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Folder Title: Eugene H. Rotberg - Chronological Records - Volume 10 - June - December 1973

Folder ID: 1858113

Series: Chronological files

Dates: 06/04/1973 - 12/28/1973

Fonds: Personal Papers of Eugene H. Rotberg

ISAD Reference Code: WB IBRD/IDA ROTBERG-5901S

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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

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Eugene H. Rotberg chronological files
Vol. 10. June-December 1973

 **Archives**
R2004-194 Other #: 3 215304B
Eugene H. Rotberg - Chronological file Volume 10

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R2004-194 Other #: 3 215304B
Eugene H. Rotberg - Chronological Records - Volume 10 - June - December 1973

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INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OFFICE MEMORANDUM

TO: Mr. James E. Twining, Jr.

FROM: Eugene H. Rotberg 

SUBJECT: Gift from Svenska Handelsbanken

DATE: December 28, 1973

Jim:

In accordance with our discussion, this is to advise you that I received a crystal vase (which I think is worth about \$25) as a memento of our bond issue in Sweden from the Svenska Handelsbanken. In view of the fact that the Bankers visit our office here in Washington, I think it would be appropriate to treat the vase as Bank property. Would you please arrange to have it so identified?

EHRotberg:emk



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



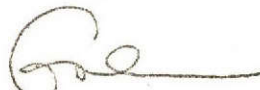
December 28, 1973

Dear Hal:

Attached is some biographical
information and a not too recent photo-
graph.

It was delightful seeing you all.

Love,



Gene

Dean Harold Lazarus
1000 Fulton Avenue
Hempstead
Long Island, N.Y. 11550



RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

December 28, 1973

Mr. Renato Guadagnini
Manager
Banca Nazionale Del Lavoro
25 West 51st Street
New York, New York 10019

Dear Mr. Guadagnini:

Every year about this time I receive from you a magnificent Art book describing another region of Italy. I must confess to you that there is no gift which I treasure more, as I will spend many hours reading through it during the forthcoming year.

Let me thank you again for your kindness. Please pay my respects and accept my best wishes to you and your colleagues and associates for a happy and satisfying New Year.

Kindest regards,


Eugene H. Rotberg



RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

December 27, 1973

Mr. Kjell Brandstrom
Executive Vice President
Svenska Handelsbanken
Box 16431
Stockholm, Sweden

Dear Kjell:

My best wishes to you and your colleagues for a very happy and satisfying New Year. Let me thank you also for the most attractive photographs of the signing ceremony on the occasion of our recent bond issue. It was one of the most pleasant experiences for me personally, and of course, speaking for the World Bank, we were most delighted with the efficiency and excellence in the handling of the transaction.

Kindest regards,

Eugene H. Rotberg



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

10822 Childs Court
Silver Spring
Maryland 20901
U.S.A.

December 27, 1973

Dear Luba:

It was very nice hearing from you. I am delighted that you are well. My family is fine and my children are growing up, alas, too quickly.

Although we have had one snowstorm in Washington, the weather is quite mild - about 45 degrees today - but I expect it will be much colder in January and February. Although there are restrictions in the United States on the use of oil, they are not really much of an inconvenience as most citizens are voluntarily reducing unnecessary long driving trips.

About a year ago, I wrote you a letter, a copy of which is enclosed. Did you get it? At the same time I sent some prints and photographs from the National Art Gallery. I hope you got them.

The next time I take some pictures of our children, I will send them to you. I have been to Stockholm and Japan recently and hope to see you soon on one of my future visits. Have a happy holiday and a peaceful and satisfactory New Year.

Love,

Gene

Miss Luba Shadhina
Rakova 3
Leningrad
U.S.S.R.



RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

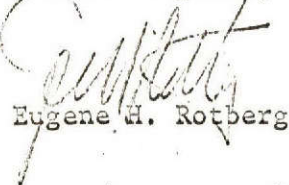
December 27, 1973

Mr. Klaas Peter Jacobs
Executive Vice President
Commerzbank
55 Broad Street
New York, New York 10004

Dear Mr. Jacobs:

I want to thank you and Mr. Staerker for sending me the very beautiful 1974 calendar. It was most kind and thoughtful of you to remember me. On behalf of my colleagues, let me wish you and your associates best wishes for a happy and satisfying New Year.

