

DATE: June 19, 1958
(Received June 24, 1958)

FROM: H. J. van Helden 

SUBJECT: Belgian Waterway Projects : Loans 107 and 174-BE
End-use inspection : June 16-19 : Summary Report

1. For Terms of Reference, see Mr. Main's office memorandum dated June 10, 1958.

A one-day field trip was made to the dam and locks at Neuville-sur-Huy and some sections of the Charleroi-Seneffe-Clabecq canal. The following is based on findings during the trip and information from officers of the "Service des Ponts et Chaussées".

Boudewyn Lock at Antwerp

2. The lock is satisfactorily in operation since October 1956. There is no waiting time for ships except in special circumstances such as fog, when a greater than usual number of ships accumulates on the river Scheldt.

3. A project of a new canal-dock with a third lock, connecting this canal with the Scheldt for seagoing vessels, is under consideration. The estimated cost is about BFr^s 1,000 million (\$20 million equivalent).

Ghent Ring Canal

4. Except for two bridges nearly completed, works on the Northern Section of this canal (not included in the Bank projects) are scheduled to commence November 1958, and will not be completed before the end of 1961. It seems unlikely that construction of the remaining works of the Southern and Western sections, forming parts of the first Bank loan projects, will be resumed before 1961. In that case the revised completion date in the Loan Agreement for this project will not be met.

Canal Nimy-Blaton-Peronnes

5. The section Baudour-Blaton-Mont des Grosseillers, a project under the first Bank loan, has been completed and is in use. Works on the remaining section Mont-des-Groseillers-Peronnes-River Scheldt (not included in the Bank project) are either under way or will be contracted in 1959. The connection Nimy-River Scheldt is estimated to be completed by 1960.

Dam and Locks at Neuville-sur-Huy

6. Except for the electro-mechanical installations for the gates of the dam, the works are practically complete. Two of the five gates remain to be put in place, but are already on the site and all works are estimated to be completed by the end of this year.

Both locks will be put in use within a month.

Charleroi-Seneffe-Clabecq Canal

7. Of the Charleroi-Seneffe section, included in the projects of both the first and second Bank loan, all works are now either complete or under contract. This section is scheduled for completion by the end of 1960. Progress on the remaining excavation works has to be slow, since slides occurred where excavations progressed too fast, not allowing for sufficient time for drainage of the impervious soil of the surrounding terrain.

8. After June 1, 1958, about BFRs 750 million remain to be spent on this section until end of 1960, at a rate of about BFRs 300 million per year.

9. Bids for a first 1.5 km stretch of the Seneffe-Clabecq section will be opened at the end of June 1958. The estimated cost of this stretch is about BFRs 100 million. Bids for a second contract, estimated at about BFRs 150 million, are to be opened end of August 1958, and possibly two more contracts, totalling about BFRs 370 million, may be let before the end of 1958.

10. Considering the estimated expenditures for the contracts of the Charleroi-Seneffe section and taking into account the amounts which might be spent on the first contracts of the Seneffe-Clabecq sections it is not unlikely that the second loan will be fully disbursed by mid-1959 as was estimated at the time the loan was made. (Balance to be disbursed as of June 1, 1958, \$6,471,769.52, equivalent to BFRs 323,588,476.00).*

11. However, the problem of how to overcome the fall of about 65 meters in the canal near Ronquiere, in the Seneffe-Clabecq section has not yet been solved. Although the special study committee considered feasible, the execution of a so-called "plan inclin ", there seems to be reluctance to carry it out. It is to be assumed that completion of this structure will be the decisive factor as to the completion date for this section. It is likely that this will not be before 1963 or 1964.

Recommended Action

12. No particular action is needed at present. However, since the first loan is already disbursed since April 30, 1957,*it is recommended that the Bank's requirements for progress reports for projects under the first loan be adjusted as follows:

- a) no more information to be provided for the Boudewyn lock (this information was actually discontinued) and the Nimy-Blaton canal (as already communicated by the Bank's letter dated March 21, 1958);
- b) the information on the dam and locks at Neuville could be limited to informing the Bank when all works are fully completed;
- c) the information on the Southern and Western sections of the Ghent Ring canal should be suspended until actual work on these sections will be resumed, at which time the Bank could reconsider the matter.

The information on the Charleroi-Seneffe-Clabecq canal should be continued as usual, along the lines set forth in the Bank's letter dated March 21, 1958.

* These figures obtained from Mrs. Stith of the Treasurers' office.

Mr. Stevenson
cc: Mr. de Leeuw
Mr. Wytzes

mmmm

Mr. H.J. Van Helden

June 10, 1958

J.F. Main

Belgian Waterway Projects, Loans 107/174-38
End-Use Inspection: Terms of Reference

On or about June 15 you will proceed to Belgium for a brief end-use inspection of the above projects. During your stay you should pay particular attention to the following:

- a) the status of the various projects under the first loan, and the possibility of reducing or waiving the Bank's requirements on progress reports;
- b) the present construction schedule for the Ghent-Ring canal;
- c) the present construction schedule of the Charleroi-Seneffe-Glebeq canal, included in the second loan.

Since you will proceed to Pakistan and Australia after completion of your assignment in Belgium, you should send to Washington, as soon as possible, a brief report on your findings, to be followed by a full report upon your return.

H.J. Van Helden:hm.

Cleared with and c.c: Mr. J. Fajans

cc: Mr. H.C. Wytzes

Miss Van Gasse (2)

ROUTING SLIP		Date
NAME		ROOM NO.
Mr. van Heerden		320-C
Operational Files		210
Action		Note and File
Approval		Note and Return
Comment		Prepare Reply
Full Report		Previous Papers
Information		Recommendation
Initial		Signature
Remarks		
From		

Ministère des Finances
de Belgique



TRESORERIE
ET DETTE PUBLIQUE

Direction générale

T./D.G./N° 332.42

C.D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

Bruxelles, le 30 mai 1958.

Belfm: An 107
V. B.

Monsieur Alexander STEVENSON,

C/o International Bank
for Reconstruction and Development,
1.818 H Street, N.W.,
WASHINGTON 25, D.C.

Cher Monsieur STEVENSON,

J'ai bien reçu votre lettre du 26 mai et serai heureux de revoir M. van HELDEN.

M. WILLEMS ne sera malheureusement pas libre le lundi 16 juin, car il doit présider le Congrès international des Ports qui s'ouvre à Anvers, à la date précitée. M. WILLEMS demande donc que M. van HELDEN veuille bien prendre contact avec M. SPORTMANS, Ingénieur en chef au Ministère des Travaux publics.

Pour ce qui concerne le logement de M. et Mme van HELDEN, j'ai interrogé l'Hôtel Métropole, qui tiendra "a double room" à la disposition de M. et Mme van HELDEN à partir du 15 juin.

Veillez bien agréer, cher Monsieur STEVENSON, l'expression de mes sentiments très distingués et les meilleurs.

M. WILLIOT.

May 26, 1958

Mr. M. Williot
Director General of the Treasury
Ministry of Finance
30, Avenue des Arts
Brussels, Belgium

Dear Monsieur Williot:

The Bank will shortly be sending Mr. van Helden of our Department of Technical Operations to Pakistan and Australia and we would like to take advantage of his passing through Europe and have him make an inspection of some of the projects included in our loans of December 1954 and September 1957 for the Belgian waterways.

In view of the fact that several projects financed under the 1954 loan have been completed for some time, we propose to adjust our reporting requirements, possibly limiting progress reports to the Charleroi-Clabecq Canal. Mr. van Helden, who, as you know, is familiar with both waterways' loans, could discuss this and other matters with Mr. Willems and his colleagues at the Ministry of Public Works.

Mr. van Helden is scheduled to arrive in Amsterdam on June 13 and, if this is agreeable to the Ministry of Public Works, could proceed to Brussels on June 15. I should be very grateful if you would let me know whether he could call on Mr. Willems in the morning of Monday, June 16.

The Bank has asked American Express for a double room at the Metropole for Mr. and Mrs. van Helden for the period June 15-20. We understand, however, that firm reservations are difficult to obtain and, in these circumstances, I wonder whether you would be kind enough to help us in getting accommodation for Mr. and Mrs. van Helden at the Metropole or at some other hotel.

With best personal regards,

Yours sincerely,

A.S.

Alexander Stevenson
Department of Operations
Europe, Africa and Australasia

J/a jans:HvHelden:mc
cc: Mr. van Helden

✓ X Am 174

Bruxelles, le - 6 - 5 - 1958

30, avenue des Arts - 96, rue du Commerce
Tél. 12.99.20 - 13.28.70



TRESORERIE
ET DETTE PUBLIQUE

3e direction - 3e bureau

International Bank for Reconstruction
and Development,

1818 H Street, N.W.

WASHINGTON 25 D.C.

(E. U. A.)

A l'attention de M. J. F. MAIN

VOTRE LETTRE DU VOS REFERENCES

NOS REFERENCES
T. D N° 840/2
C. D.

ANNEXES
3 fardes

OBJET :

Mr. Van Hecke
~~*Mr. de Feux*~~
~~*Mr. Heugens*~~
[Signature]
[Signature]

Messieurs,

J'ai l'honneur de vous transmettre, inclus dans trois fardes mar-
quées respectivement :

- ✓ B. Ring canal Ghent,
- ✓ D. Charleroi - Clabecq Canal,
- ✓ E. Dam & lock at Neuville s/Huy,

des documents fournis par l'Administration des Voies hydrauliques et qui con-
cernent l'avancement des travaux au cours du 1er trimestre 1958.

En outre, suite à votre lettre du 21 mars 1958, ladite Administra-
tion communique les renseignements suivants :

Renseignements techniques :

En ce qui concerne le barrage éclusé d'Ampsin - Neuville et le
canal circulaire à Gand, je vous signale qu'il n'y a pas eu d'événements impor-
tants susceptibles d'entraîner des retards.

Le pont W 15, sur le dernier canal cité, a été mis en service, le
7.2.1958. La fin des travaux de parachèvement est prévue dans le courant
du 2me trimestre.

./.

RECEIVED

10

1958 - Impr. D. P. - Bon 404

adg May 12/58
in m107-Supervision.

Renseignements financiers :

	Estimation totale	Liquidation avant 1er trim. 1958	Liquidation pendant le 1er trim. 1958	Observations
1. Canal Charleroi Seneffe	3.160.000.000	1.380.174.800	63.319.203	Les liquidations avant le 1er trimestre de 1958 sont in- diquées à par- tir du 1.1. 1954 (début 1er emprunt)
2. Canal Seneffe- Clabecq	2.100.000.000	2.136.000	-	
3. Ecluse barra- gée à Neuville- s/Huy	445.000.000	358.627.644	14.396.000	
4. Canal circulai- re à Gand	2.375.000.000	356.839.235	18.297.526	

Affectation de certains crédits budgétaires aux programmes qui sont ou qui ont été sous emprunt.

Canal Charleroi-Bruxelles.

Les travaux suivants ont été mis en adjudication dans la section Charleroi-Seneffe :

- 1) Liaison écluse 2 F - écluse 3 F, le 19.12.1957;
crédit engagé : F 43.336.074.
- 2) Liaison écluse 3 F - Luttre, le 30.12.1957;
crédit engagé : F 63.373.532.

Canal Nimy-Blaton-Péronnes

Section Wiers-Péronnes : tronçon d'extrémité aval et écluse de raccordement à l'Escaut :

adjudication le 7.8.1957;
crédit engagé : F 147.422.526

Meuse

Aménagement partiel de la rivière en amont et en aval du barrage d'Ampsin-Neuville;

adjudication le 31.12.1957;
crédit engagé : F 65.311.402.

Veillez agréer, Messieurs, l'assurance de ma considération distinguée.

Au nom du Ministre :
Pour le Directeur général,
LE DIRECTEUR,

Jansen
actuel May 1958

J. VAN AERSCHOT.

21 March, 1958

Ministere des Finances de Belgique
Trésorerie et Dette Publique
3^e Direction - 3^e Bureau
Bruxelles, Belgique

Gentlemen:

Re: Loans Nos. 107 and 174-BE

We thank you for your letter of February 25, 1958 TD No. 810/2 with four sets of maps and charts, concerning the progress during the last quarter of 1957 of the four projects partially financed out of the proceeds of loans 107 and 174-BE. The charts and maps are very well presented and they enable us to form a clear picture of the progress of the work and also whether it is ahead of or behind schedule. However, we cannot get an impression from them of the causes making for delays, if any, and of the other influences on the rate of progress achieved. As far as finance is concerned, we find ourselves at present more or less in the dark; the only financial information received is contained in your applications for disbursement on the Charleroi-Clabecq Canal.

Considering the above, we would greatly appreciate your cooperation in providing us with somewhat more explicit information of the following types:

- a. Technical: Please continue sending quarterly the charts and maps of the various projects (excluding the Winy-Blaten Canal which is practically completed), as you have been doing until now. We would like you to supplement this information by some background description on major delays, difficulties or unusual conditions, if any, encountered or anticipated in the course of the period under discussion.
- b. Financial: Each quarter we would like to be informed about the amount spent on each of the projects under execution at present. Appendix A to this letter gives a schedule which you might use in providing the kind of information requested. In addition to this, we would appreciate receiving at suitable intervals information about the budgetary appropriations for the projects for which our Bank has made the two loans.

- 2 -

May we finally suggest that the first period for which you provide us with this more extensive information be the first quarter of 1958.

Yours very truly,

H. J. van Helden
Assistant Chief, Transportation Division
Department of Technical Operations

Cleared with Area Dept. (Mr. Galika)

cc: Messrs. Galika
Lowdon

HCWytges:ns

Appendix A

	Total	Exp. until begin-	Exp. during	Remarks
	estimated cost	ing of reporting	reporting	
		period	period	
1. Charleroi-Seneffe Canal:				
2. Seneffe-Clabecq Canal				
3. Dam and Locks at Neuville sous Huy				
4. Ghent-Ring Canal				

FILE COPY

Messrs. Frins and Street (3)

October 1, 1956

Walter C. P. Rutland

Loan 107 BE - Extension of Closing Date

By letter dated September 25[✓] signed by Mr. Gope the Bank approved the extension of closing date of subject loan until June 30, 1957.

cc. Mr. Cavanaugh
Mr. Rutland (2)
Mr. Perez
Tickler File

WCPRutland/fr.



TRESORERIE
ET DETTE PUBLIQUE

7^e direction - 1^{er} bureau

Bruxelles, le 30 septembre 1957.

30, avenue des Arts - 96, rue du Commerce
Tél. 12.99.20 - 13.28.70

International Bank
for Reconstruction and Development,
1818 H street, N.W.,
WASHINGTON 25 D.C.

VOTRE LETTRE DU VOS REFERENCES

NOS REFERENCES

ANNEXES

T. N°

C. D.

OBJET : Messieurs,

En exécution du contrat d'emprunt du 10 septembre 1957 entre le Royaume de Belgique et votre Institution, mon Département doit vous adresser périodiquement des demandes de remboursement des dépenses faites pour l'exécution des travaux au financement desquels l'emprunt précité est affecté.

J'ai l'honneur de vous faire savoir que les demandes dont il s'agit seront valablement signées par l'une des personnes dont le spécimen de signature figure ci-dessous:

1. M.M. WILLIOT,
Directeur général de la
Trésorerie et de la Det-
te publique
2. M.A. DURIEUX,
Directeur d'administra-
tion
3. M. P. LEON,
Directeur d'administra-
tion

Veillez agréer, Messieurs, l'assurance de ma considé-
ration très distinguée.

Pour le Ministre des Finances, absent,
LE MINISTRE DE L'AGRICULTURE,

September 25, 1956


The Hon. Henri Liebaert
Minister of Finance
Belgian Delegation to the
Annual Meeting
Sheraton Park Hotel
Washington, D.C.

Dear Mr. Minister:

I write in reference to your letter to Mr. Black of September 24, 1956 requesting an extension of six months, i.e. until June 30, 1957, of the delay for the utilization of the balance of the loan concluded between Kingdom of Belgium and International Bank for Reconstruction and Development on December 14, 1954.

We hereby agree to accede to your request. Accordingly, the closing date mentioned in Section 6.01 of Article VI of the loan agreement is now June 30, 1957.

Yours sincerely,


S. R. Cope
Director of Operations
Europe, Africa and Australasia

JFajansme

cc: Messrs. Stevenson
Oppenheimer
van Helden
Cavanaugh
Verheyen

Form and contents of this letter were
discussed with Mr. Oppenheimer.

15000-200
59-2

INTERNATIONAL MONETARY FUND
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



BOARDS OF GOVERNORS

ELEVENTH ANNUAL MEETING

WASHINGTON 25, D.C.



CABLE ADDRESS
JOINCON

September 24, 1956

Dear Mr. President:

The loan agreement concluded by Belgium with your institution on December 14, 1954 provides that withdrawals will be made at the rate of completion of the projects until December 31, 1956.

The rhythm of payments made by Belgium up to the present shows that the amount of the loan will not be disbursed at the end of this year. The need to proceed at the same time with other projects than those for the achievement of which the loan was concluded, and this in a period of full employment, is the reason for that situation. I would therefore appreciate an extension of six months, i.e., until June 30, 1957, of the delay for the utilization of the balance of the loan (\$5.3 million).

I hope that in view of the circumstances mentioned above, you will find it possible to give a favorable answer to my request. I am, of course, at your disposal to discuss this matter at your earliest convenience.

Yours sincerely,

Henri Liebaert
Minister of Finance of Belgium

Mr. Eugene R. Black, President,
International Bank for Reconstruction
and Development,
1818 H Street, N.W.
Washington, 25, D.C.

IMPROVEMENT OF BELGIAN WATERWAYS

Costs Amount to Eleven Billion B. Francs

Brussels (July 16, 1956): According to information given today in Bergen by the Prime Minister and the Minister of Public Works, a ten year plan has been drawn up for the improvement of the inland waterways; as had already been established for the modernization and expansion of the port of Antwerp. The aim is to make the most important waterways navigable for ships of 1350 tons; the amount required for this purpose over the ten year period is B. Francs eleven billion.

Prime Minister Van Acker pointed out that with the exception of the Albert Canal (navigable for ships up to 2000 tons) the waterways between the industrial centers and the ports of Antwerp and Ghent are only navigable for ships up to 300 tons. Therefore the following connections will be modernized:

- 1) The canal Brussels-Charleroi and the branch Seneffe-La Louviere; the works are scheduled for completion in 1961.
- 2) The canal Nimy (north of Bergen)-Blaton-Peronnes (south of Doornik on the Scheldt); completion also scheduled for 1961.
- 3) The Sambre between Namen and Monceau has to be navigable for ships of 1350 tons in 1965.
- 4) The modernization of the Meuse will be continued; it should be navigable for large ships up to the French border in 1964.
- 5) The northern section of the ring canal around Ghent (between the Ghent-Bruges canal and the Terneuzen canal) should be completed in 1958; the western section of the ring canal (between the Upper Scheldt and the Ghent-Bruges canal) in 1963; the southern section (between Upper Scheldt and Sea Scheldt) in 1965.
- 6) Modernization of the Upper Scheldt between Ghent and the French border should be completed in 1966.

7) The canal of the Center (Nimy-Seneffe) should be completed in 1969.

Minister Van Audenhove pointed out that since 1949 an amount of eleven billion has already been spent for modernization of the largest part of these waterways. However, the expected results have not been obtained so far. By establishing a schedule by law it will be possible to concentrate activities without having to improvise as had to be done until now, which has impeded progress.

It will be noted that the present plans are designed primarily to aid the declining industrial region in Hainault and the Government is hopeful that no more industries will leave this territory. Within four years the regions of Charleroi and La Louviere will have been connected by modern waterways with the Scheldt (via the Charleroi-Brussels canal) and with the Meuse (via the improved Sambre). The regions of the Center and the Borinage will get two modern waterways to Ghent and Antwerp, a western through the Nimy-Peronnes canal and the Upper Scheldt and an eastern through the canal of the Center which discharges itself in the Brussels-Charleroi canal near Seneffe. Since priority is given to the Nimy-Peronnes canal the interests of both regions (Doornik and the Borinage) will be served.

In 1957, one billion will be spent for these works, 1.25 billion during each of the four following years and one billion a year from 1962 to 1966.

Source: Nieuwe Rotterdamse Courant
July 17, 1956.

cc: Mr. Fajans
Mr. Main
Mr. Stevenson
Mr. Van Helden

(Translated by A. de Leeuw)

July 2, 1956

Mr. M. Williot
Director General of the Treasury
Ministry of Finance
30, Avenue des Arts
Brussels, Belgium

Dear Mr. Williot:


I take pleasure in returning a duly confirmed copy of the formal amendment to the Loan Agreement of December 14, 1954, between the Kingdom of Belgium and the International Bank for Reconstruction and Development.

Yours sincerely,



S. R. Cope
Director of Operations
Europe, Africa and Australasia

Attachment

 JFajans:mc

cc: Messrs. van Helden/de Leeuw
Oppenheimer
Verheyen
Stevenson

Oper. Files

Brussels, June, 26 1956



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W.

WASHINGTON 25, D.C.

Dear Sirs,

We hereby request your agreement to have the Loan Agreement dated December 14, 1954 between the Kingdom of Belgium and the International Bank for Reconstruction and Development amended by modifying the description of projects B and D, included in Schedule 2, to read as follows:

PROJECT B.

Ghent Ring Canal

The Project consists of the completion by the end of 1962 of the southern and western sections (lying between the Maritime Schelde and the canal from Ghent to Bruges) of a canal by-passing Ghent and of necessary appurtenant works. When completed, these sections will be approximately 16 kilometers long and will be able to accommodate barges up to 2,000 tons. The Project includes the construction of two locks, two dams and 23 road and railroad bridges.

PROJECT D.

Brussels-Charleroi Canal

The Project consists of the completion by the end of 1959 of the improvement of the section of the canal between Charleroi and Seneffe and necessary appurtenant works. When this improvement is finished, this section will be approximately 27 kilometers long and will be able to accommodate barges up to 1,350 tons. The Project includes the replacement of a tunnel at Godarville by a deeply excavated open canal, the construction of three locks and of 22 road and railroad bridges.

Please confirm your agreement by signing the form of confirmation on the attached copy of this letter and returning it to us.

Yours very truly,

Confirmed:

International Bank for
Reconstruction and Development

by: _____

[Signature]
S. R. Cope
Director of Operations
Europe, Africa and Australasia

[Signature]

Minister of Finance
of the
Kingdom of Belgium



TRESORERIE
ET DETTE PUBLIQUE

3^o direction - 1^{er} bureau

T.D. N° 841

C.D.

ANNEXES : 2

Dans la réponse, mentionner les
indications ci-dessus.

Emprunt de \$ 20.000.000

Belgen - Am 107

area

Bruxelles, le 26 juin 1956

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT,

1818 H Street, N.W.

WASHINGTON, 25 D.C.

Messieurs,

Comme suite à votre lettre du 6 juin courant, j'ai l'honneur
de vous transmettre, en double exemplaire, une lettre demandant vo-
tre accord pour modifier la description des projets B et D inclus dans
l'annexe 2 de la convention d'emprunt du 14 décembre 1954 conclue en-
tre le Royaume de Belgique et votre Institution.

Je vous saurai gré de vouloir bien me renvoyer revêtu de
votre accord, un exemplaire de la lettre susvisée.

Veillez agréer, Messieurs, l'assurance de ma considé-
ration distinguée.

LE MINISTRE DES FINANCES,

ack July 2/56

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAR 2 11 16 AM 1956

LE MINISTRE DES FINANCES

Direction Générale

Le Directeur Général, Messieurs, Présidence de la Commission

de l'Économie, au Ministère des Finances

Je vous prie de bien vouloir agréer, Monsieur le Directeur Général, l'assurance de ma haute

et respectueuse salutation.

Je vous prie de croire, Monsieur le Directeur Général, à l'assurance de ma haute

et respectueuse salutation.

Je vous prie de croire, Monsieur le Directeur Général, à l'assurance de ma haute

et respectueuse salutation.

Messieurs,

000,000,000 de Francs

Le Directeur Général

Le Directeur

CD

148 N. 11

Direction - Paris

LE MINISTRE DES FINANCES



de Belgique

Ministère des Finances

MINISTRE DES FINANCES

148 N. 11

RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL BANK FOR

Director General

June 6, 1956

Mr. M. Williot
Director General of the Treasury
Ministry of Finance
30, Avenue des Arts
Brussels, Belgium

Dear Mr. Williot:

I write in reference to Mr. Vanheurck's letter of December 29, 1955 (TD No. 841) and our subsequent correspondence regarding the changes of the construction schedule of the Ghent Ring Canal.

We have now discussed the matter with Mr. van Helden, who has reported the findings of his inspection of the projects. I understand that Messrs. Falcke and Sportmans of the Ministry of Public Works agreed with Mr. van Helden's opinion that the inclusion of the northern section of the canal in Schedule 2 of the Loan Agreement could hardly affect the rate at which the Bank's loan would be drawn down. As shown in the attached table, prepared in cooperation with Mr. Sportmans, expenditure on the northern section is estimated at only frs. 33 million in the current year and would therefore be of little significance for the disbursement of the loan which will largely depend on the progress of the Charleroi-Seneffe Canal and Neuville-sous-Huy projects.

Consequently, we suggest that the Loan Agreement be amended merely by extending the completion date of the southern and western sections of the canal from 1958 to 1962. At the same time, we would extend the completion date of the Charleroi-Seneffe Canal from the end of 1957 to the end of 1959 to meet a request by the Ministry of Public Works. If our suggestion is agreeable to you, I would ask that Monsieur Liebaert, or someone authorized by him for the purpose, sign a letter based on the attached draft and address it to the Bank in duplicate. We shall then return one copy of the letter to you duly confirmed by the Bank.

Yours sincerely,



S. R. Cope
Director of Operations
Europe, Africa and Australasia

Attachments

JFajans:HvHelden:mc
cc: Messrs. Stevenson Verheyen
van Helden
de Leeuw
Oppenheimer

(Cleared with Mr. Oppenheimer)

BELGIAN WATERWAYS PROJECTS

Estimated Expenditure
(in million Belgian Francs)

	<u>1956</u> (from March 31)	<u>1957</u>
Baudouin Lock	10	20
Nimy-Blaton Canal	35	5
Charleroi-Seneffe Canal	540	750
Dam and Lock Neuville-sous-Huy	105	155
Ring Canal) Southern and Western Sections	62	50
Ring Canal) Northern Section	<u>33</u>	<u>180</u>
Total	<u>785</u>	<u>1,160</u>

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington 25, D.C.

Dear Sirs:

We hereby request your agreement to have the Loan Agreement dated December 14, 1954 between the Kingdom of Belgium and the International Bank for Reconstruction and Development amended by modifying the description of Projects B and D, included in Schedule 2, to read as follows:

PROJECT B.

Ghent Ring Canal

The Project consists of the completion by the end of 1962 of the southern and western sections (lying between the Maritime Schelde and the canal from Ghent to Bruges) of a canal by-passing Ghent and of necessary appurtenant works. When completed, these sections will be approximately 16 kilometers long and will be able to accommodate barges up to 2,000 tons. The Project includes the construction of two locks, two dams and 23 road and railroad bridges.

PROJECT D.

Brussels-Charleroi Canal

The Project consists of the completion by the end of 1959 of the improvement of the section of the canal between Charleroi and Seneffe and necessary appurtenant works. When this improvement is finished, this section will be approximately 27 kilometers long and will be able to accommodate barges up to 1,350 tons. The Project includes the replacement of a tunnel at Godarville by a deeply excavated open canal, the construction of three locks and of 22 road and railroad bridges.

Please confirm your agreement by signing the form of confirmation on the attached copy of this letter and returning it to us.

Yours very truly,

Minister of Finance
of the
Kingdom of Belgium

Confirmed:

International Bank for
Reconstruction and Development

by: _____

OFFICE MEMORANDUM

TO: Files

DATE: June 1, 1956

FROM: H. J. van Helden *HJH* *JGM*

SUBJECT: Belgium: Inland Waterway Projects - Loan 107-BE
Report on End-Use Inspection

1. An end-use inspection of the above loan was made from May 21 to May 26, 1956. The terms of reference called for:

- a) discussing with Government officials the inclusion of the Northern section of the Ghent Ring canal in the Bank project, and appraising this additional project from an economic and technical point of view;
- b) reviewing the status of all parts of the Waterway Projects and appraising their progress.

2. Of the Bank financed Southern and Western sections of the Ring canal, the Government plans to complete only those works for which contracts are awarded, and not to award any new contracts until the Northern section is completed or nearly completed. The scheduled completion date for the Northern section is the end of 1958, and the tentatively revised completion date for the Southern and Western sections is the end of 1962, instead of 1958 as is agreed upon in the Loan Agreement.

