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Folder Title: Deutsche Bundesbank - Bonds - Borrowing - 200 Million Deutsche Marks - 148 Million Dollars - 3 1/2 Percent Notes - 1961 - Correspondence

Folder ID: 1052238

Dates: 12/27/1960-03/16/1965

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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

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GENERAL FILES

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WBG Archives

The World Bank Group
Archives
1052238
A1995-233 Other #. 30 Box #167840B
Deutsche Bundesbank - Bonds - Borrowing - 200 Million Deutsche Marks -
148 Million Dollars - 3 1/2 Percent Notes - 1961 - Correspondence

BONDS *Deutsche Bundesbank*
BORROWING DM200mil-\$148mil.-3 1/2% Notes of 1961 (Jan)

Mr. Robert W. Cavanaugh

March 16, 1965

Raymond E. Deely

3-1/2% U.S. Dollar Note of 1961, due February 1, 1965
3-1/2% DM Note of 1961, due February 1, 1965

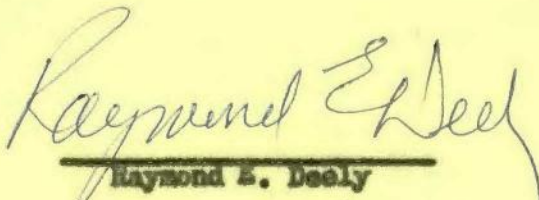
The following Notes, each dated January 16, 1961, were surrendered to us on February 1, 1965 and were today cremated by Mr. van Saagsvelt and myself:

3-1/2% U.S. Dollar Note of 1961, due February 1, 1965

Note No.1 in the principal amount of \$73,000,000.

3-1/2% DM Note of 1961, due February 1, 1965

Note No.1 in the principal amount of DM100,000,000.


Raymond E. Deely


W. N. van Saagsvelt

cc: Mr. Wiehen
Mr. Rutland
Mr. Deely/Sec. Div. File
REDeely:ls

CROSS REFERENCE SHEET

COMMUNICATION: Memo

DATED: June 10, 1964

TO: Mr. Knapp, Mr. Aldewereld, Mr. Broches
Mr. Demuth, Mr. Poore

FROM: Mr. Woods

FILED UNDER: Bonds ^{Bundesschatz} ~~Germany~~ - Germany ~~Germany~~

SUMMARY:

Outstanding Issues with Bundesbank.

OFFICE MEMORANDUM

TO: The Files
 FROM: Robert W. Cavanaugh
 SUBJECT: Borrowings from the Deutsche Bundesbank

DATE: March 15, 1961

On January 16, 1961, the Bank borrowed from the Deutsche Bundesbank the equivalent of about \$196 million. This borrowing replaced note issues aggregating \$148 million and DM200 million held by the Bundesbank which were due to mature over the 12 months beginning January 16, 1961. Details of the Notes which were returned to the Bank in exchange for the new Notes dated January 16, 1961, are as follows:

Note Number	Date of Note	Maturity Date	Rate of Interest	Amount of Note
B3	10/17/57	1/16/61	4-3/8%	\$ 25,000,000
3	6/20/58	6/20/61	2-1/2%	25,000,000
1	7/7/58	7/7/61	3%	DM200,000,000
2	7/11/58	7/11/61	2-1/2%	10,000,000
3	7/11/58	7/11/61	2-1/2%	10,000,000
4	7/11/58	7/11/61	2-1/2%	10,000,000
5	7/11/58	7/11/61	2-1/2%	10,000,000
1	1/16/59	1/16/62	3-7/8%	58,000,000
				\$148,000,000
				DM200,000,000

These Notes were all signed by Davidson Sommers, Vice President. We (Mr. Cavanaugh and Miss Kesterton) today destroyed these eight Notes by mutilation.


 Robert W. Cavanaugh


 Edith M. Kesterton

RWCavanaugh:emk
 cc: Mr. Wiehen

DEUTSCHE BUNDESBANK

BY AIRMAIL

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

FRANKFURT (MAIN) Telephone 44
24 January 1961

an Exzellenz und die Reichsbank von
23 January 1961

Sitz in der Anstalt
2 210/-

Bitte: Your 3 1/2 % Notes maturing 1 August 1964

Gentlemen:

We acknowledge receipt of

US\$ 20,000,000.00 of your 3 1/2 % Notes maturing 1 August 1964,
2 Notes of US\$ 10,000,000.00 each
Nos. 5 - 7.