Kindest regards,


Eugene H. Rotberg



RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20453, U.S.A.

December 27, 1973

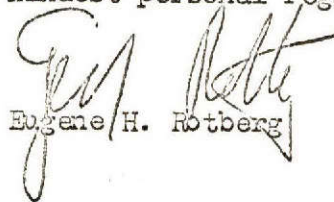
Mr. Ze'ev Sher
Economic Minister
Embassy of Israel
850 3rd Avenue
New York, New York 10022

Dear Mr. Sher:

I want to thank you very much for the beautiful book in celebration of the State of Israel's 25th anniversary. As you may know, I have not been to Israel for several years and look forward to visiting soon and, in future years, the sights and people shown in your book.

Please give my best regards to Moishe Merav when he visits you again and to the Ambassador and his wife. My best wishes to all of you for a safe, peaceful, and satisfying New Year.

Kindest personal regards,


Eugene H. Rotberg



RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20433, U.S.A.

December 27, 1973

Mr. William E. Simon
Energy Chief
Federal Energy Office
New Executive Office Building
Room 4025
Washington, D. C.

Dear Bill:

Between my overseas traveling and your assuming the mantle as the Henry Kissinger of domestic policy, we keep missing luncheon dates.

Your coming to Washington, Bill, as you know, has been a great benefit, not only to the country but also to the World Bank, since in your absence at Salomon Brothers, we have been particularly successful at "sticking" them with undesirable positions and taking particular advantage of your absence--especially during lunch time when they are noticeably understaffed.

More seriously, Iris and I congratulate you not only on being chosen to do a most important job but also in advance for knowing it will be done well, with dignity, grace, and humor.

I am somewhat reluctant to set a date for lunch or dinner or Sunday at our house in part because I can't guarantee spinach, but mostly because I know that time is no longer your own. So, please have your secretary call mine and suggest when you have a few hours of free time. Love to Carole.

Best regards and have an oily New Year,


Gene

OUTGOING WIRE

TO: INTBAFRAD
PARIS

DATE: DECEMBER 27, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (FRANCE)

TEXT:
Cable No.:

NO. 1603 ATTENTION MADAME SEBERT

PLEASE ADVISE BY RETURN TELEX DATE OF NEXT COMMITTEE ON FINANCIAL
MARKETS OECD MEETINGS REGARDS

ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

NATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE

PHN 607:bb

ORIGINAL (File Copy)

FOR CATH. Sec. Secretaries Use Only (For preparation of)

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

Checked by Dispatch

OUTGOING WIRE

TO: WABANK
LONDON

DATE: DECEMBER 20, 1973

CLASS OF
SERVICE: TELEX/FULL RATE

COUNTRY: (ENGLAND)

TEXT:
Cable No.:

ATTENTION MR. THOMAS J. MURTAGH, MANAGING DIRECTOR

I LOOK FORWARD TO SEEING YOU 2 PM, FRIDAY, 28TH DECEMBER.

PLEASE COME TO WORLD BANK, E BUILDING, ROOM 427. KINDEST REGARDS.

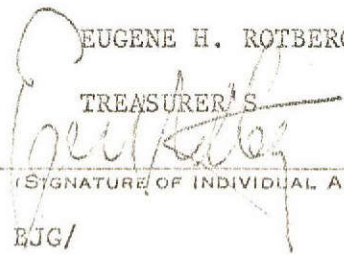
ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME: EUGENE H. ROTBERG

DEPT.: TREASURER'S

SIGNATURE: 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EJJG/

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DEC 20 9 27 AM '77

SECTION

TGZRCAO448/20#

INTBAFRAD WSH

Distribution: Treas. - Mr. Rotberg
Mr. Aldewereld

WABANK LDN (~~WARBURG & CO LTD~~)