3. The main reasons for the change in the program appear to be the following:

a) it would take approximately B. frs 1300 million to complete the not yet started works of the Western and Southern sections. Completion of the Northern section will take only B. frs 480 million. As at present the financial burden of the rest of the Belgian Waterway program is very heavy, the Government preferred to postpone the very expensive Southern and Western sections;

b) the full economic benefits of the Northern section will be achieved directly upon completion, whereas the full economic benefits for the Southern and Western sections would not be derived until the improvement of the Upper Scheldt above Ghent is completed also. The latter work will not start in the very near future as the studies are not ready, and available funds and personnel are concentrated on the other Bank financed projects;

c) the Northern section of the Ring canal will create about 150 ha. favorably situated terrain for industry, of which the city of Ghent is in need to fight unemployment.

4. The tangible economic benefits of the Northern section should be:

- a) reduction of freight rates for shipping from Ghent to the Belgian coast by reducing the $2\frac{1}{2}$ day trip by approximately one day;

Mr. van Helden's End-Use Inspection May 1956

- b) creation of approximately 150 ha. of land suitable for industry.

5. The total cost of the Northern section is estimated at B. frs 525 million, including purchase of land. About B. frs 100 million may be recaptured by sale of land for industrial purposes.

6. About 5 million tons per year will be affected by the reduction of shipping time by one day. The present freight rate Ghent-coast is 35 francs per ton. A return of 6% on the net investment of B. frs 425 million would require a reduction in freight cost of about 5 B. francs per ton. Whether this saving will actually be achieved is somewhat dubious; in a memorandum from the chief engineer-director in charge of the Ghent Ring canal an average saving of "at least 2 B. francs" is mentioned. This would mean a return of only 2 to 2.5% on the net investment. On the other hand, the new land available for industry might reduce unemployment in Ghent. The economic and social benefits thereof can hardly be expressed in return on the investment.

7. As of March 31, 1956, approximately \$8.5 million remains to be disbursed from the Bank loan. This is equivalent to 60% (the Bank's disbursement ratio) of B. frs 710 million. According to the table of estimated expenditures (Attachment A), approximately B. frs 785 million may be spent during the balance of 1956 (after March 31) and B. frs 1160 million during 1957. Of these amounts only B. frs 33 million will be spent in the balance of 1956 and B. frs 180 million in 1957 for the Northern section of the Ring canal.

8. Under the circumstances it is doubtful whether it is worth while extending the Bank project to include the Northern section. Extending the construction period for the Southern and Western sections of the Ring canal (on which the Bank would have to agree in any event) might be a simpler procedure and would hardly affect the disbursement schedule of the Bank loan as all or nearly all of the Bank's payments will be made in 1956 and will go mainly to the Charleroi-Seneffe canal and the dam at Neuville sous Huy.

9. Progress of the other parts of the Bank project is good. The Baudouin lock has been satisfactorily in operation since October, 1955, and since then no ships have been waiting to enter the port. The Bank financed part of the canal Nimy-Blaton-Mont des Grosseillers is progressing satisfactorily and will be completed by the end of 1956 in accordance with the Loan Agreement. The progress of the dam and lock at Neuville sous Huy is also very good and its completion can be expected by the end of 1957, also in accordance with the Loan Agreement.

10. Although progress on the Charleroi-Seneffe canal is also rather satisfactory, this part of the project will not be completed by the end of 1957 in accordance with the Loan Agreement. However, this is not a result of bad progress but of a misunderstanding between Belgian officials at the time the loan was negotiated. A period of 18 months was taken for a contract which actually allowed 50 months to the contractor. Therefore Schedule II of the Loan Agreement will have to be adjusted accordingly.

Recently a new contracting firm, Socol, started work on this project. Its performance so far is not very satisfying and should be watched in the near future.

Recommended Action

11. The Working Party should discuss and recommend whether the Northern section of the Ghent Ring canal be included in the Bank project, or whether the Bank should merely agree that the completion date of the Southern and Western sections be extended from 1958 to 1962.
12. The Bank should inform the Belgian Government accordingly, and also that it is prepared to extend the construction period of the Charleroi-Seneffe canal until the end of 1959.

HJvanHelden:hak

cc: Mr. Stevenson (4)
Mr. Aldewereld
Mr. de Leeuw

BELGIAN WATERWAY PROJECT

Estimated Expenditures
(in Million Belgian Francs)

	<u>1956</u> <u>as of March 31</u>	<u>1957</u>
Baudouin Lock	10	20
Nimy-Blaton Canal	35	5
Charleroi-Seneffe Canal	510	750
Dam and Lock Neuville sous Huy	105	155
Ring Canal) S & W Sections	62	50
) Northern Section	33	180
TOTAL	<u>785</u>	<u>1,160</u>

Ministère des Finances
de Belgique

Bruxelles, le 15 mai 1956.



TRESORERIE
ET DETTE PUBLIQUE

3e Direction - 1er Bureau

T.D. N° 841

C.D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

International Bank for Reconstruction
and Development,
1818 H. Street N.W.,
WASHINGTON 25 DC.

A l'attention de Monsieur J.F. MAIN

J.F. Main

~~Mr. [unclear]~~
~~Mr. [unclear]~~
~~Mr. [unclear]~~
[Signature]
[Signature]

votre réf.:
Loan N° 107/BE

votre corresp.:
14 février 1956
17 avril 1956

OBJET: Emprunt de \$ 20.000.000

Messieurs,

J'ai l'honneur de vous communiquer ci-dessous les explications qui viennent de m'être fournies par l'Administration des Voies Hydrauliques au sujet du retard dont question dans vos lettres sous rubrique.

1. - Traversée de la Crête de partage - 2ème partie - Section B - Cahier des Charges n° 434 de 1954.

Du fait de la loi belge et des difficultés mises en avant par les propriétaires des terrains à exproprier, l'ordre de commencer les travaux n'a pu être délivré à l'entrepreneur qu'à l'expiration du délai de 180 jours spécifié à l'article 12 du cahier des charges n° 434 de 1954. C'est en prévision de ces difficultés que le délai habituel avait déjà été fortement prolongé. En fait l'ordre de commencer les travaux a été donné à l'entrepreneur alors même que tous les terrains n'avaient pu être acquis, et ne le sont même pas complètement à ce jour.

Par ailleurs, la nature même du terrain ne permet de procéder aux travaux qu'avec une extrême circonspection; il importe d'éviter les glisse-



TRESORERIE
ET DETTE PUBLIQUE

T. N°

C. D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

ments de terrains qui à l'occasion d'un travail trop hâtif risqueraient de se produire presque à coup sûr. - Prévision d'achèvement - septembre 1959.

2.- Ecluse 3 F.

Travail qui sera mis en adjudication très prochainement pour être achevé en 1958 - retard dû aux études nécessaires.

3.- Liaison 2F - 3F.

Idem pour être achevé en 1959.

4.- Ponts de Viesville et de la Chaussée.

Idem pour être achevé pour fin 1958 ou début 1959.

Veillez agréer, Messieurs, l'assurance de ma considération très distinguée.

LE DIRECTEUR D'ADMINISTRATION,

A. DURIEUX.

RECEIVED
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MAY 19 2 31 PM 1950

THE DIRECTOR GENERAL OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MEMORANDUM

FOR THE DIRECTOR GENERAL
FROM THE DIRECTOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

RE: THE PROGRESS OF THE WORK OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1. - The Board of Directors of the International Bank for Reconstruction and Development

2. - The Board of Directors of the International Bank for Reconstruction and Development

3. - The Board of Directors of the International Bank for Reconstruction and Development

4. - The Board of Directors of the International Bank for Reconstruction and Development

5. - The Board of Directors of the International Bank for Reconstruction and Development

6. - The Board of Directors of the International Bank for Reconstruction and Development

7. - The Board of Directors of the International Bank for Reconstruction and Development

Approved by the Board of Directors
of the International Bank for Reconstruction and Development

W. H. H. H.

C. D.

L. H.

LE BUREAU FEDERAL
DES FINANCES



de Belgique

Ministère des Finances

Bruxelles 16

AD

Ministère des Finances
de Belgique



TRESORERIE
ET DETTE PUBLIQUE

3e Direction-1r Bureau

T. DN° 84I
C.D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

Belgen-Ru 107
Bruxelles, le ¹⁴ mai 1956.

N/A

International Bank for Reconstruc-
tion and Development,
1818 H Street N.W.,

WASHINGTON 25 D.C.
(U.S.A.)

Messieurs,

✓ J'ai l'honneur d'accuser réception de votre lettre
du 13 avril dernier et de vous faire savoir que votre deman-
de de photos, relatives à vos activités en Belgique, a été
transmise au service intéressé du Département des Travaux
publics et de la Reconstruction.

Dès que celui-ci m'aura transmis les photos en ques-
tion, je ne manquerai pas de vous les faire parvenir.

Veuillez agréer, Messieurs, l'assurance de ma consi-
dération distinguée.

Au nom du Ministre :
Pour le Directeur général,
LE DIRECTEUR D'ADMINISTRATION,

A. DURIEUX.

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAY 11 3 23 PM 1956

NUMBER:



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
1000 L STREET, N.W. WASHINGTON, D.C. 20004
TELEPHONE: 370-5000

International Bank for Reconstruction and Development
Washington, D.C. 20004
May 11, 1956
Dear Sirs:
Reference is made to your letter of May 9, 1956, regarding the proposed loan for the construction of the [unclear] project in [unclear]. The Board of Directors has approved the loan on the condition that the [unclear] be [unclear].

Very truly yours,
[Signature]

Document of the Bank
and of the Government of the Republic of the Congo

UNION :

C.D.
F. D. N. 941

Re: [unclear]

LE DELE GUBERNEUR
IKESOKEKIE



de Belgique
Ministère des Finances

(1956)
[unclear]

1956 et [unclear]

[unclear] [unclear] [unclear]

Belgique, le [unclear]

May 11, 1956

Mr. M. Williot
Director General of the Treasury
Ministry of Finance
30 Avenue des Arts
Brussels, Belgium

Dear Mr. Williot:

Thank you for your letter of April 28 addressed to Mr. Cope. We appreciate your kindness in making the necessary arrangements with the Ministry of Public Works for the pending visit of Mr. van Helden.

Mr. van Helden's present plans provide for arrival in Brussels on May 20. He intends to call at your office on Monday, May 21 at 9:30 in the morning.

With kind regards.

Yours sincerely,



Alexander Stevenson
Department of Operations
Europe, Africa and Australasia

~~JF~~ JFajans:mc

cc: Mr. van Helden

Belfm 107

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: MAY 7, 1956 1645

TO: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
FROM: SGRAVENHAGE

ROUTING	
ACTION COPY TO	TECH. OP.
INFORMATION COPY TO	
Decoded By	

TEXT:

ATTENTION VAN HELDEN FOR DISCUSSION ASSAB TUYN AVAILABLE
MONDAY FOURTEENTH MAY

Handwritten signatures and initials:
~~Mr. Kram~~
~~Mr. Van Helden~~
 A.D.
 5/8.

CLASON

May 3, 1956

Mr. M. Williot
Director General of the Treasury
Ministry of Finance
30 Avenue des Arts
Brussels, Belgium

Dear Mr. Williot:

Thank you for your letter of April 27 explaining the reasons behind the change in the timing of works on the Ghent Ring Canal. I have passed the information on to Mr. van Helden who will discuss the matter with the officials and engineers directly concerned with the project during his visit to Belgium, of which we advised you on April 24.

I am taking this opportunity to ask you to be kind enough to expedite the dispatch to the Bank of the statements on the external debt of Belgium of December 31, 1955. These statements, supplied semi-annually to the Bank under the schedule of information requested from your Government, are as a rule being received here in February and August. The present delay having been brought to my attention, I thought I might enlist your help in the matter.

Yours sincerely,

Alexander Stevenson
Department of Operations
Europe, Africa and Australasia

cc: Mrs. Paulson
Messrs. van Helden
Rasmussen

JFajans:mc

✓ x Belfm - mdelit.

Belfm-A107

Bruxelles, le 28 avril 1956.

M. Stevenson

MINISTÈRE DES FINANCES



TRÉSORERIE
ET DETTE PUBLIQUE

CABINET

DU

DIRECTEUR GÉNÉRAL

E./D.G./N° 332.42

Cher Monsieur,

✓
En réponse à votre lettre du 24 avril, je m'empresse de vous dire que mes Collègues des Travaux publics se tiendront très volontiers à la disposition de M. van Helden, lors de sa prochaine venue à Bruxelles, c'est-à-dire dans la seconde moitié du mois de mai.

A toutes fins utiles, je n'ai pas manqué de remettre au Ministère des Travaux publics une copie de votre lettre.

Veillez agréer, cher Monsieur l'assurance de ma considération distinguée

*held - chg Williot.
Non. May 21, morning
9:30*

M. Williot

M. WILLIOT,
Directeur général.

Monsieur S.R. COPE,
Director of Operations Europe,
c/o International Bank for Reconstruction
and Development,
1.818 H Street, N.W.,
WASHINGTON 25, D.C.
U.S.A.

ack. May 11/56

Belfm - Am 107

D.R.
Ministère des Finances
de Belgique

Bruxelles, le 4 avril 1956.
30, Avenue des Arts.



TRESORERIE
ET DETTE PUBLIQUE

3e Direction-1er Bureau

T. D. N° 841
C. D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

aan 107^{BE}

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT,
1818 H Street N.W.,
WASHINGTON 25, D.C.

*Ach
Mars 52*

*No letter of this
date, assume 20m*

Messieurs,

Comme suite à vos lettres des 29 janvier
et 4 avril 1956, j'ai l'honneur de vous informer
des considérations ci-après qui ont amené le Minis-
tère des Travaux publics à construire la section Nord
du canal circulaire à Gand en premier lieu.

La construction de la section nord du canal
circulaire peut être considérée, en liaison avec la
zone industrielle du canal Gand-Terneuzen, comme étant
la réalisation d'une grande darse industrielle présen-
tant de grandes facilités au point de vue des terrains
industriels et des moyens de transport. Plusieurs nou-
velles industries attendent d'ailleurs actuellement la
construction de la section nord pour venir s'y établir.
Il est aussi indéniable que cette section de canal, une
fois construite, exercera une attraction sur les capi-
taux étrangers à investir.

Ce sont ces considérations d'expansion indus-
trielle de la région gantoise et par conséquent de
résorption de chômage, Gand étant un des centres le
plus durement atteint, qui ont amené à faire construire
la section nord du canal circulaire en premier lieu.

Les dépenses liquidées du 1er janvier 1954
jusque fin février 1956 pour la section Sud de ce canal
s'élèvent à F 35.888.268.

../. ..

1951. - Lot 1 - Bon 1091 - Atel. Public...Brux.



TRESORERIE
ET DETTE PUBLIQUE

Il est difficile de prévoir actuellement
la date d'achèvement de la section Sud, l'effort
technique étant concentré sur la section Nord.

Veillez agréer, Messieurs, l'assurance
de ma considération très distinguée.

ANNEXE

Au nom du Ministre :
LE DIRECTEUR GENERAL,

M. WILLIOT.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

APR 30 4 39 PM 1955

1955 - 1956 - 1957 - 1958 - 1959 - 1960 - 1961 - 1962 - 1963 - 1964 - 1965

Belgen - Am 107

April 24, 1956

Mr. M. Williot
Director General of the Treasury
Ministry of Finance
30 Avenue des Arts
Brussels, Belgium

Dear Mr. Williot:

In order to make the routine progress inspection of the five projects financed with the help of the 1954 Bank loan and the New York bond issue, we propose to send Mr. Hendrik van Helden to Belgium in the latter part of May.

Mr. van Helden, who is with the Bank's Technical Operations Department, was a member of the mission which visited Belgium prior to the conclusion of the loan. He is familiar with the projects and has met several of the officials and engineers in charge of the works. He will notify you by cable of the exact date of his arrival and contact you upon reaching Brussels. I would be very grateful if you could put him in touch with the Ministry of Public Works.

One of the matters to which Mr. van Helden will wish to devote his attention is the proposed change in the time schedule of work on the Ghent Ring Canal. I gather from your recent letter, written in reply to Mr. Stevenson's inquiry, that the pertinent information on this matter may reach us here soon and it would be very useful for Mr. van Helden to familiarize himself with the facts before his departure. However, if the information cannot reach us in time, it should be available to Mr. van Helden on his arrival.

April 10

Yours sincerely,

S. R. Cope
Director of Operations
Europe, Africa and Australasia

cc: Mr. Basyn
Mr. van Helden

April 4

AN
JFajans:mc

(Cleared with Mr. van Helden)

April 17, 1956

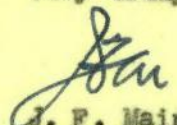
Ministere des Finances
Tresorerie et Dette Publique
30 Avenue des Arts
Bruxelles - Belgium

Attn: Mr. J. Vanheurck
Re : Loan No. 107-BE

Gentlemen:

Reference is made to our letter dated February 14, 1956 in which we inquired about the extension of the completion date of the Brussels-Charleroi canal. We should appreciate being informed when we may expect to receive your answer to that letter, of which a copy is enclosed for your convenience.

Very truly yours,



J. F. Main
Chief, Transportation Division
Department of Technical Operations

Encl.

cc: Mr. Stevenson
Mr. Fajans

AJMdeLeeuw/al

April 13, 1956

Dear Mr. Williot:

Last year you kindly arranged for us to receive a very good selection of photographs showing the construction work on the Baudouin lock at the port of Antwerp and the widening of the canals in Belgium.

Our Office of Information is bringing its photographic library up-to-date in preparation for the next annual report and a new issue of their picture book LOANS AT WORK. They would like to acquire further pictures of operations in Belgium and especially photographs of the completed lock and its inauguration. With the popular pictorial appeal in mind, they are looking for shots which include some action in their composition and people, barge traffic on the canals, ships in the lock, ships being loaded and unloaded, etc.

I would very much appreciate it if you could help our information people to obtain the photographs they require so that they are in a position to give better coverage to Belgian operations.

Very sincerely,



Alexander Stevenson
Department of Operations
Europe, Africa and Australasia

Mr. M. Williot
Director of Administration
Treasury and Public Debt
Ministry of Finance
12 rue de la Loi
Brussels, Belgium

GML:esp



TRESORERIE
ET DETTE PUBLIQUE

3e Direction - 1er Bureau

T. N°

C. D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

an n° 107.B.E.

Belgen - n° 107
Bruxelles, le 10 avril 1956.

International Bank for Reconstruction
and Development,
1818 H Street N.W.,

WASHINGTON 25 D.C.

Messieurs,

J'ai l'honneur de vous faire savoir que j'ai transmis au Ministère des Travaux publics copie de votre lettre du 4 avril 1956 et de son annexe, en le priant de vouloir bien me fournir le plus tôt possible les renseignements demandés par la Banque concernant les travaux au canal circulaire de Gand.

Veillez agréer, Messieurs, l'assurance de ma considération très distinguée.

Au nom du Ministre :
Pour le Directeur général,
LE DIRECTEUR D'ADMINISTRATION,

J. Durieux

No reply
16/IV

April 4, 1956

Mr. M. Williot
Director General of the Treasury
Ministry of Finance
30 Avenue des Arts
Brussels, Belgium

Dear Monsieur Williot:

On January 20 we mailed to the Ministry of Finance a reply to M. Vanheurck's communication of December 29, 1955. To date, our letter has remained unanswered and I am now sending you a copy in case the original has been lost. Meanwhile, the Bank has been making payments under the loan including reimbursement for work done on the Ghent Ring Canal. Consequently, we are anxious to clarify the situation with regard to this particular project and, if necessary, modify Schedule 2 of the loan agreement at the earliest date.

Yours sincerely,



Alexander Stevenson
Department of Operations
Europe, Africa and Australasia

*JFajans:mc

cc: Messrs. Basyn
Van Helden
Verheyen
Oppenheimer



(Cleared with Mr. van Helden)

Mr. Brian H. Colquhoun

February 24, 1956

J. F. Main

Following our talk this morning, I am enclosing herewith: -

1. Copy of the Manual of Professional Practice of the New Jersey Society of Professional Engineers.
2. The professional records of Rader and Associates, which Mr. Rader left with me when you and he came to my office for a talk a week or so ago.

Regarding loan 107-BE, the Belgian Inland Waterways' projects and the Beaudoin Lock at Antwerp come under: -

Mr. G. Willems
 Cabinet du Minist. Directeur-General des Ponts et Chaussées
 Ministère des Travaux Publics
 Palace de la Residence
 Rue de la Loi
 Brussels

February 14, 1956

Ministere des Finances
Tresorerie et Dette Publique
30 Avenue des Arts
Bruxelles
Belgium

Attention: Mr. J. Vanheurck
Reference: Loan No. 107 BE

Gentlemen:

Reference is made to the progress report of the Brussels-Charleroi Canal for the third quarter of 1955, received with your letter dated December 29, 1955, No. 841.

Part of this report consists of a construction schedule (Annex I bis) indicating planned and actual physical progress of the project. This schedule shows that the completion of various works will extend into 1958 and 1959.

According to the "Description of the Projects" which forms part of our Loan Agreement (Schedule 2) the Charleroi-Seneffe section would be completed by the end of 1957. We should appreciate very much your informing us in some detail what the reasons are that according to the present schedule this completion date has been extended by almost two years.

Very truly yours,



J. F. Main
Chief, Transportation Division
Technical Operations Department

cleared with and cc: Mr. Stevenson
Mr. Fajans

HvanHelden/JMdeLeeuw/jma

In reply please refer
to Loan No. 107 BE

January 20, 1956

Ministère des Finances
30, avenue des Arts
Brussels, Belgium

Attention: Mr. J. Vanheurck

Gentlemen:

Thank you for your letter of December 29, 1955, informing us of the proposal to change the sequence in which various sections of the Ghent Ring Canal will be built.

We should be grateful, before deciding about the modification of the project description in the loan agreement, if you would explain to us in detail what considerations have led to the decision to build the northern section of the canal first. You will recall that when the Bank's mission was in Brussels in late 1954, a number of arguments were put forward for building the southern and western sections of the canal first. One was that the greatest economies would be those accruing to traffic between Antwerp, on the one hand, and Bruges and Southern Belgium on the other, by virtue of the by-pass provided by the southern and western sections. The flood control benefits of these sections were also said to be especially great.

It would also be helpful if you would inform us what expenditures have been made on the southern section of the canal since January 1, 1954, the date on which expenditures became reimbursable either from the public bond issue or from the Bank loan. In this connection, will you please let us know what you now expect the completion date of the southern section to be.

Cleared with Mr. Van Helden

cc: Messrs. Basyn
Van Helden
Verheyen
Oppenheimer

Yours sincerely,

S. R. Cope
Director of Operations
Europe, Africa and Australasia

✓ RJS M
RFSkillings:ASterverson:amg



TRESORERIE
ET DETTE PUBLIQUE

3e Direction - 1r Bureau

T. D. N° 841
C. D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

Emprunt de \$ 20.000.000

Belfm-107
Bruxelles, le 29 décembre 1955.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT,
1818H Street, N.-W.,
WASHINGTON 25 D.C.

A l'attention de M. J.F. MAIN.

Messieurs,

Comme suite à votre lettre du 12 décembre courant,
Re : Loan, N° 107 B.E., j'ai l'honneur de vous transmettre
inclus dans quatre fardes marquées respectivement :

- B. Ghent Ring Canal,
- C. Nimy - Blaton - Péronnes Canal
- D. Brussels-Charleroi Canal
- E. Lock at Neuville-sous-Huy.

des documents fournis par la Direction générale des Voies hydrauliques du Département des Travaux publics et qui concernent l'avancement des travaux au cours du 3e trimestre 1955.

Conformément à notre correspondance antérieure, vous trouverez ci-dessous des renseignements complémentaires qui faciliteront la compréhension de certains de ces documents.

FARDE B.

L'annexe I donne l'avancement des travaux d'après les paiements, tandis que l'annexe Ibis donne cet avancement d'après les quantités réellement exécutées.

La carte B4/5255 du canal circulaire donne des indications dans les mêmes hypothèses (voir annexes II et IIBis).

..//..

act. Jan. 20/56

Les travaux des ponts S4, W13 et W15 ont été retardés à la suite de difficultés rencontrées lors du rabattement de la nappe aquifère.

FARDE D.

RECEIVED
MINISTRY OF FINANCES
BRUSSELS
MAY 3 10 33 AM 1955

Les annexes I et II sont relatives à l'avancement exprimé en paiements, et les annexes Ibis et IIbis à l'avancement en quantités réellement exécutées.

x
x x

Le Ministre des Travaux publics me prie de soumettre à votre examen la proposition suivante de modification au programme initial en ce qui concerne le canal circulaire auto de Gand (voir Loan Agreement du 14 décembre 1954 - Schedule 2).

Ce canal est subdivisé en 3 sections, les sections nord, ouest et sud, dont les deux dernières seulement sont actuellement sous emprunt.

Pour satisfaire aux besoins immédiats du port de Gand, et pour promouvoir l'industrialisation de la région traversée, il y aurait lieu d'exécuter les travaux à ces trois sections dans l'ordre que voici : nord, ouest et sud.

Il est suggéré dès lors que la section nord puisse bénéficier de l'emprunt en remplacement de la section sud.

Je vous saurai gré, Messieurs, de me faire connaître votre avis sur cette proposition et je vous prie d'agréer, l'assurance de ma considération distinguée.

Au nom du Ministre :
L'ADMINISTRATEUR-DIRECTEUR GENERAL,

J. VANHEURCK.

December 12, 1955

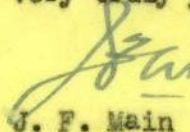
Ministere des Finances
Trésorerie et Dette Publique
30, Avenue des Arts
Bruxelles, Belgium

Attn: Mr. J. Vanheurck
re: Loan No. 107-BE

Dear Sir:


Reference is made to your letter dated August 3, 1955, ✓
TD No. 841, and enclosed progress reports for the second quarter
of 1955. We should appreciate being informed when we may expect
to receive these progress reports for the third quarter of 1955.

Very truly yours,



J. F. Main
Chief, Transportation Division
Department of Technical Operations

cc: Mr. Stevenson
Mr. Fajans

 AJMdeLeeuw/al

Mr. A.J.M.de Leeuw

Room 203

Ministry of Finance
of Belgium.

Brussels, October 14, 1955.

No. 841

International Bank for Reconstruction & Development
1818 H St., N.W.
Washington 25, D.C.

Attention: Mr. J.F. Main

Gentlemen:

With reference to your letter of September 15th last, I beg to inform you that the "Direction Generale des Voies Hydrauliques", as it appears from information supplied by that agency, believed it possible to draw a comparison between actual physical progress of the work and planned progress by expressing in percentages the amount of the work completed; it is clear that by using this method the expenditure made will not coincide with the work actually carried out.

In the future, the "progress plannings"* will show the amount of work actually executed.

Yours

For the Minister
The Administrator-General Manager.

s/
J. Vanheurck.

* Translator's note: probably meaning construction schedules.

TRANSLATION SECTION

Translated From: French 10.19.55 By: AB

MJC
Ministère des Finances
de Belgique



TRESORERIE
ET DETTE PUBLIQUE

3e Direction- 1er Bureau

T. D N° 841
C. D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

Bruxelles, le 14 octobre 1955
30, avenue des Arts.

International Bank for
Reconstruction and Development,
1818 H Street, N.W.
WASHINGTON 25 D.C.

A l'attention de Mr. J.F. MAIN.

Messieurs,

En réponse à votre lettre du 15 septembre dernier, j'ai l'honneur de vous faire savoir qu'il résulte de renseignements fournis par la Direction générale des Voies hydrauliques que ce service a estimé que la comparaison de l'état d'avancement réel des travaux avec l'état d'avancement prévu pouvait être faite en exprimant en pourcentage le montant des travaux présentés en liquidation; il est évident que cette conception entraîne un décalage entre les dépenses effectuées et les travaux réellement exécutés.

A l'avenir, les plannings d'avancement indiqueront le montant des travaux réellement exécutés.

Veillez agréer, Messieurs, l'assurance de ma considération distinguée.

Au nom du Ministre:
L'ADMINISTRATEUR-DIRECTEUR GENERAL,

J. VANHEURCK.

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

1. AVANCEMENT

OCT 17 10 16 AM 1955

AVANCEMENT-PROCESSEMENT
DE NOUVEAU

Les conditions d'attribution
des avances sont les suivantes :
1. L'attribution des avances est soumise à l'approbation
de la Commission des avances.
2. Les avances sont accordées sur la base d'un plan
de travail approuvé par la Commission des avances.
3. Les avances sont accordées à titre de prêt et
doivent être remboursées dans un délai déterminé.
4. Les avances sont accordées à un taux d'intérêt
fixé par la Commission des avances.
5. Les avances sont accordées à des fins déterminées
et doivent être utilisées conformément au plan
de travail approuvé.

de la Commission

Indicateur de crédit
dans le tableau ci-dessous

UNION

CD
1.2.3.4.5.6.7.8.9.10.11.12.13.14.15.16.17.18.19.20.21.22.23.24.25.26.27.28.29.30.31.32.33.34.35.36.37.38.39.40.41.42.43.44.45.46.47.48.49.50.51.52.53.54.55.56.57.58.59.60.61.62.63.64.65.66.67.68.69.70.71.72.73.74.75.76.77.78.79.80.81.82.83.84.85.86.87.88.89.90.91.92.93.94.95.96.97.98.99.100.