We are, Gentlemen,

Very truly yours,
DEUTSCHE BUNDESBANK
[Signature]
Frankfurt

1961 JAN 26 AM 11:47

RECEIVED
BANK (MAIN) T - NOTIZBANK
FRANKFURT AM
[Stamp and other markings]

HOLD FOR RELEASE

WORLD BANK



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

1818 H STREET, N.W., WASHINGTON 25, D. C. TELEPHONE: EXECUTIVE 3-6360

Press Release No. 669
For Release
AM Newspapers
Wednesday, January 18, 1961

SUBJECT: World Bank borrowing from
Deutsche Bundesbank

The World Bank has arranged to borrow the equivalent of about \$196 million from the Deutsche Bundesbank (the Central Bank of Germany). The borrowing replaces World Bank note issues aggregating \$148 million in U.S. dollars and D.M. 200 million (equal to about \$48 million) now held by the Bundesbank, which are due to mature over the twelve months beginning January 16, 1961.

As evidence of its indebtedness to the Bundesbank the World Bank will issue notes dated January 16, 1961 and bearing interest at $3\frac{1}{2}\%$ a year. The new notes will be divided as follows: \$75 million of U.S. dollar notes and D.M. 100 million of Deutsche Mark notes maturing on August 1, 1964; and \$73 million of U.S. dollar notes and D.M. 100 million of Deutsche Mark notes maturing on February 1, 1965.

The average maturity of the new notes is three years and ten months. The issues to be retired have an average remaining maturity of seven months.

Commenting on this transaction, Eugene R. Black, President of the World Bank, expressed his appreciation of this "further indication of cooperation by the Federal Republic of West Germany and the Bundesbank in the financing of the activities of the World Bank." Mr. Black pointed out that the Deutsche Bundesbank has lent \$591 million net in dollars and Deutsche Mark to the World Bank, equal to more than 25% of the World Bank's outstanding indebtedness.

U.S. APPROVAL

JAN 17 1961

Dear Mr. Cavanaugh: ✓

In your letter of January 9, 1961, you have requested the approval of the United States of America of a proposed borrowing operation 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 that:

- (1) 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 borrowing on January 16, 1961, \$148,000,000 in United States currency by private placement of negotiable notes with an institutional investor outside the United States, the notes to bear interest at the rate of 3-1/2 percent per annum and \$75,000,000 to mature on August 1, 1964, and \$73,000,000 on February 1, 1965.
- (2) 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,

~~signed~~ George H. Willis

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

Mr. Robert W. Cavanaugh
Treasurer, International Bank
for Reconstruction and Development
Washington 25, D. C.

Bonds - Borrowing - Germany
217.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	INCOMING WIRE	INTERNATIONAL FINANCE CORPORATION
--	---------------	--------------------------------------

DATE OF WIRE: 16 JANUARY 1961

LOG NO.: RC 1

TO: IIRD - EUGENE R. BLACK

FROM: FRANKFURTMAIN

ROUTING	
ACTION COPY:	MR. BLACK ✓
INFORMATION COPY:	MR. GRAVES MR. CAVANAUGH
DECODED BY:	

TEXT:

✓

RECEIVED WITH THANKS YOUR CABLE JANUARY 12TH. FULLY AGREE TO PRESS
STATEMENT TO BE RELEASED ON JANUARY 18TH.

KINDEST REGARDS
BLESSING

TYPED

GENERAL FILES
COMMUNICATIONS SECTION

JUN 13 10 51 PM 1961

TO : SAC, NEW YORK
FROM : SAC, NEW YORK
SUBJECT: [Illegible]

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 13 1961	
FBI - NEW YORK	

DEUTSCHE BUNDESBANK

Mr. Chang	
Mr. Deely	
Mr. Gray	
Mr. Perram	
Mr. Rutland	

Registered

By Airmail

International Bank for
Reconstruction and
Development

Washington 25, D.C.

U.S.A.

Bitte in der Antwort angeben

Ihr Zeichen und Ihre Nachricht vom

FRANKFURT (MAIN), Taunusanlage 4-6

Z 310/-

14 January 1961

Betreff

Your 2 1/2 % Notes maturing 11 July 1961

Gentlemen:

With reference to the teletype which President Blessing addressed on 12 January 1961 to President Black we are sending you herewith

\$ 20,000,000.00 of your 2 1/2 % Notes maturing 11 July 1961
2 Notes of \$ 10,000,000.00 each
Nos. 2 - 3

with the request to transmit to us in exchange two new 3 1/2 % Notes maturing 1 August 1964.

We should appreciate it if you would acknowledge receipt of these Notes on the attached copy of this letter.