SER NO WAB7950

ATTN EUGENE H ROTBERG - TREASURER

THANK YOU FOR YOUR RESPONSE TO OUR LETTER CONCERNING EURODOLLAR
FACILITIES. I WOULD LIKE VERY MUCH TO VISIT WITH YOU AT 2PM
ON FRIDAY, 28TH DECEMBER. COULD YOU TELEX ME IF THIS TIME AND
DATE WOULD BE CONVENIENT

KINDEST REGARDS

THOMAS J. MURTAGH
MANAGING DIRECTOR



Record Removal Notice

File Title Eugene H. Rotberg - Chronological Records - Volume 10 - June - December 1973		Barcode No. 1858113
Document Date 17 December, 1973	Document Type Letter	
Correspondents / Participants To: Gunter K. Weiss From: Eugene Rotberg		
Subject / Title Resume - Mrs. Inai Bradfield		
Exception(s) Personal Information		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.
		<table border="1"><tr><td>Withdrawn by Tarsica Morgan Taylor</td><td>Date December 05, 2024</td></tr></table>
Withdrawn by Tarsica Morgan Taylor	Date December 05, 2024	

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Mr. Maddux

Jack:

For your information.

Gene R.
12/14



Attachments (2)



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20433, U.S.A.

December 13, 1973

Mr. John Pryor
Vice Chairman and Managing Director
Western American Bank (Europe) Limited
18 Finsbury Circus
London EC2M 7BR

Dear Mr. Pryor:

Your letter addressed to Mr. McNamara of December 7, 1973 has been referred to me for reply. I wish to thank you for advising us of your recent experience concerning the placement of a \$1 billion loan of the U.K. Electricity Council and for the offer of your services to this institution.

As you may know, we are most interested in the growth and development of the medium-term Eurocurrency market and watch with considerable interest the placements which have been made in that market. We very much appreciate your advising us of the approximate terms and conditions at which the World Bank might be able to tap that market. At present, however, given our recent borrowing activity and our borrowing program for the near term, we do not contemplate borrowing through the facility of medium-term Eurocurrency credits. Nonetheless, we recognize that markets (and our own requirements) may change and it may be useful, in the future, to consider that market as a source of new funds.

I would be most pleased therefore to meet with your colleague, Mr. Thomas J. Murtagh, either on December 27th or 28th for the purpose of discussing generally prevailing market conditions in the Eurocurrency market and the probable directions of its future development. I would also like to take that opportunity to describe our own borrowing program and our general reactions to the medium-term Eurocurrency credits.

Thank you for your courtesy.

Sincerely,


Eugene H. Rotberg
Treasurer

WESTERN AMERICAN BANK (EUROPE) LIMITED

INTERNATIONAL MERCHANT BANKERS

TELEGRAMS
WABANK LONDON E.C.2
TELEX
LONDON 883254
TELEPHONE
01-628 3000
REG. NO. 924205 ENGLAND

18 FINSBURY CIRCUS
LONDON EC2M 7BR
(REGISTERED OFFICE)

7 December, 1973

Mr. Robert S. McNamara,
President & Chairman,
International Bank for
Reconstruction and Development,
1818 H. Street N.W.,
WASHINGTON, D.C. 20433,
USA.

Dear Mr. McNamara,

I am sure that our institution is well known to you as a leading international consortium bank but I nevertheless feel that it might be helpful if I enclose a copy of our most recent annual report. As you will see, we have as our stockholders a group of very strong banks and among our directors a group of people who have had extensive experience in commercial and investment banking.

During the past year we were proud to have led the US \$1 billion loan to the Electricity Council guaranteed by H.M. Treasury. This was the largest Eurodollar loan ever made in London and we think that the reason why we were selected to manage the loan and to run the book is because we have had much experience in the placing of multi-currency loans in this market.

