EXECUTIVE OFFICE OF THE SECRETARY-GENERAL
ROUTING SLIP

To the Assistant Secretaries-General

Department of Security Council Affairs
Department of Economic Affairs
Department of Social Affairs
Dept. of Trusteeship & Inf. from Non-Self-Gov. Terr.
Legal Department
Department of Public Information
Conference and General Services

FOR:

■ INFORMATION AND ANY NECESSARY ACTION

DRAFT ACKNOWLEDGEMENT OR REPLY AS MAY BE APPROPRIATE AND RETURN TO EXECUTIVE OFFICE NOT LATER THAN

□ RETURN TO CENTRAL REGISTRY

REMARKS:

Date: \[\_\_\_\_\_\_\] For: Executive Office of the Secretary-General

THIS ROUTING SLIP MUST NOT BE REMOVED FROM DOCUMENT TO WHICH IT IS ATTACHED
New-York, le 5 Novembre 1947

For ACTION to:

Monsieur le Secrétaire Général,

Vous avez bien voulu, le 26 Septembre dernier, m'exposer les répercussions financières de la construction des nouveaux bâtiments destinés à l'ONU.

Vous avez proposé notamment pour le financement de cette dépense la négociation d'un emprunt auprès du Gouvernement américain. Cet emprunt aurait un montant de 50 à 55 millions de dollars, serait amortissable en quarante ans, aucun amortissement n'ayant lieu avant 1951 ; le taux resterait à déterminer sans en tous cas dépasser 2 à 3 %. Le reste de la dépense, c'est-à-dire 10 à 15 millions de dollars, serait couvert pendant les années 1949 et 1950 par une contribution des états membres.

La formule proposée, qui aurait l'avantage d'éviter aux membres de l'organisation tout payement du fait de la construction du palais avant l'année 1949, laisserait en revanche à leur charge une assez lourde dépense de l'ordre de 10 à 15 millions de dollars pour les années 1949 et 1950.

Il est permis de penser cependant que les Etats-Unis, dans la répartition des frais de construction du palais, accepteront en définitive de supporter une part supérieure à celle qui leur est attribuée dans les dépenses générales de l'organisation.
La contribution de la France pour les années 1949 et 1950 ne dépasserait donc pas 500 à 750 mille dollars.

Dans ces conditions, et compte tenu du fait que votre suggestion a reçu l'agrément de toutes les délégations consultées, je suis chargé et j'ai l'honneur de vous faire savoir qu'à défaut de proposition plus favorable mon gouvernement donne son assentiment à la formule que vous avez proposée./.

Veuillez agréer, Monsieur le Secrétaire Général, les assurances de ma très haute considération.

Mr. TRYGVE LIE,
Secrétaire Général de
l'ORGANISATION DES NATIONS UNIES
Lake Success
NEW-YORK-CITY.
PROJET

10 novembre 1947

Excellence,


Vous êtes sans doute au courant du fait que la Delegation américaine m'a informé que le President des Etats-Unis est dispose a recommander au Congres qu'un pret de $65,000,000 soit consenti aux Nations Unies et, ce, sans intérêt.

Il est probable que l'Assemblee generale, sur la recommandation de la Commission speciale du Siège permanent et de la Cinquieme Commission, prendra une decision a ce sujet dans un avenir tres rapproché.

Veuillez accepter, Excellence, les assurances de ma tres haute consideration.

Trygve Lie,
Secretaire general

Son Excellence M. Alexandre Parodi,
Representant de la France aux Nations Unies
4 East 79th Street,
New York, N.Y.
Mr. Secretary-General,

On 26 September last, you were kind enough to disclose to me the financial repercussions relating to the construction of the new buildings for the United Nations.

You have proposed for the financing of this expense the negotiating of a loan from the American Government. This loan would be in the amount of 50 to 55 million dollars, would be amortizable in forty years, no amortization being due before 1951; the rate of interest would have to be determined, not to exceed, however, 2 to 3%. The balance of the expense, 10 to 15 million dollars, would be covered during the years 1949 and 1950 by contributions from the Member States.

The proposed scheme, which would have, for the Member States, the advantage of avoiding making any payment toward the construction of the headquarters during the year 1949, would, however, leave them heavily indebted in the amount of 10 to 15 million dollars for the years 1949 and 1950.

One may think, however, that the United States, in the distribution of expenses incurred by the construction of the headquarters, would, in the end, endorse payment of a larger percentage than the one attributed to them in the general expenses of the Organization.

France’s contribution for the years 1949 and 1950 would not be higher than 500 to 750 thousand dollars.

Under these conditions, and taking into account the fact that your suggestion has received the approval of all the Delegations which were consulted, I am instructed and I have the honour to let you know that, in view of the lack of a more favourable proposition, my Government gives its consent to the plan you have proposed.

Please accept, Mr. Secretary-General, the assurances of my highest regards.

Mr. Trygve Lie,
Secretary-General of the United Nations,
Lake Success,
N.Y.
Mr. John C. Ross  
Cold Spring Harbor  
Long Island, N.Y.  

Dear Jack:

Thanks very much for your recent letter and for the up-to-date information about the U.N. site. Wally Harrison, Jim Dawson and Holden Evans have also told me quite a little about it and, as you know, I ran into Senator Austin at Mrs. Pratt's last week.

I have brought Mayor O'Dwyer and other local officials up to date. They all hope that nothing will go wrong at the Special Session of Congress. If you can keep the whole thing in the banking committees I think there will be little trouble. In the meantime, the most important steps are to get the appropriate resolutions through the U.N. Assembly, that is, resolutions based upon the assumption of a U.S. Treasury loan without interest, and the use of at least enough U.N. money immediately, so that there will be no gap between demolition and foundation work, and so that the City and the utility companies are justified in proceeding with their work.

Like many others in the metropolitan area, I hear a good deal of talk about the future of the U.N., official and unofficial, credible and incredible, constructive and malicious. One fact at least emerges from all this ferment, namely, that the institution must have, as quickly as possible, a permanent habitation as well as a name here in New York. It can't continue to live in scattered, temporary, makeshift quarters. Stone and steel may be relatively unimportant as compared to more intangible things, but they make an enormous impression on people not too eager to grasp the impalpables. So let's give them in 1949 something they can touch and see. U.N. at the moment is a little shaky and insecure; it certainly needs stronger foundations. Nothing, however, could be drearier and sadder than a drift back to Geneva, which will be the inevitable result of further delays in New York.

I assume we shall meet at the Mayor's House next Tuesday.

Cordially,

/s/ ROBERT MOSES  
City Construction Co-ordinator
Dear Bob:

Enclosed is copy of a letter Senator Austin sent to Mr. Lie this noon on financing the United Nations headquarters. Also enclosed is copy of a press statement the Senator is giving out this afternoon.

The Senator is sending copies of these to Mayor O'Dwyer.

Sincerely yours,

/s/ Jack

John C. Ross
Deputy to the U. S. Representative

Enclosures:
1. To Mr. Lie,
   October 30, 1947
2. Press Statement
   October 30, 1947.

Mr. Robert Moses,
City Coordinator of Construction,
State Office Building,
80 Centre Street,
New York, New York.
October 29, 1947

My dear Secretary-General:

I wish to reply to your request for information concerning the extent to which the Government of the United States might be willing to assist in financing the costs of construction of the United Nations Headquarters.

The Government of the United States would be prepared to enter into negotiations with the Secretary-General of the United Nations with a view to concluding a loan agreement whereby an interest-free United States Government loan would be made available for the purpose of financing all or part of the cost of constructing the United Nations Headquarters. It would be the understanding of my Government that such a loan would be for an amount not exceeding $65,000,000. Further, it is understood that the loan would be extended for a period to be determined by negotiation with the Secretary-General and would be repayable in annual installments from the ordinary budget of the United Nations.

Such a loan would, of course, require the approval of the United States Congress. The President of the United States would be willing to request the approval of such a loan by the Congress upon conclusion of negotiations between the Secretary-General and my Government. It is assumed that the General Assembly will at this session make the necessary decisions and give the necessary authorizations required to proceed with the construction and financing of the Headquarters.