We are,

very truly yours,

DEUTSCHE BUNDESBANK

Lasser Sauer



Postanschrift
(16) Frankfurt (Main) 1

Telegramme
NOTENBANK
FRANKFURTMAIN

Fernsprecher
330682 oder 330681 und
durchwählen

Telex
Inland 4-1 227 Ausland 4-1 232
Notenbank Ffm

Dienststunden
Montag bis Freitag 8.15-17 Uhr
Sonnabend 8.15-13 Uhr

Mr. Deery	
Mr. Gray	
Mr. Johnson	
Mr. Taylor	
Mr. White	

DEUTSCHE BUNDESBANK

1961

International Bank for
Reconstruction and
Development

Washington, D.C.

TRANSPORT WAHR, Turnvorteil 44

In Zahlen und im Hinblick von

Die in der Folie abgebildeten

1961

Your 1961

Text:

Reference to the letter which President Blasing addressed
on 12 January 1961 to President Nixon we are sending you herewith

\$ 20,000,000.00 of paper 2 1/2 % Notes maturing 11 May 1961

in Notes of \$ 10,000,000.00 each

100 - 2

with the request to transmit to us in exchange two new 2 1/2 %
Notes maturing 1 August 1964.

We should appreciate it if you would acknowledge receipt of these
Notes on the attached copy of this letter.

We are,

Very truly yours,

Handwritten signature
Sauer

7

1961 JAN 16 AM 11:32

RECEIVED
DANK WAHR

Frankfurt am Main
100000
100000

Frankfurt am Main
100000
100000

100000

Book - Accounting January 27 AM. 1961

FILE COPY

AIR MAIL

January 13, 1961

Deutsche Bundesbank
Tasmananlage 4-6
Frankfurt am Main
Federal Republic of Germany

Attention: Dr. Karl Blessing

Gentlemen :

Renewal of Borrowings for \$148,000,000 and DM 200,000,000

Further to the exchange of cables dated January 11 and January 12, 1961 respectively, our Board of Executive Directors has now formally approved the above renewal of our borrowings from you and I am now proceeding with the necessary arrangements for the settlement to take place as of January 16, 1961 as planned.

As requested by you I am enclosing herewith two 3-1/2% Notes each in the face amount of \$10,000,000 and maturing on August 1, 1964 which are to be exchanged for the two 2-1/2% Notes maturing July 11, 1961 for the same face amounts which you had transferred to the Bundesministerium für wirtschaftlichen Beirats des Bundes, Bonn, in September 1958. I have noted that you will forward the Notes being redeemed direct to us.

I am forwarding the balance of \$128,000,000 and DM 200,000,000 of the new 3-1/2% Notes to the Federal Reserve Bank of New York with instructions to deliver them to themselves for your account on January 16, 1961 upon presentation of the Notes to be redeemed which they are holding for your account. The Federal Reserve Bank is also being instructed to credit your account at the same time with \$1,729,652.77 representing accrued interest to January 16, 1961 on the U.S. dollar Notes being redeemed. You will receive a separate cable from us transferring DM 150,000 to you representing accrued interest to January 16 on the redeemed Deutsche Mark Note.

On February 1, 1961, payment will be arranged in the usual manner of the interest due on that date on the 3-1/2% Notes now being issued.

I am attaching hereto a statement giving details of the Notes being exchanged and accrued interest due thereon together with a copy of my letter of today's date to the Federal Reserve Bank of New York which I trust will prove helpful.

R

FILE COPY

Deutsche Bundesbank

Page 2

If you require any further information I shall be very pleased to give your enquiry my immediate attention. I would also like to take this opportunity to again express our appreciation for your valued co-operation.

Sincerely yours,

RWB

Robert W. Cavanaugh
Treasurer

Attachments

cc: Mr. Black
Dr. Donner
Mr. Cavanaugh
Mr. Fontein
Mr. Price
Mr. Rutland

WCR/msh

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Renewal of Borrowings from Deutsche Bundesbank
Maturing through January 16, 1962

<u>Outstanding Borrowings:</u>	<u>Principal</u>	<u>Last Interest Payment Date</u>	<u>Number of Days to 1/16/61</u>	<u>Interest Accrued to 1/16/61</u>
<u>United States dollars</u>				
4-3/8% of 1957 due 1/16/61	US\$ 25,000,000	7/16/60	180	\$ 546,875.00
2-1/2% of 1958 due 6/20/61	25,000,000	12/20/60	26	45,138.89
2-1/2% of 1958 due 7/11/61 1/	40,000,000	1/11/61	5	13,888.88
3-7/8% of 1959 due 1/16/62	58,000,000	7/16/60	180	1,123,750.00
Total	US\$148,000,000			\$1,729,652.77

(Interest and Principal to be paid at the Federal Reserve Bank of New York)