For a bank such as our own to raise vast amounts of finance it has of course been necessary for us to develop a market by issuing our own participation certificates, and in this way we have been able to arrange and syndicate financing for both country and corporate borrowers. We think that a loan similar to that which we made to the Electricity Council of Great Britain might be of interest to the World Bank and we would like to propose to you that you give consideration to the following.

/...

We are confident that with the aid of our very strong stockholder group and with our close association with many banks in Europe we could produce at short notice up to US \$1 billion or the equivalent in whatever freely convertible Eurocurrencies you might select which would be available to you over a period of, say, ten years. We would offer this to you on a floating rate basis, and by this we mean that you would draw the loan and technically repay it at different rollover dates and redraw again, and the rate which we would charge you would be a percentage spread over the cost of money in the London interbank market. As you are aware, this latter market is a huge one and is estimated to be in the region of \$80 - \$100 billion.

The advantage of multi-currency floating rate financing is that the borrower has flexibility in the choice of currency to be borrowed and is protected from having to do fixed rate financing at a time when interest rates are extremely high and is able to take advantage of rate fluctuations in the various markets. Additionally, utilization of this multi-currency option would afford the borrower the opportunity, without the necessity of writing a new loan agreement each time, to draw various currencies in amounts, for maturities, and at rates to correspond closely with the composition of its loan portfolio or the trading patterns of its borrowers. The borrower also has the advantage that he can at any rollover date prepay the loan in whole or in part so long as he gives the lenders 30 days' notice of his intention so to do. In this way, when the borrower considers that fixed rates are low, he would prepay a part of the floating rate loan and fund it out on a fixed rate basis and would continue to do this if rates remained low over a period of his choice. Many international borrowers consider it an advantage to have a facility of this nature available to them even though they see no immediate need for the money and consider that a $\frac{1}{4}\%$ commitment fee on monies undrawn is very cheap insurance to cover the availability of such a sum of money at any moment that it might be required.

We would be prepared to draw a loan agreement on a basis that funds could be borrowed on a rollover basis for periods of three, six or twelve months at an interest spread over the London interbank offered, but would recommend borrowing on a 6 months basis as this is the most active market and so tends to attract the most competitive interest factor.

/...

3.

The cost and rate structure for such a loan would be as follows:

There would be a $\frac{1}{4}\%$ flat management fee payable once only upon the signing of the loan agreement.

There would be a $\frac{1}{4}\%$ per annum commitment fee on any sums undrawn and we would be prepared to allow a reasonable drawdown period of, say, 18/24 months.

The interest spread would be:

For the first three years $\frac{1}{2}\%$ per annum over the six months London Interbank offered rate for Eurocurrencies.

For years four to seven $\frac{3}{4}\%$ per annum over the six months London interbank offered rate for Eurocurrencies.

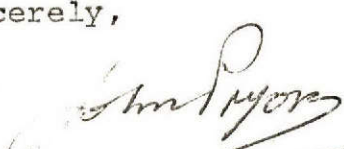
For years eight to ten $\frac{1}{2}\%$ per annum over the six months London interbank offered rate for Eurocurrencies.

The borrower would be responsible for all out-of-pocket expenses including legal costs and paying agency fees.

Naturally, with financings of this sort we would reserve the right to bring in participants at our option.

I hope that the outline proposal which we have given to you is one which may appeal to you and we would be prepared to come and visit you at any time in order to elaborate further. It does so happen that my colleague, Mr. Thomas J. Murtagh, who is a Managing Director of our bank, will be in Washington on 27th and 28th of December and if it were convenient for him to meet with you on one of those days this would, of course, be opportune. If neither date suits you, we will be very pleased to visit you in early January. We look forward to hearing from you on the foregoing proposal.

Yours sincerely,


John Pryor
Vice Chairman and
Managing Director



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

December 12, 1973

Mr. Gilbert E. Kaplan
Editor-in-Chief
The Institutional Investor
140 Cedar Street
New York, N.Y. 10006

Dear Gil:

Enclosed is a representative sample of the
kinds of publications dealing with European
monetary and capital market conditions.