Sincerely yours,

His Excellency
Trygve Lie,
Secretary-General of the
United Nations,
Lake Success,
Long Island,
New York.
October 30, 1947

UNITED NATIONS HEADQUARTERS FINANCING STATEMENT

BY AMBASSADOR WARREN R. AUSTIN

Some months ago the Headquarters Advisory Committee, established by the General Assembly last year, suggested that Secretary General Lie ascertain whether there may be any way in which the United States could assist in financing construction of the United Nations headquarters.

Early construction depends entirely upon finding some way whereby dollars could be made available promptly despite current dollar shortages in most countries. Dollars are necessary to pay for the materials, labor and other costs of constructing the headquarters on the Manhattan site.

In response to the Secretary General's request thorough consideration has been given in Washington by the Executive Departments concerned to a number of alternative methods whereby the United States might assist in this matter. As a consequence I have been authorized to inform the Secretary General that the President would be prepared to request the Congress for its authority to make a loan for this purpose of not more than $65,000,000 without interest.

Early construction of offices and suitable council chambers and assembly hall would facilitate the work of the Secretariat and the missions of the member states. The moral effect of a permanent headquarters in being in Manhattan would inspire the United Nations and their peoples in their service for peace.
September 22, 1947

John C. Ross, Esq.,
U.S. Delegation to the United Nations
2 Park Avenue
New York, N. Y.

Dear Mr. Ross:

Here is a further thought regarding the United Nations financing matter which I passed on to Mr. Blanchard of your staff this morning. If it proves necessary that the United States assume the entire responsibility for financing the Headquarters project you might want to consider the assumption of such responsibility on the basis of a guarantee by the United States of a United Nations bond issue, rather than actual outlay of cash by the United States. We believe such a guaranteed bond issue can be sold to the insurance companies with whom we have discussed this matter.

Sincerely yours,

Paul Hammond
Glenn E. Bennett, Esq.,
Executive Officer, Headquarters Planning Office,
United Nations,
1270 Avenue of the Americas
New York 20, New York.

Dear Mr. Bennett:

I am enclosing the original and two copies
of a letter we have received from Mr. Rusk of the State Depart-
ment. I suggest that you send the original to Mr. Price, a copy
to Mr. Harrison and retain a copy for yourself.

Sincerely yours,

/s/ Arvin E. Upton,

AEU/mp
Encls.

Original and Mr. Rusk's letter forwarded to Mr. Price September 9/47.
In reply refer to

September 5, 1947

My dear Mr. Hammond:

Thank you for your letter of August 15 which enclosed a copy of the paper entitled "Statement of Proposed Plan, United Nations Headquarters Financing" and other materials.

We are very glad to have the proposed plan. We are considering it along with other possible methods of financing the headquarters construction costs, some of which were discussed by the Headquarters Advisory Committee at its meeting on August 28.

The basic ideas embodied in the plan which Mr. Lie submitted to the Headquarters Advisory Committee at that meeting appear to be the same as those in your Statement of Proposed Plan. The latter will be very useful to us in our study of Mr. Lie's proposal.

Sincerely yours,

/s/ Dean Rusk

Dean Rusk
Director, Office of Special Political Affairs

Mr. Paul Hammond,
The Hammond, Harvey, Braxton Company,
90 Broad Street,
New York 4, New York

P.S. I hope that final word reaches you by the time you get this note. /s/ D.R.

(Original forwarded to Mr. Price on September 9/47)
copy   " Mr. Harrison   9/47)
My dear Mr. Hammond:

Thank you for your letter of August 15 which enclosed a copy of the paper entitled "Statement of Proposed Plan, United Nations Headquarters Financing" and other materials.

We are very glad to have the proposed plan. We are considering it along with other possible methods of financing the headquarters construction costs, some of which were discussed by the Headquarters Advisory Committee at its meeting on August 25.

The basic ideas embodied in the plan which Mr. Lie submitted to the Headquarters Advisory Committee at that meeting appear to be the same as those in your Statement of Proposed Plan. The latter will be very useful to us in our study of Mr. Lie’s proposal.

Sincerely yours,

DEAN HOOK
Director, Office of Special Political Affairs

Mr. Paul Hammond,
The Hammond, Harvey, Braxton Co.,
90 Broad Street,

PS: I hope that final word reaches you by the time you get this note.

IR
STATEMENT OF PROPOSED PLAN
UNITED NATIONS HEADQUARTERS FINANCING

1. Estimated Cost of Project (See Architect’s letter) $65,000,000.

2. Cash Contributions United States and other Governments 36,000,000.

3. Balance needed: 30,000,000.

4. Estimated minimum appraised value properties:

   Improvements: 53,000,000
   Land: 12,000,000
   70,000,000

5. Loan by group of institutions:
   (43% appraised value): 30,000,000.

6. Form and Terms of Loan:
   (a) 12-year United Nations bond issue
   (b) 3% interest
   (c) Sinking Fund 10% face value annually beginning January 1, 1950.
   (d) Privilege to pay off entire loan on any interest date at agreed upon surrender charges, after three years.
   (e) Sinking Fund can be doubled in any one year without penalty.
   (This would allow for acceleration of contributions by nations wish to do so).

7. Security:
   Mortgage on United Nations Headquarters properties (including land donated by Rockefeller and City of New York with improvements) supported by:

   (a) Waiver of contingent rights on foreclosure by United States Government and State and City of New York.
   (b) Waiver of immunity by United Nations in event of foreclosure.

8. Obligation on the bonds would be that of the United Nations. Amount and scale of contributions by those member nations not making immediate cash contributions would be fixed by General Assembly resolution.

9. United Nations would budget separately for servicing of loan on basis set forth in last column of enclosure "3".
29 August 1947

Dr. Gustavo Martinez Cabanas
Chairman, Committee on Contributions
Lake Success
New York

Dear Dr. Martinez Cabanas:

At a meeting yesterday of the Headquarters Advisory Committee several members raised the question of the scale according to which Member States should be asked to contribute to construction of the Permanent Headquarters on Manhattan Island.

It was the view of these members that consideration of other related problems involved in financing the Permanent Headquarters would be facilitated if the Committee on Contributions could express now its view as to whether the scale applying to budgetary contributions should apply also to the Permanent Headquarters contributions, or whether some other scale should be devised.

At the request of the members of the Headquarters Advisory Committee who raised this issue I am writing to suggest that the Committee on Contributions express some opinion on this subject at its present session if it considers itself in a position to do so.

Sincerely yours,

Trygve Lie
Secretary General
August 21, 1947

Dear Byron:

Many thanks for your letter of August 8 enclosing a copy of a letter you received from Mayor O'Dwyer concerning Mr. John Antoniades' suggestion that the United Nations headquarters be financed in whole or in part by the imposition of special taxes on adjacent property.

I have forwarded a copy of this letter to the Department of State for its information.

Sincerely yours,

John C. Ross
Deputy to the U.S. Representative

UN 1255/G

The Honorable
Byron Price,
Assistant Secretary General for
Administrative & Financial Services,
United Nations,
Lake Success, New York.
August 21, 1947

Dear Byron:

In Ambassador Austin's absence in Rio I have received your letter of August 11 with which you enclosed copies of additional letters received from the New York Life Insurance Company and the John Hancock Mutual Life Insurance Company.

We are very glad to receive the views of these companies on this matter and I have forwarded copies of their letters to the Department of State for its information.

Sincerely yours,

John C. Ross
Deputy to the U. S. Representative

UN 1255/F

The Honorable
Byron Price,
Assistant Secretary General for Administrative & Financial Services,
United Nations,
Lake Success, New York.
August 21, 1947

Dear Byron:

In Ambassador Austin's absence in Rio I have received your letter of August 7 with which you enclosed a copy of a letter from Milo W. Wilder, Jr., Vice President of the Mutual Benefit Life Insurance Company, concerning private financing of construction of the Permanent Headquarters.

We are very glad to have Mr. Wilder's views on this matter, and I have forwarded a copy of his letter to the Department of State for its information.