Deutsche Marks

3% Note of 1958 due 7/7/61	<u>DM 200,000,000</u>	1/7/61	9	<u>DM 150,000.00</u>
----------------------------	-----------------------	--------	---	----------------------

(Interest and Principal to be paid at the Deutsche Bundesbank, Frankfurt
Am Main. Original Note delivered to Federal Reserve Bank of New York)

Above borrowings will be consolidated and refinanced on 1/16/61 by the following Notes:

	<u>Principal</u>	<u>15 Days Interest Due on 2/1/61</u>
3-1/2% U.S. Dollar Notes of 1/16/61 2/		
Note #1 due 8/1/64	US\$ 55,000,000	
Note #2 due 8/1/64	10,000,000 3/	
Note #3 due 8/1/64	10,000,000 3/	
Note #1 due 2/1/65	73,000,000	
Total	US\$148,000,000	US\$215,833.33
3-1/2% Deutsche Mark Notes of 1/16/61 2/		
Note #1 due 8/1/64	DM 100,000,000	
Note #1 due 2/1/65	100,000,000	
Total	DM 200,000,000	DM 291,666.67

1/ \$20,000,000 transferred to Bundesministerium für wirtschaftlichen Besitz des Bundes, Bonn but interest to be paid to a/c Bundesbank at Federal Reserve Bank of New York.

2/ Interest payment due February and August 1 semi-annually. First interest payment due on February 1, 1961 will cover 15 days and we are computing the accrued interest using a 360 day factor.

3/ Notes issued in exchange for Notes referred to in note #1 above.

Bar

TO: DR. KARL BLESSING

DATE:

CLASS OF
SERVICE:

COUNTRY:

2.

TEXT:
Cable No.:

NOTES AND D.M. 100 MILLION OF DEUTSCHE MARK NOTES MATURING ON FEBRUARY 1 COMMA
 1965 STOP PARAGRAPH THE AVERAGE MATURITY OF THE NEW NOTES IS THREE YEARS AND
 TEN MONTHS STOP THE ISSUES TO BE RETIRED HAVE AN AVERAGE REMAINING MATURITY OF
 SEVEN MONTHS STOP PARAGRAPH COMMENTING ON THIS TRANSACTION COMMA EUGENE R. BLACK COMMA
 PRESIDENT OF THE WORLD BANK COMMA EXPRESSED HIS APPRECIATION OF THIS QUOTE FURTHER
 INDICATION OF COOPERATION BY THE FEDERAL REPUBLIC OF WEST GERMANY AND THE
 BUNDESBANK IN THE FINANCING OF THE ACTIVITIES OF THE WORLD BANK STOP UNQUOTE MR.
 BLACK POINTED OUT THAT THE DEUTSCHE BUNDESBANK HAS LENT \$591 MILLION NET IN
 DOLLARS AND DEUTSCHE MARK TO THE WORLD BANK COMMA EQUAL TO MORE THAN TWENTY FIVE
 PERCENT OF THE WORLD BANK'S OUTSTANDING INDEBTEDNESS STOP UNQUOTE KINDEST REGARDS

TEST 2202

BLACK
INTBAFRAD

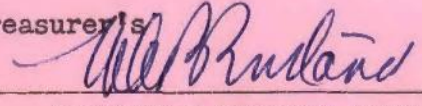
NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Walter C.P. Rutland

DEPT. Treasurer's

SIGNATURE



(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Black
 Dr. Donner
 Mr. Fontein
 Mr. Cavanaugh
 Mr. Prins
 Mr. Rutland WCPR/eg

For Use by Archives Division

ORIGINAL (File Copy)

(IMPORTANT: See back of yellow copy for guide in preparing form)

Checked for Dispatch: _____

ack. Jan. 16

DATE:

CLASS OF SERVICE:

TO: DR. KARL BUNENBERG

COUNTRY:

TEXT:

CLASS NO.:

WORLD AND I.E. 100 MILLION OF SWISS FRANKS MUST BE PAID ON FEBRUARY 1 1961
1961 STOP PARAGRAPHS THE ABOVE NUMBER OF THE NEW NOTES IS THREE Y AND A
THE NUMBER STOP THE NUMBER TO BE PAID HAS AN AVERAGE REMAINING IN FULLY IN
SWISS FRANKS STOP PARAGRAPHS THE NUMBER ON THIS TRANSACTION CODE NUMBER . . .
PURCHASE OF THE WORLD BANK CORP. THROUGH HIS REPRESENTATION OF THE WORLD BANK