Best regards


Gene Rotberg

Chen
OFFICE MEMORANDUM

TO: Mr. John H. Adler

DATE: December 11, 1973

FROM: Eugene H. Rotberg *ER*

SUBJECT: FY 75 Borrowing Projection

John,

I have just received the IIIId draft from Everardo Wessels. I have some problems with the FY 75 program - (beyond that the problems are mind-boggling).

Bank of Japan \$117 million (new money)

Other Government borrowings \$121 million (new money)

Gulf States \$175 million (new money)

Kuwait \$155 million (new money)

Switzerland \$130 million (new money)

I think these estimates are too high for FY 75. I would recommend that we (a) add a \$250 million US issue, (b) increase our Central Bank reserves to \$550 million and (c) reduce Bank of Japan, Switzerland and some of the Mid-East borrowings.

cc: Mr. Wessels



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



chun

December 10, 1973

Mr. S. Gerald Litvin
Twenty-second Floor
117 South 17th Street
Philadelphia, Pa 19103

Dear Jerry,

Thank you for your letter of November 29 and
the settlement documents and check relating to Louise's
claim. Again I express my appreciation to you and
Don for your kindness and cooperation.

My kindest regards to you and your family.
Please call us when you come to Washington.

Sincerely,


Gene Rotberg

OUTGOING WIRE

Chron

TO: INTBAFRAD
PARIS

DATE: DECEMBER 10, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (FRANCE)

TEXT:
Cable No: 1554 FOR MR. ALDEWERELD

SWISS MARKET WEAKENING. UNDERWRITERS RECOMMEND SIX AND THREEQUARTER
COUPON. TOTAL COST TO US LIKELY TO BE BETWEEN SEVEN POINT TWO ZERO
AND SEVEN POINT THREE ZERO. ISSUE WILL NOT BE FINALLY PRICED UNTIL
EARLY JANUARY. BEST REGARDS.

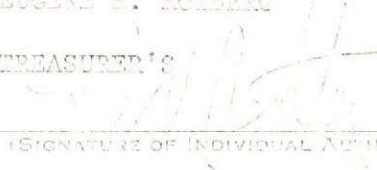
ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME: EUGENE H. ROTBERG

TITLE: TREASURER'S

SIGNATURE: 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

TELETYPE: EHRotberg:emk

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(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Hittman
Mr. Dooly

Use by Communications Section

Checked for Dispatch: _____

OUTGOING WIRE

*Chron Feb*TO: INTBAFRAD
PARIS

DATE: DECEMBER 10, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (FRANCE)

TEXT:
Cable No.: 1554 FOR MR. ALDEWERELD

SWISS MARKET WEAKENING. UNDERWRITERS RECOMMEND SIX AND THREEQUARTER
COUPON. TOTAL COST TO US LIKELY TO BE BETWEEN SEVEN POINT TWO ZERO
AND SEVEN POINT THREE ZERO. ISSUE WILL NOT BE FINALLY PRICED UNTIL
EARLY JANUARY. BEST REGARDS.

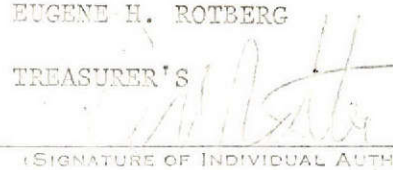
ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Hittmair
Mr. Deely

For Use By Communications Section

Checked for Dispatch: _____

Chiron

Mr. Raizen

December 10, 1973

Al,

I've spoken to Mr. Fettis, who has asked if the Bank could supply a speaker to the Surety Conference in Caracas, Venezuela. He prefers someone who can speak about the kind of projects the Bank finances, particularly in Latin America, and the types of surety bonds which the Bank might require in connection with different kinds of projects. The subject matter of course need not be that specific. The speaker might talk generally about the risks which are taken by the Bank, Government and contractors etc. on Bank projects.

Although the conference will have simultaneous translation, it would be helpful for the speaker to be bilingual (Spanish-English). Mr. Fettis would like to have a response this week.

