Folder Title: Deutsche Bundesbank - Bonds - Borrowing - 30 Million Dollars - 4 1/2 Percent - 1959 - Correspondence

Folder ID: 1052233

Dates: 06/01/1959-06/05/1959

Fonds: Records of the Office of the Treasurer

ISAD Reference Code: WB IBRD/IDA TRE

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Dear Mr. Black:

In your letter of June 2, 1959, you have requested the approval of the United States of America for certain borrowing operations designed to raise funds for the International Bank for Reconstruction and Development outside the United States.

The National Advisory Council has authorized me to inform you:

(1) that the Government of the United States of America hereby approves, in accordance with Article IV, Section 1(b), of the Articles of Agreement of the Bank, the raising of funds for the Bank by private placements of negotiable notes with institutional investors outside the United States in an aggregate principal amount of $62,500,000, the notes in each case to bear interest at the rate of 4.5 percent per annum:

(a) on or about June 10, 1959, $5,000,000, to mature in approximately two years;

(b) on or about June 20, 1959, $25,000,000, and on or about July 11, 1959, $30,000,000, both borrowings to mature in approximately three years; and

(c) on or about October 1, 1959, $2,500,000, to mature in approximately two years; and

(2) that the Government of the United States of America hereby agrees, in accordance with Article IV, Section 1(b), of the Articles of Agreement of the Bank, that the proceeds of the borrowing approved by this letter
may be exchanged for the currency of any other member of the Bank without restriction.

Very truly yours,

George H. Willis
Secretary
National Advisory Council on International Monetary and Financial Problems

Mr. Eugene R. Black
President, International Bank for Reconstruction and Development
Washington 25, D. C.
COMMUNICATION: Cable

DATED: June 2, 1959

TO: Dr. Karl Blessing
    President
    Notenbank
    Frankfurtmain
    Germany

FROM: Mr. Black

FILED UNDER: Borrowing: D.Bundesbank 25mil. of 1959

SUMMARY: --Our Executive Directors have approved transactions there-
fore on Monday June 22, 1959 we will deliver to you -------
also on Monday July 13, 1959 we will deliver to you at
the Federal Reserve Bank of New York one note in the
amount of $30,000,000 dated July 11, 1959 and maturing
July 11, 1962 bearing interest at 4 and one half percentt per
annum payable semiannually on January 11, and July 11 against
receipt of the note you now hold in the amount of $30,000,000
dated July 11, 1957 and maturing July 11, 1959 stop We agree
on your request to exchange any of these notes for notes
of same tenure in smaller denominations and in like
aggregate principal amount stop Please cable confirmation
of above and confirm our understanding that third and fourth
paragraphs of our letter agreement of September 19, 1957
are also applicable to present transactions stop as in
previous transactions foregoing is subject to statutory
consent of United States Government stop Regards
Test 632 Black Intbafrad
COMMUNICATION:  Cable

DATED:  June 1, 1959

TO:  Mr. Karl Blessing
     President
     Notenbank
     Frankfurtmain
     Germany

FROM:  Mr. Black

FILED UNDER:  Borrowing IS June 20, 1959 $25million.

SUMMARY:  Message:-

Greatly appreciate your willingness to roll over June 20 and July 11, 1959 maturities totalling $55,000,000 will request approval of our executive d Directors at meeting tomorrow and will then request statutory consent of United States Government stop will cable again after Directors meeting regards Test 576 Black Intbafrad