INTEGRATION OF COOPERATION BY THE FEDERAL GOVERNMENT OF WEST GERMANY AND
SWISS BANK IN THE PURSUIT OF THE ACTIVITIES OF THE WORLD BANK STOP
BANK POINTS OUT THAT THE SWISS BANK NUMBER HAS NOT BEEN PAID
BANKS AND SWISS BANK TO THE WORLD BANK BANK TO MAKE THEM
PURCHASE OF THE WORLD BANK'S OUTSTANDING INSTRUMENTS STOP SWISS BANK

DISPATCHED
GENERAL FILES
CORRESPONDENCE

JAN 12 5 49 PM 1961

TEXT 2202

MARK
INTERNAL

NOT TO BE TRANSMITTED

CLEARANCE AND COPY DISTRIBUTION

- cc: Mr. Black
- Mr. Lerner
- Mr. Fournier
- Mr. Gavanagh
- Mr. Pinn
- Mr. Rutland

MESSAGE AUTHORIZED BY:

NAME: Walter G. Rutland

0697. Treasurer
SIGNATURE: *Walter G. Rutland*

ORIGINAL (File Copy)

IMPORTANT: See back of yellow copy for guide in operating form

Checked for Dispatch:

OUTGOING WIRE

TO: DR. KARL BLESSING
PRESIDENT
NOTENBANK
FRANKFURTMAIN

DATE: JANUARY 12, 1961

CLASS OF
SERVICE: NIGHT LETTER

COUNTRY: (GERMANY)

TEXT:
Cable No.:

Rca

✓

THANKS YOUR CABLE JANUARY 11 REGARDING RENEWAL OF BUNDESBANK LOANS STOP YOUR REQUIREMENTS REGARDING DENOMINATION OF NOTES AGREEABLE AND NOTES WILL BE FORWARDED TO YOU AND FEDERAL RESERVE BANK OF NEW YORK TOMORROW AFTER OUR BOARD MEETING STOP DETAILS OF SETTLEMENT AT FEDERAL RESERVE BANK OF NEW YORK WILL ALSO BE AIRMAILED TO YOU TOMORROW STOP STATEMENT TO BE RELEASED TO THE PRESS ON JANUARY 18 NOT 17 AS PREVIOUSLY ADVISED STOP PRESS STATEMENT FOLLOWS QUOTE THE WORLD BANK HAS ARRANGED TO BORROW THE EQUIVALENT OF ABOUT \$196 MILLION FROM THE DEUTSCHE BUNDESBANK PARENTHESIS THE CENTRAL BANK OF GERMANY CLOSE PARENTHESIS STOP THE BORROWING REPLACES WORLD BANK NOTE ISSUES AGGREGATING \$148 MILLION IN U.S. DOLLARS AND D.M. 200 MILLION PARENTHESIS EQUAL TO ABOUT \$48 MILLION CLOSE PARENTHESIS NOW HELD BY THE BUNDESBANK COMMA WHICH ARE DUE TO MATURE OVER THE TWELVE MONTHS BEGINNING JANUARY 16 COMMA 1961 STOP PARAGRAPH AS EVIDENCE OF ITS INDEBTEDNESS TO THE BUNDESBANK THE WORLD BANK WILL ISSUE NOTES DATED JANUARY 16 COMMA 1961 AND BEARING INTEREST AT THREE AND ONE HALF PERCENT A YEAR STOP THE NEW NOTES WILL BE DIVIDED AS FOLLOWS COLON \$75 MILLION OF U.S. DOLLAR NOTES AND D.M. 100 MILLION OF DEUTSCHE MARK NOTES MATURING ON AUGUST 1 COMMA 1964 SEMI-COLON AND \$73 MILLION OF U.S. DOLLAR

NOTENBANK FFM2

PRESIDENT BLACK

INTBAFRAD WASHINGTON 25 DC

SUBJECT COLON RENEWAL OF BUNDESBANK LOANS

THANKS FOR YOUR TELETYPE OF JANUARY 9. ✓

FOR 75 MILLION USDOLLARS MATURING AUGUST 1. 1964

WE SHOULD LIKE TO HAVE THE FOLLOWING DENOMINATIONS COLON

1 NOTE FOR 55 MILLION USDOLLARS

2 NOTES FOR 10 MILLION USDOLLARS EACH.

PLEASE DELIVER NOTE FOR 55 MILLION USDOLLARS TO
FEDERAL RESERVE BANK IN FAVOR OF DEUTSCHE BUNDESBANK. THE
TWO NOTES FOR 10 MILLION USDOLLARS EACH PLEASE MAIL TO DEUTSCHE
BUNDESBANK DIRECT. THESE NOTES TO BE USED TO REDEEM 20 MILLION
USDOLLARS RESOLD IN 1958 TO A GERMAN FEDERAL MINISTRY AND INCLUDED
IN THE MATURITY OF JULY 11, 1961 AND KEPT WITH US. WE SHALL
LIKEWISE SEND YOU THESE TWO REDEEMED NOTES DIRECT.