Gene Rothberg





Record Removal Notice

File Title Eugene H. Rotberg - Chronological Records - Volume 10 - June - December 1973		Barcode No. 1858113
Document Date 10 December, 1973	Document Type Memorandum	
Correspondents / Participants To: C.J. Denton From: Eugene H. Rotberg		
Subject / Title Mr. Zachary Fromberg		
Exception(s) Personal Information		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.
		<table border="1"><tr><td>Withdrawn by Tarsica Morgan-Taylor</td><td>Date October 19, 2023</td></tr></table>
Withdrawn by Tarsica Morgan-Taylor	Date October 19, 2023	

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.

Chron

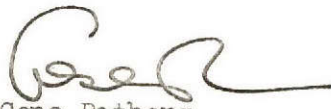
December 10, 1973

Mr. and Mrs. Morris A. Schapiro
910 Fifth Avenue
New York
New York

Dear Alma and Morris,

Thank you very much for the very beautiful
calendar you sent me. Each year I marvel at your
wonderfully good taste. You must be in Washington
sometime, please call on me.

Best regards,


Gene Rotberg

OFFICE MEMORANDUM

Chen

TO: Mr. M. E. Muller

DATE: December 4, 1973

FROM: Eugene H. Rotberg *ER*

SUBJECT: Budget Allocation for Investment Reporting of Account System Lease

This memorandum is a request for an allocation of \$13,000 from the CAD time sharing budget to run the TMI investment reporting and accounting system on a service basis for the six-month period during which the system will be installed on the Bank's computer. We could plan to begin this service arrangement as soon as possible, and it should terminate at the end of May 1974. Controller's Department has agreed to hire a temporary clerk to run the system for the six-month period and assist on the implementation of the new system.

As you know, the leased system will perform daily management reporting and accounting for the US investment holdings of IBRD and IDA and will allow the Bank to become familiar with the input and output formats. More important, daily reports will be produced for the US holdings which represent two-thirds of total investments. The present reporting system is quite inadequate for the increased level of investment activity. The bi-monthly holding reports are 5 to 10 days out of date and sometimes show holdings that are \$400 to \$500 million out of date. As you can appreciate, this causes serious difficulties in the management of our investment activities. Current reporting is below the level which could be called prudent, let alone efficient. The \$13,000 expenditure could permit us therefore not only to gain experience with the new system but the financial return derived from these expenditures could be immediate and direct. Unfortunately, the time sharing budget of the Treasurer's Department is inadequate (\$3,000 which is already committed) for this purpose and it is for that reason, Mervin, that we make this request to you.

cc: Messrs. Hittmair
Gabriel
Davies
Schielke
Michaelcheck

Chrom

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Eugene H. Rotberg *ER*

SUBJECT: Switzerland - Proposed Bond Issue

DATE: December 3, 1973

We have informally been granted permission by the Swiss National Bank to market an issue of Sw F 100 million early next year in order to refinance a maturing issue of the same amount. The final maturity would be 15 years - the average life 13 years. Our managing underwriters in Switzerland have notified us that, due to a cancellation by another issuer, they would be able to accommodate us in the queue for an early January operation. The tentative timing for price negotiations and signing of the Purchase Agreement would be Friday, January 4, 1974, with a public offering immediately thereafter.

In order to meet this time plan, I recommend scheduling Board consideration of this matter on December 18, the last meeting before January 8. While the Resolution submitted to the Executive Directors for their consideration on December 18 would leave the pricing to the President, Vice President - Finance or Treasurer, we would advise the Board, at the meeting, the lowest price we would accept in the negotiations. We have, as you may recall, used this procedure on a number of previous occasions.

About a month ago the issue conditions would have been 6-1/2% at par or above par; at the present time the coupon remains at par but the price is more likely to be slightly below par. If the price were as low as 99, the total cost to the Bank, inclusive of taxes, underwriting fees, etc. would be approximately 7.05%. If the price were as high as par, the cost to the Bank would be 6.93%.