DE PROJETION - DES AVANCES

LE ROYAUME DE BELGIQUE
LE MINISTRE DES FINANCES



de Belgique
Ministère des Finances

AVANCEMENT DE NOUVEAU

AVANCEMENT DE NOUVEAU

AVANCEMENT DE NOUVEAU

Commission des avances
International Bank for Reconstruction and Development

AVANCEMENT DE NOUVEAU
AVANCEMENT DE NOUVEAU

September 15, 1955

Mr. M. Williot
Ministere des Finances et Dette Publique
30, Avenue des Arts
Brussels, Belgium

Dear Mr. Williot:

We acknowledge receipt of your letter dated August 30, 1955, and thank you for the explanation of the reasons for delay of some of the works of the Charleroi-Seneffe canal.

There still appears to be some confusion about the construction schedule for this project and we wish to make sure that there is no misunderstanding on the interpretation of this schedule or on those of the other projects under the Bank Loan.

The construction schedules are intended to show actual physical progress compared with planned physical progress; they are not supposed to show expenditures, either actual or planned. For example, you mention that the delay of the Pont-rails de Bayemont is only apparent because the work is completed but part of the cost will have to be reimbursed by the Belgian Railways. In this case we expect the construction schedule to show that the work is 100% completed and not 62%.

It would appear that the above construction schedule is an old one, made prior to the time the loan was negotiated. For instance, the work "Modernisation au droit et en aval du Pont-rails de Luttre" was, according to your schedule, planned to be completed by the end of November 1954, whereas at the end of June 1955 only 85% was completed. That a delay would be incurred was therefore already known when the loan was signed on December 14, 1954. Since the purpose of the progress reports is to enable us to compare the actual physical progress with Schedule II of the Loan Agreement, we feel that delays incurred before that date should be eliminated from the construction schedules sent to the Bank.

We will be grateful if you will ensure that all construction schedules are in accordance with the above procedure.

Very truly yours,

J. F. Main

Chief, Transportation Division
Department of Technical Operations

HJVan Helden:mle

cc: Mr. Van Helden
de Leeuw



Bruxelles, le 30 août 1955.
30, avenue des Arts,

3e Direction-1er Bureau

T.D. n° 841

Emprunt de \$ 20.000.000

International Bank for
Reconstruction and Development,
1818 H. Street, N.W.,
WASHINGTON 25, D.C.

A l'attention de M. J.F. Main

Messieurs,

En réponse à votre lettre du 11 août dernier,
Re.: Loan n° 107 B.E., j'ai l'honneur de vous prier de bien
vouloir trouver ci-dessous les renseignements que donne la
Direction générale des Voies hydrauliques, concernant les tra-
vaux du canal Charleroi-Seneffe, pour lesquels la comparaison
du planning de base et la situation au 30 juin 1955, indique
un retard réel ou apparent.

Pont-rails St.Théodore

L'ouvrage est terminé, mais le décompte final est en-
core à liquider.

Pont-route de Bayemont

Le retard provient des difficultés rencontrées pour
l'approvisionnement des fils de précontrainte qui, lors des
essais de réception, ne répondaient pas aux normes imposées.
Cette question est actuellement réglée.

Pont-rails de Bayemont

Le retard sur les prévisions n'est qu'apparent. Cet
ouvrage est pratiquement terminé. Une partie des frais de
l'ouvrage doit être supportée par la Société Nationale des
Chemins de fer belges. Un projet de convention, réglant no-
tamment la question de répartition des dépenses, a été ap-
prouvé. La dépense à charge du Ministère des Travaux Publics
et de la Reconstruction pourra maintenant être fixée défini-
tivement.

Ecluse 1 F

adr. Sept. 15/55

Ecluse 1 F.

L'avancement de cette entreprise est normal.

Ecluse 2 F et ses liaisons amont et aval

Les prévisions sont basées sur la proportionnalité dans le temps entre les sommes payées et les délais cumulés. Au début d'une entreprise, et c'est le cas pour l'écluse 2 F, cette proportionnalité ne peut être respectée par suite de l'ampleur des installations de chantier.

Crête de partage 2ème partie - Section A.

Le matériel de terrassement utilisé ne convient pas et l'entrepreneur est en pourparlers pour le remplacer.

Modernisation au droit et en aval du pont-rails de Luttre

Cette entreprise est présentement terminée et il ne reste à régler que le décompte final.

Crête de partage - 1ère partie

Au 30 juin 1955, 65,4% des travaux sont terminés et 76% du délai d'exécution sont écoulés.

Les travaux comportent, en ordre principal, des terrassements qui ont imposé le délai d'exécution. Les autres travaux consistent en ouvrages accessoires en béton qui sont dépendants des terrassements mais qui n'ont eu qu'une influence secondaire sur la fixation du délai d'exécution.

L'examen des situations de travaux a permis de se rendre compte qu'il n'y a pas de retard en ce qui concerne les terrassements.

L'exécution des travaux de bétonnage n'est possible qu'à partir d'un certain degré d'avancement des terrassements.

Pont-rails de Soudremont

Ouvrage terminé, mais le décompte final est encore à liquider.

Pont-route de Binche

Le retard provient des difficultés rencontrées pour l'approvisionnement des fils d'acier de précontrainte répondant aux normes imposées.

x

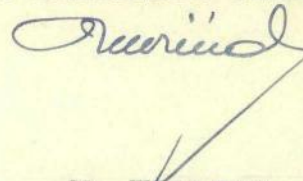
x

x

Le Ministre des Travaux publics à qui j'ai fait part du désir de la B.I.R.D. de recevoir un planning d'exécution révisé, aimerait avoir des précisions concernant ce que vous souhaitez exactement.

Veillez agréer, Messieurs, l'assurance de ma considération distinguée.

Au nom du Ministre :
Pour l'Administrateur-Directeur général,
LE DIRECTEUR GENERAL,

A handwritten signature in dark ink, appearing to read 'Williot', with a long, sweeping underline that extends downwards and to the right.

M. WILLIOT.

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

SEP 1 10 39 AM 1955

M. AUSTIN

DE DIRECTOR GENERAL
BANK OF INTERNATIONAL RECONSTRUCTION AND DEVELOPMENT
UNION OF SOVIET REPUBLICS

LETTER OF CREDIT
AMOUNT \$100,000.00
ISSUED BY THE BANK OF INTERNATIONAL RECONSTRUCTION AND DEVELOPMENT
FOR THE ACCOUNT OF THE UNION OF SOVIET REPUBLICS
IN FAVOR OF THE UNION OF SOVIET REPUBLICS
FOR THE PURPOSES OF THE AGREEMENT BETWEEN THE UNION OF SOVIET REPUBLICS AND THE BANK OF INTERNATIONAL RECONSTRUCTION AND DEVELOPMENT
DATED 1955

August 11, 1955

Ministry of Finance
12 Rue de la Loi
Brussels, Belgium

Attn: Mr. J. Vanheurck
Re: Loan No. 107-BE

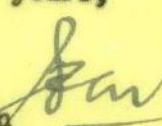
Gentlemen:

We acknowledge receipt of your letter dated August 3, 1955, and of the reports on the projects being executed under the above mentioned Loan.

We have noted with satisfaction the progress which generally is being made in the execution of the works. However, it seems that the construction of the Charleroi-Seneffe Canal is going at a slower rate than had been anticipated. It was also noticed that progress of this project was indicated on an old construction schedule of before 1954.

We should appreciate it if you could give us some explanation for the delays apparently being encountered with this project and if in future reports a revised construction schedule could be included.

Sincerely yours,


J. F. Main
Chief, Transportation Division
Department of Technical Operations

cc: Mr. Stevenson
Mr. Fajans

AJMdeLeeuw/pk/al

ROUTING SLIP

Date

Aug 5

NAME

ROOM NO.

~~General McHaffey~~ *200*

~~Mr. van Helden~~ *W*

~~Mr. de Lencastre~~

Files

Action

Note and File

Approval

Note and Return

Comment

Prepare Reply

Full Report

Previous Papers

Information

Recommendation

Initial

Signature

Remarks

KE-7-1039
*Aug 9**
Annexes rec'd
and given to
Mr. McHaffey
W.

From

MJC

Ministère des Finances
de Belgique



TRESORERIE
ET DETTE PUBLIQUE

3e Direction- 1er Bureau

T. D N° 841

C. D.

ANNEXE s : diverses, *suivent séparément **

Dans la réponse, mentionner les
indications ci-dessus.

Emprunt de \$ 20.000.000

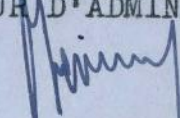
A l'attention de M.J.C. Mehaffey

Messieurs,

Me référant à ma dépêche du 21 mai dernier, émargée comme la présente, j'ai l'honneur de vous faire parvenir en annexe des plans et autres documents relatifs à l'avancement, au cours du 2ème trimestre 1955, des travaux hydrauliques (The Boudewyn Lock (Antwerp) - The Ghent Ring Canal, The Baudour Blaton Canal, The Charleroi-Seneffe Canal, Movable dam & locks at Neuville-sous-Huy) à financer par le produit de l'emprunt de \$ 20.000.000 consenti par votre établissement en vertu du contrat du 14 décembre 1954.

Veillez agréer, Messieurs, l'assurance de ma considération distinguée.

Au nom du Ministre:
Pour l'Administrateur-Directeur général,
LE DIRECTEUR D'ADMINISTRATION,


P. LEON.

ad. Aug. 11/55

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: June 1, 1955

TO: Mr. Arnold Frey, 5 Northway, Bronxville, 8, N.Y.

FROM: A. Broches

FILED UNDER: Norway - Indebtedness - Public issue.

SUMMARY: Enclosing information about the combined public issue and loan transactions of the Kingdom of Belgium and the Kingdom of Norway.

Belfm-107

May 31, 1955

Ministry of Finance
12 Rue de la Loi
Brussels, Belgium

Attn: Mr. J. Vanheurck
re: Loan No. 107-BE

Gentlemen:

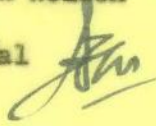
Reference is made to a letter by Mr. Martin M. Rosen of this Bank dated December 10, 1954. This letter enclosed a request to the Ministry of Public Works for information to be transmitted to the Bank pursuant to Section 4.01 of the Loan Agreement and it was suggested that this information be submitted quarterly, the initial report to cover the first quarter of 1955.

Since no reports have yet been received we should appreciate it very much if you could see to it that these reports be submitted as soon as may be convenient.

Yours very truly,

J. F. Main
Acting Chief
Transportation Division
Department of Technical Operations

cc: Mr. Rosen
Mr. van Helden

A. J. M. de Leeuw/al 

Belgen - Am 107



Bruxelles, le 21 mai 1955.
18, rue de la Loi,

3e Direction-1er Bureau

T.D. n° 841

Emprunt de \$ 20.000.000

diverses annexes

*Les annexes suivront par pli
- séparé (recommandé)*

International Bank for Reconstruction
and Development,
1818 H. Street, N.W.,
WASHINGTON 25, D.C.

A l'attention de M. J.C. Mehaffey

Messieurs,

Re. Loan n° 107 B.E.

Me référant à votre lettre du 8 décembre 1954, j'ai l'honneur de vous faire parvenir en annexe des plans et autres documents relatifs aux travaux hydrauliques (The Ghent Ring Canal, The Baudour Blaton-Mont des Groseilliers Canal, The Charleroi-Seneffe Canal, Movable dam & locks at Neuville-sous-Huy) à financer par le produit de l'emprunt de \$ 20.000.000 consenti par votre établissement au Royaume de Belgique en vertu du contrat du 14 décembre 1954.

Quant aux renseignements relatifs à l'écluse Baudouin, ceux-ci vous seront transmis dès que le Département des Travaux publics me les aura communiqués.

Veillez agréer, Messieurs, l'assurance de ma considération distinguée.

Au nom du Ministre :
Pour l'Administrateur-Directeur général,
LE DIRECTEUR D'ADMINISTRATION,

A. DURIEUX.

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JUN 2 11 17 AM 1955

OFFICE

TO DIRECTOR, ADMINISTRATION
FROM [illegible]

[Illegible typed text, likely a memorandum or report]

[Illegible text, possibly a signature or title]

50
[Illegible text]

[Illegible text]

[Illegible text]

May 20, 1955

Dear Mr. Williot:

In the absence of Mr. Stevenson, who is overseas on a mission for the Bank, I wish to acknowledge the receipt of your letter of May 18 enclosing twenty photographs of Belgian canal and port works.

The photographs are most interesting and give a very good idea of the progress of construction. We appreciate your kindness in handling our request and are very grateful to Mr. Vanheurck for his help in the matter.

Yours sincerely,

JF

Joseph Fajans
Department of Operations
Europe, Africa and Australasia

Mr. M. Williot
Director of Administration
Treasury and Public Debt
Ministry of Finance
12 rue de la Loi
Brussels, Belgium

cc; Messrs. Rosen/Stevenson
Fulton
JFajans:mc

Photographs given to Mr. Embler on May 20

Ministère des Finances
de Belgique



TRESORERIE
ET DETTE PUBLIQUE

direction - bureau

T. N° T/D.G. 313.49.
C.D.

ANNEXE s: 20 photos
1 liste.

Dans la réponse, mentionner les
indications ci-dessus.

Belgen - Lm 107
Bruxelles, le 18 mai 1955.

Monsieur Alexander STEVENSON,
Department of operations Europe, Africa and
Australia,
International Bank for Reconstruction and
Development,
1818 H street, N.W.,

WASHINGTON 25, D.C.

Monsieur Stevenson,

En me référant à la lettre que M. VANHEURCK
vous a adressée le 5 mai courant, j'ai le plaisir de
vous envoyer sous ce pli une série de photographies
concernant les travaux à financer par l'emprunt émis en
décembre 1954.

Veillez agréer, Monsieur Stevenson, l'assu-
rance de ma considération très distinguée.

M. WILLIOT,
Directeur d'administration.

ad. 17/04 20/55

Belgium - Km 107

Ministère des Finances
de Belgique

Bruxelles, le 5 mai 1955.



TRESORERIE
ET DETTE PUBLIQUE

direction - bureau

T. N° T/D.G. 313.49.
C.D.

ANNEXE :

Monsieur Alexander STEVENSON,
Department of operations Europe, Africa
and Australia,
International Bank for Reconstruction and
Development,
1818 H street, N.W.,
WASHINGTON 25, D.C.

Dans la réponse, mentionner les
indications ci-dessus.

Cher Monsieur Stevenson,

mailed 30, '55

Vous m'aviez demandé, il y a quelque temps,
d'examiner avec le Ministère des Travaux publics et de la
Reconstruction, la possibilité de fournir des photogra-
phies concernant les travaux à financer par l'emprunt
émis au mois de décembre dernier.

*No reply
at this time*

J'ai le plaisir de vous faire savoir que le
département précité vient de m'aviser de ce que satis-
faction pourra vous être donnée et que l'exécution est en
cours.

Croyez, cher Monsieur Stevenson, à mes senti-
ments les meilleurs.

J. VANHEURCK,
Administrateur-Directeur général.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Handwritten signature or initials

Main body of the document containing several lines of text, likely a letter or report, though the text is mostly illegible due to blurriness.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MAY 9 9 47 AM 1953

Средства выделены

УИИХВ

CD

1. 2. 3. 4. 5. 6. 7. 8. 9. 10.

Handwritten notes or numbers

Handwritten notes or numbers



Ministry of Finance

1953



TRESORERIE
ET DETTE PUBLIQUE

3e Direction - 1r Bureau

T.D. N°
C.D.

ANNEXE : 1

Dans la réponse, mentionner les
indications ci-dessus.

Emprunt \$ 20.000.000
Loan 107 B.E.
Contrat du 14 décembre 1954.

Bruxelles, le 16 février 1955.
18, rue de la Loi,

International Bank for Reconstruction
and Development,

1818 H. Street N.W.,

WASHINGTON 25, D.C.

Messieurs,

J'ai l'honneur de vous renvoyer dûment revêtu de la signature de M. Vanheurck, Administrateur-Directeur général de la Trésorerie et de la Dette publique, pour accord, la copie de votre lettre du 31 janvier 1955.

Veillez agréer, Messieurs, l'assurance de ma considération très distinguée.

Au nom du Ministre :
Pour l'Administrateur-Directeur général,
LE DIRECTEUR D'ADMINISTRATION,

A. DURIEUX.

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FEB 18 10 11 AM 1955

THE DIRECTOR OF INVESTMENT
AND FINANCIAL INSTITUTIONS
AND THE SECRETARY

FROM THE SECRETARY
OF THE BOARD OF DIRECTORS

TO THE DIRECTOR OF INVESTMENT
AND FINANCIAL INSTITUTIONS
AND THE SECRETARY

RE: [Illegible]

DATE: 14 DECEMBER 1954
BY: [Illegible]
AMOUNT: \$ 50,000,000

RE: [Illegible]

AMOUNT: 1

C.D.
[Illegible]

36 WASHINGTON - 11 WASHINGTON

U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



DEPARTMENT OF COMMERCE

Ministère des Finances

WASHINGTON 25 2 0 0

1954 N. 21664 N. A.

BY: [Illegible]
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

18 11 21 1954
WASHINGTON 25 2 0 0

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: FEBRUARY 2, 1955

TO: INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

FROM: BRUXELLES

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

TEXT: POUR STEVENSON STOP

ME REFERE CABLE INTBAFRAD PREMIER FEVRIER STOP WITHDRAWAL
APPLICATION ET LISTE SIGNATURES AUTORISEES ONT BIEN ETE
EXPEDIEES AIRMAIL 18 JANVIER STOP PRIERE FAIRE RECHERCHES
DANS SERVICES INTBAFRAD ET CABLER SI DUPLICATAS DOIVENT ETRE
ENVOYES FULLSTOP

VANHEURCK

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FEB 2 10 47 AM 1955

MEMORANDUM

MEMORANDUM FOR THE DIRECTOR
FROM THE DEPARTMENT OF THE TREASURY
SUBJECT: [Illegible]

DATE: [Illegible]

TO: THE DIRECTOR
FROM: [Illegible]
DATE: [Illegible]

AD [Illegible]
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

INTERNATIONAL BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

January 31, 1955

Minister of Finance
3e Direction-Ir Bureau
Brussels, Belgium

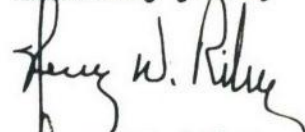
Dear Sir:

Subject: Loan #107 BE, dated December 14, 1954

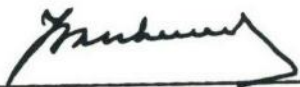
Pursuant to your letter dated January 26, 1955, we hereby agree that under the Loan Agreement dated December 14, 1954, between the Kingdom of Belgium and the Bank, interest and other charges shall be payable semi-annually on February 15 and August 15 in each year.

Please indicate your agreement with the foregoing by signing and returning the enclosed copy of this letter.

Sincerely yours,


Henry W. Riley
Treasurer

AGREED

By 

Administrateur-Directeur général
of the Treasury and of the Public Debt.

FILE COPY

January 25, 1955

Air Mail

Mr. Pierre Ansiaux
10 Rue Forestiere
Brussels, Belgium

Dear Mr. Ansiaux:

This is to acknowledge receipt of your letter dated January 4, 1955. The \$3,000 figure which you propose would be satisfactory to us. However, one question has arisen concerning your request that this amount be paid to the credit of your account at the Belgian American Banking Corporation, 52 Wall Street, New York City. Since your fee was paid in April, 1952, the Bank has adopted a policy of paying for expenses of this kind in local currency. Therefore, we would prefer to make payment directly to you in Belgium in Belgian francs. Would you please advise me if you have any objection to this.

- Legal files

May I also take this opportunity to thank you for your very able and kind cooperation in this matter. I hope that we shall meet again soon.

With best regards.

Sincerely yours,

Lester Nurick

LN/rlh

*Approved by Messrs. Brooker
and Reamy. rh*

In reply please refer
to: Loan 107 BE

January 20, 1955


Mr. Joseph Vanheurek
Administrateur-Directeur General
Direction de la Tresorerie et
de la Dette Publique
Ministere des Finances
30, Avenue des Arts
Brussels, Belgium

Dear Mr. Vanheurek:

In accordance with your request of January 12, 1955,
I enclose two copies of the loan contract of December 14, 1954
and also two copies of the Loan Regulations No. 3, dated Octo-
ber 15, 1952.

With best personal wishes,

Yours sincerely,


Alexander Stevenson
Department of Operations
Europe, Africa and Australasia

Enclosures: (4)



TRESORERIE
ET DETTE PUBLIQUE

1ère direction - 2e bureau

Bruxelles, le 13 janvier 1955.

30, avenue des Arts
Tél. 12.99.20

oper. Fibo
tu 1078E

International Bank
for Reconstruction and Development,
1818^H street, N.W.

WASHINGTON 25, D.C.

VOTRE LETTRE DU VOS REFERENCES

NOS REFERENCES

ANNEXES

T. N°
C. D.

OBJET :

Messieurs,

En exécution du contrat d'emprunt du 14 décembre 1954 entre le Royaume de Belgique et votre Institution, mon Département doit vous adresser périodiquement des demandes de remboursement des dépenses faites pour l'exécution des travaux au financement desquels l'emprunt précité est affecté.

J'ai l'honneur de vous faire savoir que les demandes dont il s'agit seront valablement signées par l'une des personnes dont le spécimen de signature figure ci-dessous :

1. M. J. VANHEURCK,
Administrateur-Directeur
général de la Trésorerie
et de la Dette publique.
2. M. M. WILLIOT,
Directeur d'Administration.
3. M. A. DURIEUX,
Directeur d'Administration.
4. M. P. LEON,
Directeur d'Administration.

Veillez agréer, Messieurs, l'assurance de ma considération très distinguée.

LE MINISTRE DES FINANCES,

In reply please refer
to: Loan 107-BE

January 13, 1955

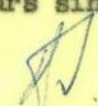
Mr. Joseph Vanheurck
Administrateur-Directeur General
Direction de la Tresorerie et
de la Dette Publique
Ministere des Finances
30, Avenue des Arts
Brussels, Belgium

Dear Mr. Vanheurck:

I am writing to acknowledge the receipt of your letter dated January 5, 1955, confirming the exchange of cables of January 4 and January 5 between yourself and Mr. Hoar regarding the effectiveness of the Bank's \$20 million loan to the Kingdom of Belgium.

With best personal wishes,

Yours sincerely,


Alexander Stevenson
Department of Operations
Europe, Africa and Australasia

cc: Mr. Hoar
Mr. Fajans



TRESORERIE
ET DETTE PUBLIQUE

Bruxelles, le 12 janvier 1955.

[Handwritten scribbles and initials]

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT,

1818 H. Street, N.W.
WASHINGTON 25 D.C.

[Handwritten note in a circle: "Relevé de l'emprunt de \$ 20.000.000 en faveur de la Belgique - 12/1/55"]

3e Direction-1r Bureau

T.D N° 850
C.D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

Emprunt de \$ 20.000.000

Messieurs,

J'ai l'honneur de vous prier de vouloir bien m'envoyer deux exemplaires non signés du contrat du 14 décembre 1954 relatif à l'emprunt de \$ 20.000.000 consenti au Royaume de Belgique par la Banque International ainsi que deux exemplaires non signés du "loan Regulations" n° 3 daté du 15 octobre 1952, dont il est question dans le contrat précité.

Veuillez agréer, Messieurs, l'assurance de ma considération distinguée.

Au nom du Ministre:
L'ADMINISTRATEUR -DIRECTEUR GENERAL,

[Handwritten signature]

J. Vanheurck.

[Faint blue stamp: "RECEVU LE 13 JAN 1955"]

[Faint blue stamp: "TRESORERIE ET DETTE PUBLIQUE"]

[Handwritten note: "acte Jan 20/55"]

Bruxelles le 15 Janvier 1955

Royaume des Belges
Belgique



TRÉSORERIE
ET DETTE PUBLIQUE

Direction - Bureau

T D N 850
C D

ANNEXE

Dans la réponse mentionner les
références ci-dessus.

Montant de \$ 20.000.000

Messieurs,

J'ai l'honneur de vous prier de vouloir bien
m'envoyer deux exemplaires non signés du contrat du 14
décembre 1954 relatif à l'emprunt de \$ 20.000.000 con-
cédé au Royaume de Belgique par la Banque Internationale
ainsi que deux exemplaires non signés du "Loan Regula-
tion" n° 7 daté du 15 octobre 1952, dont il est ques-
tion dans le contrat précité.

Veuillez agréer, Messieurs, l'assurance de ma
considération distinguée.

Au nom du ministre:
L'ADMINISTRATEUR-DIRECTEUR GÉNÉRAL

J. Vanhoyez

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
JAN 17 10 44 AM 1955

News. Prins and Street (3)

January 10, 1955

Walter C. P. Rutland

LOAN 107 BE - Effective Date

Please note that subject Loan became effective on January 4, 1955 (Refer memo from Mr. Harick dated January 5, 1955).

Please note your records accordingly.

- cc: Mr. Cavanaugh
- Mr. ~~Prins~~ PEREZ
- Mr. Rutland (2)

GENERAL FILES
ROUTING SLIP

Date

JAN 10 1955

ROUTING OF INCOMING MAIL

Mr. Black	1023	Personnel Div.	1213
Mr. Broches	1113	Mr. Poore	1220
Mr. Cope	402	Public Relations	1109
Mr. Demuth	1013	Mr. Reamy	1218E
Mr. Doucet	1109	Research Files	1215
Mr. Garner	1002	Mr. Riley	1201
Mr. Gregh	320	Mr. Rist	1223
Mr. Hamilton	1232	Mr. Rosen	405
Mr. Hoar	405	Mr. Rucinski	320
Mr. Howell	1004	Mr. Schmidt	421
Mr. Iliff	1002	Mr. Sommers	1113
Mr. Johnston	1220	Technical Op.	308
Mr. Knapp	421	Mr. Woolley	1007
Mr. Mendels	1009	Mr. Worthington	1215
Office Services	113	Mr. March 1121	

Remarks:

Sandy:

Mr. Stevenson

I think you should
acknowledge the

letter N

Ministère des Finances
de Belgique

RE-107 - A
Bruxelles, le 5 janvier 1955.



TRESORERIE
ET DETTE PUBLIQUE

3e Direction-Ir Bureau

T. N°
C.D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

Emprunt de \$ 20.000.000

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT,

1818 H. Street, N.W.
WASHINGTON 25, D.C.

Messieurs,

J'ai l'honneur de confirmer mon télégramme de
ce jour, libellé comme suit:

"Reference to loan agreement dated december fourteen
"nineteen fifty-four between Kingdom of Belgium and In-
"ternational Bank. Confirm receipt your telegram from
"New-York informing minister of finance that said loan
"agreement becomes effective january fourth nineteen
"fifty five."

Ce télégramme fait suite au câble que vous m'a-
vez adressé de New-York le 4 janvier 1955 et qui porte
le texte ci-après :

"Reference is made to loan agreement dated december four-
"teen nineteen fifty four between Kingdom of Belgium and
"International Bank stop you are hereby notified pursuant
"to section 9.03 of loan regulations number three of the
"bank that the bank accepts the evidence furnished under
"said loan regulations stop accordingly said loan agree-
"ment becomes effective today january fourth nineteen
"fifty five stop please confirm receipt this telegram.
"A S G HOAR."



En conséquence, le contrat d'emprunt conclu le 14 décembre 1954 entre la Banque Internationale de Reconstruction et Développement et le Royaume de Belgique est devenu effectif le 4 janvier 1955.

Veuillez agréer, Messieurs, l'assurance de ma considération très distinguée.

Au nom du Ministre:
L'ADMINISTRATEUR-DIRECTEUR GENERAL,

J. Vanheurck.

"reference is made to loan agreement dated December 14, 1954 between Kingdom of Belgium and International Bank for Reconstruction and Development, New York, which became effective January 4, 1955."

"Ce télégramme fait suite au copie que vous m'avez adressé de New-York le 4 janvier 1955 et qui porte le texte ci-dessus :

"reference is made to loan agreement dated December 14, 1954 between Kingdom of Belgium and International Bank for Reconstruction and Development, New York, which became effective January 4, 1955."

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 10 10 31 AM 1955

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: JANUARY 5, 1955 1716

TO: INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FROM:

BRUXELLES

TEXT:

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

REFERENCE TO LOAN AGREEMENT DATED DECEMBER FOURTEEN NINETEEN
 FIFTY FOUR BETWEEN KINGDOM OF BELGIUM AND INTERNATIONAL BANK
 CONFIRM RECEIPT YOUR TELEGRAM FROM NEW YORK INFORMING MINI-
 STER OF FINANCE THAT SAID LOAN AGREEMENT BECOMES EFFECTIVE
 JANUARY FOURTH NINETEEN FIFTY-FIVE

VANHEURCK ADMINISTRATEUR DIRECTEUR
 GENERAL

CONFIDENTIAL

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 5 1 00 PM 1955

SECRET
ADMINISTRATIVE INFORMATION

THE BOARD OF DIRECTORS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT HAS APPROVED THE PROVISIONS OF THE AMENDMENT TO THE ARTICLES OF AGREEMENT AND THE BY-LAWS OF THE BANK AS SET FORTH IN THE ATTACHED DOCUMENTS. THESE AMENDMENTS ARE BEING SUBMITTED TO YOU FOR YOUR INFORMATION AND RECORD.