Sincerely yours,

John C. Ross
Deputy to the U. S. Representative

The Honorable Byron Price,
Assistant Secretary General for Administrative & Financial Services, United Nations, Lake Success, New York.
August 18, 1947

For your information, the following is the present status of the plan to finance in part the construction of the United Nations Headquarters through private sources:

1. Specific proposed plan of financing is that outlined in attached statement.

2. Cost estimates are based upon letter from Mr. Wallace Harrison, copy attached.

3. Four or five of the larger life insurance companies and four of the smaller ones have expressed a definite interest in participating in the proposed loan, and a few of the companies have gone so far as to indicate the amounts which they would be willing to contribute. We hope to have a definite statement from the remaining companies by the middle of this week.

There are, of course, legal and procedural problems to be worked out before the plan can be put into final shape, one of which is agreement by the City to subordinate its qualified rights of reverter to any mortgage executed. The insurance companies might be willing to make an agreement subject to the working out of this and other legal problems. However, it would be very helpful as an "earnest of good intentions" if the city officials could make a formal expression that the City would agree, if and when the plan is approved by other interested parties, to such a waiver.

Sincerely yours,

Paul Hammond

Hon. Robert Moses,
City Construction Co-ordinator,
Randall's Island
New York 35, New York

cc: Allen W. Dulles, Esq.,
For your information the following is the present status of the plan to increase in part the contribution of the United Nations Relief
and Rehabilitation Administration as indicated in the text.

1. Specific procedures have been outlined as part of the

2. Cost estimates have been drawn up from Mr. Wallace

3. Progress has been made on the program.

There are, of course, legal and procedural problems to be worked
out but, in general, the plan can be put into effect at once and
make it possible for the United Nations Relief and Rehabilitation
Administration to meet its obligations to the extent of 
$52,000,000. The Administration will not exceed its
obligations to the extent given above and will not receive any
funds by the United Nations Relief and Rehabilitation
Administration in excess of those which are now estimated.

cc: Other interested parties to serve a witness

Sincerely yours,

[Signature]

[Address]

New York, N.Y.
August 15, 1947

Mr. Byron Price,
Assistant Secretary-General, United Nations,
Lake Success, New York.

Dear Mr. Price:

I enclose summaries of our meeting this morning in the Headquarters Planning Office.

Captain Hammond feels that the meeting was very helpful in giving the insurance company representatives a visual picture of the project and a specific plan to consider (copy of which is attached). You will note that one insurance company, not previously in the picture, the Prudential, was represented at the discussion.

There is also enclosed (1) copy of a letter to Mr. Rank of the State Department and (2) original of the tentative appraisal report made by Mr. Crawford of the Charles F. Noyes Co.

Very truly yours,

Arvin E. Upton

Enccls.

CC: Glenn E. Bennett
CC: Wallace K. Harrison.
Memorandum:  
August 15, 1947

Re: UN HEADQUARTERS FINANCING

At a meeting in UN Headquarters Planning Office, Rockefeller Centre, there were present:

- R. Richard
- N. Baxter Jackson, Chairman
- Paul Nalen,
- William M. Whitessell, Treasurer
- R. A. Brodman, Bond Dept.
- James S. Rockefeller, Vice-Pres.
- Charles Preusse
- Holden Evans
- Norman Mansfield
- Glenn E. Bennett, Exec. Officer
- Allen Dalles, Special Counsel
- Wallace K. Harrison, Dir. Planning
- George A. Dudley, Asst. to Mr. Harrison
- E. A. Judson, Treasurer’s Dept.
- C. H. Swezey, Asst. General Counsel
- Paul Hammond
- Arvin R. Upton

Dowery Savings Bank
Chemical Bank & Trust Co.
Mutual Benefit Life Ins. Co.
Mutual Benefit Life Ins. Co.
Mutual Life Insurance Co.
National City Bank
N.Y.City Corporation Counsel
Office of Comm. Robert Moses
Prudential Insurance Co.
United Nations Planning Office
United Nations
United Nations
New York Life Ins. Co.

Hammond, Hay, Hamov Co.

Harrison’s assistant, Dudley, went over blueprints and gave description of site and projected buildings. Preusse then pointed out rights of City - while conceding that City’s qualified right of reversion could legally be subordinated to a mortgage, he would not say as a matter of policy Moses was willing to recommend that City go along.

Hammond pointed out that money would not be needed until ’48 and conceded that some commitment fee might be paid insurance companies. Bennett stated that construction was to begin as soon as possible after approval by General Assembly (say, November) - action by both Lie and Assembly necessary.

Pfeffer raised question of U.N.’s power to pledge and legality of investment in U.N. bonds. Dalles thought power to pledge existed but was uncertain as to whether legislation would be necessary to permit New York and New Jersey companies to invest.

Jackson said that he thought banks could go along on a building loan if one proved necessary. Hammond said he hoped banks wouldn’t be called upon.

Hammond emphasized that it was desirable to have specific statement from insurance companies within a week as to whether they could go along on plan submitted.

Coming down in cab Dalles mentioned possibility of mortgage provision allowing certain period of time after default before foreclosure.  
A.E.V.
August 16, 1947

Dean Rusk, Esq.,
Director, Office of Special Political Affairs,
Department of State,
Washington 25, D.C.

re: United Nations Headquarters Financing

Dear Mr. Rusk:

We enjoyed lunching with you last Friday and were very glad to have the opportunity to discuss the problems connected with the financing of the United Nations Headquarters.

For your further information, there is enclosed herewith the following material:

1. Statement of proposed plan
2. Architect's letter showing breakdown of costs
3. Table showing schedule of payments on loan
4. Letters from three of the principal life insurance companies indicating an interest in making the proposed loan.

The statement does not provide for advance contributions by the member governments. However, both the Canadian and Brazilian delegations have been informally approached and might be willing to put up money now.

Under the proposed plan the United States, after making its initial contribution, would be relieved of any further obligation to contribute to interest and the retirement of the principal. It is presumed that the best method of assuring such relief would be through a resolution by the United Nations General Assembly to that effect, or a separate agreement among the member nations.

We should be interested in having your informal reaction to this plan. You understand, of course, that the plan here outlined is only one of several alternative plans of financing which the Secretary-General United Nations General Assembly will wish to consider.

With kindest regards, I am

Sincerely yours,

Paul Hammond
Dear Mr. Rank:

We extend our congratulations to you on your recent appointment as the President of the United Nations Headquarters Finance Committee. We are pleased to have the opportunity to discuss the programs connected with the activities of the United Nations Headquarters.

For your future information, please find enclosed a brief statement of the following materials:

1. The President's letter announcing the appointment of the Committee
2. The President's letter announcing the appointment of the Member Nations
3. The President's letter announcing the appointment of the Member Nations

The meeting was held under the chairmanship of the President, and the agenda included the following items:

- Discussion of the activities of the United Nations Headquarters
- Consideration of the programs connected with the activities of the United Nations Headquarters
- Consideration of the programs connected with the activities of the United Nations Headquarters

We extend our congratulations to you and wish you every success in your important position.

Yours sincerely,

[Signature]
August 12, 1947

Dean Rusk, Esq.,
Director, Office of Special Political Affairs,
Department of State,
Washington 25, D. C.

re: United Nations Headquarters Financing

Dear Mr. Rusk:

We enjoyed lunching with you Friday and were very glad to have the opportunity to discuss the problems connected with the financing of the United Nations Headquarters.

For your further information, there is enclosed herewith the following material:

1. Statement of the proposed plan.

2. Table showing schedule of payments on loan.

3. Letters from three of the principal life insurance companies indicating an interest in making the proposed loan.

Under the proposed plan the United States, after making its initial contribution, would be relieved of any further obligation to contribute to interest and the retirement of the principal. It is presumed that the best method of assuring such relief would be through a resolution by the United Nations General Assembly to that effect, or a separate agreement among the member nations.

We should be interested in having your informal reaction to this plan. If you feel that there is a possibility of its being received favorably, we shall of course submit it formally through regular channels.

