

## OFFICE MEMORANDUM

Belgium 14  
Np

TO: Mr. S. Aldewereld  
FROM: J. M. Penton  
SUBJECT: BELGIUM

DATE: May 13, 1948

Seen by HBR

We are commencing discussions for a loan of \$16.8 million to Belgium.

The money is for capital equipment and will be divided up as follows:

- a) Messrs. John Cockerill & Son - \$4 million for a steel mill;
- b) Ougree Marihay - \$6 million for a steel mill; and
- c) Linalux - \$6.8 million (partly in European currencies, including Swiss francs) for imported equipment for a central thermoelectric power station.

At a meeting this morning with the Belgian representative, M. Berger, the question of end-use control was very briefly discussed. As at present proposed, the Bank will lend the money to the SNCI (Societe Nationale pour le Credit a l'Industrie) who will in turn lend to the three companies concerned. The SNCI itself generally exercises some form of end-use control in connection with its normal lending operations in Belgium, but Berger told us that there would be no objection to the Bank's having direct relations with the companies.

I would suggest that you or one of your staff should be present at a meeting which we could hold with the Belgians some time early next week in order to discuss this subject and decide what sort of clause we should want put into the Loan Contract.

J.M.P.