TEXT

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

RECORDED BY	
INDEXED BY	
SECTION	
DATE	

INTERNATIONAL BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

VIB IBRD GA PLS

SVC INTBAFRAD WA501

REGARDING YOUR RADIOGRAM 322-1 QK208 BNRST41 DATED JAN 4TH ✓

ADDRESSED MINISTERE DES FINANCES 12 RUE DE LA LOI BRUXELLES

MESSAGE WAS DELIVERED JAN 4TH 1630GMT

SVC DESK RCA JAN 5TH..

JAN 5 8 39 AM 1955

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

COPY

DATE: JANUARY 4, 1955
TO: MINISTERE DES FINANCES
12, RUE DE LA LOI
BRUZELLES BELGIUM

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

TEXT:

REFERENCE IS MADE TO LOAN AGREEMENT DATED DECEMBER FOURTEEN NINETEEN FIFTY FOUR BETWEEN KINGDOM OF BELGIUM AND INTERNATIONAL BANK STOP YOU ARE HEREBY NOTIFIED PURSUANT TO SECTION 9.03 OF LOAN REGULATIONS NUMBER THREE OF THE BANK THAT THE BANK ACCEPTS THE EVIDENCE FURNISHED UNDER SAID LOAN REGULATIONS STOP ACCORDINGLY SAID LOAN AGREEMENT BECOMES EFFECTIVE TODAY JANUARY FOURTH NINETEEN FIFTY FIVE STOP PLEASE CONFIRM RECEIPT THIS TELEGRAM

A. S. G. HOAR
INTBAFRAD

AUTHORIZED BY:
NAME Lester Nurick
DEPT. Office of the General Counsel

For Use by Archives Division
Checked for Dispatch _____

Loan 107 BSR

FILE COPY

Copy of Cable sent to Kingdom of Belgium on January 4

Ministere des Finances
12 rue de la Loi
Bruxelles, Belgium

Reference is made to Loan Agreement dated December 14, 1954 between Kingdom of Belgium and International Bank. You are hereby notified pursuant to Section 9.03 of Loan Regulations No. 3 of the Bank that the Bank accepts the evidence furnished under said Loan Regulations. Accordingly said Loan Agreement becomes effective today January 4, 1955. Please confirm receipt this telegram.

A. S. G. Hoar
INTBAFRAD

FILE COPY

December 22, 1954

Air Mail

Monsieur Gaillard
Conseiller Juridique du Ministere des Finances
14, rue de la Loi
Bruxelles, Belgium

Dear Mr. Gaillard:

This is to advise you that Mr. MacVeagh brought back with him and sent to me the following documents:

1. Certificate of J. Vanheurck to the effect that the available loaning authority exceeds \$50,000,000;
 2. Certificate of J. Vanheurck as to the debt issued since August 31, 1954;
 3. Copy of calculation dated December 13, 1954 showing amount of debt authorization as of August 31, 1954;
 4. Opinion dated December 14, 1954 of the Minister of Justice;
- and
5. Four copies of Moniteur Belge, December 13-14, 1954.

Sincerely yours,

Lester Nurick

LN/rlh

FILE COPY

December 22, 1954

Air Mail

Mr. Pierre Ansiaux
10 Rue Forestiere
Brussels, Belgium

Dear Mr. Ansiaux:

This is to acknowledge with thanks your letter of December 14, 1954 with regard to the Loan Agreement between the Kingdom of Belgium and the International Bank.

Mr. MacVeagh has sent me the legal documents concerning the loan which he brought back from Belgium.

Sincerely yours,

Lester Nurick

GENERAL FILES
ROUTING SLIP

Date

DEC 20 1954

ROUTING OF INCOMING MAIL

Mr. Black	1023		Public Relations	1109
Mr. Brower	205		Mr. Riley	1201
Mr. Demuth	1013		Mr. Reamy	200A
Tech. Operations	305		Research Files	212
Mr. Garner	1002		Mr. Sommers	1113
Mr. Gregh	320			
Mr. Hoar	405		<i>Mr. Hoar 405</i>	
Mr. Howell	1004		Mr. Howell 1004	
Mr. Iliff	1002		Mr. Iliff 1002	
Mr. Johnston	203		Mr. Johnston 203	
Mr. Knapp	421		Mr. Knapp 421	
Mr. Mendels	1009		Mr. Mendels 1009	
Office Services	113		Office Services 113	
Personnel Div.	1213			
Mr. Poore	200			

Remarks:

Ministère des Finances
de Belgique



TRESORERIE
ET DETTE PUBLIQUE

3e Direction

T. N°
C.D.

ANNEXE :

Dans la réponse, mentionner les
indications ci-dessus.

Emprunt de \$ 20.000.000

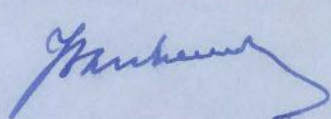
Messieurs,

A l'attention de M. Martin H. ROSEN,
Assistant Director of Operations.

En réponse à votre lettre du 10 décembre 1954, j'ai l'honneur de vous faire savoir que, pour des raisons de bonne coordination, j'estime préférable que la Banque Internationale ne corresponde pas directement avec le Ministère des Travaux Publics et qu'elle fasse transiter par le Ministère des Finances - comme elle l'a fait cette fois - toutes les demandes d'informations concernant les travaux au financement desquels doit servir l'emprunt de 20 millions de dollars consenti à l'Etat belge.

Veillez agréer, Messieurs, l'assurance de ma considération distinguée.

Au nom du Ministre:
L'ADMINISTRATEUR-DIRECTEUR GENERAL,


J. Vanheurck.

Buljour 102 - Adm
Bruxelles, le 16 décembre 1954.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,

1818 H. Street, N.W.

WASHINGTON 25, D.C.

DEC 30 10 49 AM 1954

RECEIVED
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON

Mr.
Room

TRANSLATION OF INCOMING CABLE

From: Brussels, Belgium
Date: Dec. 15, 1954

HEARTFELT THANKS FOR SIGNING THE LOAN AGREEMENT. APPRECIATE YOUR FEELINGS TOWARDS BELGIUM.

LIEBAERT

TRANSLATION SECTION	
Translated From: French	By: LAP 12/15/54

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **DECEMBER 15, 1954 1710**

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

FROM:
BRUXELLES

TEXT:

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

**VOUS REMERCIE VIVEMENT POUR SIGNATURE CONTRAT EMPRUNT.
APPRECIE VOS SENTIMENTS ENVERS BELGIQUE**

LIEBAERT

DEC 15 1954

DUPLICATE

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

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FINANCE

MEMORANDUM FOR THE DIRECTOR

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INTERNATIONAL BANK

FOR RECONSTRUCTION AND DEVELOPMENT

12.C. 1954 351

Belgium LN 107

PROSPECTUS

\$30,000,000
Kingdom of Belgium

EXTERNAL LOAN BONDS

- \$5,000,000 THREE YEAR 3¾% BONDS DUE DECEMBER 1, 1957
- \$5,000,000 FOUR YEAR 3½% BONDS DUE DECEMBER 1, 1958
- \$5,000,000 FIVE YEAR 3¾% BONDS DUE DECEMBER 1, 1959
- \$15,000,000 TEN YEAR SINKING FUND 4% BONDS DUE DECEMBER 1, 1964

Bonds dated December 1, 1954. Interest payable June 1 and December 1 in New York City.

Sinking Fund for the Ten Year Bonds of \$15,000,000 semiannually commencing in the spring of 1960 payable in such Bonds or in cash to be applied to the purchase or redemption of Ten Year Bonds.

Redeemable, at the option of the Kingdom of Belgium, at any time, in whole or in part, on 30 days' notice, at the principal amount and accrued interest plus ½ of 1% for each 12 months or fraction thereof from the redemption date to the respective maturity dates. The Ten Year Bonds also redeemable through operation of the sinking fund on any interest payment date, on like notice, at the principal amount and accrued interest plus ¼ of 1% for each 12 months or fraction thereof from the redemption date to December 1, 1964.

Concurrently with the sale of these Bonds the International Bank for Reconstruction and Development is agreeing to lend to the Kingdom of Belgium up to \$20,000,000 or the equivalent thereof in other currencies, repayable from 1965 to 1969 inclusive, at an interest rate of 4½%. The proceeds of the \$50,000,000 borrowing represented by these Bonds and the World Bank Loan are to be disbursed for projects agreed to by the World Bank. See PURPOSE OF ISSUE herein.

The Kingdom of Belgium will make application to list the Ten Year Sinking Fund 4% Bonds on the New York Stock Exchange.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PRICES

Three Year, Four Year and Five Year Bonds 100% and Accrued Interest
Ten Year Sinking Fund Bonds 99½% and Accrued Interest

	Price to Public(1)	Underwriting Discounts or Commissions	Proceeds to the Government(2)
Three Year, Four Year and Five Year Bonds			
Total	\$15,000,000	\$225,000	\$14,775,000
Per Unit	100%	1½%	98½%
Ten Year Sinking Fund Bonds			
Total	\$14,925,000	\$393,750	\$14,531,250
Per Unit	99½%	2⅝%	96⅞%

(1) Plus accrued interest.

(2) Belgium has agreed to indemnify the several Underwriters against certain liabilities and to reimburse them for \$50,000 of expenses.

Subject to prior sale these Bonds are offered when, as and if issued, and accepted by the Underwriters named herein, and subject to the approval of certain legal matters by Davis Polk Wardwell Sunderland & Kiendl and Maître Pierre Ansiaux, counsel for the Underwriters, and the Honorable Albert Lilar, Minister of Justice of the Kingdom of Belgium. It is expected that delivery of Bonds will be made at the office of J. P. Morgan & Co. Incorporated on or about January 4, 1955, against payment therefor in New York funds.

MORGAN STANLEY & CO.

SMITH, BARNEY & CO.

December 15, 1954.

No person is authorized to give any information or to make any representations not contained in this Prospectus; and any information, data or representation not contained herein must not be relied upon as having been authorized by the Kingdom of Belgium or by any Underwriter.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

In this Prospectus all amounts are expressed in Belgian francs unless otherwise specified. On September 21, 1949 parity of the Belgian franc was fixed at \$1 U.S. equals 50 Belgian francs or 1 Belgian franc equals 2 U.S. cents. On November 19, 1954 the demand rate for the Belgian franc in New York City was 2 cents.

PURPOSE OF ISSUE

The Kingdom of Belgium (hereinafter sometimes referred to as Belgium or the Government) is issuing \$30,000,000 principal amount of its External Loan Bonds dated December 1, 1954, consisting of \$5,000,000 of Three Year $3\frac{3}{8}\%$ Bonds, due December 1, 1957 (hereinafter called the Three Year Bonds), \$5,000,000 of Four Year $3\frac{1}{2}\%$ Bonds, due December 1, 1958 (hereinafter called the Four Year Bonds), \$5,000,000 of Five Year $3\frac{5}{8}\%$ Bonds, due December 1, 1959 (hereinafter called the Five Year Bonds) and \$15,000,000 of Ten Year Sinking Fund 4% Bonds, due December 1, 1964 (hereinafter called the Ten Year Bonds). The Three Year Bonds, Four Year Bonds, Five Year Bonds and Ten Year Bonds are hereinafter sometimes collectively referred to as the Bonds.

Concurrently with the sale of the Bonds the International Bank for Reconstruction and Development (sometimes herein called the World Bank) is agreeing to lend to Belgium up to \$20,000,000 or the equivalent thereof in other currencies, repayable from 1965 to 1969 inclusive and bearing interest at a rate of $4\frac{5}{8}\%$, which rate includes an amount to be allocated to the Bank's Special Reserve (presently 1% per annum), such loan being hereinafter sometimes referred to as the World Bank Loan. The purpose of the World Bank Loan and of the sale of the Bonds is to assist Belgium in financing the cost of the five projects set forth below, which have been investigated by the World Bank prior to its granting a loan towards their financing.

The Belgian franc equivalent of the net proceeds (after deducting estimated expenses of \$110,000) to be received by the Government from the sale of the Bonds is to be used in part to reimburse the Government for a portion of expenditures heretofore made on the first four projects mentioned below and in part, together with the Belgian franc equivalent of the proceeds of the World Bank Loan, for disbursements for additional work on such projects and for work on the fifth project mentioned below. The five projects are:

1. **Baudouin Lock**—The Project consists of the completion of this lock by the end of 1955 to provide a second connection between the river Schelde and the Antwerp dock basin. The lock will be operated by the City of Antwerp. It will be able to handle four 10,000 ton vessels simultaneously.

2. **Ghent Ring Canal**—The Project consists of the completion by the end of 1958 of the southern and western sections of a canal by-passing Ghent. When completed, these sections will be approximately 10 miles long and will be able to accommodate barges up to 2,000 tons. The Project also involves the construction of two locks, two dams and 23 road and railroad bridges.

3. **Nimy-Blaton-Peronnes Canal**—The Project consists of the completion by the end of 1956 of a new section of this canal from Baudour to Blaton with a cut at the Mont des Groseilliers. When completed, this section will be approximately 9 miles long, and will be able to accommodate barges up to 1,350 tons. This Project also involves the construction of 17 road and railroad bridges over the canal.

4. **Brussels-Charleroi Canal**—The Project consists of the completion by the end of 1957 of the improvement of the section of the canal between Charleroi and Seneffe. When this improvement is finished, this section will be approximately 17 miles long and will be able to accommodate barges up to 1,350 tons. This Project also involves the replacement of a tunnel at Godarville by a deeply excavated open canal and the construction of three locks and of 22 road and railroad bridges.

5. **Dam and Lock at Neuville-sous-Huy**—The Project consists of the construction at Neuville-sous-Huy on the Meuse River of a regulating dam and two parallel locks to be completed by the end of 1957. When completed the dam will have five gates, and the larger lock will be able to accommodate barges of at least 1,350 tons.

Under the agreement between the Kingdom of Belgium and the World Bank these projects may be modified or other projects substituted therefor with the approval of the World Bank. Such further funds as may be required for these or other purposes may be provided by the Government out of its cash resources or from borrowings.

DESCRIPTION OF THE BONDS

The Bonds, to be issued in the principal amount of \$30,000,000, are to be direct obligations of the Kingdom of Belgium and are to be dated December 1, 1954. The Three Year Bonds are to mature December 1, 1957; the Four Year Bonds, December 1, 1958; the Five Year Bonds, December 1, 1959; and the Ten Year Sinking Fund Bonds, December 1, 1964. Interest on the Bonds will be payable semiannually on June 1 and December 1 at the rate of $3\frac{3}{8}\%$ per annum on the Three Year Bonds, $3\frac{1}{2}\%$ per annum on the Four Year Bonds, $3\frac{5}{8}\%$ per annum on the Five Year Bonds, and 4% per annum on the Ten Year Sinking Fund Bonds.

Principal and interest on the Bonds will be payable in New York City at the office of J. P. Morgan & Co. Incorporated or at the principal office of Guaranty Trust Company of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. The principal of, and interest on, the Bonds will be free of all taxes now or at any time hereafter imposed by the Kingdom of Belgium or by any taxing authority thereof or therein, except that when the Bonds are beneficially owned by any person residing in or ordinarily a resident of Belgium or of territory belonging to Belgium, they will be free only from all "*impôts et taxes réels*" (movable property taxes) now or at any time hereafter imposed by Belgium, its provinces or its communes.

The Three Year, Four Year and Five Year Bonds are to be issuable as coupon Bonds in the denomination of \$1,000. The Ten Year Sinking Fund Bonds are to be issuable as coupon Bonds in the denomination of \$1,000 and as registered Bonds without coupons in the denomination of \$1,000 and any multiple of \$1,000 authorized by the Government and are to be interchangeable in like principal amounts at the office of the Registrar, Guaranty Trust Company of New York, upon payment of the charges referred to in the Bonds. The Three Year, Four Year and Five Year Bonds are to be issued in definitive form and the Ten Year Sinking Fund Bonds are to be issued in temporary coupon form. Temporary Ten Year Sinking Fund Bonds will be exchangeable without charge for definitive Ten Year Sinking Fund Bonds in coupon or registered form, when prepared, at the office of J. P. Morgan & Co. Incorporated or at the principal office of Guaranty Trust Company of New York.

There is no sinking fund for the Three Year, Four Year and Five Year Bonds.

In respect of the Ten Year Sinking Fund Bonds the Kingdom of Belgium agrees in effect that in the period May 26, 1960 to June 1, 1960 and semiannually thereafter to and including the period May 26, 1964 to June 1, 1964 it will make a sinking fund payment to J. P. Morgan & Co. Incorporated and Guaranty Trust Company of New York, as Sinking Fund Agents, of cash in the amount of \$1,500,000, provided that the Government may deliver Ten Year Sinking Fund Bonds in lieu of all or any part of such cash payment at the cost thereof to the Government (exclusive of accrued interest and brokerage commissions) but not in excess of the sinking fund redemption price in effect on the next interest payment date. The Sinking Fund Agents will apply cash in the sinking fund to the redemption of Ten Year Sinking Fund Bonds by lot for the sinking fund at the applicable sinking fund redemption price, or will apply the cash to the purchase of Ten Year Sinking Fund Bonds at prices not in excess of the applicable sinking fund redemption price.

The Bonds are redeemable, at the option of the Government, in whole or in part, on 30 days' notice, at the principal amount and accrued interest plus $\frac{1}{2}$ of 1% for each period of twelve months or fraction thereof from the date fixed for redemption to the date on which such Bond matures according to its terms.

The Ten Year Sinking Fund Bonds are also redeemable through operation of the sinking fund on any interest payment date, on 30 days' notice, at the principal amount and accrued interest plus $\frac{1}{4}$ of 1% for each period of twelve months or fraction thereof from the date fixed for redemption to December 1, 1964.

The Government agrees that, if in the future it shall sell, offer for public subscription or in any manner dispose of any bonds or loans constituting external debt of Belgium secured by lien on any revenue or asset of the Government, the Bonds shall be secured equally and ratably therewith.

The legality of the Bonds will be passed upon on behalf of the Kingdom of Belgium by the Honorable Albert Lilar, acting in his official capacity as Minister of Justice, Brussels, Belgium, and on behalf of the Underwriters by Davis Polk Wardwell Sunderland & Kiendl, New York, U. S. A. and Maître Pierre Ansiaux, Brussels, Belgium.

THE KINGDOM OF BELGIUM

Location, Population and Form of Government.

Belgium, which has an area of 11,775 square miles, is situated in Western Europe on the North Sea and is bordered on the North by the Netherlands, on the East by Germany and the Grand Duchy of Luxemburg and on the South by France. The population according to the census of 1947 was 8,512,000. The estimated population at the end of 1953 was 8,800,000. With a density of 750 persons per square mile, Belgium is one of the most densely populated countries in the world. French and Flemish are its official languages. Belgium is a highly industrialized country. Because of the structure of its economy and its geographical location an important section of its economy is devoted to foreign trade, a large portion of which passes through the port of Antwerp.

Belgium has a colony in central Africa, the Belgian Congo, with an area of 909,634 square miles and a population, largely native, estimated as about 12,000,000. Since the first World War Belgium has administered the territory of Ruanda-Urundi, adjoining the Congo on the east, first as a mandated area under the League of Nations and now as a United Nations trust territory.

Belgium is a constitutional and parliamentary monarchy. From 1814 until 1830 Belgium and the Netherlands were one single state. In 1830 Belgium was recognized by the European powers as a separate and independent nation, and a National Congress adopted the Constitution of the Kingdom of Belgium on February 7, 1831.

Executive power is vested in the King in accordance with the constitution. Baudouin I, the present King, ascended the throne in July 1951. No act of the King is valid unless countersigned by a Minister who thereby assumes responsibility for such action. The Ministers are appointed and recalled by the King. The Assembly of Ministers is called the "Council of Ministers" and is presided over by the Prime Minister, who normally is the person who has been called by the King to form the Cabinet. Ministers are usually chosen from the majority party or parties in the Chamber of Deputies and the Senate. They may, however, be selected from outside the two Chambers. Each Minister is either the Head of one of the Departments of the Government or a Minister without portfolio. As of December 1, 1954, the Cabinet consisted of 16 Ministers; namely, the Prime Minister and the Heads of the following Departments: Foreign Affairs, Public Works and Reconstruction, Labor and Social Security, Colonies, Agriculture, Interior, Education, Finance, Justice, Economic Affairs, National Defense, Communications, Health, Foreign Trade, and Middle Classes.

In addition to the Cabinet Ministers, the King appoints Ministers of State, who are selected from among outstanding citizens who have rendered conspicuous service to the country. Their role is limited to advising the King, who may request advice on any question on special occasions.

The Legislative power is exercised jointly by the King and the Parliament, which consists of the Chamber of Deputies and the Senate. The Chamber of Deputies presently consists of 212 members elected directly by all citizens over 21 years of age on the basis of one Deputy per 40,000 inhabitants under the system of proportional representation. Since the National Election on April 11, 1954, the composition of the Chamber of Deputies by parties has been: Social Christian Party 95, Socialist Party 86, Liberal Party 25, Communist Party 4, and other parties 2.

The Senate at present consists of 175 members, elected as follows: (a) 106, equal to one-half the number of Deputies, in the same manner as the Deputies; (b) 46 by Provincial Councils; and (c) 23 by the Senators elected under (a) and (b). Since the election of April 11, 1954, the composition of the Senate has been: Social Christian Party 79, Socialist Party 72, Liberal Party 22, and Communist Party 2. On December 1, 1954 the government was a coalition of the Socialist and Liberal parties.

The Members of the two Chambers are elected for a term of four years. The King may dissolve the Chambers either simultaneously or separately, but the dissolution decree must provide for an election within forty days and for a session of the new Parliament within two months.

The initiative in proposing legislation rests with any of the three branches of the legislative authority. Either Chamber may amend or reject a bill submitted to it by the other. When passed by both Chambers a bill is sent to the King for assent. A bill becomes law only upon promulgation and publication in the *Moniteur Belge*, the official gazette of the Belgian Government, after signature by the King and counter-signature by the Minister or Ministers concerned.

Justice is administered throughout Belgium by judges who are appointed by the King for life.

The authorized agent of the Kingdom of Belgium in the United States of America is His Excellency Baron Silvercruys, Ambassador Extraordinary and Plenipotentiary of the Kingdom of Belgium.

Belgian-Luxemburg Economic Union.

On July 25, 1921, Belgium and the Grand Duchy of Luxemburg concluded an agreement (approved by Belgian law of March 5, 1922) establishing an Economic Union between the two countries. The convention provided that the two countries should be a single customs area free from internal tariff barriers, that they should jointly negotiate commercial treaties with third countries, pool their foreign currency holdings and combine their foreign trade statistics, and consequently there is only one balance of payments for the Union. The life of this agreement is fifty years from the time of its ratification. The Treasury of each country issues its own currency of the smaller denominations and within fixed upper limits roughly in the ratio of the populations of Luxemburg and Belgium, namely 1 to 30. The bank notes of the National Bank of Belgium circulate freely in both countries. The Belgian and Luxemburg francs are at parity with each other.

Benelux.

In October, 1943 the Governments of Belgium, the Netherlands and the Grand Duchy of Luxemburg in exile entered into a Monetary Convention in London which served as the basis for negotiations resulting in the formation, on September 5, 1944, of a Customs Union. At that time the three Governments publicly declared their intention to develop this Customs Union into a full Economic Union at a later date. The laws approving the Customs Union were voted by the respective Parliaments in 1947. This convention came into force on January 1, 1948 and had the effect of abolishing customs duties on movements of goods between the contracting parties, levying customs duties at identical rates on their imports from other countries and creating an organization to further the eventual complete Economic Union. On June 1, 1949 a pre-Union regime was established with a view to carrying out those policies which would lead to a complete Economic Union. Such a Union would permit the free circulation of goods and capital, as well as the coordination of the economic, financial and social policies of the three partners with respect to other countries so as to carry on as a single economic, financial and social entity to the greatest extent possible. On June 1, 1954 most of the restrictions on capital movements between the three countries were removed.

Organization for European Economic Cooperation.

Belgium is a member of the Organization for European Economic Cooperation (O.E.E.C.), an international organization created by a convention signed in Paris on April 16, 1948 by the European countries which were beneficiaries of the Marshall Plan. This convention was ratified by the Belgian Parliament on September 15, 1948. Its objectives have been to restore the prosperity of Europe and to accomplish reconstruction by close and lasting cooperation among the contracting parties. In accordance with these objectives, all the countries which were members of the O.E.E.C. signed another convention in Paris on September 19, 1950 (ratified by the Belgian Parliament on July 27, 1953) which instituted a European Payments Union (E.P.U.). The objective of this convention was to create a system of multilateral payments for the settlement of transactions between the contracting parties. The fundamental reform introduced by the E.P.U. in post-war currency relations has been the abolition of bilateralism between the members of O.E.E.C. by allowing the central banks of the member countries to clear their reciprocal indebtedness each month instead of attempting to balance their exchanges individually with each other. As a result the currencies of the participating European countries have been made intertransferable within limits and trade has been fostered. It was provided that the Bank for International Settlements (B.I.S.) should carry on the operations of the Union and manage the assets of the Union.

European Coal and Steel Community.

Belgium is a member of the European Coal and Steel Community (Schuman Plan), an international organization which came into existence in August, 1952 upon ratification of a Treaty signed in Paris on April 18, 1951 by Belgium, France, Italy, the Grand Duchy of Luxemburg, the Netherlands and Western Germany. The objective of this Treaty is to institute in the member countries a common market for coal and steel with elimination of all discriminatory measures and practices with a view to attaining economic expansion, full employment and a higher standard of living in the member countries. In accordance with the Treaty the member countries have abolished all import duties and export taxes and quantitative restrictions on the movement of coal and steel within the Community. In an ancillary convention it was provided that Belgian coal would occupy a special position for a period of five years (which could be extended to seven years under exceptional circumstances), and the Belgian coal industry was accorded certain subsidies and safeguards during the interim period.

An important characteristic of the treaty is the supra-national character of the institutions created thereby in the matters which come within their jurisdiction, which is limited to the territory of the

Community. No appeal from a decision made by the competent authority of the Community can be taken to any court of a member country.

Industry and Agriculture.

The economy of Belgium to a very great extent is based on its manufacturing industries and the habits of hard work which have developed in that country. Belgium has few raw materials other than its coal deposits. Only a part of the food requirements of the country are produced despite the high yields per acre obtained by agriculture. As a result Belgium has turned to the intensive development of its manufacturing industries. Exports of manufactured products furnish the means of obtaining from other countries the raw materials and foodstuffs which Belgium itself lacks. The predominant position of manufacturing industries in the economy of Belgium is set forth by the table below which shows that the net production of the manufacturing industries accounts for slightly over three fifths of Belgian industrial and agricultural production:

Net Industrial and Agricultural Production of Belgium in 1951.

	Billions of francs	%
Manufacturing Industries		
Ferrous and non ferrous metals	15.3	7.2
Machinery and other metal products	32.4	15.2
Food processing, beverages and tobacco	25.9	12.1
Textiles, clothing and shoes	29.6	13.9
Chemical industry	6.9	3.2
Miscellaneous	20.9	9.8
<hr/>		
Total, manufacturing industries	131.0	61.4
Construction	17.9	8.3
<hr/>		
Total conversion industries	148.9	69.7
Agriculture, forestry and fisheries	32.5	15.2
Extractive industries (chiefly coal)	20.5	9.6
Electricity, gas and water utilities	11.7	5.5
<hr/>		
Total net production	213.6	100.0

Source: *Premiers éléments d'une Comptabilité Nationale de la Belgique 1948-1951*, Le Groupe d'Etudes de la Comptabilité Nationale, Université Libre de Bruxelles, Institut de Sociologie Solvay.

A characteristic of the industrial structure of Belgium is the relative importance of its heavy industries which have the advantage of abundant coal deposits and the extensive transportation facilities afforded by the network of navigable waterways and railways and by the Port of Antwerp. The Belgian collieries, which provide the base for its heavy industry, produce more than 30,000,000 metric tons of coal a year, most of which is used within Belgium. Coal exports consist only of those types of coal of which Belgium has a surplus and are largely offset by imports of coking coals and other fuels which Belgium does not produce in sufficient quantities to supply the home market. The Belgian coal industry has been a part of the common coal market created within the framework of the European Coal and Steel Community since March 1953. Elimination of customs barriers between the member countries has resulted in an increased volume of coal moving between the member countries, but Belgium has been at a disadvantage due to its relatively higher costs. To reduce costs operators are making investments to modernize the collieries and in the meantime the industry is receiving subsidies to offset, at least in part, its higher costs.