With kindest regards, I am

Sincerely yours,

Paul Hammond

PH: jp
Encl.
STATEMENT OF PROPOSED PLAN
UNITED NATIONS HEADQUARTERS FINANCING

1. Estimated Cost of Project: $65,000,000.00

2. Immediate Cash Contributions (in round numbers):
   - U.S.A. (38.89%) $25,949,000.00
   - Sweden (.78%) 507,000.00
   - Canada (3.36%) 2,178,000.00
   - Cuba (.3%) 105,000.00
   - Brazil (1.84%) 1,281,000.00
   - Total: $35,000,000.00

3. Balance needed: $35,000,000.00

4. Estimated appraised value properties:
   - Improvements: $50,000,000.00
   - Land: 10,000,000.00
   - Total: $60,000,000.00

5. Loan by group of insurance companies
   (53% appraised value): $35,000,000.00

6. Form and Terms of Loan:
   b. 3% interest.
   c. Sinking fund 10% face value annually beginning
      January 1, 1950.
   d. Privilege to pay off entire loan on any interest date
      at agreed upon surrender charges, after three years.
   e. Sinking fund can be doubled in any one year without
      penalty. (This would allow for acceleration of contribu-
      tions by nations wishing to do so.)

7. Security: Mortgage on United Nations properties (including
   land donated by Rockefeller and City of New York with improve-
   ments) supported by:
2.

(a) Waiver of contingent rights on foreclosure by U.S. Government and State and City of New York.

(b) Waiver of immunity by United Nations in event of foreclosure.

8. Obligation on the bonds would be that of the United Nations. Amount and scale of contributions by those member nations not making immediate cash contributions would be fixed by General Assembly resolution.

9. United Nations would budget separately for servicing of loan on basis set forth in last column of Enclosure "2".

NOTE: Canada, Brazil, Sweden and Cuba shown because of possible availability of dollars; resort to other countries would be equally satisfactory.

August 12, 1947.
<table>
<thead>
<tr>
<th>DATE</th>
<th>PRINCIPAL</th>
<th>INTEREST</th>
<th>SINKING FUND</th>
<th>TO BE BUDGETED BY UN.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 1, 1949</td>
<td>$35,000,000</td>
<td>$1,050,000</td>
<td>---</td>
<td>$1,060,000</td>
</tr>
<tr>
<td>Jan. 1, 1950</td>
<td>35,000,000</td>
<td>1,050,000</td>
<td>$3,500,000</td>
<td>4,550,000</td>
</tr>
<tr>
<td>Jan. 1, 1951</td>
<td>31,500,000</td>
<td>$45,000</td>
<td>---</td>
<td>4,445,000</td>
</tr>
<tr>
<td>Jan. 1, 1952</td>
<td>28,000,000</td>
<td>$340,000</td>
<td>---</td>
<td>4,340,000</td>
</tr>
<tr>
<td>Jan. 1, 1953</td>
<td>24,500,000</td>
<td>$735,000</td>
<td>---</td>
<td>4,235,000</td>
</tr>
<tr>
<td>Jan. 1, 1954</td>
<td>21,000,000</td>
<td>$630,000</td>
<td>---</td>
<td>4,130,000</td>
</tr>
<tr>
<td>Jan. 1, 1955</td>
<td>17,500,000</td>
<td>$525,000</td>
<td>---</td>
<td>4,025,000</td>
</tr>
<tr>
<td>Jan. 1, 1956</td>
<td>14,000,000</td>
<td>$420,000</td>
<td>---</td>
<td>3,920,000</td>
</tr>
<tr>
<td>Jan. 1, 1957</td>
<td>10,500,000</td>
<td>$315,000</td>
<td>---</td>
<td>3,815,000</td>
</tr>
<tr>
<td>Jan. 1, 1958</td>
<td>7,000,000</td>
<td>$210,000</td>
<td>---</td>
<td>3,710,000</td>
</tr>
<tr>
<td>Jan. 1, 1959</td>
<td>3,500,000</td>
<td>105,000</td>
<td>---</td>
<td>3,605,000</td>
</tr>
<tr>
<td>TOTALS:</td>
<td>$6,825,000</td>
<td>$35,000,000</td>
<td></td>
<td>$41,825,000</td>
</tr>
</tbody>
</table>

Loan paid off at end of 11th year.

August 12, 1947.
August 14, 1947

Hon. Byron Price
United Nations
Lake Success, L.I., N.Y.

Dear Byron:

I don't want to crowd you, but following our meeting at the Mayor's house last Tuesday I talked to most of our boys and we are all disturbed about the uncertainty which surrounds the financing of the U.N. site improvements. None of us underestimate the difficulties in your path, and I am sure you do not regard ours as trivial.

The Assembly Session is right on top of all of us. Before it opens something very definite in the way of a building program must be ready, and this proposal by the Secretary-General must be sharply differentiated from the site report, which is well enough in its way but means nothing without a sufficient appropriation to obligate the U.N. to pay for a whole lot of work beginning at the end of this year -- that is, if we continue to assume that there is going to be a usable site in 1949.

I gather that you have followed the suggestion of taking this matter up with Corporation Counsel Murphy and with Acting Corporation Counsel Preusse, who is representing him in the matter and who not only understands the problem but is eager to expedite its solution. What you apparently need is some assurance from the City that it will subordinate its residual interests in the site to banks or insurance companies which might thereby be persuaded to make a building loan. From what the Law Department tells me, I think this is legally possible. As to the policy involved, I should have to discuss this with the Mayor, who would undoubtedly in turn wish to inform his associates on the Board of Estimate and get their approval. Before doing this I should want to know pretty definitely what the entire financial scheme is, and should not wish to be put in the position of having some of your lawyers raise some new questions of their own not previously agreed upon with Mr. Preusse.

If I get the picture correctly, you are instructing Mr. Harrison to prepare a modified, first-stage construction program running to not more than $62,000,000. Of this sum about $12,000,000 is for the Assembly Hall on which it would be difficult, if not impossible, to obtain a building loan. As to the remaining $50,000,000, the idea, if I get it, is to borrow around $30,000,000 from banks and insurance companies, and to get the rest by an advance of funds from the U.S. Government and from such nations as have cash available. Obviously, before such a plan can be even
tentatively decided, there must be some expression of opinion from
the top fiduciaries on your list from whom you propose to borrow,
and probably from the President, State Department, and some leaders
in Congress.

If you can come to some informal understanding on
this matter I shall be glad to discuss it promptly with the Mayor,
who will no doubt talk to the Board of Estimate at the executive
session on Wednesday, August 27, or at a subsequent special meeting.

Without reflecting in the slightest degree on the
imagination, enthusiasm and high purpose which have characterized
the planning of the site, I would be less than honest if I did not
repeat in this letter what I have said a number of times before,
and what all of my associates without exception have reported to me,
namely that it is going to be a very tough job to cut the site pro­
gram, even without the library and other postponed features, to a
total cost of around $62,000,000. In fact, it seems to us that in
addition to shrinking dimensions, most drastic reductions will have
to be made in some facilities, and a number of desirable but
extravagant features, decorations and furnishings will have to be
completely eliminated. The skyscraper Secretariat Building will
have to look a good deal more like a New York office building on
the inside, and I have no doubt that this will be insisted upon by
those who contemplate making a building loan. A good many things
which come under the head of luxury will have to be cut out. Even
after all of these deductions have been made it seems to us doubt­
ful that the cost could be brought down to $62,000,000. You will
understand that the minimum requirements on which we agreed for the
Franklin D. Roosevelt Drive and its access arrangements for parking
of 2000 cars and for other subsurface connections, must be met if the
City is expected to carry out its plans for First Avenue, 47th Street,
42d Street, etc.

These arrangements are indispensable to the success
of the enterprise, and the City cannot be expected to spend the
money allocated for the purpose unless the U.N. carries out its
part of the bargain.

Sincerely,

/s/ ROBERT MOSES

City Construction Co-ordinator

RM: NT
August 12, 1947

Mr. Paul Hammond
90 Broad Street
New York, N.Y.

Dear Paul:

You have asked for a breakdown of the proposed cost of the buildings under the greatly restricted plan of today. While these costs are tentative, they can be set up as the over-all cost within which we will work.

1. Garage for 1900 cars and underground services to all buildings as in Rockefeller Center $8,500,000
2. General Assembly 10,000,000
3. Secretariat 16,500,000
4. Conference Room area, which includes three Large Council and Five Conference Rooms with approximately 150' x 450' in horizontal levels that could be used for exhibition space and radio broadcasts 12,000,000
5. Furniture and accessories 2,500,000
6. Communications, including a radio station 2,000,000
7. Improvements to the site, access and egress, and covering East River Drive 7,000,000
8. Demolition, removal of tenants, Builders Fees and Engineers Fees 5,000,000
9. New York City Housing Authority Building 1,500,000

Total $65,000,000
This figure does not include the cost of the land.