WE SHALL INSTRUCT FEDERAL RESERVE BANK, ,NEWYORK, TO HAND TO YOUR
BANK ON JANUARY 16, 1961 THE NOTES TOTALLING 128 MILLION
USDOLLARS AND 200 MILLION DEUTSCHEMARK MATURING BETWEEN
JANUARY 16. 1961 AND JANUARY 16, 1962 KEPT FOR US
THERE AGAINST DELIVERY OF FRESH 3 1/2 PERCENT
NOTES OF 55 MILLION USDOLLARS AND 100 MILLION DEUTSCHEMARK
MATURING AUGUST 1, 1964 AND OF 73 MILLION USDOLLARS AND
100 MILLION DEUTSCHEMARK MATURING FEBRUARY 1. 1965.

WE ARE IN FULL AGREEMENT WITH YOU THAT THIRD AND FOURTH
PARAGRAPHS OF YOUR LETTER AGREEMENT OF SEPTEMBER 19, 1957
ARE ALSO APPLICABLE TO PRESENT TRANSACTIONS.

TRANSMISSION OF INTENDED PRESS RELEASE WOULD BE APPECIATED.

KINDEST REYARDS

BLESSING

NOTENBANK -/-

2WHO R U

Bonds - borrowing - germany 3 1/2% notes Jan. 1961

FORM No. 26 (8-59)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

INTERNATIONAL FINANCE
CORPORATION

DATE OF
WIRE:

LOG NO.:

TO:

FROM:

TEXT:

ROUTING

ACTION COPY:

INFORMATION
COPY:

DECODED BY:

DUPLICATE

(not for public use)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CONFIDENTIAL

**FOR
EXECUTIVE
DIRECTORS'
MEETING**

DECLASSIFIED

AUG 01 2014

WBG ARCHIVES

R 61-5

(For consideration
on January 13, 1961)

FROM: The Secretary

January 10, 1961

PROPOSED BORROWING FROM THE DEUTSCHE BUNDESBANK

The Bank now has outstanding the equivalent of about \$196 million of debt with the Deutsche Bundesbank which matures in the next 12 months as follows:

	<u>Interest Rate</u>	<u>U.S. Dollars*</u>	<u>Deutsche Marks*</u>
		\$	DM
Jan. 16, 1961	4-3/8%	25	
June 20, 1961	2-1/2%	25	
July 7, 1961	3%		200
July 11, 1961	2-1/2%	40	
Jan. 16, 1962	3-7/8%	58	
		<u>\$148</u>	<u>DM200</u>

The Deutsche Bundesbank has offered to return on January 16, 1961 the notes they now hold representing the above debt and to accept in replacement therefor new 3-1/2% notes to be dated January 16, 1961 and to mature as follows:

	<u>Interest Rate</u>	<u>U.S. Dollars*</u>	<u>Deutsche Marks*</u>
		\$	DM
Aug. 1, 1964	3-1/2%	75	100
Feb. 1, 1965	3-1/2%	73	100
		<u>\$148</u>	<u>DM200</u>

* In millions.

Distribution:

Executive Directors and Alternates
President
Vice Presidents
Department Heads



Record Removal Notice

File Title Bonds Borrowing - Deutsche Bundesbank - 200 Million Deutsche Marks - 3 1/2 Percent Notes of 1961 - 148 Million Dollars	Barcode No. 1052238
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Document Date Jan 10, 1961	Document Type Board Record
--------------------------------------	--------------------------------------

Correspondents / Participants

Subject / Title
 Authorization to Borrow US \$148,000,000 and DM 200,000,000 (Draft)

Exception No(s).

1
 2
 3
 4
 5
 6
 7
 8
 9
 10 A-C
 10 D
 Prerogative to Restrict

Reason for Removal
 Board Record

Additional Comments
 Declassification review of this record can be initiated upon request

The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.

Withdrawn by Chandra Kumar	Date Aug 1, 2014
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DEUTSCHE BUNDESBANK

Mr. Chang	✓
Mr. Deely	✓
Mr. Gray	✓
Mr. Ferram	
Mr. Rutland	

Car hives

DER PRÄSIDENT

FRANKFURT AM MAIN, 10. Januar 1961

Präsident BLACK

International Bank for Reconstruction
and Development

Washington 25, D. C.