The steel industry which is the largest consumer of coal is, in contradistinction to the coal industry, dependent to a large degree upon the export market. In each of the years 1950 to 1953 inclusive the Belgian-Luxemburg Economic Union was the largest exporter of steel in the world, thus regaining the position it had held prior to World War II. Sales abroad of 4,591,000 metric tons in 1951, 4,495,000 metric tons in 1952 and 4,124,000 metric tons in 1953 constituted about 70% of the steel production of Belgium and Luxemburg in those years and about 25% of the total value of the exports of the Union. The common steel market established by the European Coal and Steel Community and participated in by Belgium has resulted in an expanded market for the Belgian steel industry. The manufacture of machinery and metal products, which is closely related to the steel industry, ranks first in value of production among Belgian manufacturing industries. Exports are large. They represented about 40% of the value of such manufactured products in the years 1951 to 1953 inclusive and about 15% of total exports of the Union. In this field Belgium is well known for its railroad equipment, galvanized sheet, wire, shotguns and other firearms.

The non-ferrous metal industry is also an important branch of Belgian industry. Belgium refines substantial amounts of zinc and lead. Large refineries have been constructed to refine copper and tin produced in the Belgian Congo. In recent years this industry has expanded its range of metals processed to include metals such as cobalt, cadmium, germanium, tantalum and columbium.

The Belgian chemical industry has been growing. Based on the value of production, it exported about half of its output in the three years 1951-1953 inclusive which represented about 8% of the total exports of the Union during that period. The chemical industry is closely linked to the coal, steel and metal industries inasmuch as it uses certain by-products of these industries, notably gas, coal tar and other coke oven by-products, as well as deriving sulphuric acid from the lead and zinc ores. While heavy chemicals constitute the greater part of chemical production (fertilizers alone having constituted about 45% of the value of exports of the chemical industry in 1953) there has been progressive development in the production of intermediates and fine chemicals, including photographic products.

Other branches of industry which ship substantial portions of their production abroad are the cement industry and the glass industry which produces plate glass and other glass products.

Light industry in Belgium is generally less dependent on the export market than is heavy industry. The textile industry is, however, an important exception. There were 166,000 workers employed in this industry at the end of 1953. In quantity about half of the goods produced are exported including such specialities as carpets, drapery and upholstery fabrics, cotton blankets, processed flax and washed wool.

Agricultural production in Belgium is limited by the small size of the country and the density of its population. Almost all of the agricultural production is for the home market although Belgium exports small amounts of a few products such as eggs and vegetables, the production of which requires little space.

Railways

Belgium is served by a dense network of transportation facilities consisting of the railway lines of the Belgian National Railway Company, the canals and navigable rivers which in particular carry heavy merchandise, the railway lines (narrow gauge) of the National Interurban Railway Company which carry a substantial tonnage of short haul traffic, and the road and highway system.

The Société Nationale des Chemins de Fer Belges (Belgian National Railway Company) was formed in 1926 by the Belgian Government so that the Belgian Government might take over the operations of practically all of the standard gauge railways in Belgium. Part of the preferred stock is owned by the public and the rest of the preferred stock and all the common stock is owned by the Government. Since its organization the Company has suffered from increasing competition from roads and waterways. Moreover since World War II the increased railway rates have not been sufficient to offset the higher costs resulting from the increase in wages and in the price of materials. As a result the Company has had an operating loss in each of the past four years which has been more than offset, except in 1953, by a subsidy from the Government.

Results of Operation of the Belgian National Railway Company

	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>
	(in millions of francs)			
Revenues	8,843	10,256	10,719	10,584
Expenses	10,172	11,499	11,461	11,221
Deficit	1,329	1,243	742	637
Subsidy given by Government	1,450	1,450	911	610
Balance for the Company	121	207	169	-27

To ameliorate the situation the Company has undertaken a rationalization and investment program. This program has enabled the Company to reduce the number of employees per million traffic units (ton kilometers or passenger kilometers) from 7.2 in 1949 to 6.1 in 1953. More than 1,900 million francs has been spent since World War II on the electrification of the railways chiefly to electrify the Brussels-Charleroi and the Brussels-Ostend lines. By the end of October 1954 about 215 miles of the Company's lines had been electrified.

In addition to the standard gauge railway system operated by the Belgian National Railway Company, Belgium has a network of narrow gauge lines operated by the National Interurban Railway Company (Société Nationale des Chemins de Fer Vicinaux). Nearly all of the stock of this company is owned by the Government, the Provinces and the towns. In each of the four years 1950 to 1953 operating revenues exceeded operating expenses by a small margin. The lines of the company serve particularly the rural areas. Most of the traffic is short haul.

Navigable Waterways

The navigable waterways in Belgium constitute a very important means of transportation. Traffic on them has grown rapidly in recent years and in 1953 amounted to more than two thirds of the ton kilometers carried by the Belgian National Railway Company. Official figures of the ton kilometers carried by barge in the years 1948 to 1953 inclusive published by the National Institute of Statistics are as follows in millions of ton kilometers:

<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>
2,209	2,629	2,998	3,474	3,389	3,928

Transport on the Belgian waterways, however, is hampered by the fact that in certain areas the capacity of the canals falls short of meeting the increased demand for their use. Locks and structures on canals in the South in many instances will not permit the passage of barges of more than 300 tons capacity and numerous locks and bridges, many hand operated, as well as numerous curves cause delays in the movement of the barges.

Of the projects now being undertaken by the Government to improve the situation, the five mentioned on page 3 hereof are the most important. The Ring canal at Ghent is to provide for a by-pass around the city, connecting five important waterways by a canal which will be able to accommodate 2,000 ton barges. The replacement of the Baudour-Blaton section of the Nimy-Blaton-Péronnes canal by a canal of larger size with a reduction in the number of locks will reduce the time consumed in transit and permit the operation of larger barges on this section although it will be impossible to take full advantage of the improvements until improvements are made to the Blaton-Péronnes section of the canal. An increase in the size of the Charleroi-Seneffe section of the Brussels-Charleroi canal with a reduction in the number of locks and in the curvature of the canal and the elimination of a restrictive tunnel by a deeply excavated cut will permit the operation on this section of larger more economic barges, but it will not be possible to use 1,350 ton barges all the way from Charleroi to Brussels until the Seneffe-Clabecq section is also improved. The time required to transport freight from southern Belgium to Antwerp should be considerably reduced when the work being done on the Nimy-Blaton-Péronnes and the Brussels-Charleroi canals is completed, which should help Belgian heavy industry in the industrial regions around Charleroi and in the Borinage in southern Belgium. An ancillary advantage that will be secured is that by the construction which is to be undertaken in the Ghent and Nimy-Blaton areas a measure of flood protection and improved drainage will be secured for those areas. The construction of the dam and lock at Neuville-sous-Huy on the Meuse will result in the elimination of a number of existing locks and facilitate the movement of traffic on the Meuse.

The heavier traffic flow on the waterways is to the North and Northwest converging on the Port of Antwerp. Antwerp is the second largest port on the continent of Europe from the point of view of tonnage handled, being exceeded only by Rotterdam. It owes its position in part to the transportation network connecting it with the interior of the country and to its liaison by water with the Rhine which make it the natural gateway between the industry of Belgium and the hinterland and foreign countries. The inner port is well equipped with docks and cranes which permit rapid loading and unloading of cargoes with consequent short turn about time. Moreover the approximate balance between exports and imports handled through the port permits ships to find return cargoes more often than in many other continental ports. While transit trade with Germany, France and Holland is an important element in the activity of the port, Antwerp nevertheless is primarily a port for Belgian industry, Belgian import and export tonnage representing about three quarters of the tonnage handled. The construction of the Baudouin Lock which will provide a second connection for large vessels between the Schelde and the inner port will increase capacity for handling vessels and greatly facilitate their movement now somewhat retarded by the bottleneck of the single existing lock.

All waterways projects now under execution by the Belgian Government have required since January 1, 1954 or will require in the future a sum in Belgian francs which is considerably more than the equivalent of the dollar proceeds of the Bonds and of the World Bank loan.

BALANCE OF PAYMENTS AND FOREIGN EXCHANGE

Foreign Trade

As stated on page 6 hereof under "Belgian-Luxemburg Economic Union", Belgium and Luxemburg operate a single balance of payments and combine their foreign trade statistics. Merchandise trade constitutes the principal element in the Union's balance of payments. The receipts derived from exports normally represent more than a third of the national income of the Union. It follows that the prosperity of these two countries is heavily dependent on the condition of their foreign trade. While the total of exports and imports of the Union are only a little more than 3% of total exports and imports of the world, the Union in 1953 ranked sixth among the nations of the world in foreign merchandise trade.

The foreign trade figures in the following table, which should be considered in conjunction with the changes in prices discussed below and with the monetary adjustment of September 1949, are taken from Monthly Bulletins of the Institut National de Statistique, which are official government publications. The trade balance, here reported as the difference between f.o.b. exports and c.i.f. imports, has generally shown an excess of imports over exports.

Foreign Trade of the Belgium-Luxemburg Economic Union

	Imports	Exports	Excess of Imports	Exports as % of Imports
	(in millions of francs)			
1948	87,518	74,121	13,397	84.7%
1949	81,858	80,092	1,766	97.8
1950	97,835	82,823	15,012	84.7
1951	127,517	132,671	-5,154	104.0
1952	123,023	122,550	473	99.6
1953	121,128	112,966	8,162	93.3
1954 (1st 9 months)	94,263	82,234	12,029	87.2

The table below taken from the same source shows the fluctuations in import and export prices, in the volume of imports and exports and in the terms of trade (i.e. the relationship between the prices of exported articles and of imported articles) by indices based on 1948 = 100.

	Imports		Exports		Terms of Trade
	Price Indices	Volume Indices	Price Indices	Volume Indices	
1948	100	100	100	100	100
1949	95	98	100	108	105
1950	99	112	90	123	91
1951	120	122	120	149	100
1952	116	121	120	138	103
1953	110	126	101	151	92
1954 (1st 8 months)	105	134	92	161	88

The price of exported articles remained about the same in 1949 as in 1948 but dropped sharply in 1950, in part due to the monetary readjustment of September 1949. Because of the stimulus given to heavy industry by the world rearmament effort after the outbreak of the Korean War, export prices advanced substantially towards the end of 1950 and reached a high level in 1951 and 1952 and have since declined as the boom subsided. Import prices which declined somewhat in 1949, advanced a little in 1950 and substantially in 1951. They have since declined in general conformity with the decline in world prices. The table therefor indicates that the decline since 1951 in value of the foreign trade of the Union has been brought about by the decline of prices, whereas the volume of foreign trade has risen since 1951.

The following table taken from the same source shows the chief classes of imports of the Belgian-Luxemburg Economic Union.

Composition of Imports of the Belgium-Luxemburg Economic Union

	Percentage of Total Imports		
	Raw Materials and Simply Prepared Products	Manufactured Products	Foodstuffs and Animals
1948	41.9%	30.7%	27.4%
1949	44.1	31.3	24.6
1950	48.0	31.9	20.1
1951	51.2	30.5	18.3
1952	48.4	33.1	18.5
1953	47.0	35.7	17.3
1948-1953 average	47.2	32.3	20.5

The chief raw materials and simply prepared products imported are textile raw materials, iron ore, non-ferrous metals and fuel (coal, coke and petroleum).

While exports cover a wide range of products almost 80% comprise products of five main divisions of industry, namely products of the steel industry, the machinery and metal products industry, the non-ferrous metal products industry, the textile industry and the chemical industry. The percentages of total exports for each of these industries as computed by the research department of the National Bank of Belgium from figures published by the Institut National de Statistique are as follows:

Composition of Exports of the Belgian-Luxemburg Economic Union

	Percentage of Total Exports				
	Steel Industry	Machinery and Metal Products Industry	Non Ferrous Metal Industry	Textiles and Clothing Industry	Chemical Industry
1948	23.2%	19.4%	8.9%	18.6%	9.6%
1949	21.8	22.6	9.8	19.8	8.7
1950	14.6	15.7	10.4	27.2	9.3
1951	21.9	15.6	9.4	22.9	8.5
1952	26.2	18.7	10.8	15.7	7.6
1953	20.2	18.2	9.6	19.2	8.5
1948-1953 average	21.6	18.1	9.9	20.4	8.6

The geographic distribution of the foreign trade of the Union is set forth in the table below, the percentages being those computed by the research department of the National Bank of Belgium from figures furnished by the Institut National de Statistique.

Geographic distribution of the Foreign Trade of the Belgian-Luxemburg Economic Union

	Percentages of Total Imports and of Total Exports					
	1948	1949	1950	1951	1952	1953
Imports						
The Netherlands	8.2%	9.3%	10.1%	10.9%	13.2%	17.8%
Sterling Zone	15.7	16.5	18.7	17.8	17.4	18.9
Western Germany	5.6	6.5	8.1	8.8	10.8	9.3
France (including the Saar).....	8.8	10.1	11.4	10.3	10.1	8.1
Other E.P.U. countries.....	16.8	15.0	11.7	12.0	11.8	13.5
Total E.P.U. countries(1).....	55.1	57.4	60.0	59.8	63.3	67.6
United States and Canada.....	19.5	21.0	18.7	19.3	18.3	12.7
Belgian Congo + Ruanda-Urundi..	7.3	7.5	7.6	7.9	8.0	7.5
Other countries	18.1	14.1	13.7	13.0	10.4	12.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Exports						
The Netherlands	15.5%	14.6%	22.4%	17.9%	15.3%	17.8%
Sterling Zone	17.0	16.0	12.6	18.5	17.1	13.7
Western Germany	4.4	10.5	6.8	6.0	9.6	9.3
France	9.3	7.5	9.3	9.1	7.4	8.0
Other E.P.U. countries.....	22.8	21.2	17.8	19.4	21.0	19.6
Total E.P.U. countries(1).....	69.0	69.8	68.9	70.9	70.4	68.4
United States and Canada.....	6.9	6.4	9.7	9.3	8.8	11.6
Belgian Congo + Ruanda-Urundi..	3.9	4.4	3.8	4.1	5.9	5.9
Other countries	20.2	19.4	17.6	15.7	14.9	14.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Includes members of the Organization for European Economic Cooperation (O.E.E.C.) and their overseas territories and countries in the Sterling Zone who are not members of O.E.E.C.

The countries of the European Payments Union taken together constitute the greatest foreign source of supply as well as the most important foreign market for the economy of the Belgian-Luxemburg Economic Union. The role of the United States and Canada as suppliers to the Union has declined relatively in importance since 1949 but has increased relatively as far as exports from the Union are concerned. The Belgian Congo in the years 1948-53 on the average furnished 7.6% of the imports of the Union and took 4.7% of the exports. The development of trade with the Netherlands deserves special attention. The application of the Benelux customs union, with elimination of tariff barriers between the three countries, has stimulated trade between the three, with the result that of all foreign countries, the Netherlands has become the largest supplier and the biggest market for the Union.

Balance of Payments

For a number of years the research department of the National Bank of Belgium has compiled figures for the international balance of payments of the Belgian-Luxembourg Economic Union. The information in the table below is taken from *Statistiques Economiques Belges 1941-1950 Tome II* and various issues of *Bulletin d'Information et de Documentation*, publications of the National Bank of Belgium.

The figures for the balance of payments of the Union are a systematic compilation of all economic transactions occurring during a specified period between residents of the Union and the residents of other countries in so far as the payments relating to these transactions are effected through the banking system. Transactions which do not result in monetary transfers are not included in these balance of payments figures on an estimated or any other basis except in certain cases where there are reliable statistics.

The table below sets forth in summary form the balance of payments position of the Union for the years 1948-1953.

BALANCES OF PAYMENTS OF THE BELGIAN-LUXEMBURG ECONOMIC UNION (in billions of Belgian francs)

	1948	1949	1950	1951	1952	1953
1. Merchandise transactions						
Exports f.o.b.	73.3	80.2	77.1	125.5	109.7	98.0
Imports f.o.b.	80.2	72.7	84.3	109.7	102.6	99.8
Trade balance	-6.9	+7.5	-7.2	+15.8	+7.1	-1.8
Other merchandise transactions(1)	(2)	(2)	+2.4	+3.3	+4.5	+4.6
Total	-6.9	+7.5	-4.8	+19.1	+11.6	+2.8
2. Services and investment income						
Transportation	-4.0	-2.8	-5.2	-8.2	-4.9	-2.5
Foreign travel	-2.0	-1.3	-1.4	-2.1	-1.8	-1.1
Workers' earnings	+2.4	+1.5	+1.6	+1.3	+0.7	+0.8
Government not included elsewhere....	+0.1	-0.2	+0.1	-0.1	+0.8	-0.9
Investment income	+0.8	+0.3	+0.2	+0.9	+0.8	+0.8
Other	+0.3	-0.7	-1.0	-0.8	-0.3	-0.2
Total	-2.4	-3.2	-5.7	-9.0	-4.7	-3.1
3. Private donations and reparations	+0.8	+0.6	+1.1	+0.7	+0.2	+0.4
Surplus or deficit on current transactions (1 through 3)	-8.5	+4.9	-9.4	+10.8	+7.1	+0.1
4. Private capital movements	+5.4	+0.8	-5.0	-1.4	-2.2	-2.8
5. Amortization and other repayments	-2.3	-2.3	-1.1	-2.0	-1.7	-0.3
6. Errors and omissions	-0.3	-0.3	-0.2	—	+0.9	—
7. Surplus or deficit (1 through 7)	-5.7	+3.1	-15.7	+7.4	+4.1	-3.0
8. E.C.A. grants	+0.1	—	—	+1.1	+0.4	+0.1
9. Long term loans	+3.3	+3.2	-1.3	+1.6	+3.5	+0.7
10. Short term loans	+1.7	-1.2	+3.3	-2.4	+4.9	+0.5
11. Total (8 through 10)	+5.1	+2.0	+2.0	+0.3	+8.8	+1.3
12. Total surplus or deficit or variations in total foreign exchange of the banking system	-0.6	+5.1	-13.7	+7.7	+12.9	-1.7

(1) Includes earnings on transit trade, value added to goods imported for processing and non-monetary gold transactions.

(2) Included in Exports and Imports.

This table shows that the balance is largely determined by the situation of the Union's foreign trade, inasmuch as merchandise imports and exports generally account for more than 80% of current receipts and payments. As foreign trade is sensitive to fluctuations in world economic conditions the Union's trade balance has fluctuated widely. Net payments for transportation have exceeded net receipts from current transactions other than merchandise transactions, so that current transactions

other than merchandise transactions have resulted in balances unfavorable to Belgium in each of the six years under review. During the six year period current transactions resulted in a surplus of five billion francs. When private capital movements and amortization payments on Belgium's public debt are included with the current transactions the result for the six year period is a deficit of 9.8 billion francs. During the same period however the Government received 19.5 billion francs in the form of grants and loans from abroad with the result that foreign exchange reserves of the Belgian banking system increased 9.7 billion francs in the period.

Currency and Foreign Exchange Rates

The currency unit of Belgium is the franc. In September 1949 its value was fixed at 0.0177734 grams of fine gold, with a parity of 50 francs to the U. S. dollar or 2 U. S. cents for each Belgian franc.

Between 1927 and 1932, when parity for the Belgian franc was 35.959669 francs to the U. S. dollar, the yearly average rate for the Belgian franc varied between 35.93 and 35.83 francs to the dollar. When the United States went off the gold standard in May 1933, the Belgian franc quotation rose to 29.925 and reached 21.13 $\frac{1}{8}$ in November of that year. In 1934 the average rate was 21.37. Following the general devaluation of European currencies, the Belgian franc was also devalued in 1935 with a parity of 29.4980 francs to the dollar. From then on to the beginning of the occupation in 1940, the yearly average rate fluctuated between 29.56 and 29.68.

After World War II the gold content of the franc was fixed at 0.0202765 grams of fine gold, with a parity of 43.8275 francs to the U. S. dollar, or 2.2817 U. S. cents for each Belgian franc. This parity was accepted by the International Monetary Fund on December 18, 1946. Following the post-war revaluation of many European currencies, Belgium, in September 1949, established the present parity, which was accepted by the International Monetary Fund on September 21, 1949.

The average annual quotation for the Belgian franc in New York has been as follows (expressed in cents per Belgian franc): 1950, 1.9905 cents; 1951, 1.9859 cents; 1952, 1.9879 cents; 1953, 2.0009 cents and 1954 (average of monthly averages January to October inclusive) 1.9979 cents. On November 19, 1954, the Belgian franc was quoted in New York at 2 cents for the franc.

Foreign Exchange Control

The information under the heading "Foreign Exchange Control" is stated on the authority of Hubert Ansiaux, Directeur of the National Bank of Belgium and a member of the Administrative Council of the Belgian-Luxemburg Institute of Foreign Exchange.

Foreign exchange controls were established in the territory of the Belgian-Luxemburg Economic Union late in 1944 in order to safeguard the stability of the currency by discouraging the export of capital and in order that available exchange would be devoted to the restocking and reconstruction of the two countries. The exercise of such controls was vested in a newly formed organization named the "Belgian-Luxemburg Institute of Foreign Exchange", which, since its establishment, under the powers granted it and working closely with the National Bank of Belgium, has regulated foreign exchange transactions with the purpose of improving the economic situation of the Union and the foreign exchange position of the National Bank.

The following table shows the net holdings of gold and foreign exchange of the National Bank of Belgium at various dates since 1944:

Date	Net Balance of Claims and Liabilities					Total
	Gold	Claims on E.C.A.	Convertible Currencies	Not Under Payments Agreements	Under Payments Agreements	
		(in millions of francs)				
Dec. 25, 1944.....	32,094	—	+ 60	— 10	421	32,565
Dec. 25, 1945.....	31,383	—	+ 452	— 102	2,468	34,201
Dec. 25, 1946.....	32,226	—	+1,014	— 54	3,522	36,708
Dec. 25, 1947.....	26,034	—	+ 121	—1,149	10,814	35,820
Dec. 31, 1948.....	27,334	638	+1,225	—1,118	10,212	38,291
Dec. 31, 1949.....	34,994(1)	2,897(2)	+1,459	—1,210	7,186	45,326(1)(2)
Dec. 31, 1950.....	29,367	2,340(3)	+1,032	—1,403	4,051	35,387(3)
Dec. 31, 1951.....	31,771	—	— 127	— 429	19,014	50,229
Dec. 31, 1952.....	35,181	—	+1,431	— 474	14,887	51,025
Dec. 31, 1953.....	38,786	—	+ 902	— 916	13,638	52,410
Sept. 30, 1954.....	37,993	—	+4,533	—1,246	8,396	49,676

(1) Including an accounting increment of 4,415 million francs resulting from revaluation of gold holdings.

(2) Including an accounting increment of 642 million francs resulting from revaluation of the claims on E.C.A.

(3) Including an accounting increment of 138 million francs resulting from revaluation of the claims on E.C.A.

The foreign exchange balances under payments agreements cover the net balance of liabilities towards and claims on foreign central banks resulting from the functioning of payments agreements. Such balances are freely usable in the bilateral relations between Belgium and the countries concerned; they are also redeemable in gold and/or in foreign currencies in proportions and at such dates as may be agreed upon. Since 1951 the greater part are balances on E.P.U. and with E.P.U. countries.

From 1944 through 1946 foreign exchange reserves increased steadily in the face of a liberal import policy designed to facilitate economic recovery. This improvement was in large part the result of assistance obtained through Lend Lease and Mutual Aid operations and credits obtained abroad either directly or under bilateral payments agreements.

The central banks' gold reserve decreased considerably in 1947 and its holdings of inconvertible foreign exchange increased, due to the impossibility of balancing the deficit with the dollar zone by the surplus arising from expanded exports to countries with non-convertible currencies. Because Belgium in 1948 was economically stronger than its European neighbours it received relatively little direct American aid under the European Recovery Program. This program in 1948 and 1949, however, did enable Belgium to secure important dollar resources on the condition that Belgium grant corresponding amounts in Belgian francs to its European customer countries. This explains the fact that, notwithstanding a large commercial deficit with the dollar zone and a large surplus with European countries, the gold reserve did not decrease nor did the balances in inconvertible currencies increase during the years 1948 and 1949. As a result Belgium was able to relax restrictions on imports from the dollar area. By the end of 1949 limitations were no longer imposed on the normal flow of trade and payments between Belgium and foreign countries, but a control was still exercised in order that the payments between Belgium and countries having payments agreements should be made in accordance with the provisions of the agreements.

The war in Korea radically changed the situation. Large imports by most of the Western countries and the resurgence of inflation in a number of them promptly affected the Belgian reserve position. Belgian imports from the dollar area increased considerably and so did exports to the countries which became members of the European Payments Union when it was organized in September 1950. In 1950 and 1951 the excess of payments for imports from, over receipts for exports to, the United States and Canada amounted to 10.9 billion francs and 17 billion francs respectively. In 1951 Belgium was called upon to grant large credits to E.P.U. countries. On December 31, 1951 these credits amounted to 15,202 million francs and in April 1952 to 21,196 million francs.

In order to cope with the situation, numerous restrictive steps had to be taken. In 1951 payments from E.P.U. countries were closely controlled so as to eliminate commercial and financial transactions of an unusual nature. Capital imports at the official rate from European countries with non-convertible currencies were restricted, but a free outside market for transfers not accepted at the official rate was permitted. At the same time payments, including capital transfers to E.P.U. countries, were freed from restrictions, exports to such countries were limited to monthly quotas, and exporters were required to deposit in blocked accounts a percentage of the proceeds of their sales to E.P.U. countries. Imports from the dollar zone were discouraged to the extent permitted by the fact that Belgium's processing economy needs the maintenance of price stability and the ability to buy raw material and foodstuffs at favorable prices.

Fortunately the situation improved fairly rapidly as the Korean boom subsided and as a number of European countries took steps to restore order in their finances. Beginning in April 1952 exports to the E.P.U. countries and imports from the dollar area began to decrease substantially. Exports to the dollar countries were strongly encouraged. By the beginning of 1953 the payments and receipts of the E.P.U. countries and of the dollar area were substantially in balance.

An excess of 8,798 million francs of imports from, over exports to, the dollar area in 1952 was replaced by a surplus of 3,598 million francs of exports to, over imports from, that area in 1953, while the balance of 11,532 million francs against the E.P.U. countries in 1952 turned into a balance of 1,901 million francs in favor of those countries in 1953. The advances to E.P.U. were reduced in 1953 and 1954 partly through the normal flow of goods and services and to a greater extent by payments in gold and U. S. dollars. Such payments, made under the June 1954 agreement concerning the continuation of E.P.U., totalled 3,425 million francs. Moreover, an agreement was reached with certain debtor countries for the consolidation and progressive amortization of a large part (i.e. up to an amount of 7,375 million francs) of the outstanding advances to E.P.U.

The improved foreign balance situation since 1952 is clearly reflected in the table on page 13 showing the changes in the gold and foreign exchange holdings of the central bank.

Under these conditions the Belgian-Luxemburg Institute of Foreign Exchange was able to return to a more liberal policy. Quotas for exports to the E.P.U. countries were discontinued in July 1952 and restrictions on imports from the dollar zone were modified in February 1953 and discontinued in May 1954. In addition the establishment of a free market in world currencies within the limits allowed by the International Monetary Fund, arbitrage between the principal European currencies, and a greater movement in securities were permitted. These measures had a favorable reaction in the free market for the Belgian franc where its discount in relation to the dollar practically disappeared.

Recently residents of E.P.U. countries wishing to effect financial transfers were authorized to open so-called "L" accounts. These accounts may be credited with the proceeds from the sale of securities, foreign exchange (dollar or E.P.U. deposits or currencies) and other capital receipts or revenue obtained in Belgium. These accounts are freely transferable between residents of the E.P.U. countries and may be used for any payment in Belgium not related to the sale of merchandise. Since they are freely convertible into any E.P.U. currency and may be used to purchase dollar securities and dollar exchange, the francs in these "L" accounts are practically convertible currency.

In September 1954 exporters to the U.S.A. and Canada were relieved of the requirement of selling the proceeds of exports to the dollar area to a specified bank. They may now deposit such dollars in a special dollar "commercial account" which may be used for all kinds of current payments in dollars by the owner of the deposit. Balances in E.P.U. currencies not ceded to specified banks can also be deposited in a special "commercial account" and can be used for payment of imports from E.P.U. countries and other current payments.

The present status of foreign exchange control may be summarized as follows:

1. Dollar Zone:

All dollar receipts may be accepted.

Current dollar payments may be made with dollar exchange acquired at the official rate from specified banks or with dollars held in "commercial accounts".

Non-current dollar payments may be made from free dollar deposits or with exchange acquired from non-current transactions.

2. E.P.U. Zone:

Current receipts from E.P.U. countries are cleared through E.P.U. accounts.

Non-current receipts from E.P.U. countries may be sold in the free market and the proceeds utilized for non-current payments.

Current payments to E.P.U. countries are cleared through E.P.U. accounts.

Non-current payments to E.P.U. countries, at the option of the individual, may be cleared through E.P.U. accounts or made with exchange acquired in the free market.

3. Other countries:

The control is exercised with a view of affording these countries every facility possible to acquire Belgian francs to pay for merchandise and to make other payments in the Belgian-Luxemburg Economic Union.