Sincerely,

Wallace K. Harrison
Director of Planning

cc to Mr. Byron Price
Mr. Glenn Bennett
11 August 1947

Dear Senator Austin:

Supplementing my letters of July 25 and August 7 regarding possible private financing of the new headquarters,
I enclose copies of additional letters received from the New York Life Insurance Company and the John Hancock Mutual Life Insurance Company.

Sincerely yours,

[Signature]

Assistant Secretary-General
for Administrative and Financial Services

His Excellency
The Honorable Warren E. Austin
Chairman, Headquarters Advisory Committee
Permanent United States Delegation to the United Nations
250 West 57th Street
New York, New York

W[J]
Enc:2
8 August 1947

Mr. Donald C. Stone
Bureau of the Budget
Executive Office of the President
Washington 25, D.C.

Dear Mr. Stone:

You will recall that I mentioned to you the statement given us by the Monetary Fund with respect to the handling of contributions. I am sorry I missed seeing you again before you left, because I wanted to give you a copy of the file.

I am now enclosing the basic statement which was delivered by a representative of the Monetary Fund at a meeting here on June 20. After reading this statement I asked the direct question whether the Fund would consider that it could handle contributions for construction of the new headquarters. I did not receive a direct answer. I did receive, however, some additional information which I embodied in a letter sent to all members of the Headquarters Advisory Committee on July 15. A copy of this letter, which was tactfully approved by a representative of the Fund, is also attached for your further information.

Sincerely yours,

ENIOE PAGE
Assistant Secretary-General
for Administrative and Financial Services
August 7, 1947

Hon. Byron Price
Assistant Secretary-General, United Nations
Lake Success, New York

Dear Mr. Price:

In the course of our luncheon meeting July 22nd, you suggested that it might be helpful in talks with the State Department to have an expression of opinion from the insurance company representatives present as to the feasibility of financing the United Nations Headquarters project through private sources.

We appreciate the necessity for completing these buildings as soon as possible in order that the United Nations may have a permanent home to carry on its deliberations in a dignified and efficient manner. We are also in thorough sympathy with the thought that a plan of financing through private lenders would tend to demonstrate the confidence of the American business community in the objectives and mission of the United Nations.

Our luncheon conversation was of course, merely exploratory in nature and until your plans are more definitely developed it will naturally be impossible for us to give you any specific reaction. It goes without saying that all of our investments must qualify legally and must also be conservative, but with these obvious limitations we should be very happy to discuss the matter of financing with you further when your plans have been crystallised.

In the meantime we wish to assure you of our sympathetic interest.

Very truly yours,

[Signature]

David C. Bevan,
Assistant Vice President

Copy: To Mr. Paul Hammond
Dear Senator Austin:

You will recall that I have given you from time to time the best estimate I have been able to obtain of the possibilities of private financing of construction of the Permanent Headquarters.

I now enclose a copy of a letter from Milo W. Wilder, Jr., Vice President of the Mutual Benefit Life Insurance Company. I believe it will be found that numerous other Insurance Companies having large sums to invest will take the same views, so that the letter from the Mutual Benefit Life Insurance Company may be regarded as an index to the general attitude of the New York investment community.

I hope this information will be of value to your Committee.

Sincerely yours,

BYRON PRICE
Assistant Secretary-General
for Administrative and Financial Services

His Excellency
The Honorable Warren R. Austin
Chairman, Headquarters Advisory Committee
Permanent United States Delegation to the United Nations
250 West 57th Street
New York, New York

BP:mj
Dear Senator Austin:

You will recall that I have given you from time to time the best estimate I have been able to obtain of the possibilities of private financing of construction of the Permanent Headquarters.

I now enclose a copy of a letter from Milo W. Wilder, Jr., Vice President of the Mutual Benefit Life Insurance Company. I believe it will be found that numerous other Insurance Companies having large sums to invest will take the same views, so that the letter from the Mutual Benefit Life Insurance Company may be regarded as an index to the general attitude of the New York investment community.

I hope this information will be of value to your Committee.

Sincerely yours,

BYRON PRICE
Assistant Secretary-General
for Administrative and Financial Services

His Excellency
The Honorable Warren E. Austin
Chairman, Headquarters Advisory Committee
Permanent United States Delegation to the United Nations
250 West 57th Street
New York, New York

BPimj
Mr. Byron Price, Asst. Secretary General  
United Nations  
Lake Success, New York

Dear Mr. Price:–

In the course of our luncheon meeting July 22nd, it was suggested that it might be helpful to you in your talks with the State Department, to have an expression of opinion from the insurance company representatives present as to the feasibility of financing the United Nations Headquarters project through private sources.

We appreciate the necessity for completing these buildings as soon as possible in order that the United Nations may have a permanent home to carry on its deliberations in a dignified and efficient manner. We are also in thorough sympathy with the thought that a plan of financing through private lenders would tend to demonstrate the confidence of the American business community in the objectives and mission of the United Nations.

We in the Mutual Benefit have given this matter very careful study, even though, our negotiations to date have been merely exploratory in nature. I am sure that you will appreciate the fact that we acting as trustees for our policyholders and with the legal and other uncertainties surrounding the security for a loan, we have concluded that we could not consider a loan up to 90-100% of the value of the properties.

As stated at the luncheon, I knew we would be willing to consider the matter further on a basis of participation with other insurance companies, a loan up to 50-60% of the appraised value, providing of course all the problems involved legal and otherwise, could be worked out satisfactorily.

You appreciate, of course, that in the present stage of our discussions this letter cannot be considered in any way a commitment from the Mutual Benefit Life Insurance Company.

It was indeed a great pleasure to meet you and your associates. Kindest regards.

Very truly yours,

Milo W. Wilder, Jr.
Vice President

August 5th, 1947
Mr. Byron Price, Assistant Secretary-General
United Nations
Lake Success, New York

My dear Mr. Price:

It was good to meet you last week and I very much enjoyed the opportunity of listening to the discussion about financing the construction of your properties on Manhattan Island.

Of the five different methods we talked of, it does seem that eventually we must come back to what I stated seemed the only practical arrangement, i.e. the raising by the United Nations of at least 50% of the cost from any or various other sources and to obtain the remainder by means of a first mortgage upon the entire property - this, of course, entailing some waiver of the reversionary right enjoyed by the City of New York and the State.

In saying this I am mindful of the fact that only about one-fourth of the cost will be expended upon office space and that strictly speaking the rest of the construction is not of a type which lenders like to contemplate taking over in the event of default. We talked to our Finance Committee yesterday briefly about this matter, and I think there is in this company a disposition to aid, if possible.

You are familiar with the laws governing insurance investment and will probably agree that the mortgage route is about the only one available without changing statutes in the various states where you would seek help from life insurance industry. A loan of 100% of the cost or, indeed, anything above a reasonable percentage seems precluded by the fact that the United Nations could not make an adequate guaranty. The program seems too large to me to be handled by the raising of funds from school children and likewise I believe it too large to raise the needed money from the community which is to profit, but it does appear that these methods might be used together with cash now on hand in conjunction with the mortgage as above outlined.

About the best I can say to you, Mr. Price, is that my company has the disposition to aid in this matter if it can do so legally and in so doing be consistent with good practice of a trustee handling the funds of others.

Yours very truly,

[Signature]

Vice President
Mr. Byron Price, Assistant Secretary-General
United Nations
Lake Success, New York

My dear Mr. Price:

It was good to meet you last week and I very much enjoyed the opportunity of listening to the discussion about financing the construction of your properties on Manhattan Island.

Of the five different methods we talked of, it does seem that eventually we must come back to what I stated seemed the only practical arrangement, i.e. the raising by the United Nations of at least 50% of the cost from any or various other sources and to obtain the remainder by means of a first mortgage upon the entire property - this, of course, entailing some waiver of the reversionary right enjoyed by the City of New York and the State.

In saying this I am mindful of the fact that only about one-fourth of the cost will be expended upon office space and that strictly speaking the rest of the construction is not of a type which lenders like to contemplate taking over in the event of default. We talked to our Finance Committee yesterday briefly about this matter, and I think there is in this company a disposition to aid, if possible.