USA

Bestätigung des Fernschreibens

Subject:
Renewal of Bundesbank Loans

Thanks for your teletype of January 9.

For 75 million US-Dollars maturing August 1, 1964 we should like to have the following denominations:

1 note for 55 million US-Dollars

2 notes for 10 million US-Dollars each.

Please deliver note for 55 million US-Dollars to Federal Reserve Bank in favor of Deutsche Bundesbank. The two notes for 10 million US-Dollars each please mail to Deutsche Bundesbank direct. These notes to be used to redeem 20 million US-Dollars resold in 1958 to a German Federal Ministry and included in the maturity of July 11, 1961 and kept with us. We shall likewise send you these two redeemed notes direct.

We shall instruct Federal Reserve Bank, New York, to hand to your Bank on January 16, 1961 the notes totalling 128 million US-Dollars and 200 million Deutsche Mark maturing between January 16, 1961 and January 16, 1962 kept for us there against delivery of fresh 3 1/2 percent notes of 55 million US-Dollars and 100 million Deutsche Mark maturing August 1, 1964 and of 73 million US-Dollars and 100 million Deutsche Mark maturing February 1, 1965.

We are in full agreement with you that third and fourth paragraphs of your letter agreement of September 19, 1957 are also applicable to present transactions.

Transmission of intended press release would be appreciated.

Kindest regards

Blessing



Beglaubigt:

[Signature]

Bankoberinspektor

1961 JAN 6 AM 11:12

REC

OUTGOING WIRE

Bonds - Germany - Borrowing

TO: DR. KARL BLESSING
PRESIDENT
NOTENBANK
FRANKFURTMAIN

rcr

DATE: JANUARY 9, 1961

CLASS OF SERVICE: NLT

COUNTRY: (GERMANY)

TEXT:
Cable No.:

VERY PLEASED AND APPRECIATIVE OF APPROVAL CONTAINED IN YOUR CABLE JANUARY 7 TO DR. DONNER COVERING RENEWAL FOR 148 MILLION DOLLARS AND 200 MILLION DEUTSCHE MARKS MATURING IN 1961 AND JANUARY 1962 STOP THIS ACTION CANCELS MY WIRE DECEMBER 27, 1960 REGARDING RENEWAL JANUARY 16, 1961 MATURITY STOP WE WILL DELIVER TO YOU ON JANUARY 16, 1961 AT FEDERAL RESERVE BANK OF NEW YORK NOTES DATED JANUARY 16, 1961, IN THE AMOUNT OF 75 MILLION DOLLARS AND 100 MILLION DEUTSCHE MARKS MATURING AUGUST 1, 1964, AND 73 MILLION DOLLARS AND 100 MILLION DEUTSCHE MARKS MATURING FEBRUARY 1, 1965 ALL BEARING INTEREST AT THREE AND ONE HALF PERCENT PER ANNUM PAYABLE SEMIANNUALLY ON FEBRUARY 1 AND AUGUST 1 IN EACH YEAR, AGAINST RETURN BY YOU OF THE NOTES YOU NOW HOLD OF 25 MILLION DOLLARS MATURING JANUARY 16, 1961 AND 25 MILLION DOLLARS MATURING JUNE 20, 1961 AND 200 MILLION DEUTSCHE MARKS MATURING JULY 7, 1961 AND 40 MILLION DOLLARS MATURING JULY 11, 1961 AND 58 MILLION DOLLARS MATURING JANUARY 16, 1962 STOP INTEREST DUE YOU ON ALL NOTES BEING RENEWED WILL BE PAID ON JANUARY 16, 1961 STOP WE AGREE UPON YOUR REQUEST TO EXCHANGE THE NOTES FOR NOTES OF SAME TENOR IN SMALLER DENOMINATIONS AND IN LIKE

NOT TO BE TRANSMITTED

ack jan 10

MESSAGE AUTHORIZED BY:

NAME

[Handwritten signature]

DEPT.