In summary it may be said that the Belgian franc is in fact very largely a convertible currency. Full convertibility exists for residents of the dollar zone in that they may convert at any time their Belgian franc deposits into dollars, whether such deposits arose from trade or profits or capital transactions.

Membership in International Bank for Reconstruction and Development and in International Monetary Fund

Belgium has been a member of the International Bank for Reconstruction and Development and of the International Monetary Fund since 1945. The share of Belgium in the capital of the International Bank amounts to \$225,000,000, of which 20% was paid when Belgium became a member in the Bank and 80% is callable by the Bank if required to meet its obligations. Of the 20%, 2% (\$4,500,000) required to be paid in gold or U. S. dollars was paid in gold; of the remaining 18% payable in Belgian francs, as of June 30, 1954, \$4,844,422 had been paid in Belgian francs and \$35,655,578 by delivery of non-interest bearing demand promissory notes payable in Belgian francs. Loans obtained by Belgium from the International Bank have been: 1949, \$16,000,000; 1951, \$30,000,000 and 1954 (concurrently

with the sale of the Bonds offered by this Prospectus), \$20,000,000. In addition, in 1951 the Bank made a loan of \$40,000,000, guaranteed by Belgium, to the Belgian Congo.

Belgium's quota in the Fund has been fixed at \$225,000,000, of which, in 1947 and 1948, 25% or \$56,250,000 was paid in gold and 75% or \$168,750,000 was paid in Belgian francs in compliance with the statutes of the Fund. Belgium had recourse to the facilities of the Fund for the purchase of \$33,000,000 against payment therefor in Belgian francs. Since that time Belgium has repurchased Belgian francs equivalent to \$21,600,000, and other countries have purchased Belgian francs equivalent to \$11,400,000, reducing the Fund's holdings of Belgian francs to the original 75% quota.

CENTRAL BANK AND NOTE ISSUE

The National Bank of Belgium (Banque Nationale de Belgique) is the central bank and bank of issue of Belgium.

The Bank was established by the Law of May 5, 1850 and presently operates under the provisions of Royal Decree No. 29 of August 24, 1939 as modified by the Decree Laws of May 1, 1944 and September 5, 1944 and by the Law of July 28, 1948.

The Bank is a corporation (société anonyme) with capitalization of 400,000 shares of 1,000 francs each or a total of 400,000,000 francs of which 200,000 shares are owned by the public and 200,000 nontransferable shares are owned by the government. The Bank is an autonomous institution, managed, subject to government supervision and to the regulations set forth in the law under which it was organized, by a Management Committee, a Council of Regents and a College of Censors, all of whom form the General Council; of whom certain members, including the Governor and the "Directeurs" of the Bank are nominated by the King; and all of whom are responsible for their management to the General Meeting of the shareholders, and not to the Government. They determine the Bank's policy subject to the exercise of a right of veto by the Minister of Finance. The Bank's charter has been extended from time to time, the latest extension being to December 31, 1961.

The preamble to the 1948 Bank Law specifically stated that the Bank should be kept free of direct government control to insure that its actions should have the flexibility indispensable for assuring the growth of the economy. It further stated that the Government should exercise its prerogatives in a way that would preserve the Bank's independence and freedom of action subject to over-riding necessities of the State.

Changes in the Bank's bylaws may be made only by both a majority in number of the shareholders present at a meeting (whereby the government has one vote) and a majority of the votes appertaining to the shares represented at the meeting. Such changes therefor can be adopted only by mutual consent of the Government and the shareholders present at the meeting.

The main functions of the Bank are:

1. The issue of bank notes pursuant to the issue privilege granted to it under the law which provided for a reserve of gold and foreign exchange of at least 40% (at least 30% gold) of its sight obligations. This obligation to maintain a 40% reserve was suspended by Decree Law No. 5 of May 1, 1944 and has not been reinstated as yet although the Bank's present reserve meets this requirement.
2. The discounting, purchase and sale of commercial paper.
3. The rediscounting of bills abroad and the transaction of foreign exchange operations, including borrowing abroad.
4. The discounting, purchase and sale of short or medium term securities issued or guaranteed by the Government, the Colony or Luxemburg.
5. The purchase and sale of long term Government securities quoted on the Stock Exchange.
6. Making advances in current account and short term loans against collateral consisting of securities issued or guaranteed by the Government, the Colony or Luxemburg.
7. Trading in gold and silver and making advances against gold and silver.
8. Receiving deposits in current account, making collections, and affording facilities for the safekeeping of securities and precious metals.
9. Acting as depositary and disbursing agent for the Government.

The Bank's post war policy has had the double purpose of giving full support to the recovery and economic expansion of the country's economy and of maintaining monetary stability. This policy has been carried out in the face of two substantial difficulties, namely, budgetary deficits of the Government

and the financing of large Belgian credits to other countries. The outstanding balance of advances made by the Bank to the Government to finance part of the costs incurred by the Government during the German occupation and in the early post war period were funded in 1948 in the form of a non-interest bearing 35 billion franc claim against the Government (34,660 million francs outstanding at September 30, 1954) and at the same time a limit of 10 billion francs was fixed on additional lending to the Government and to institutions the obligations of which are guaranteed by the Government. Under special circumstances this limit may be exceeded by mutual consent but the need for this has never arisen. A borrowing limit for Luxemburg of 333 million francs (1/30 of Belgium's limit) has also been agreed to. To aid in financing foreign trade after World War II, the Bank, with the support of a Government guarantee, granted foreign credits within the framework of bilateral or multilateral Payments Agreements which rose from 3,500 million francs at the end of 1946 to 10,800 million francs at the end of 1947, then declined to 4,100 million francs at the end of 1950 and with the Korean War boom expanded rapidly in 1951 and the first part of 1952 reaching a peak of 22,600 million francs in June 1952. They had been reduced to 8,400 million francs by September 30, 1954.

In the face of these conditions the Bank on a number of occasions since World War II raised its discount rate to restrain inflationary tendencies, not failing to lower the rate afterwards when the situation permitted. Thus the discount rate which rose to $3\frac{3}{4}\%$ for commercial paper in September 1950 has been successively reduced since then and stood at $2\frac{3}{4}\%$ on December 1, 1954. With a view of preparing the ground for full convertibility, the Bank's policy has been to control the money supply by holding within reasonable limits the granting of credit to business, to the Government and to foreign countries so that there would be adequate gold and foreign exchange reserves in relation to the money supply. While monetary policy has been directed towards restraining speculative price rises it has also been directed towards assuring the liquidity of the money market and an adequate supply of short term funds to the country's trade and industry functioning at a high level of activity.

For a Statement of Condition of the Bank as at November 18, 1954 see Tables and Supplementary Information.

REVENUES AND EXPENDITURES

The legal provisions governing the receipt of public revenues and the disbursement of public funds, as well as those governing the control of these operations, are to be found in various articles of the Belgian Constitution (Articles 110 to 117) and in the Laws of May 15, 1846, October 29, 1846 and July 20, 1921 relating to Government Accounting, the Court of Accounts and Accounting for Incurred Expenses. The annual financial laws, furthermore, authorize the Minister of Finance to collect taxes and to borrow money and provide that he shall furnish estimates of revenues and expenditures. The Court of Accounts, a body created by and responsible to the Chamber of Deputies, is charged with the control of the financial affairs of the Government, including the auditing of its accounts.

The budgetary year of the Government is the calendar year. In order that Parliament may vote on the budget prior to January 1, the Minister of Finance in the last months of the year places before Parliament a budget setting forth an estimate of revenues and expenditures for the succeeding year. In order that the Government may have funds with which to work, the Financial Law authorizing the collection of taxes during the succeeding year is passed prior to January 1, but frequently all expenditure budgets are not passed by January 1 with the result that provisional twelfths are voted by Parliament to permit the Government to make monthly expenditures until the expenditure budgets are passed. Supplementary credits to cover unforeseen expenditures or to supplement insufficient authorized credits may also be provided by Parliament during the course of a budget year.

The annual budget is made up of a number of subdivisions, including the Ways and Means budget (ordinary revenues) and public debt and pension budgets and budgets of the various departments of the Government to cover the ordinary departmental expenses, and also the budgets of extraordinary receipts and extraordinary expenditures. Ordinary revenues include all tax and other receipts of the Government, except such special taxes as may be levied to cover extraordinary expenditures and except for extraordinary receipts such as those arising from the sale of Government property. Ordinary expenditures, which should be covered by ordinary revenues, are those which relate to the normal functioning of Government services and to charges for pensions and the public debt. Extraordinary expenditures consist principally of expenditures which result in improvements to the physical assets of the Government (public works and works incident to national defense). Since extraordinary revenues are generally relatively small, these extraordinary expenditures normally give rise to a deficit in the extraordinary budget to be covered by borrowings. In effect, then, the making of capital expenditures by the Government is limited by its willingness to increase the public debt and by the extent of its ability to borrow.

All revenues and expenditures attributable by origin to any calendar year are accounted for in the corresponding budgetary year, and the accounts for each budgetary year generally remain open for three months following December 31 of such year (for the year 1953 they remained open for five months until May 31, 1954) so that revenues received and expenditures made after the calendar year but applicable to the budget year may be included with transactions which actually occurred during the calendar year. At the end of this supplemental period the accounts are closed, but subsequent minor adjustments may be made. Also at the end of this supplemental period any unused credits are cancelled except those relating to expenses incurred prior to the preceding December 31 for which the Government is legally liable to the extent that the utilization of such credits has been authorized by the Court of Accounts.

Due to the confusion resulting from World War II audits of the budgetary accounts have been subject to delay, so that audits of accounts due by June 30 following a budget year and the audits and verification of the accounts by the Court of Accounts with the report of that Court to Parliament due by September 30 following the budget year have not been completed on schedule. The last audit of accounts which has been sent to the Court of Accounts for verification and which has been published in the *Moniteur Belge* is that for the year 1950, and the last final budget audit approved by Parliament is that of the budget of 1944 (final budget audits for the years 1945, 1946 and 1947 have been submitted to Parliament but have not yet been approved).

The figures shown in the table below have been summarized from the tables appearing hereinafter under "Tables and Supplementary Information." The figures relative to the 1955 budget in the text following the table have been taken from *Budget des Recettes et des Dépenses pour l'Exercice 1955-Exposé Général* (Chambre des Représentants).

Summary of Revenues and Expenditures

	Budgetary Years			
	1951	1952	1953	1954(1)
	(Provisional)	(Provisional)	(Provisional)	(Proposed Budget)
	(in millions of francs)			
Ordinary Revenue—				
Tax Revenue:				
Direct Taxes	34,571	31,684	32,684	33,712
Customs and Excise Taxes	12,484	13,666	13,210	13,045
Registration Taxes	23,355	24,839	23,958	25,256
	<u>70,410</u>	<u>70,189</u>	<u>69,852</u>	<u>72,013</u>
Non-Tax Revenue	5,052	6,536	6,249	6,282
Revenue Resulting from the War	1,305	932	729	914
Total Ordinary Revenue	<u>76,767</u>	<u>77,657</u>	<u>76,830</u>	<u>79,209(4)</u>
Extraordinary Revenue—				
Proceeds of Long-term Borrowing	6,019	16,763	15,422	18,595(5)
Other	6,372(3)	4,936(3)	2,700	1,735
Total Extraordinary Revenue	<u>12,391</u>	<u>21,699</u>	<u>18,122</u>	<u>20,330</u>
Total Revenues	<u>89,158</u>	<u>99,356</u>	<u>94,952</u>	<u>99,539</u>
Ordinary Expenditure—				
Public Debt (2)	8,386	10,326	10,869	11,882
Pensions	10,072	10,631	10,723	10,845
National Defense	7,736	10,068	9,987	11,428
Public Works and Reconstruction	2,414	2,732	3,026	2,149
Labor and Social Security	5,067	9,259	8,154	7,950
Public Instruction	7,014	7,974	8,168	8,931
Other	26,029	25,447	26,268	28,110
Total Ordinary Expenditure	<u>66,718</u>	<u>76,437</u>	<u>77,195</u>	<u>81,295(4)</u>
Extraordinary Expenditure—				
Public Debt (2)	5,575	4,091	28	1,090
National Defense	5,298	10,077	8,088	6,671
Public Works and Reconstruction	3,862	6,263	4,223	6,103
Other	5,391	4,099	4,792	5,471
Total Extraordinary Expenditures ..	<u>20,126</u>	<u>24,530</u>	<u>17,131</u>	<u>19,335</u>
Total Expenditures	<u>86,844</u>	<u>100,967</u>	<u>94,326</u>	<u>100,630</u>
Ordinary Budget Surplus (+) or Deficit (—)	+10,049	+ 1,220	— 365	— 2,086(4)
Extraordinary Budget (exclusive of loan proceeds) Deficit (—)	—13,754	— 19,594	—14,431	— 17,600
Total Budgetary Deficit (—)	<u>— 3,705</u>	<u>— 18,374</u>	<u>—14,796</u>	<u>— 19,686</u>
Proceeds of long term borrowing	6,019	16,763	15,422	18,595
Surplus (+) or Deficit (—) to be added to Treasury funds or to come from Treasury funds or from short term borrowing	+ 2,314	— 1,611	+ 626	— 1,091

NOTES:

- (1) Parliament has not passed the 1954 budget, so the Government has been working with provisional twelfths.
- (2) Includes amounts for amortization of debt.
- (3) Includes 5,999 million francs in 1951 and 2,161 million francs in 1952 of capital levy relating to the Monetary Adjustment of 1944. This item has been included in Ordinary Revenue beginning in 1953.
- (4) Recent estimates (i.e. those of August 31, 1954) for Ordinary Revenue and for Ordinary Expenditure are 77,000 million francs and 79,700 million francs respectively, or an estimated deficit of 2,700 million francs in the Ordinary Budget.
- (5) Estimate as of August 31, 1954.

During the period from January 1, 1951 to August 31, 1954 the principal amount of long-term borrowings totalled 60.5 billion francs from which 56.8 billion francs of proceeds were realized as indicated above, but during the same period 16.5 billion francs principal amount of debt was redeemed by regular amortization payments provided for in the Ordinary and Extraordinary Public Debt budgets. There was a resulting increase in the long-term debt of 44 billion francs. As medium and short-term debt decreased 2 billion francs in the period the net increase in the total debt of the Government in the period was 42 billion francs.

Proposed Budget for 1955

The proposed Budget for 1955, which has not been passed by Parliament, includes estimates for Ordinary Revenues of 80,618 million francs; for Ordinary Expenditures 80,590 million francs; for Extraordinary Revenue (exclusive of borrowing), 1,112 million francs; and for Extraordinary Expenditures, 18,399 million francs. The overall deficit is therefore estimated as 17,259 million francs, to be covered by the proceeds of borrowings.

It is proposed in the budget that the proceeds of the supplementary excise tax on gasoline and motor oil which formerly were included in Extraordinary Revenue will, beginning in 1955, be included in Ordinary Revenue. The proposed extraordinary budget for 1955 includes a new item of expenditure for special projects designed to reduce unemployment. The amount included in the budget for this purpose is 2,200 million francs.

PUBLIC DEBT

By far the greatest part of the public debt of Belgium was the result of the heavy expenses incurred by Belgium in World War I and World War II and in the periods of readjustment following those wars.

The following summarized statement of the public debt of Belgium at September 30, 1954 has been extracted from the *Moniteur Belge* of October 28, 1954, an official publication of the Kingdom of Belgium.

SITUATION OF THE PUBLIC DEBT AT SEPTEMBER 30, 1954

Consolidated debt:		
Internal direct debt	fr. 147,504,067,356	
Internal indirect debt	8,544,786,484	
	<hr/>	
External direct debt(1)	14,574,155,785	fr. 156,048,853,840
External indirect debt(1)	903,675,000	
	<hr/>	
		15,477,830,785
Medium term debt:		
Internal direct debt	24,835,357,000	
Internal indirect debt	972,974,000	
External direct debt(1)	2,050,176,500	
	<hr/>	
		27,858,507,500
Short term debt:		
Internal direct debt	67,633,638,718	
External direct debt(1)	4,469,439,448	
	<hr/>	
		72,103,078,166
Postal checking accounts		19,523,421,913
		<hr/>
		fr. 291,011,692,204

(1) The franc figures for the various classes of external debt are based on exchange rates of September 30, 1954.

The figure of fr. 291,011,692,204 for the public debt of Belgium does not include 21,283,916,400 francs of intergovernmental debts resulting from the first World War. If these are included the total of the public debt of Belgium would amount to 312,295,608,604 francs.

In addition to the direct and indirect debt of the Kingdom of Belgium set forth above the Kingdom of Belgium has guaranteed the principal and interest on various obligations issued by Belgian public institutions and the Belgian Congo. The amount of such guaranteed obligations outstanding on September 30, 1954 was 67,384,717,000 francs, as summarized from the detailed information contained in "Tables and Supplementary Information" appearing later in this Prospectus.

Since September 30, 1954, in addition to the Bonds offered by this Prospectus and the World Bank Loan herein referred to, Belgium sold an additional 20 million florins of the 3¾% Dutch Loan due 1984 and offered for subscription an issue of 4¼% 20 year internal bonds due November 5, 1974. 8,878 million francs principal amount of these 20 year bonds were subscribed for of which 1,802 million francs principal amount were issued in exchange for outstanding treasury bills and 7,076 million francs principal amount were issued for cash. A part of the proceeds of this issue was used to reduce the advances to the Government from the National Bank of Belgium, which advances amounted to 8,625 million francs on September 30, 1954, 9,645 million francs on November 11, 1954 and 5,555 million francs on November 18, 1954. On December 9, 1954 these advances amounted to 6,855 million francs.

For further information concerning the bonds and other obligations comprising the direct and indirect debt of the Government, indebtedness guaranteed and certain miscellaneous liabilities see "Tables and Supplementary Information".

Debt Record

The information contained under this heading is stated on the authority of Auguste Durieux in his official capacity as Directeur d'Administration in the Ministry of Finance of the Kingdom of Belgium.

(a) *External Debt*

Belgium has during the past twenty years paid as due the full currency face amount of principal and interest on its external securities (excluding intergovernmental debt) except as prevented by wartime disruption or restrictions, and subject to certain special circumstances as follows:

1) In 1933 the United States nullified the gold clause in dollar securities, and in general thereafter United States holders of Belgian Government dollar securities received payment thereon at the dollar face amount, subject to wartime restrictions in regard to enemy held securities. However, in that year Belgium published notice to the holders of its outstanding dollar bonds containing a gold clause to the effect that holders presenting their bonds for stamping in Brussels within the next four days would be entitled to collect the coupons thereon in Brussels as due in francs at the special rate of 35.60 francs to the dollar, the then current exchange rate of approximately 30.27 francs to the dollar remaining applicable with respect to unstamped bonds.

2) In 1935 Belgium created its 4% Debt Unification Loan Second Series, payable in francs, and offered these bonds in exchange for various internal issues and also for the stamped dollar bonds above referred to. Under the decree regulating this conversion any holder of an internal bond entitled to be exchanged was deemed to have accepted the exchange unless he deposited his bonds in Brussels in the period May 13-17, and any holder of a stamped dollar bond who did not similarly deposit his bond for destamping was also deemed to have accepted the conversion. It further provided that the dollar bonds deposited for destamping would no longer have the privilege of payment in francs at the 35.60 rate, but would be payable at the dollar face amount or current equivalent. However the conversion offer involved the exchange of the new franc bonds for such stamped dollar bonds at a principal amount corresponding in round figures to the 35.60 rate. Because of the shortness of the period provided, stamped dollar bonds held in the United States and other distant locations could not be presented and were deemed to have accepted. In 1936 Belgium, since it regarded the principal amount of the above mentioned dollar loans to have been substantially reduced through the conversion, reduced the service monies supplied to an amount proportionate to the bonds outstanding treated as non-converted. This service procedure continued, subject to wartime restrictions on payments. Beginning in August 1941, interest monies on hand in excess of the amount needed for the dollar bonds were applied to later maturing coupons and, upon the exhaustion of such excess, interest funds, and after November 1, 1942 sinking fund monies, were provided only with respect to licensed and designated bonds. Thus after August 1941 although Belgium was occupied, holders in the United States of licensed and designated unstamped Belgian Government dollar bonds could receive their interest regularly in U. S. dollars. Early in 1946 Belgium resumed the dollar bonds sinking fund payments established in 1936 and put into the sinking fund amounts in arrears on that basis.

3) During World War II, payments on Belgian external securities issued in Great Britain, Sweden and Switzerland, were in general limited to the nationals of those countries and of the United States, subject to wartime restrictions.

4) Payments of Belgian-French franc loans ceased during the first year of World War II by decision of the occupying authorities and were resumed to some extent as of April 15, 1943. Payments of the 5½% External Loan of 1932 (since redeemed) and the 5½% External Loan of 1934, payable in French francs in Paris or in Belgian francs in Brussels at fixed currency values, were, after those currencies went off the gold standard, paid as to both principal and interest in the

different currencies at premiums based on the official prices paid for gold by the respective Central Banks at the time the principal or interest instalments were due.

In 1941 an offer was made to all holders of Belgian external securities residing in Belgium to exchange for internal obligations and approximately 1,407,262,000 francs principal amount of internal bonds were delivered on such exchange.

In May 1940 after the occupation of Belgium 39,000,000 florins principal amount of Treasury Bonds (also payable in dollars at the rate of \$53.76 per 100 florins) fell due. The maturity date was extended from time to time to February 1946, but meanwhile payment of 14,250,000 florins principal amount was made under special agreements. Thereafter repayment or extension were offered to the holders at their option, subject to wartime restrictions, and up to September 30, 1954, all but 300,000 florins of the original bonds had been retired.

5) Service on the External 3½% Loan of 1937 payable in Sweden, Holland and Switzerland was for a time delayed by wartime restrictions, but was gradually resumed as wartime and postwar restrictions in Belgium and in the various countries were lifted. These bonds were made exchangeable beginning October 1, 1953 for new multiple currency bonds with coupons maturing November 1, 1953 and subsequently, and all payable pursuant to the original terms of the loan.

6) The Belgian Government guaranteed the Belgian tranche of the Austrian Government 1933-1953 International Loan and 2% of the service of the Austrian Government 1934-1959 International Loan, on both of which Austria defaulted some time ago. As to the first of these Belgium has paid as due its guaranteed portion of the loan in full, subject to wartime delays and restrictions and the loan having matured its obligation is now discharged. On the second loan Belgium similarly discharged its obligation with respect to interest and amortization up to December 31, 1953, Austria agreeing pursuant to the Rome Conference of 1952 to pay part of the interest service beginning January 1, 1954. Since the latter date Belgium has continued to provide the difference between the interest and amortization guaranteed by it and the sums provided by Austria. At the said Rome Conference, Austria also undertook to repay to Belgium over the period 1954-1980 annual sums in partial compensation of the amounts paid by Belgium on both loans in performance of its guaranty.

(b) Internal Debt

Belgium has during the past twenty years paid as due the full currency face amount of principal and interest on its internal securities, except as prevented by wartime disruption or restrictions. In 1935 a conversion operation involving Debt Unification Loan First and Second Series was made involving certain assumed consents as set forth above in sub-paragraph 2 under the sub-heading (a) External Debt.

BELGIAN CONGO

Following action taken by the European Powers at the Berlin Conference early in 1885 the Congo Free State was founded in that year with Léopold II, King of the Belgians, as its King. In 1908 by treaty the Free State ceded to Belgium sovereignty over its territory, the Congo became a Belgian colony, and the Belgian Parliament approved the treaty of cession and adopted the law providing for the government of the Colony. This law, called the "Colonial Charter", states that the Belgian Congo shall be a legal entity (*personnalité juridique*) distinct from Belgium and that the assets and liabilities of Belgium and the Colony shall remain separate. The Congo has its own budget, its own debt and assets and its own central bank and currency. The Congo franc has the same gold content as the Belgian franc and is currently quoted at parity with it.

Subject to the fact that Belgian law is paramount in all matters, legislative power in the Congo is exercised by the King by means of decrees promulgated by him on recommendation of the Minister of Colonies with the advice of a Colonial Council. The King is represented in the Colony by a Governor General who has broad executive powers. The Minister of Colonies, with the assistance of an administrative office in Brussels, formulates the policies which are executed by the Governor General.

The area of the Belgian Congo is about 80 times that of Belgium. Climatic and topographical conditions vary greatly from the vast equatorial rain forests in the center, to the savannah areas and to the higher, dryer and cooler regions in south and east. The Congo is in an early stage of development. It has access to the ocean only by a narrow corridor at the mouth of the Congo River. The Congo River and its tributaries form a vast network of navigable waterways, except that the series of rapids between the port of Matadi and Léopoldville, the capital, have to be bypassed by railroad. In addition there are three railways, one serving the upper Katanga mining region, a second serving the northern Katanga and southern Kivu areas in eastern Congo and the third serving the northeastern

portion of the Colony. All three are connected with the Congo River or its tributaries, although part of the railroad traffic is routed over foreign railroads in Portuguese Angola, Rhodesia and British East Africa rather than being delivered to Congo shipping.

The Congo is rich in minerals. In 1953 over 200,000 tons of copper were produced as well as substantial quantities of tin, cobalt, gold, industrial diamonds, zinc, manganese and uranium. No uranium figures are published nor are they included in the export statistics, but the Congo is one of the world's important producers of uranium. In 1953 over half of the world's supply of cobalt and industrial diamonds came from the Congo.

The main export crops are palm and vegetable oils, cotton, coffee, rubber, cocoa and tropical hard woods. For domestic consumption corn, manioc, rice, bananas and peanuts are also produced.

The Colony has been developed in the past by granting concessions, sometimes over wide areas of land, mineral or forest rights, to private companies. The Congo Government receives royalties from and has investments in a number of the large Congo enterprises. In 1950 the Congo Government undertook a Ten Year Public Investment Plan (1950-1959) which when formulated called for the investment of about 26 billion francs over the ten year period. This program has been substantially expanded since it was initiated, and it is now estimated that the revised Plan will call for the expenditure of about 48 billion francs, some of which may not be spent until after 1959. The chief items for which expenditures are being made are for transportation (port installations, waterways, railroads, roads and airports), hydroelectric power, agriculture, housing, native education, medical facilities and administrative buildings.

The figures for exports and imports of the Belgian Congo and Ruanda-Urundi in the following table have been taken from two volumes (1951 and 1953) of *La Situation Economique du Congo Belge*, an official Government publication.

Year	Exports		Imports	
	In thousands of tons	In millions of Congo francs	In thousands of tons	In millions of Congo francs
1950	909	13,378	879	9,634
1951	1,076	19,884	1,126	15,420
1952	1,063	20,064	1,513	20,179
1953	1,179	20,438	1,426	18,000

In 1953 minerals constituted 13,109 million Congo francs or 64% of total exports, of which the largest items were copper, 6,874 million Congo francs, and cobalt, 1,893 million Congo francs. Other important items of export in 1953 were (in millions of Congo francs and in percentage of total exports) cotton, 1,852 (9%), coffee, 1,675 (8%) and palm and vegetable oils, 1,576 (8%). Imports consisted largely of manufactured goods such as machinery and appliances, textiles, automobiles and trucks and replacement parts.

The ordinary budgets of the Congo in recent years have resulted in surpluses which have been available for capital expenditures called for by the extraordinary budget and for allocation to the Budget Equalization Fund which at December 31, 1953 had reached about 7.5 billion Congo francs. This fund is in the nature of a reserve fund available to absorb temporary deficits in the ordinary budget. Capital expenditures of the extraordinary budget have also been financed by borrowing in the Congo and abroad. Public debt increased from 3.7 billion Congo francs at December 31, 1949 to 20.9 billion Congo francs at September 30, 1954.

UNDERWRITERS

Under the terms and subject to the conditions contained in the Purchase Agreement dated December 14, 1954, the Underwriters named below have severally agreed to purchase and the Government has agreed to sell to them severally, in the respective amounts set forth below, an aggregate of \$30,000,000 principal amount of Bonds. The total of Three Year, Four Year and Five Year Bonds for each Underwriter shown below includes equal amounts of each of the 1957, 1958 and 1959 maturities.