You are familiar with the laws governing insurance investment and will probably agree that the mortgage route is about the only one available without changing statutes in the various states where you would seek help from life insurance industry. A loan of 100% of the cost or, indeed, anything above a reasonable percentage seems precluded by the fact that the United Nations could not make an adequate guaranty. The program seems too large to me to be handled by the raising of funds from school children and likewise I believe it too large to raise the needed money from the community which is to profit, but it does appear that these methods might be used together with cash now on hand in conjunction with the mortgage as above outlined.

About the best I can say to you, Mr. Price, is that my company has the disposition to aid in this matter if it can do so legally and in so doing be consistent with good practice of a trustee handling the funds of others.

Yours very truly,

[Signature]

Vice President

LPS/MEP
28 July 1947

Hon. William O'Dwyer
Mayor of the City of New York
Mayor's Office
City Hall
New York, New York

Dear Mr. Mayor:

The Honorable Warren E. Austin, Chairman of the Headquarters Advisory Committee of the United Nations, has forwarded to me the attached copy of a letter addressed to him by John Antoniades, one of the architects serving on the Board of Design.

The letter from Mr. Antoniades suggests that the new headquarters be financed, at least in part, by the imposition of additional taxes upon property adjoining to the site. Since it is likely that this proposal may reappear from time to time and may even be put forward by some delegate at the September meeting of the General Assembly, it is necessary that we ask for the views of the City Administration as to the practicability of such a solution.

I would therefore like to hear from you at your convenience. In the meantime please understand that neither Senator Austin nor the Secretariat is expressing any opinion of its own.

With thanks and all good wishes, I am

Sincerely yours,

BYRON PRICE
Assistant Secretary-General
For Administrative and Financial Services

Attn.

[Stamp: 30 Jul 1947]
TO  
Mr. Harram  
Mr. Dawan  

FOR  

APPROVE  MORE DETAILS
RETURN  YOUR INFORMATION
REQUESTED  RETURNED AS REQUESTED
INVESTIGATE AND REPORT
FOR IMMEDIATE ACTION
NOTE AND FILE
NOTE AND RETURN
YOUR COMMENTS
INITIAL AND FORWARD

REMARKS:  “I can hear some of the boys explode on this one!”

DATE:  July 30  
FROM:  [Signature]
July 12, 1947.

The Honorable Warren R. Austin,
Representative of the United States to the
United Nations,
Lake Success, New York.

Sir:

As one of the architectural consultants to the United Nations Headquarters Planning Board I am, naturally, deeply interested in every phase of the project. It was consequently disturbing to me to learn, at the meeting on July 3, of the financial difficulties which may hamper its realization. In a spirit of helpfulness — which I believe it is the duty of each one of us to cultivate in the service of the United Nations — I have the honor to lay before you some thoughts on the subject, inspired by knowledge of methods employed in similar situations which have arisen in European countries, and which may point a way out of the present predicament.

In my own country, Greece, for example, the following principle has been accepted as an equitable solution of the problem of financing certain public works, and it has been repeatedly successfully applied in other countries as well: When the State or a City undertakes building projects of a nature that will have the effect of materially enhancing the value of adjacent properties, it is considered reasonable and fair that the State or the City shall benefit from the higher valuations which it has itself induced. Participation of the governing authority in the increased property values takes the form either of a mortgage on the property in its name, or of taxes of assessments levied upon the property.

This principle was most recently employed in Athens in the construction of an important thoroughfare from the Stadium to one of the suburbs, in 1935. I have suggested its application again in a project of my own, submitted to the City of Athens, for the erection of a Palace of Justice.

I realize, of course, that this idea is somewhat foreign to American ways of thinking, to the American belief in the individual liberty.

COPY
liberty. Yet, it is not so foreign as might at first blush appear, inasmuch as a classic instance of its application exists right here in New York. I am informed that a tax was levied upon the property on Sixth Avenue for the purpose of raising funds to defray the expenses of demolishing the elevated railway which ran along that street, since it was obvious that its removal would result in an upward valuation of all contiguous properties.

With respect specifically to the United Nations project, it is obvious, of course, that the properties bordering on the United Nations block will not remain in their present unimproved state. They will be sold as building sites for apartment houses, hotels, office buildings, etcetera. It is known that neighboring property values have already increased approximately 200 percent, and statements have appeared in the press to the effect that profits on the sale of adjacent building plots as high as 500 to 400 percent are expected to be made.

Now, if the competent authority of the City of New York were to place on the sites in question a special tax of a given percentage - just by way of illustration, let us say 20 percent - on the difference between the value of the properties in January 1946, for example, and the future sale price, the returns would, no doubt, amount to a considerable sum, and the land-owners would still have a profit on their investment far above what could otherwise have been expected. It seems to me, therefore, that it cannot be judged unreasonable or illegitimate to propose that the owners of the holdings in question should contribute in the manner suggested toward the expenses of constructing the United Nations center, since they will ipso facto be the beneficiaries of substantial gains.

In this connection it may be asked whether it is just that the City of New York should tax a certain group of its citizens for the purpose of financing in part the United Nations headquarters project. To this I would reply that it is not a question of taxation in the general sense, but a question of the deduction of a portion of profits to be realized by the neighboring land-owners, - profits which will accrue to them through no improvements of their own but merely through the chance of proximity to the United Nations site on the one hand, and on the other as a result of the improvements to be made by the City of New York, such as the widening of 47th Street, the construction of the First Avenue tunnel, etcetera.

It is
Dear Senator Austin:

You will recall that in the various discussions regarding a possible governmental loan for financing the permanent headquarters it was suggested that a survey of the New York financial community should first be made to determine whether private funds were available for such a purpose.

Such a service has been undertaken by Paul Hammond, who was retained by the Secretariat as an expert consultant. Mr. Hammond thus far has been able to make no complete report, but I believe the statement attached may be relied upon as forecasting with reasonable accuracy what the final outcome will be.

Sincerely yours,

BYRON PRICE
Assistant Secretary-General
for Administrative and Financial Services

BP:smj

His Excellency
The Honorable Warren R. Austin, Chairman
Headquarters Advisory Committee
Permanent Delegation of the United States to the United Nations
350 West 57th Street
New York 19, N.Y.
25 July 1947

Dear Senator Austin:

You will recall that in the various discussions regarding a possible governmental loan for financing the permanent headquarters it was suggested that a survey of the New York financial community should first be made to determine whether private funds were available for such a purpose.

Such a service has been undertaken by Paul Hammond, who was retained by the Secretariat as an expert consultant. Mr. Hammond thus far has been able to make no complete report, but I believe the statement attached may be relied upon as forecasting with reasonable accuracy what the final outcome will be.

Sincerely yours,

BYRON PRICE
Assistant Secretary-General
for Administrative and Financial Services

BP:nj

His Excellency
The Honorable Warren R. Austin, Chairman
Headquarters Advisory Committee
Permanent Delegation of the United States to the United Nations
250 West 57th Street
New York 19, N.Y.
July 23, 1947

Hon. Byron Price
Asst. Secretary-General, United Nations
Lake Success, New York

Re: UN Headquarters Financing

Dear Mr. Price:

As United Nations consultant, I should like to summarize the results of our luncheon meeting yesterday, at which were present yourself and other members of the UN staff and representatives of the following life insurance companies:

- John Hancock Mutual (Lee P. Stack, Vice-President)
- Mutual Benefit (M. W. Wilder, Jr., Vice-President)
- Mutual Life (Oliver Whipple, Vice-President)
- New York Life (David Bevan, Assistant Vice-President).

After a full discussion, the consensus of the insurance company representatives was that they were in general sympathy with a plan to finance the UN buildings through private sources; that their fiduciary relationship to their policy holders would not permit them to consider a 100% loan, in the light of legal and other complications; but that they would be inclined to view favorably a loan up to 50-60% of the value of the properties, subject to appraisal.

To supplement this letter, we shall attempt to secure a formal expression of opinion from the companies referred to. You fully appreciate, of course, that nothing in the nature of a commitment can be expected at the present stage of your planning.