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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TO:

DATE:

CLASS OF
SERVICE:

COUNTRY:

TEXT:

Cable No.:

- 2 -

AGGREGATE PRINCIPAL AMOUNT STOP PLEASE CONFIRM OUR UNDERSTANDING THAT
 THIRD AND FOURTH PARAGRAPHS OF OUR LETTER AGREEMENT OF SEPTEMBER 19,
 1957 ARE ALSO APPLICABLE TO PRESENT TRANSACTION STOP FOREGOING IS
 SUBJECT TO FORMAL APPROVAL OUR BOARD ON JANUARY 13 AND AS TO DOLLAR
 PORTION TO STATUTORY CONSENT OF UNITED STATES GOVERNMENT STOP IF YOU
 HAVE NO OBJECTION WE WILL ISSUE STATEMENT TO PRESS HERE FOR PUBLICATION
 JANUARY 17, 1961 STOP REGARDS

TEST 1948


BLACK
INTBAFRAD

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME ROBERT W. CAVANAUGH

DEPT. TREASURER

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

RWCavanaugh:emk

CLEARANCES AND COPY DISTRIBUTION:

Cleared with Mr. Fontein

cc: Mr. Black
 Dr. Donner
 Mr. Fontein Mr. Prins
 Mr. Ramm Mr. Rutland

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CLASSIFICATION:

(CLASSIFICATION OF INFORMATION CONTAINED HEREIN)

SYMBOL:

DATE:

SECRET

NAME:

ROBERT M. SPANGLER

MESSAGE AUTHORITY:

CHECKED FOR DISSEMINATION:

FOR USE BY ARCHIVAL DIVISION

Mr. Tolson Mr. Boardman

Mr. Nichols Mr. Belmont

Mr. Mohr

cc: Mr. Black

SECRET

CLASSIFICATION AND CONTROL INFORMATION

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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

January 9, 1961

Mr. Henry J. Bitterman
National Advisory Council on
International Monetary and
Financial Problems
Room 3204, Main Treasury
Washington 25, D. C.

Dear Henry:

I am enclosing a letter requesting consent to our borrowing \$148,000,000 outside the United States, which I discussed with you. We would appreciate a reply as soon as possible.

Sincerely yours,


Robert W. Cavanaugh
Treasurer

Enclosure

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

January 9, 1961

Mr. George H. Willis, Secretary
National Advisory Council on
International Monetary and
Financial Problems
Room 3222, Main Treasury
Washington 25, D. C.

Dear Mr. Willis:

The International Bank for Reconstruction and Development proposes to borrow on January 16, 1961 \$14,800,000 in United States currency by private placement of negotiable notes with an institutional investor outside the United States. The notes will bear interest at the rate of 3-1/2% per annum and \$75,000,000 will mature on August 1, 1964 and \$73,000,000 on February 1, 1965.

This borrowing will replace an equal principal amount of United States dollar notes of the Bank now outstanding which will be retired on January 16, 1961. The notes to be retired are \$25,000,000 maturing January 16, 1961, \$25,000,000 maturing June 20, 1961, \$40,000,000 maturing July 11, 1961 and \$58,000,000 maturing January 16, 1962.

The Government of the United States of America is hereby requested, in accordance with Section 1 (b) of Article IV of the Bank's Articles of Agreement, to approve the proposed borrowing and to agree that the proceeds of such borrowing may be exchanged for the currency of any member of the Bank without restriction.

Sincerely yours,


Robert W. Cavanaugh
Treasurer



TO: ~~DEUTSCHE BUNDESBANK~~
FRANKFURT (MAIN)
TAUNUSANLAGE 4-6

NOTENBANK

DATE: DECEMBER 27, 1960

CLASS OF
SERVICE: LT

COUNTRY: GERMANY

TEXT:
Cable No.:

GLAD INFORM YOU EXECUTIVE DIRECTORS APPROVED PROLONGATION
TWENTYFIVE MILLION DOLLARS DUE JANUARY SIXTEEN COMMA 1961
FOR FURTHER THREE YEARS AT THREE ONE-HALF PER CENT STOP
REGARDS

BLACK
INTBAFRAD

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME **Eugene R. Black**

DEPT. **President**

SIGNATURE *Maile E. Linahan*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

MMM/bm

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cc: **Mr. Donner**
Mr. Y.L. Chang

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OUTGOING WIRE

TO: DEUTSCHE BANK
FRANKFURT (MAIN)
TAKENBERG 1-8

DATE: DECEMBER 27, 1950

CLASS OF
SERVICE: LT

COUNTRY: GERMANY

TEXT
Cable No.:

PLEASE ADVISE YOU EXECUTIVE DIRECTORS APPROVED PROLONGATION
TWENTY-FIVE MILLION DOLLARS FOR JANUARY SIXTEEN COMMA 1951
FOR FURTHER THREE YEARS AT THREE ONE-HALF PER CENT STOP

RECORDS

BLACK
TAKENBERG

DISPATCHED
GENERAL FILES
CORRESPONDENCE

DEC 27 6 04 PM 1950

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cc: Mr. Harner
Mr. Y. L. Chang

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Checked for Discreet:

MESSAGE AUTHORIZED BY:

NAME: Eugene L. Black

DEPT. President

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED BY MESSAGE)

REPLY

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