Name	Address	Principal Amount Three Year, Four Year and Five Year Bonds	Principal Amount Ten Year Sinking Fund Bonds
Morgan Stanley & Co.	2 Wall St., New York 5, N. Y.	\$ 885,000	\$ 885,000
Smith, Barney & Co.	14 Wall St., New York 5, N. Y.	885,000	885,000
A. C. Allyn and Company, Incorporated	122 So. La Salle St., Chicago 3, Ill.	120,000	120,000
A. E. Ames & Co., Incorporated	2 Wall St., New York 5, N. Y.	120,000	120,000
Arnhold and S. Bleichroeder, Inc.	30 Broad St., New York 4, N. Y.	90,000	90,000

Name	Address	Principal Amount Three Year, Four Year and Five Year Bonds	Principal Amount Ten Year Sinking Fund Bonds
Bache & Co.	36 Wall St., New York 5, N. Y.	\$ 90,000	\$ 90,000
Robert W. Baird & Co., Incorporated	110 E. Wisconsin Ave., Milwaukee 1, Wis.	90,000	90,000
Baker, Weeks & Co.	One Wall St., New York 5, N. Y.	120,000	120,000
Bear, Stearns & Co.	1 Wall St., New York 5, N. Y.	150,000	150,000
William Blair & Company	135 S. La Salle St., Chicago 3, Ill.	90,000	90,000
Blunt Ellis & Simmons	208 S. La Salle St., Chicago 4, Ill.	75,000	75,000
Blyth & Co., Inc.	14 Wall St., New York 5, N. Y.	450,000	450,000
Alex. Brown & Sons	135 E. Baltimore St., Baltimore 2, Md.	150,000	150,000
Burnham & Company	15 Broad St., New York 5, N. Y.	75,000	75,000
Burns Bros. & Denton, Inc.	37 Wall St., New York 5, N. Y.	90,000	90,000
Central Republic Company (Incorporated)	209 S. La Salle St., Chicago 90, Ill.	120,000	120,000
Clark, Dodge & Co.	61 Wall St., New York 5, N. Y.	150,000	150,000
Courts & Co.	11 Marietta St., N. W., Atlanta 3, Ga.	75,000	75,000
Dominick & Dominick	14 Wall St., New York 5, N. Y.	150,000	150,000
The Dominion Securities Corporation	40 Exchange Place, New York 5, N. Y.	450,000	450,000
Drexel & Co.	1500 Walnut St., Philadelphia 1, Pa.	300,000	300,000
Francis I. du Pont & Co.	1 Wall St., New York 5, N. Y.	90,000	90,000
Equitable Securities Corporation	322 Union St., Nashville 3, Tenn.	150,000	150,000
Estabrook & Co.	15 State St., Boston 9, Mass.	120,000	120,000
The First Boston Corporation	100 Broadway, New York 5, N. Y.	495,000	495,000
First of Michigan Corporation	Buhl Bldg., Detroit 26, Mich.	75,000	75,000
Folger, Nolan-W. B. Hibbs & Co., Inc.	723 15th St., N. W., Washington 5, D. C.	90,000	90,000
Fulton, Reid & Co.	1186 Union Commerce Bldg., Cleveland 14, Ohio	75,000	75,000
Goldman, Sachs & Co.	30 Pine St., New York 5, N. Y.	450,000	450,000
Hallgarten & Co.	44 Wall St., New York 5, N. Y.	300,000	300,000
Harriman Ripley & Co., Incorporated	63 Wall St., New York 5, N. Y.	450,000	450,000
Harris & Partners Limited, Inc.	135 Broadway, New York 6, N. Y.	120,000	120,000
Hayden, Stone & Co.	25 Broad St., New York 4, N. Y.	120,000	120,000
Hemphill, Noyes & Co.	15 Broad St., New York 5, N. Y.	150,000	150,000
H. Hentz & Co.	60 Beaver St., New York 4, N. Y.	75,000	75,000
Hirsch & Co.	25 Broad St., New York 4, N. Y.	75,000	75,000
Hornblower & Weeks	40 Wall St., New York 5, N. Y.	150,000	150,000
E. F. Hutton & Company	61 Broadway, New York 6, N. Y.	90,000	90,000
W. E. Hutton & Co.	14 Wall St., New York 5, N. Y.	150,000	150,000
Kidder, Peabody & Co.	17 Wall St., New York 5, N. Y.	450,000	450,000
Kuhn, Loeb & Co.	52 William St., New York 5, N. Y.	495,000	495,000
Lazard Frères & Co.	44 Wall St., New York 5, N. Y.	450,000	450,000
Lee Higginson Corporation	40 Wall St., New York 5, N. Y.	300,000	300,000
Carl M. Loeb, Rhoades & Co.	42 Wall St., New York 5, N. Y.	120,000	120,000
Laurence M. Marks & Co.	49 Wall St., New York 5, N. Y.	120,000	120,000
McLeod, Young, Weir, Incorporated	100 Broadway, New York 5, N. Y.	90,000	90,000
Merrill Lynch, Pierce, Fenner & Beane	70 Pine St., New York 5, N. Y.	450,000	450,000
Model, Roland & Stone	120 Broadway, New York 5, N. Y.	150,000	150,000
F. S. Moseley & Co.	14 Wall St., New York 5, N. Y.	150,000	150,000
Pacific Northwest Company	Exchange Bldg., Seattle 14, Wash.	75,000	75,000
Paine, Webber, Jackson & Curtis	24 Federal St., Boston 10, Mass.	150,000	150,000
R. W. Pressprich & Co.	48 Wall St., New York 5, N. Y.	150,000	150,000
Reynolds & Co.	120 Broadway, New York 5, N. Y.	120,000	120,000
The Robinson-Humphrey Company, Inc.	Rhodes-Haverty Bldg., Atlanta 1, Ga.	75,000	75,000
L. F. Rothschild & Co.	120 Broadway, New York 5, N. Y.	150,000	150,000
Salomon Bros. & Hutzler	60 Wall St., New York 5, N. Y.	450,000	450,000
Schoellkopf, Hutton & Pomeroy, Inc.	70 Niagara St., Buffalo 2, N. Y.	120,000	120,000
Shearson, Hammill & Co.	14 Wall St., New York 5, N. Y.	90,000	90,000
F. S. Smithers & Co.	1 Wall St., New York 5, N. Y.	120,000	120,000
Stone & Webster Securities Corporation	90 Broad St., New York 4, N. Y.	450,000	450,000
Stroud & Company, Incorporated	123 S. Broad St., Philadelphia 9, Pa.	90,000	90,000
Swiss American Corporation	25 Pine St., New York 5, N. Y.	300,000	300,000
Spencer Trask & Co.	25 Broad St., New York 4, N. Y.	150,000	150,000
Tucker, Anthony & Co.	120 Broadway, New York 5, N. Y.	150,000	150,000
Union Securities Corporation	65 Broadway, New York 6, N. Y.	450,000	450,000
G. H. Walker & Co.	1 Wall St., New York 5, N. Y.	120,000	120,000
Wertheim & Co.	120 Broadway, New York 5, N. Y.	150,000	150,000
White, Weld & Co.	40 Wall St., New York 5, N. Y.	495,000	495,000
Dean Witter & Co.	45 Montgomery St., San Francisco 6, Calif.	150,000	150,000
Wood, Gundy & Co., Inc.	14 Wall St., New York 5, N. Y.	120,000	120,000
Wood, Struthers & Co.	20 Pine St., New York 5, N. Y.	150,000	150,000
Total		\$15,000,000	\$15,000,000

The Purchase Agreement provides that the several obligations of the Underwriters are subject to the approval of certain legal matters by counsel and to receipt by Morgan Stanley & Co. and Smith, Barney & Co. of certificates of an official of the Government, dated the closing date, to the effect that (a) no stop order suspending the effectiveness of the Registration Statement is in effect and, to the best of his knowledge, no proceedings for such purpose are pending before or threatened by the Securities and Exchange Commission, and (b) there has been no material adverse change in the financial, economic or political conditions of Belgium from the conditions set forth in the Registration Statement and the Prospectus.

The Government is advised by the Underwriters that the Underwriters propose to offer part of the Three Year, Four Year and Five Year Bonds directly to the public at the public offering price set forth on the cover page of this Prospectus, and part to dealers at a price which represents a concession of $\frac{1}{2}\%$ of the principal amount under the public offering price, and that Underwriters may allow and such dealers may reallow a concession, not in excess of $\frac{1}{4}\%$, to certain brokers or dealers in respect to such Bonds. The Government is further advised by the Underwriters that the Underwriters propose to offer part of the Ten Year Sinking Fund Bonds directly to the public at the public offering price set forth on the cover page of this Prospectus, and part to dealers at a price which represents a concession of $1\frac{1}{4}\%$ of the principal amount under the public offering price, and that Underwriters may allow and such dealers may reallow a concession, not in excess of $\frac{3}{8}\%$, to certain brokers or dealers in respect to such Bonds.

TABLES

AND

SUPPLEMENTARY INFORMATION

The totals shown in the statements of Revenues and Expenditures set forth in Tables I and II for the years 1951, 1952 and 1953 (being the amounts applicable to the budgetary accounts for those years) have been extracted from various issues of the *Moniteur Belge*. The totals for the year 1954 have been taken from the *Budget des Recettes et des Dépenses pour l'Exercice 1955-Exposé Général* (Chambre des Représentants) as to revenues and from the *Projet de loi autorisant des régularisations, augmentant et réduisant certains crédits ouverts pour l'exercice 1954, etc.* (Sénat de Belgique) of October 1, 1954 as to expenditures. The detailed figures in the tables have not heretofore appeared in any official publication of the Belgian Government and are stated on the authority of Joseph Vanheurck in his official capacity as Administrateur Directeur Général of the Treasury and the Public Debt in the Ministry of Finance of the Kingdom of Belgium.

While the totals of the various classifications of Public Debt at September 30, 1954, as shown on page 20, have been published in the *Moniteur Belge*, the details thereof and the information regarding guaranteed debt hereinafter appearing have not been published heretofore in an official public document. Such details and information regarding guaranteed debt appearing in "Tables and Supplementary Information" are stated on the authority of Auguste Durieux, acting in his official capacity as Directeur d'Administration in the Ministry of Finance of the Kingdom of Belgium.

KINGDOM OF BELGIUM
REVENUES AND EXPENDITURES
Table I—Statement of Revenues
(in millions of francs)

	Budgetary Years			
	1951 (Provisional)	1952 (Provisional)	1953 (Provisional)	1954 (Proposed Budget)
ORDINARY REVENUE				
Tax Revenue—				
Direct Taxes—				
Specific Income Taxes:				
Tax on Income from Real Estate	389	412	438	400
Tax on Income from Movable Property	3,284	3,753	3,652	3,500
Tax on Occupational Income	19,700	17,761	19,505	18,915
	23,373	21,926	23,595	22,815
Complementary Tax on Personal Income	1,966	2,353	2,579	2,315
National Crisis Tax	3,574	2,623	1,878	1,840
Motor Vehicle Tax	1,428	1,524	1,603	1,650
Tax on Games and Gambling	191	212	211	207
Tax on Beverage Dispensing Establishments	87	43	—	—
Prior Years Adjustments	3,642	2,616	2,449	4,325
Surtax on Certain 1951 and 1952 Excess Profits	—	—	21	200
Miscellaneous Receipts	310	387	348	360
Total Direct Taxes	34,571	31,684	32,684	33,712
Customs and Excise Taxes—				
Customs Import Duties	4,353	4,383	4,381	4,350
Excise Taxes:				
Beer	1,083	1,157	1,129	1,150
Oil, Gasoline, etc.	2,396	3,287	2,538	2,600
Cigars, Cigarettes and Tobacco	2,907	3,152	3,335	3,150
Miscellaneous	899	912	911	939
	7,285	8,508	7,913	7,839
Taxes on Consumption (Alcohol, etc.)	713	687	670	700
Tax on Beverage Dispensing Establishments	—	—	115	65
Miscellaneous Receipts	133	88	131	91
Total Customs and Excise Taxes	12,484	13,666	13,210	13,045
Registration Taxes—				
Registration Tax	2,040	2,189	2,353	2,370
Court Fees	11	11	11	92
Mortgage Tax	25	30	35	30
Inheritance Tax	1,028	1,014	1,127	1,050
Stamp Tax on Documents and Business Transactions...	20,088	21,395	20,201	21,500
Adjustments and Miscellaneous	163	200	231	214
Total Registration Taxes	23,355	24,839	23,958	25,256
Total Tax Revenue	70,410	70,189	69,852	72,013
Non-Tax Revenue—				
Fees, Tolls and Dues	1,822	2,000	2,232	2,213
Revenue from Government Property	777	1,145	1,226	990
Repayments	1,946	1,410	1,220	1,076
Miscellaneous Receipts (1)	507	1,981	1,571	2,003
Total Non-Tax Revenue	5,052	6,536	6,249	6,282
Revenue Resulting from the War	1,305	932	729	914
Total Ordinary Revenue	76,767	77,657	76,830	79,209
EXTRAORDINARY REVENUE				
Miscellaneous Extraordinary Receipts	367	2,770	1,581	565
Levy relating to Monetary Adjustment (1)	5,999	2,161	—	—
Proceeds of Long-Term Borrowing	6,019	16,763	15,422	18,595(2)
Proceeds of Monetary Adjustment Loan	6	5	5	
Excise Taxes on Oil, Gasoline, etc.	—	—	1,114	1,170
Total Extraordinary Revenue	12,391	21,699	18,122	20,330
Grand Total Revenues	89,158	99,356	94,952	99,539

NOTES:

- (1) The proceeds of the Levy relating to Monetary Adjustment, shown under Extraordinary Revenue for 1951 and 1952, are included in Miscellaneous Receipts under Non-Tax Revenue in Ordinary Revenue for 1953 and 1954.
- (2) Estimates of the proceeds of borrowings are not made in the proposed budget itself; however, the figure shown represents the most accurate estimate available as of August 31, 1954.

Table II — Statement of Expenditures
(in millions of francs)

	Budgetary Years			
	1951 (Provisional)	1952 (Provisional)	1953 (Provisional)	1954 (Proposed Budget)
ORDINARY EXPENDITURE				
Public Debt	8,386	10,326	10,869	11,882
Pensions	10,072	10,631	10,723	10,845
Endowments	236	250	251	257
National Defense	7,736	10,068	9,987	11,428
National Police	1,064	1,141	1,149	1,173
Prime Minister	38	194	42	42
Justice	1,464	1,578	1,532	1,597
Interior	5,998	6,932	7,157	7,382
Foreign Affairs and Foreign Trade	817	670	604	691
Colonies	58	67	69	67
Agriculture	505	620	608	698
Economic Affairs and Middle Classes	2,478	1,346	1,852	1,598
Communications	4,951	4,684	4,300	4,863
Public Works and Reconstruction	2,414	2,732	3,026	2,149
Labor and Social Security	5,067	9,259	8,154	7,950
Public Instruction	7,014	7,974	8,168	8,931
Public Health and Family	1,833	1,854	2,615	3,061
Finance	5,057	5,162	5,166	5,464
General Administration and Pensions	1,092	—	—	—
Write-offs and Reimbursements	438	949	923	1,217
Total Ordinary Expenditure	66,718	76,437	77,195	81,295
EXTRAORDINARY EXPENDITURE				
Public Debt	5,575	4,091	28	1,090
National Defense	5,298	10,077	8,088	6,671
Justice	—	7	—	—
Interior	—	1	—	43
Foreign Affairs and Foreign Trade	66	69	48	80
Colonies	150	400	400	400
Agriculture	65	107	85	323
Economic Affairs and Middle Classes	4	10	1,025	61
Communications	1,965	984	1,551	1,436
Public Works and Reconstruction	3,862	6,263	4,223	6,103
Labor and Social Security	1,274	3	2	560
Public Instruction	25	5	2	20
Public Health and Family	1,827	1,910	1,344	2,349
Finance	15	603	335	199
Total Extraordinary Expenditure	20,126	24,530	17,131	19,335
Grand Total Expenditures	86,844	100,967	94,326	100,630

PUBLIC DEBT OF THE KINGDOM OF BELGIUM
I. FUNDED DEBT AS OF SEPTEMBER 30, 1954
(A) Internal Loans (Payable in Belgium in Belgian Francs)
(Figures in thousands of francs)

Title and Interest Rate	Date of Issue	Maturity	Principal Amount of Original Issue	Principal Amount Outstanding September 30, 1954	Amortization or Sinking Fund Provisions
Direct Debt:					
2½% Rentes	Jan. 1843	Perpetual	Bfrs. 219,960	Bfrs. 219,960	None See Note(1)
3% Rentes (1st Series)	Various	Indeterminate	547,210	244,646	(1) (2)
3% Rentes (2nd Series)	Various	Indeterminate	3,039,748	1,387,781	(1) (2)
3% Rentes (3rd Series)	Various	Indeterminate	260,564	109,996	(1) (2)
5% 1932 Lottery Loan; stamped	Mar. 15, 1932	Mar. 15, 2002	1,049,652	410	(3) (4)
4% 1932 Lottery Loan; unstamped ...	Mar. 15, 1932	Mar. 15, 2002			
5% 1933 Lottery Loan; stamped	Oct. 1, 1933	Oct. 1, 2003	1,574,624	714	(3) (4)
4% 1933 Lottery Loan; unstamped ...	Oct. 1, 1933	Oct. 1, 2003			
4% Debt Unification Loan (1st Series)	May 15, 1935	Indeterminate	8,925,695	6,765,821	(2)
4% Debt Unification Loan (2nd Series)	May 15, 1935	Indeterminate	9,086,978	6,856,190	(2)
3½% Debt, 1937	Mar. 1, 1937	Indeterminate	2,527,451	2,174,018	(2)
4% Debt Unification Loan (3rd Series)	Aug. 1, 1937	Indeterminate	334,652	334,652	None
3½% (now 4%) 1938 Lottery Loan ..	Oct. 15, 1938	Oct. 15, 2008	1,000,000	961,410	(3) (4)
4% Low Cost Housing Loan	Jan. 1, 1940	Dec. 31, 2005	304,000	285,931	(4)
3% (now 4%) 1941 Lottery Loan	Dec. 1, 1941	Dec. 1, 2001	2,500,000	2,442,830	(3) (4)
3½% Debt, 1943	Apr. 15, 1943	Indeterminate	3,600,000	2,998,572	(2)
4% Liberation Loan	Nov. 15, 1945	Indeterminate	10,610,000	9,385,671	(2)
3½% Monetary Adjustment Loan	Jan. 1, 1946	Jan. 1, 1972	63,745,591	18,849,719	(5)
4% Debt, 1947-1981	Oct. 1, 1947	Oct. 1, 1981	648,741	587,144	(4)
4% Debt, 1947-1997	Oct. 1, 1947	Oct. 1, 1997	865,500	827,896	(4)
3½% Debt, 1947-1997	Oct. 1, 1947	Oct. 1, 1997	678,875	644,930	(4)
Consolidated Debt to National Bank of Belgium (no interest)	Sep. 13, 1948	Indeterminate	35,000,000	34,660,495	(6)
4½% Loan, 1951	Nov. 15, 1951	Nov. 15, 1966	6,350,000	5,715,000	(5)
4½% Loan, 1952-1962	Jun. 25, 1952	June 25, 1962	7,530,000	7,002,800	(5)
4½% Loan, 1952-1964	Dec. 1, 1952	Dec. 1, 1964	8,880,000	8,569,200	(5)
Lottery Loan of 1953 (2% to 1967; 5% thereafter)	Apr. 1, 1953	Apr. 1, 1973	3,500,000	3,375,000	(3) (4)
4½% Loan, 1953-1973	Jun. 1, 1953	Jun. 1, 1973	4,420,000	4,265,300	(5)
4½% Loan, 1953-1968	Oct. 15, 1953	Oct. 15, 1968	6,901,000	6,901,000	(5)
4½% Loan, 1954-1972	Feb. 18, 1954	Feb. 18, 1972	11,514,000	11,514,000	(5)
4½% Ten Year Loan of 1954	Apr. 1, 1954	Apr. 1, 1964	1,300,000	1,300,000	(4)
4¼% Loan, 1954-1974	Jul. 5, 1954	Jul. 5, 1974	6,660,000	6,660,000	(5)
Aeronautical Property Restriction Obligations (3%)	Various	None	7,258	2,972	None
Total direct internal funded debt				Bfrs. 147,504,067	
Indirect Debt:					
4% Lloyd Royal Belge Loan	Jul. 1, 1916	Jul. 1, 1966	25,000	Bfrs. 10,922	(4)
Annuity to Credit Communal (cap. at 5.045%)	Jan. 1, 1920	Jan. 1, 1987	617,668	509,903	(4)
4% 1921 Lottery Loan (War damages)	Jan. 10, 1921	Jan. 10, 2011	1,000,000	940,005	(3) (4)
5% 1922 Lottery Loan (War damages); stamped	Jun. 1, 1922	Jun. 1, 2012	1,049,654	1,170	(3) (4)
4% 1922 Lottery Loan (War damages); unstamped	Jun. 1, 1922	Jun. 1, 2012			
5% 1923 Lottery Loan (War damages); stamped	Jun. 15, 1923	Jun. 15, 2013	1,049,703	580	(3) (4)
4% 1923 Lottery Loan (War damages); unstamped	Jun. 15, 1923	Jun. 15, 2013			
6% Preferred Shares of the National Railway Company; stamped	Sep. 1, 1926	Sep. 1, 2001	4,525,000	3,275,474	(4)
4% Preferred Shares of the National Railway Company; unstamped	Sep. 1, 1926	Sep. 1, 2001			
Debt to Credit Communal (4%)	Apr. 1, 1927	Apr. 1, 1987	300,000	262,805	(4)
4¾% Loan of the National Railway Company	Dec. 1, 1947	Dec. 1, 1957	500,000	500,000	None
Low Cost Housing Loan (various interest rates)	1947 and later	Dec. 31, 2015	1,000,000	990,151	(4)
Purchase of Railroads Debt (2½%-4½%)	Various	Various	423,586	44,069	(4)
Total indirect internal funded debt				Bfrs. 8,544,787	
Total internal funded debt				Bfrs. 156,048,854	

NOTES:

- (1) Sinking fund monies can be applied alternatively to the 2½% Rentes.
- (2) Annual cumulative sinking fund if purchasable at 100% or less.
- (3) Some bonds drawn for the sinking fund are redeemable at substantial premiums.
- (4) Annual sinking fund or amortization calculated to retire entire issue by maturity.
- (5) Sinking fund or amortization to retire part of issue prior to maturity.
- (6) Debt owed to the National Bank of Belgium was consolidated in 1948 to the extent of Bfrs. 35,000,000,000, of which Bfrs. 5,000,000,000 is redeemable out of the Government's share of the profits of said Bank.

(B) Foreign Currency Loans

<u>Title and Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Principal Amount of Original Issue</u>	<u>Principal Amount Outstanding September 30, 1954</u>	<u>Equivalent in Belgian Francs of Amount Outstanding (7) (in thousands)</u>	<u>Amortization or Sinking Fund Provisions</u>
Direct Debt:						
Kingdom of Belgium External Loan 30 Year 7% Bonds of 1955	Jun. 1, 1925	Jun. 1, 1955	\$50,000,000	\$ 1,784,000	Bfrs. 89,164	
2¾% Loan—Export-Import Bank	Jan. 10-Jun. 10, 1946	Dec. 1, 1976	\$55,000,000	\$ 39,416,552	1,970,039	(1)
2½%, 3%, 3½% Loan—Export-Import Bank	Apr. 12-Sep. 5, 1946	Mar. 31, 1966	\$45,000,000	\$ 34,500,000	1,724,310	(1)
2¾% Debt to the United States Government	Sep. 24, 1946 to Jun. 30, 1953	Jul. 1, 1977	\$17,535,494	\$ 9,437,381	471,680	(1)
2½% Loan—Economic Cooperation Administration	Dec. 1948-Dec. 1949	Dec. 31, 1983	\$47,900,000	\$ 47,900,000	2,394,042	(1)
4¼% Loan—I.B.R.D.	Mar. 1, 1949	Mar. 1, 1969	\$16,000,000	\$ 14,500,000	724,710	(1)
2½% Loan—Economic Cooperation Administration	Apr. 1951-Jan. 1953	Jun. 30, 1970	\$ 1,778,000	\$ 1,384,357	69,190	(1)
3¼% Loan—Economic Cooperation Administration	Nov. 1951-Aug. 31, 1953	Jun. 30, 1976	\$15,497,995	\$ 15,497,995	774,590	(1)
4½% Loan—I.B.R.D.	Feb. 1952-Aug. 1954	Sep. 15, 1976	\$30,000,000	\$ 30,000,000	1,499,400	(1)
				\$194,420,285	Bfrs. 9,717,125	
3% Canadian Loan	Jul. 1946-Dec. 1948	Jun. 30, 1976	Can. \$68,843,288	Can. \$ 50,754,000	Bfrs. 2,617,891	(1)
Kingdom of Belgium Conversion Sterling Loan 4%, 1936	Nov. 1, 1935	Nov. 1, 1970	£ 8,600,000	£ 4,189,500	Bfrs. 585,567	(2)
Kingdom of Belgium Sterling Loan 4%, 1937	Jan. 15, 1938	Jan. 15, 1960	£ 5,000,000	£ 1,097,800	153,440	(3)
				£ 5,287,300	Bfrs. 739,007	
Kingdom of Belgium External 3½% Loan, 1937 (4)	May 1, 1937	May 1, 1985	Fl. 48,000,000	Fl. 13,924,000	Bfrs. 382,749	(1)
3¾% Dutch Loan of Fl. 100,000,000	{ Aug. 1, 1954 to	Aug. 1, 1984	Fl. 50,000,000	Fl. 50,000,000	658,000	(1)
	{ Nov. 15, 1954	Nov. 15, 1984	Fl. 50,000,000	Fl. 30,000,000	394,800	(1)
				Fl. 93,924,000	Bfrs. 1,435,549	
Kingdom of Belgium Conversion Krona Loan 4%, 1936	Nov. 1, 1936	Nov. 1, 1962	Kr. 200,000,000	Kr. 6,709,000	Bfrs. 64,584	(1)
Total direct external funded debt					Bfrs. 14,574,156	

Indirect Debt:

Preferred Shares of the National Railway Company 6% (Swiss Issue) (5)	Sep. 1, 1926	Sep. 1, 2001	Bfrs. 275,000,000	Bfrs. 194,000,000	Bfrs. 194,000	(1)
Preferred Shares of the National Railway Company 6% (Netherlands Issue) (6)	Sep. 1, 1926	Sep. 1, 2001	Bfrs. 200,000,000	Bfrs. 137,000,000	137,000	(1)
				Bfrs. 331,000,000	Bfrs. 331,000	
4% Loan of the National Railway Company, 1948	Mar. 1, 1948	Mar. 1, 1960	Sfrs. 50,000,000	Sfrs. 50,000,000	Bfrs. 572,675	None
					Bfrs. 903,675	
					Bfrs. 15,477,831	
					Bfrs. 171,526,685	

NOTES:

- (1) Semi-annual or annual sinking fund or amortization calculated to retire entire issue by maturity.
- (2) Annual cumulative sinking fund of 1½% per annum.
- (3) Annual cumulative sinking fund of 3% per annum.
- (4) Payable at the option of the bearer in the Netherlands in guilders, or in Switzerland in Swiss francs, or in Sweden in Swedish kronor at the rate of 1 florin equals 2.40 Swiss francs equals 2.15 Swedish kronor.
- (5) Payable in Swiss francs in Switzerland at rate of exchange between Belgian francs and Swiss francs as of the day of presentation.
- (6) Payable in florins in Amsterdam at rate of exchange between Belgian francs and florins as of the day of presentation.
- (7) Conversions of amounts in foreign currencies to amounts in Belgian francs in this table and subsequent tables relating to Foreign Currency Loans are made at exchange rates in effect on September 30, 1954, which rates were as follows: 1 U. S. \$ = 49.98 Belgian francs, 1 Can. \$ = 51.58 Belgian francs, 1 £ = 139.77 Belgian francs, 1 florin = 13.16 Belgian francs, 1 Kr. = 9.6265 Belgian francs, 1 Swiss franc = 11.4535 Belgian francs.

II. MEDIUM-TERM DEBT AS OF SEPTEMBER 30, 1954
(A) Internal Loans (Payable in Belgium in Belgian Francs)
(Figures in thousands of francs)

<u>Title and Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Principal Amount Outstanding September 30, 1954</u>
Direct Debt:			
Treasury Certificates:			
Fifteen Year 3½% (1st Series), 1942(1)	Jun. 1, 1942	Jun. 1, 1957	Bfrs. 553,701
Fifteen Year 3½% (2nd Series), 1942(1)	Dec. 1, 1942	Dec. 1, 1957	563,166
Twenty Year 4%, 1943 (1)	Oct. 15, 1943	Oct. 15, 1963	2,663,840
Ten Year 4%	Nov. 14, 1947	Nov. 14, 1957	100,000
Five or Ten Year 4%, 1947 (1)	Jul. 1, 1947	Jul. 1, 1957	967,941
Five or Ten Year 4%, 1948 (1)	Jun. 1, 1948	Jun. 1, 1958	3,674,823
4% of 1949 (1955-1960) (1)	Oct. 15, 1949	Apr. 15, 1955-1960	6,103,212
4% of 1949 (1956-1961) (1)	Oct. 15, 1949	Apr. 15, 1956-1961	732,260
4% of 1949 (1957-1962) (1)	Oct. 15, 1949	Apr. 15, 1957-1962	732,260
4% of 1949 (1958-1963) (1)	Oct. 15, 1949	Apr. 15, 1958-1963	732,268
Certificates without interest (Ruanda-Urundi)....	1952-1953	Jan. 15, 1955-1958	700,000
Three Year 3½%	Mar. 1, 1953	Mar. 1, 1956	251,938
Three Year 3¼%	Aug. 1, 1953; Feb. 1, 1954	Aug. 1, 1956; Feb. 1, 1957	1,767,750
Two Year 2¾%	Nov. 1, 1953; May 1, 1954	Nov. 1, 1955; May 1, 1956	1,766,150
Five Year 4% of 1954	Mar. 15, 1954	Mar. 15, 1959	1,574,348
3.20% 18 month special E. P. U. Certificates	Apr. 10, 1954 to Sep. 25, 1954	Oct. 10, 1955 to Mar. 26, 1956	533,120
3½% 24 month special E. P. U. Certificates	Apr. 10, 1954 to Sep. 25, 1954	Apr. 10, 1956 to Sep. 25, 1956	533,120
Five Year 3¾% of 1954	Jul. 20, 1954	Jul. 20, 1959	875,443
3% Five Year Victory Loan	Various	Various	17
Miscellaneous Certificates	Various	Various	10,000
Total direct internal medium-term debt			Bfrs. 24,835,357
Indirect Debt:			
Five or Ten Year 4% Debt of the National Rail- way Company, 1948	Aug. 1, 1948	Aug. 1, 1958	Bfrs. 972,974
Total indirect internal medium-term debt			Bfrs. 972,974
Total internal medium-term debt			Bfrs. 25,808,331

NOTES:

(1) Payable with a premium at final maturity.

