

NOTES OF CONVERSATION WITH MR. JOHN J. MCCLOY, PRESIDENT OF THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ON
THURSDAY, APRIL 24, 1947.

Mr. McCloy referred to the problems which the Bank was encountering in preparing the investment markets for its bond issues. He mentioned particularly the indifferent attitude of many investment groups toward the Bank's bonds and said that he had recently been in conference with a group of life insurance companies. These companies took the position that the Bank would have to offer bonds at a better rate than 3 per cent to attract any substantial institutional investment. Mr. McCloy was concerned at this position. However, he felt that now that the Bank was organized, it would devote a considerable part of its attention to these problems in the hope of achieving a successful offering before the autumn meeting of the Board of Governors.

In this connection, he made several references to the relations of the Bank to the Securities and Exchange Commission which he said he expected to be a close and cooperative one. He spoke of the work which had been done by Mr. McLain, the Bank's General Counsel, in cooperation with the Commission's staff, toward the preparation of a formal prospectus and registration statement. At no time in the conversation did he suggest any desire to have the Commission grant special exemptions or privileges to the Bank or to persons who might participate in the distribution of its bonds. He expressed the intention of visiting the Commission in Philadelphia within the next few weeks and mentioned as a tentative date the first or second Tuesday of May.

In general, my impression was that Mr. McCloy will look to the Commission for help and advice in the problem of preparing the Bank's bonds for public offering, that he is entirely sympathetic with the registration procedures of the Securities Act as being applicable to the Bank, and that he looks forward to a mutually cooperative relationship with the Commission.

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