Respectfully yours,

PAUL HAMMOND

PH/eva
The Indian Liaison Officer has the honour to acknowledge letters from the Secretariat of the United Nations No. dated 1947. 15 and 18th July

W: methods of financing
Permanent Headquarters

To: Assistant
The Secretary-General for Administration and Financial Services
19 July 1947

Sir:

At the direction of the Secretary-General
I placed before the Advisory Committee on Administrative and Budgetary Questions a paper outlining possible methods of financing the construction of the Permanent Headquarters, asking which method would be favoured by the Advisory Committee as a matter of principle.

I am very glad to enclose herewith a copy of the reply from the Advisory Committee.

I have the honour to be,

Sir,

Your obedient servant,

BYRON PRICE
Assistant Secretary-General
for Administrative and Financial Services

Mr. Juliusz Katz-Sachy
Representative to the Headquarters Advisory Committee
Permanent Delegation of Poland to the United Nations
151 East 67th Street
New York, New York
Dear Mr. Price:

Financing of the Headquarters Construction

My Committee has considered your paper concerning the possible methods of financing the construction of the new Headquarters.

The Committee believes that, ideally, the best method of financing would be one which would associate as many Members as possible in the financing of this work. Proceeding, however, on the assumption that the general dollar scarcity makes the payment of direct contributions in dollars difficult at present, the Committee believes that the most feasible methods are:

1. A loan free of interest from the United States of America and/or other Members which have dollar resources and which did not suffer devastation from the war;

2. An arrangement under which such Members would pay at once their total assessment, or a substantial part thereof, in respect of the building, the balance to be secured either by a guarantee of direct contribution or by a loan;

3. Provision of the necessary dollars by the International Monetary Fund on payment by Members of their contributions in their own currencies.

The Committee recognises that the whole subject is difficult and complex, and hopes that a thorough study will be made of all its aspects before any report on the question is submitted to the General Assembly. You will of course appreciate that in giving its advice on what it considers to be technically the most feasible methods of financing, the Advisory Committee cannot in any way commit the General Assembly, which alone has authority finally to determine the course to be followed.

The Committee assumes that the International Bank is not, by virtue of its constitution, in a position to make a loan to United Nations to finance the construction.

Yours sincerely,

Th. Agnides, Chairman
Advisory Committee on Administrative and Budgetary Questions

Mr. Byron Price,
Assistant Secretary-General
Administrative and Financial Services
United Nations
Lake Success, New York
July 12, 1947.

The Honorable Warren E. Austin,
Representative of the United States to the
United Nations,
Lake Success, N. Y.

Sir:

As one of the architectural consultants to the United Nations Headquarters Planning Board I am, naturally, deeply interested in every phase of the project. It was consequently disturbing to me to learn, at the meeting on July 3, of the financial difficulties which may hamper its realization. In a spirit of helpfulness — which I believe is the duty of each one of us to cultivate in the service of the United Nations — I have the honor to lay before you some thoughts on the subject, inspired by knowledge of methods employed in similar situations which have arisen in European countries, and which may point a way out of the present predicament.

In my own country, Greece, for example, the following principle has been accepted as an equitable solution of the problem of financing certain public works, and it has been repeatedly successfully applied in other countries as well: When the State or a City undertakes building projects of a nature that will have the effect of materially enhancing the value of adjacent properties, it is considered reasonable and fair that the State or the City shall benefit from the higher valuations which it has itself induced. Participation of the governing authority in the increased property values takes the form either of a mortgage on the property in its name, or of taxes or assessments levied upon the property.

This principle was most recently employed in Athens in the construction of an important thoroughfare from the Stadium to one of the suburbs, in 1928. I have suggested its application again in a project of my own, submitted to the City of Athens, for the erection of a Palace of Justice.

I realize, of course, that this idea is somewhat foreign to American ways of thinking, to the American belief in individual liberty. Yet, it is not so foreign as might at first blush appear, inasmuch as a classic instance of its application exists right here in New York. I am informed that a tax was levied upon the property on Sixth Avenue for the purpose of raising funds to defray the expenses of demolishing the elevated railway which ran along that street, since it was obvious that its removal would result in an upward valuation of all contiguous properties.

With respect specifically to the United Nations project, it is obvious, of course, that the properties bordering on the United Nations block will not remain in their present unimproved state. They will be sold as building sites for apartment houses, hotels, office
buildings, et cetera. It is known that neighboring property values have already increased approximately 200 percent, and statements have appeared in the press to the effect that profits on the sale of adjacent building plots as high as 300 to 400 percent are expected to be made.

Now, if the competent authority of the City of New York were to place on the sites in question a special tax of a given percentage — just by way of illustration, let us say 20 percent — on the difference between the values of the properties in January 1946, for example, and the future sale price, the returns would, no doubt, amount to a considerable sum, and the landowners would still have a profit on their investment far above what could otherwise have been expected. It seems to me, therefore, that it cannot be judged unreasonable or illegitimate to propose that the owners of the buildings in question should contribute in the manner suggested toward the expenses of constructing the United Nations center, since they will in so fact be the beneficiaries of substantial gains.

In this connection it may be asked whether it is just that the City of New York should tax a certain group of its citizens for the purpose of financing in part the United Nations headquarters project. To this I would reply that it is not a question of taxation in the general sense, but a question of the deduction of a portion of profits to be realized by the neighboring landowners, — profits which will accrue to them through no improvements of their own but merely through the chance of proximity to the United Nations site on the one hand, and on the other as a result of the improvements to be made by the City of New York, such as the widening of 47th Street, the construction of the First Avenue tunnel, et cetera.

It is granted, naturally, that the United Nations has no authority either to levy taxes or to demand that taxes be levied for any purpose whatsoever in the City of New York. The proposal to do so can only be made on the assumption that the City, recognizing the immense tangible and intangible advantages to itself and its inhabitants resulting from the establishment of the United Nations headquarters on the Island of Manhattan, will willingly and gladly accept its provisions in order to further the cause of peace by assisting in providing at the earliest opportunity a local habitation for its administration.

I am of the opinion that if your committee will examine the problem in the light of the suggestions propounded above, it will come to the conclusion that the tax or assessment principle, for the purpose of raising the necessary funds may be justly applied in the present instance, and will submit the proposal for consideration to the Mayor of New York. I would say, furthermore, that it may indeed even be found feasible, through the application of this principle, to extend the limits of the United Nations site to Second Avenue, thus permitting the erection of the buildings in the middle of a large open space and giving the architectural group proper perspective, as befits a center of its significance. One need but recall the imposing situation of the Capitol in Washington, the Parliament Buildings in Ottawa — to mention but these two — to realize that the present six-block site, while it is good, is not nearly large enough to set the new world capital off in an impressive manner. Particularly
gratifying, therefore, would be the co-operation between the City of New York and the United Nations organization as proposed above should this eminently-to-be-desired improvement result.

I have had occasion to discuss this subject with Mr. Wallace K. Harrison, Director of Planning of the United Nations; with Mr. Cornier, representative of Canada on the Planning Board; I have also discussed it with the Honorable Basilis Bendaris and the Honorable M. Lebeau, the Greek and Belgian delegates to the United Nations respectively. The last-named, I may say, is thoroughly familiar with the idea from personal experience and an enthusiastic supporter thereof.

With assurance of my highest esteem, I am, Sir,

Very respectfully yours,

(Signed)  
John Antoniades  
Architect Consultant  
Representative of Greece  
(? Xenophon Street, Athens).
July 2, 1947

Dear Mr. Price:

I am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary General,
United Nations,
Lake Success, New York
July 2, 1947

Dear Mr. Price:

Am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Re the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Byron Price, E
July 2, 1947

Dear Mr. Price:

Am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary General,
United Nations
Lake Success, New York
Dear Mr. Price:

I am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
Dealing Mr. Price:

I am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

An reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant,

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant,

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

[Handwritten note:]

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

I am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Harmon

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant,

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
Dear Mr. Price:

I am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

An reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystalized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York
July 2, 1947

Dear Mr. Price:

Am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised that the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

Am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations’ consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant,

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant,

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised that legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York
July 2, 1947

Dear Mr. Price:

Am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

I am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised that the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

I am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant,

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantees of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,  
Assistant Secretary-General,  
United Nations  
Lake Success, New York
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant,

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
COPY FOR MR. GLADEN E. BURNETT

July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantees of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
Dear Mr. Price:

An reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised that legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant,

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' Consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

Am reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant,

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystallized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
July 2, 1947

Dear Mr. Price:

As reporting to you on the results of our work to date, performed in the last three business days since my appointment as United Nations' consultant.