(B) Foreign Currency Loans

<u>Title and Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Principal Amount Outstanding September 30, 1954</u>	<u>Equivalent in Belgian francs of Amount Outstanding (in thousands)</u>
Direct Debt:				
4% Loan of 1952 (Sfrs. 50,000,000)....	Dec. 1, 1952	Dec. 1, 1964	Sfrs. 50,000,000	Bfrs. 572,675
Three Year 3½% Bonds, sold in Switzerland	May 28, 1954	Dec. 15, 1957	Sfrs. 129,000,000	1,477,502
Total external medium-term debt..			Sfrs. 179,000,000	Bfrs. 2,050,177
Total medium-term debt				Bfrs. 27,858,508

III. SHORT-TERM DEBT AS OF SEPTEMBER 30, 1954
(A) Internal Loans (Payable in Belgium in Belgian Francs)
(Figures in thousands of francs)

<u>Title</u>	<u>Principal Amount Outstanding September 30, 1954</u>
Direct Debt:	
Due to Postal Check Office	Bfrs. 19,523,422
Advances from National Bank of Belgium	8,625,000
Miscellaneous Treasury bills due within 1 year	41,510,888
Special E. P. U. Certificates	1,362,480
Certificates given to importers	103
Certificates given to:	
Bank of Issue (in liquidation)	1,164,000
I. B. R. D.	1,782,779
International Monetary Fund	8,324,890
Advances from Belgian Congo	77,500
Six-month Treasury Certificates (issued in London)	3,992,663(1)
Advances from Bank of Belgian Congo	443,500(1)
Veterans' Endowment	349,836
Total internal short-term debt	<u>Bfrs. 87,157,061</u>

NOTE: (1) Payable in Belgian francs but with an exchange guaranty providing that the Belgian Congo franc value will be repaid.

(B) Foreign Currency Loans

<u>Title</u>	<u>Principal Amount Outstanding September 30, 1954</u>	<u>Equivalent in Belgian francs of Amount Outstanding (in thousands)</u>
Direct Debt:		
Treasury Bonds:		
Central Bank of the Belgian Congo	\$ 30,000,000	Bfrs. 1,499,400
Sold in Switzerland (dollars)	\$ 5,000,000	249,900
Sold in Switzerland (Swiss francs)	Sfrs. 177,500,000	2,032,996
Sold in Switzerland (Swiss francs)	Sfrs. 40,000,000	458,140
4% Mendelsohn (payable in florins)	Fl. 300,000	3,948
Sold in Switzerland (Belgian francs)	Bfrs. 225,055,198	225,055
Total external short-term debt		<u>Bfrs. 4,469,439</u>
Total short-term debt		<u>Bfrs. 91,626,500</u>

Total Funded, Medium Term and Short Term Debt

The total of the public debt—funded, medium-term and short-term—of Belgium at September 30, 1954 was Bfrs. 291,011,692,204.

This figure does not include Bfrs. 21,283,916,400 of intergovernmental debt resulting from World War I. Such debt consisted of the following:

<u>Title and Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Principal Amount of Original Issue</u>	<u>Principal Amount Outstanding September 30, 1954</u>	<u>Equivalent in Belgian francs of Amount Outstanding (in thousands)</u>	<u>Amortization or Sinking Fund Provisions</u>
Pre-armistice debt to Government of United States.....	Jun. 15, 1925	Jun. 15, 1987	\$171,780,000	\$161,780,000	Bfrs. 8,085,764	(1)
Post-armistice debt to Government of United States, 3½%	Jun. 15, 1925	Jun. 15, 1987	\$246,000,000	\$238,900,000	11,940,222	(1)
Consolidated Debt to Government of Great Britain, 5%..	Jan. 1, 1926	Dec. 31, 1955	£ 9,000,000	£ 9,000,000	1,257,930	(1)
Total					<u>Bfrs. 21,283,916</u>	

(1) No payments have been made on these bonds since June 30, 1931.

If this intergovernmental debt is included, the figure representing total public debt at September 30, 1954 would be Bfrs. 312,295,608,604.

INDEBTEDNESS GUARANTEED BY THE KINGDOM OF BELGIUM

The principal amounts outstanding on September 30, 1954 of loans of Belgian public institutions and of the Belgian Congo guaranteed as to principal and interest by the Kingdom of Belgium are shown in the table below.

<u>Institution</u>	<u>Long Term Debt</u>	<u>Medium Term Debt</u>	<u>Short Term Debt</u>
	(in thousands of francs)		
Internal Loans			
National Interurban Railway Company	Bfrs. 1,355,851		
Telegraph and Telephone Administration	5,513,089	Bfrs. 1,650,000	
Left Bank of the Schelde Development Company	366,759		
Central Mortgage Office		2,432,439	
National Fund for Small Business Loans		1,771,836	Bfrs. 75,095
National Institute for Loans to Agriculture		822,277	
National Company for Loans to Industry	1,880,000	9,075,006	1,412,655
National Water Distribution Company	2,290,585		
Flanders Water Distribution Company	43,654		
Brussels Palais des Beaux Arts	36,990		
Belgian National Railway Company	4,113,500	3,000,000	
National Low Cost Housing Company	5,484,871	907,905	
National Small Rural Property Company	1,193,032	1,032,142	
League of Large Belgian Families	1,148,727		
Company for Access Highways to the Brussels Airport	3,016	1,500	
Sabena	8,070		
Autonomous Fund for War Damages	9,745,793		
Fund for Increase in Old Age, Widows and Orphans Allowances		1,264,400	
Belgian National Radio Institute	125,676		
Assistance to Indebted Municipalities		175,000	
Fund for Payment of War Pensions	4,134,955		
Stabilization Fund for Treasury Bonds			180,000
Total Belgian francs	Bfrs. 37,444,568	Bfrs. 22,132,505	Bfrs. 1,667,750
External Loans (Payable in Swiss francs)			
Telegraph and Telephone Administration		Sfrs. 50,000	
National Company for Loans to Industry		50,000	
Belgian National Railway Company		50,000	
Belgian Congo	Sfrs. 210,833		
Total Swiss francs	Sfrs. 210,833	Sfrs. 150,000	
(Payable in Belgian Congo francs)			
Sabena	Belgian Congo francs 365,000		
(Payable in U. S. dollars)			
Belgian Congo	\$ 32,855		

Converting the amounts of the External Loans at exchange rates in effect September 30, 1954 (viz: 1 Swiss franc = 11.4535 Belgian francs, 1 Belgian Congo franc = 1 Belgian franc, 1 U. S. dollar = 49.98 Belgian francs) the indebtedness guaranteed by the Kingdom of Belgium listed in the above table amounted to 67,384,717,000 Belgian francs on September 30, 1954.

In addition to the indebtedness guaranteed by the Kingdom of Belgium listed above, Belgium in 1934 guaranteed in part certain obligations of Austria. For information respecting this guarantee see paragraph 6 under "Debt Record".

MISCELLANEOUS LIABILITIES

Congo Free State

As of December 31, 1953 there were outstanding an aggregate of 143,818,900 francs of perpetual debentures, bearing interest at various rates from 2½% to 4% per annum, and 29,493,000 francs of debentures due in 2000, bearing interest at 4% per annum, all of which were originally issued by the Congo Free State. By the Belgian Decree of October 18, 1908 annexing the Congo, Belgium became liable for this debt, but the Colonial Charter provides (Article I) that the assets and liabilities, respectively, of Belgium and the Colony are to be stated separately, with the result that the charges on the above-mentioned debt are considered direct charges of the Colony, and so the service of this debt has been provided by the Colony.

International Bank for Reconstruction and Development

In addition to the liabilities hereinabove set forth, Belgium may be called upon to make certain payments to the International Bank for Reconstruction and Development. See page 15.

Various

Certain autonomous or semi-autonomous institutions have by law their liabilities guaranteed within various limitations by the Kingdom of Belgium. These institutions are: General Savings Institute, Stabilization Fund for Treasury Bonds, National Office for Guaranteeing Payment to Exporters, Institute of Rediscount and Guarantee, National Company for Loans to Industry, National Fund for Small Business Loans, Central Mortgage Office and National Institute for Loans to Agriculture. These liabilities include the loans designated in the preceding table. In all these institutions the Government believes there are assets sufficient to cover the guaranteed liabilities so that it does not consider the likelihood of its having to implement any such guarantee to be material.

NATIONAL BANK OF BELGIUM

The following is a Statement of Condition of the National Bank of Belgium as at November 18, 1954, as published by the Bank, and as signed by the Governor and the Secretary of the Bank:

NATIONAL BANK OF BELGIUM STATEMENT OF CONDITION AS AT NOVEMBER 18, 1954 (in thousands of francs)

<u>ASSETS</u>		<u>LIABILITIES</u>	
Gold Holdings	38,258,593	Notes in Circulation	99,163,213
Foreign Assets	4,468,349	Current and Sundry Accounts:	
Claims on Foreign Countries under Payments Agreements:		Public Treasury { Ordinary Accounts 6,252	
a) E.P.U.	8,503,650	{ E.C.A. Accounts 88,693	
b) Member Countries of E.P.U.	503,264	Banks in Foreign Countries: Ordinary Accounts	1,238,737
c) Other Countries	501,801	Miscellaneous Current and Sundry Accounts	1,135,075
Debtors in respect of Foreign Exchange and Gold at Forward Dates	1,346,792	Liabilities to Foreign Countries under Payments Agreements:	
Commercial Bills on Belgium	7,496,455	Member Countries of E.P.U.	174,840
Advances on Public Long-term Securities ..	616,628	Other Countries: a)	236,735
Public Short-term Securities (Art. 20 of the Statutes, and Agreements of Sep. 14, 1948 and Apr. 15, 1952):		b)	201,000
a) Treasury Certificates	5,555,000	Total Sight Liabilities	102,244,545
b) Securities issued by Institutions whose liabilities are guaranteed by the Government	14,000	Foreign Currencies and Gold to be delivered	1,344,025
Other Public Short-term Securities ...	58,000	Staff Pension Fund	740,903
Treasury Notes and Coin	489,240	Items in transit	806,287
Balances at the { "A" Account 1,580		Capital	400,000
Postal Check Office { "B" Account 201,000		Reserves and Depreciation Accounts	1,392,146
Consolidated Claim on the Government (Art. 3, para. b of the Law of July 28, 1948) ...	34,660,495		
Public Long-term Securities (Arts. 18 and 21 of the Statutes)	1,780,961		
Premises, Furniture and Equipment	966,503		
Securities of the Staff Pension Fund	740,903		
Items in Transit	764,692		
Total Assets	106,927,906	Total Liabilities	106,927,906

REGISTRATION STATEMENT

A Registration Statement, which relates to the Bonds and of which this Prospectus is a part, is on file with the Securities and Exchange Commission in Washington, D. C. In addition to the Prospectus the Registration Statement contains certain exhibits.

KINGDOM OF BELGIUM

by HENRI LIEBAERT
Minister of Finance

FILE COPY

December 15, 1954

Air Mail

Mr. Pierre Ansiaux
10 Rue Forestiere
Brussels, Belgium

Dear Mr. Ansiaux:

I am enclosing herewith a conformed copy of the Loan Agreement dated December 14, 1954 between the Kingdom of Belgium and the International Bank. We signed this agreement in New York at the same time that the Purchase Agreement was signed.

Will you please send me a copy of the Moniteur Belge containing the decree authorizing the loan. I assume that you will be giving Mr. MacVeagh for me the opinion of the Minister of Justice that we require.

As you know, the closing is expected to take place on January 4, 1955 and, accordingly, we will require all the necessary documents for that date.

Best regards.

Sincerely yours,

Lester Nurick

Encl.

LN/rh

FILE COPY

December 15, 1954

Air Mail

Monsieur Gaillard
Conseiller Juridique du Ministere des Finances
14, rue de la Loi
Bruxelles, Belgium

Dear Mr. Gaillard:

I am enclosing herewith a conformed copy of the Loan Agreement dated December 14, 1954 between the Kingdom of Belgium and the International Bank for Reconstruction and Development.

Best regards.

Sincerely yours,

Lester Nurick

Encl.

LN/rlh

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
(WORLD BANK)

1818 H STREET, N.W., WASHINGTON 25, D. C. TELEPHONE: EXECUTIVE 3-6360

RELEASED IN NEW YORK CITY FOR
A.M. Newspapers
Wednesday, December 15, 1954

Statement by Eugene R. Black, President of the World Bank, on the occasion of the signing of an agreement for a \$20 million loan to Belgium, made simultaneously with a \$30 million issue of Belgian Government bonds on U.S. Market, December 14, 1954.

This is indeed a happy occasion for the World Bank. In our operations we have endeavored to establish a good working relationship with the private investment market. In fact, I believe, that the closeness of the relationship developed between the Bank and the private market is one of the best measures of the success and value of the work in which we are engaged.

Today, I believe, we are taking the most important single step so far along these lines, in that our loan and the new issue, being underwritten by seventy-one investment firms in the United States, are two parts of a single operation: A borrowing of \$50,000,000 by Belgium to finance the improvement of her waterways and the Port of Antwerp. Nothing like this has been done before.

I should like to point out also that for the first time in twenty-eight years, an issue of Belgian Government bonds is appearing on the new issues market in the United States.

From our point of view, the most pleasing aspect of today's business is the way it serves the objectives of the World Bank. Our principal business

now is the financing of development or economic improvement in our member countries. This we are doing directly by means of our \$20,000,000 loan to Belgium for waterways and port improvements.

The Bank's charter requires it to promote and encourage private foreign investment. Previously, we have been modestly successful in doing this through private placements of our borrowers' obligations with institutional investors both in the United States and abroad; and through institutional participations in some of our loan operations. This is the first time in which we have been a part of a joint operation which, in addition to our loan, included the flotation of a new public bond issue by our borrower.

I should like to thank the officials of the Belgian Government and the representatives of the underwriters who worked hard and long to make the joint bond issue and loan possible. This deal has in fact proved so satisfactory that we are already looking forward to possible similar transactions in the future where again we will be privileged to work with the investment banking community.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
(WORLD BANK)

1818 H STREET, N.W., WASHINGTON 25, D.C. TELEPHONE: EXECUTIVE 3-6360

PRESS RELEASE NO. 381

SUBJECT: World Bank makes \$20 million loan to Belgium simultaneously with \$30 million issue Belgian Government bonds on U.S. market.

FOR INFORMATION OF PRESS ONLY

Joint announcement being made in New York City by World Bank, Morgan Stanley & Co. and Smith, Barney & Co.
FOR RELEASE A.M. NEWSPAPERS
Wednesday, December 15, 1954

In an operation which is the first of its kind, the Kingdom of Belgium is borrowing \$50,000,000 today (December 14, 1954) in a combined transaction with the investment market and the World Bank. The transaction consists of an offering of \$30,000,000 of Belgian bonds by an underwriting group of seventy-one investment firms and banks headed by Morgan Stanley & Co. and Smith, Barney & Co.; and of a \$20,000,000 loan by the World Bank. Announcement of the financing was made jointly in New York by the managers for the underwriters and Eugene R. Black, President of the Bank.

The borrowing operations were worked out jointly in Belgium by representatives of the underwriters and the Bank with officials of the Government. Proceeds of the bond issue and the World Bank's loan will be used to finance a part of the costs of five projects, which are designed to improve and modernize Belgium's inland waterways and the Port of Antwerp.

The new bond issue is designated as the "Kingdom of Belgium External Loan Bonds," and is dated December 1, 1954. It is divided by maturities as follows: \$5,000,000 of Three-Year 3-3/8% Bonds, \$5,000,000 of Four-Year 3-1/2% Bonds and \$5,000,000 of Five-Year 3-5/8% Bonds, all being offered at 100%; and \$15,000,000 of Ten-Year Sinking Fund 4% Bonds, due December 1, 1964, which are being offered at 99-1/2% to yield 4.06%.

The new issue is the first public offering of Belgian bonds in the United States in more than twenty-five years. It is also the first public offering which any

European government has made to obtain new money in the United States since the Netherlands and Norwegian issues in April and May 1947.

In addition to the 71 investment firms comprising the nationwide underwriting group, a substantial portion of the issue will be sold to foreign dealers in Belgium, the Netherlands, Switzerland, Great Britain and other countries. Principal buyers of the bonds are expected to be large commercial banks throughout the United States investing for their own portfolios, pension funds, colleges and agencies of foreign banks.

The \$20,000,000 World Bank loan to Belgium, which is being made concurrently with the bond offering, will have a term of fifteen years. Amortization will start on February 15, 1965, shortly after the Ten-Year Bonds of the public issue reach final maturity. Interest on the loan, including the statutory commission of 1%, will be at the rate of 4-5/8% per annum. Disbursements on the Bank's loan will be made as work goes forward on the projects being financed by it and the new bond issue.

PROJECTS BEING FINANCED

The five specific projects which the loan and the bond issue will assist in financing are:

PORT OF ANTWERP

Completion of the Baudouin Lock now under construction at Antwerp. The lock, one of the largest in the world, will be able to handle four 10,000 ton ships at the same time. The Baudouin Lock will afford sea-going ships an important new entry to the Port of Antwerp. It has a greater capacity than the single lock which now handles medium or large vessels entering the Port; it will eliminate the Port's dependence on that lock and thereby help to avoid delays which are now encountered by ships coming into Antwerp.

Efficient port facilities at Antwerp are vital to the Belgian economy. The Port, one of the largest in Europe, handles the bulk of the exports and imports of the Belgium/Luxembourg Economic Union, as well as large tonnages of transit goods.

WATERWAYS PROJECTS

The four other projects are part of a program being undertaken to modernize the extensive canal system of Belgium. In general the objectives of the program are to enable barges of up to 1,350 tons to navigate all trunk canals, to reduce greatly the number of locks that currently delay traffic, and in general to improve navigability.

A modern and efficient waterways system for cheap transportation of bulk cargo is important to the competitive position of Belgian industry in world trade. Belgian exports total the equivalent of \$2.2 billion, or about one-quarter of the gross national product.

Some 4 billion ton-kilometers or close to a third of Belgium's domestic and foreign trade is carried by canal barges and the proportion has been growing in recent years. Many canal sections, however, are now fully loaded and the need to increase their capacity is pressing. A number of the older stretches cannot handle barges larger than 300 tons and traffic on them is hampered by numerous locks and curves. Transportation costs on routes which include these older sections of canal are often twice as high as on routes modernized throughout. The four inland waterways projects are:

Ghent Ring Canal:

Completion of the southern and western sections of a canal by-passing the City of Ghent. In addition to the canal, which will handle barges up to 2,000 tons, the work includes many bridges and several dams and locks. The Ring Canal will eliminate delays of a day or more now encountered by the large volume of barge traffic which must pass through the city. The canal will also improve drainage and flood protection for the Ghent area.

Baudour-Blaton Canal:

Completion of a new section, between the towns of Baudour and Blaton, of the canal connecting the important industrial region of Western Hainaut with the River Schelde. When finished the new section will be completely

free of locks, and will eliminate ten locks on the existing connection.

Charleroi-Seneffe Canal:

Completion of the improvement of the Charleroi-Seneffe section of the canal linking the heavily-industrialized area of Central Hainaut with Brussels and the Port of Antwerp. The channel will be widened and many curves eliminated. An existing 1,000 meter one-way tunnel will be replaced by a deeply-excavated open canal and the number of locks will be reduced from ten to three.

Neuville Dam and Locks:

This project will be the first step in a series of works to improve navigation on the Upper Meuse River between Namur and Liege. The main parts of the work will be a dam at Neuville to regulate the water level of the river, and improved locks designed to end congestion at the three locks now in use.

The work on the five projects is being done by private contractors, mostly Belgian. The proceeds of the bond issue and the Bank's loan will be used to reimburse the Belgian Government for its payments for execution of the work. In all, these projects will cost 5.9 billion francs (\$118 million equivalent), of which the Belgian Government is paying about three-fifths from its own resources. It had spent about 2.1 billion francs (\$42 million equivalent) by the end of 1953. The proceeds of the public bond issue and the Bank loan will be equivalent to almost the entire outlay on the projects for the years 1954 through 1956, and a further 1.3 billion francs (\$22 million equivalent) will remain to be spent on the projects after today's borrowings have been fully utilized.

FURTHER DETAILS ON ISSUE

All of the bonds are callable for redemption in whole or in part, on thirty days' notice, at the option of the Belgian Government. Provision has been made for a redemption premium of 1/2 of 1% for each period of twelve months or fraction thereof from the date fixed for redemption to the date on which the bonds mature.

As a sinking fund for the Ten-Year Bonds the Belgian Government will pay the sum of \$1,500,000 semi-annually beginning by June 1, 1960, and extending to and including June 1, 1964. For sinking fund purposes, the Ten-Year Bonds are redeemable by lot on any interest payment date, on thirty days' notice, at a premium of 1/4 of 1% for each twelve-month period or fraction thereof from the date fixed for redemption to maturity.

After having been approved by the Bank's Executive Directors, the Loan Agreement was signed in New York City by the Belgian Ambassador to the United States, Baron Silvercruys, on behalf of the Kingdom of Belgium, and by Eugene R. Black, President, on behalf of the World Bank. The Purchase Agreement between the underwriting group and the Government of Belgium covering the bond issue was signed by John M. Young of Morgan Stanley & Co. and Burnett Walker of Smith, Barney & Co., on behalf of the underwriters.

12/23

Laure,

This letter was typed
at the N.Y. office. It is the
only copy I received so it
will have to serve as the
file copy.

Desey

Department of Operations -
Europe, Africa, Australasia

December 14, 1954

Dear Mr. Minister:

I have just come from the offices of Morgan Stanley & Co., where the Belgian loan was signed at noon.

I should like to express my own appreciation of the smooth way in which this most interesting operation has been worked out. Indeed, it was a real pleasure for the International Bank mission to work with you and your associates in Brussels, and I am happy to see the operation draw to a successful conclusion.

May I also take this opportunity of thanking you and Mrs. Liebaert for the warm hospitality which you extended to the mission during its stay in Brussels.

With best personal wishes.

Sincerely,

Martin M. Rosen
Assistant Director

Monsieur Henri Liebaert
Ministre des Finances
12, rue de la Loi
Bruxelles
BELGIUM

(M.C. Box 35)

BELGIUM LN 107

Secretary's Memorandum No. 1-167

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FROM: The Secretary

December 9, 1954

PROPOSED LOAN TO KINGDOM OF BELGIUM

NOTICE OF FILM SHOWING

There will be a showing of a film on some of the Belgian projects to be assisted by the proposed Bank loan and public bond issue today December 9, at 2:30 p.m., in the Board Room.

Distribution

- Executive Directors and Alternates
- President
- Vice President
- Assistant to the President
- Department Heads

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: DECEMBER 9, 1954 0949

TO: STEVENSON INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FROM:
BRUXELLES

TEXT:

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

DECLARATION DETTE EXTERIEURE ENVOYEE 26 NOVEMBRE. RECU
ACCUSE RECEPTION DATE 30 NOVEMBRE SIGNE HAMILTON. DUPLICATA
SUIT

VANHEURCK

DEC 8 15 50 PM 1954

RECEIVED
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
BRUXELLES

ORIGINAL

ORIGINAL

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

DEC 9 12 33 PM 1954

ADMINISTRATIVE

TO:

VICE PRESIDENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM:

SECRETARY

RE:

RECOMMENDATION AND RECOMMENDATION
FOR THE BOARD OF DIRECTORS

DATE OF ISSUE:

DECEMBER 8, 1954

Approved by
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
SECRETARY

INCOMING MAIL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

December 8, 1954

The Ministry of Public Works
Palace de la Residence
Rue de la Loi
Brussels, Belgium

Gentlemen:

A loan agreement between the Belgian Government and the Bank for the purpose of financing part of five public works projects, will probably be signed on December 14, 1954.

It is intended that the loan should become effective shortly after the date of the Loan Agreement, and therefore we feel it would be useful to arrange in advance the manner of submitting to the Bank your information on the progress of the five projects, as required by Article 4.01 of the Loan Agreement.

The general purpose of this information is to keep the Bank informed how the progress of the works corresponds with the time schedules on which the dates of completion of the projects, mentioned in Schedule 2 of the Loan Agreement, have been based.

We suggest that the information be submitted quarterly, the initial report to cover the first quarter of 1955.

We further suggest that the reports on the five projects should cover the following points:

A. The Baudouin Lock

A construction schedule for the remaining works, showing separately the principal parts of the construction, and indicating the progress achieved on each part in comparison with the progress scheduled. We consider these principal parts to be:

- a) the installation of the gates;
- b) the construction and installation of the electrical equipment;
- c) the dredging works for connecting the lock with the Scheldt and the port basin.

B. The Ghent Ring CanalC. The Baudour-Blaton-Mont des Grosselliers canalD. The Charleroi-Seneffe canal

I. A construction schedule for each of the canals, showing separately the main parts of the construction works and indicating the progress achieved on each part in comparison with the progress scheduled. We consider the main parts to be:

- a) the excavating and/or dredging works;
- b) the revetment of the side slopes;
- c) the road bridges;
- d) the railroad bridges;
- e) the separate locks on the Ghent Ring Canal and the Charleroi Seneffe canal;
- f) the separate dam and the dam-lock complex on the Ghent Ring Canal.

II. A map or drawing (schematic if you prefer), of each of the three canals, indicating the situation at the end of each quarter of the works which are completed, under construction, and still to be started, as in similar maps which we already have in our possession, indicating the present situation.

III. A list of calls for tenders which have been issued during the past quarter, and information whether the estimates of the total cost of the projects will have to be changed as a result of these calls for tenders.

E. Movable dam and locks at Neuville-sous-Huy

I. A construction schedule for the works, indicating the progress achieved on each main part in comparison with the progress scheduled. We consider the following to be the main parts:

- a) the earth-moving works;
- b) the concrete structure of the dam;
- c) the concrete structure of the two locks;
- d) the construction and installation of the gates of the dam;
- e) the construction and installation of the gates of the locks;
- f) the electrical equipment for the dam;
- g) the electrical equipment for the locks.

II. Information whether the estimates for the total cost of the project will have to be changed as a result of the calls for tenders.

Furthermore, we would appreciate receiving - for all five projects - the following:

I. Information on any important changes in the plans.

II. Information on any important events which may result in delays in the execution of the project.

III. Some photographs which will give an idea of the progress.

We suggest that the construction schedules for the different works might be drawn up so as to show the progress from January 1, 1955 to the completion of the works; but we would have no objection to the use of some other starting date if that should prove to be more convenient to you. We would appreciate receiving the initial schedules as soon as they are prepared, without waiting for the submission of the first regular progress report.

We want to emphasize that the reporting procedures described above are not fixed, but should be taken merely as indicating the general types and scope of information desired. If any modification of form would bring the progress reports more into agreement with the routine reports used by the constructing agencies and still furnish approximately the same information, we would be glad to consider accepting such modifications.

We wish to take this opportunity to stress the importance of some oral information given by officers of your Ministry to members of our Mission. We learned that it is the intention of the Belgian Government to execute the improvement of the Blaton-Peronnes and Seneffe-Clabecq canals immediately following the completion of the adjoining works now under way, and that it is also the intention of the Belgian Government to build a temporary second lock at Antoing and to operate the remaining old locks between Blaton and Peronnes and between Seneffe and Clabecq with double shifts as long - and insofar as - these locks will be the bottleneck for traffic capacity after completion of the canal stretches which are the projects under the Bank loan. Our economic investigations of the projects made clear that the early execution of these plans is essential if the full benefits of the capital investments which the Bank loan will help to finance are to be realized as soon as possible.

Yours very truly,

HJvanHolden:mas

cc: Mr. Burick Mr. Mehaffey
Mr. Stevenson Mr. Wubnig
Mr. Brion Mr. Finsens

J.C. Mehaffey
Chief, Transportation Division
Department of Technical Operations.

(Cleared by Area Department : Mr. Stevenson)