We have discussed the proposed financing with a considerable number of the major life insurance companies, both here in New York and in other parts of the country and Canada. In the majority of cases, our reception was encouraging. The general position is that, when the financing plan has crystalized, they wish to be given a chance to consider it.

We have been advised the legal requirements can be met for this type of investment.

Regarding the credit requirements, we feel it will be most necessary to have the guarantee of the individual governments.

We are continuing our discussions in other quarters and will make a further report to you in the near future.

Respectfully yours,

Paul Hammond

Hon. Byron Price,
Assistant Secretary-General,
United Nations
Lake Success, New York

(Copy)
June 20 1947

Byron Price, Esq.,
Assistant Secretary General, Administrative and Financial Services,
United Nations
Lake Success, New York

Dear Mr. Price:

The day after I had the pleasure of lunching with you we clewed up a contract for a new building which is more or less relevant to your problem.

In other words, the construction is to start in March of 1948 and the completion is anticipated for the summer of 1949.

The lenders said they did not see any problem in their giving a commitment until the middle of 1950 and further said that if unforeseen events take place to prevent construction starting as anticipated, they would in all probability be willing to extend the commitment, should this be necessary.

I give you this as an example of what our lenders are doing on commercial structures and I fully believe they would be as liberal, if not more so, for the United Nations.

Sincerely yours,

Paul Hammond

PH: ip

CC: Glenn E. Bennett, Secretary to Headquarters Advisory Comm.
    Wallace K. Harrison, Esq.,
THE HAMMOND, HARVEY, BRAXTON COMPANY
CORPORATE FINANCING

30 BROAD STREET
NEW YORK 4, N.Y.
BOWLING GREEN 9-7272

ROBERT J. KENNEDY

PLACEMENTS

INDUSTRIAL LOANS:

Ashland Oil & Refining Co. .............................................. 1,000,000.
Bendix Aviation Corp. .................................................. 5,000,000.
Derby Gas & Electric Corp. .............................................. 2,750,000.
Detroit & Canada Tunnel Corp. ............................................ 1,650,000.
Gimbel Brothers—Pittsburgh ............................................. 5,000,000.
Halle Bros. Co. ............................................................ 2,750,000.
International Salt Company ............................................. 3,800,000.
Kelsey-Hayes Wheel Co. ................................................. 2,500,000.
Lion Oil Refining Co. ..................................................... 6,000,000.
Mullins Manufacturing Corp. ........................................... 1,150,000.
Nordberg Manufacturing Co. ........................................... 1,250,000.
Okonite Co. ................................................................. 1,700,000.
Saks-Fifth Ave. Corp. .................................................... 3,000,000.
Shillito (John) Company ............................................... 2,000,000.
Tennessee Corporation ................................................... 3,600,000.
United Electric Coal Co. ................................................ 2,000,000.

REAL ESTATE MORTGAGES:

Abrast Realty Company—(Abraham & Straus) ................................ 7,000,000.
American Furniture Mart Building, Chicago ................................... 3,250,000.
Carlyle Hotel (City Investing Company) ........................................ 1,600,000.
Fifth Avenue Blockfront—52nd-53rd St.—(Proposed Lord & Taylor site) 4,150,000.
Graybar Building .......................................................... 6,500,000.
Group of N. Y. City Mortgages—(Henry Phipps Estate) ....................... 6,100,000.
Insurance Exchange Building, Chicago ...................................... 6,975,000.
International Telephone & Telegraph Corp. Bldg. .......................... 3,225,000.
McGraw Hill Building ..................................................... 2,400,000.
90 Broad Street—offices—(Stone & Webster Bldg.) .......................... 3,750,000.
1 Beekman Pl.—cooperative—(David Milton, Rockefeller 3rd et al.) 1,500,000.
1 Park Avenue—offices—(Hoagland Estate) .................................. 3,150,000.
Roman Catholic Archdiocese of Detroit ..................................... 10,000,000.
70 Pine Street—offices—(Cities Service Company) ........................... 6,500,000.
30 Broad St. Corp.—(City Investing Company) ................................ 7,550,000.
25 Broadway—offices—(Cunard Building) ................................... 6,600,000.

OTHER TRANSACTIONS:

Astor-Tiffany—57th St. & Fifth Ave. ...................................... 7,200,000.
Sale to Astor Estate and lease to Tiffany & Co.—in collaboration. ............... 6,750,000.
Sale and Lease.

Bonwit Teller, Inc. .......................................................... 15,000,000.
Purchase by Hoving Corporation from Atlas Corporation
June 12, 1947

Headquarters Planning Office
United Nations
1270 Avenue of the Americas
New York 20, New York

Attention: Mr. Glenn E. Bennett,
Executive Officer

Sirs:

This is on the subject of financing for the proposed World Capitol at the East River Drive, New York City, in the United Nations building programme.

As discussed and reviewed in meeting of June 9, 1947 at your offices, attended by Mr. Bennett and the writer, we are suggesting that consideration be given to a plan of financing under which funds to be provided shall be derived from non-government sources, wholly from the large life insurance companies in the United States. It is respectfully proposed that this organization be permitted by the duly authorized body, committee or officers of the Headquarters Planning Office of the United Nations, to explore and determine the possibilities of arranging such financing, it being agreed there will be no obligation or liability attendant therewith to United Nations.

We have, on our own initiative, made a comprehensive study of the subject and have been in conference with a number of the ranking investment officers of the top ten life insurance companies. As a result, we have formulated well-crystallized opinion and have arrived at certain conclusions and findings, the accuracy and authoritative-ness of which is limited only, in our opinion, by the absence of final and definite conditions and plans with respect to United Nations and its building programme.

It is therefore proposed further, that you take under tentative advisement a plan of financing as follows: A loan of not less than $40,000,000 and not more than $60,000,000, but in no event in excess of an amount equivalent to 80% of the total of building costs plus the value of land. The security for the loan to be a first mortgage bond issue covering the real property together with building and
improvements to be created thereon. The term of the loan to be 25 years, interest at not less than 2% per annum but not more than 3% per annum, with principal curtailments or sinking fund provisions.

The plan contemplates a single transaction in which not less than four and not more than twelve of the mutual life insurance companies of the U. S. A. will participate and in which all will act in concert with one another. It may be provided that a certain substantial portion of the bond issue under the loan may be made available for purchase at par by member nations either at the outset or at various designated dates during the term.

We would be honored to serve in the preparation, development, and negotiation of the proposed financing to the end that the building programme may be completed in time for the early implementation of the business of peace and new world order. Our facilities and services are available to you in this connection without limitation or qualification.

Respectfully,

[Signature]

Paul A. Funk,
Vice President

THE JOSEPH J. GARIBALDI ORGANIZATION
Sirs:

This is on the subject of financing for the proposed World Capitol at the East River Drive, New York City, in the United Nations building programme.

As discussed and reviewed in meeting of June 9, 1947 at your offices, attended by Mr. Bennett and the writer, we are suggesting that consideration be given to a plan of financing under which funds to be provided shall be derived from non-government sources, wholly from the large life insurance companies in the United States. It is respectfully proposed that this organization be permitted by the duly authorized body, committee or officers of the Headquarters Planning Office of the United Nations, to explore and determine the possibilities of arranging such financing, it being agreed there will be no obligation or liability attendant therewith to United Nations.

We have, on our own initiative, made a comprehensive study of the subject and have been in conference with a number of the ranking investment officers of the top ten life insurance companies. As a result, we have formulated well-crystallized opinion and have arrived at certain conclusions and findings, the accuracy and authoritiveness of which is limited only, in our opinion, by the absence of final and definite conditions and plans with respect to United Nations and its building programme.

It is therefore proposed further, that you take under tentative advisement a plan of financing as follows: A loan of not less than $40,000,000 and not more than $60,000,000, but in no event in excess of an amount equivalent to 80% of the total of building costs plus the value of land. The security