May I have your agreement to proceed with this matter as set forth above.

cc: Mr. Aldewereld

EHRotberg:emk

Chron file

DATE: DECEMBER 3, 1973

CLASS OF TELETYPE SERVICE:

CC-0. JAPAN

ANTHONY ALDENFIELD

WELCHER STARTS DISCUSSIONS IN VENEZUELA THIS WEEK LOOKING TOWARD
 AGREEMENT PRINCIPLE BY DECEMBER 13 STOP HE ANTICIPATE TRANSACTION
 WILL BE CONSUMMATED IN JANUARY STOP WELCH LEAVING FOR SWITZERLAND
 NEXT WEEK STOP SWISS MARKET REASONABLY STABLE STOP TENTATIVELY
 PLAN FOR BOARD CONSIDERATION OF SWISS ISSUE ON DECEMBER 13 A.M.

www.elsevier.com/locate/jmb

CHANCES AND COPY NUMBER

1970-1971 E. 30% young

Chron



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

December 3, 1973

Swiss Bank Corporation
1 Aeschenvorstadt
4002 Basle, Switzerland

Attention: Messrs. H. Strasser and C.F. Puhr

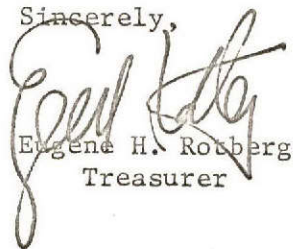
Gentlemen:

In Mr. Aldewereld's absence, I wish to acknowledge and thank you for your letter to him of November 23, 1973.

We very much appreciate your analysis of the current market for Swiss franc note issues and your recommendation not to enter that market at this time.

Thank you again for your cooperation in this matter and your offer to continue to evaluate market conditions.

Sincerely,


Eugene H. Rosberg
Treasurer



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

November 30, 1973

Mr. Koshi Suzuki
Manager
International Finance Department
The Industrial Bank of Japan, Ltd.
Yaesu, Tokyo, Japan

Dear Mr. Suzuki:

Thank you very much for your letter of November 19, 1973 with which you enclosed IBJ's latest Bond Market Report. I continue to find this information interesting and appreciate your thoughtfulness in sending it to me.

Sincerely,


Eugene H. Rotberg
Treasurer



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360 • Cable Address - INTBAPRAD

November 28, 1973

Svenska Handelsbanken
Arsenalsgatan 11
Stockholm, Sweden

Attention: Mr. Sten Kottmeier

Dear Mr. Kottmeier:

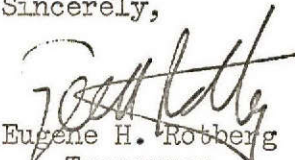
Thank you for your letter of November 22 forwarding the Purchase Agreement for our 7-1/4% Swedish Kronor Bonds 1973/88.

It was a pleasure meeting you in Stockholm, and both Mr. de Lesseps and I hope that our collaboration shall continue in the future. I am very pleased to note that the Bonds were well received by the market and that the issue was soon fully subscribed.

This is also to confirm that on November 26 our account with Sveriges Riksbank was credited with SKr 73,924,041.67, the net proceeds received from you.

Please convey my best regards to Mr. Brandstrom.

Sincerely,


Eugene H. Rotherg
Treasurer

OUTGOING WIRE

Chron

INTBAFRAD
TOKYO

DATE: NOVEMBER 27, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: JAPAN

Cable No: 390

ATTENTION: MR. SOEJIMA

AS AT OCTOBER 31, 1973, JAPANESE YEN DISBURSED AND OUTSTANDING
ON BANK LOANS AMOUNTED TO YEN 445,474 MILLION STOP TEN COUNTRIES
MOST HEAVILY INDEBTED IN YEN (MILLIONS) ARE AS FOLLOWS:
BRAZIL 53,289; MEXICO 52,639; CHINA 28,937; COLOMBIA 26,616;
INDIA 24,709; KOREA 21,211; ARGENTINA 20,145; YUGOSLAVIA 17,836;
THAILAND 17,157; IRAN 15,060 STOP REGARDS

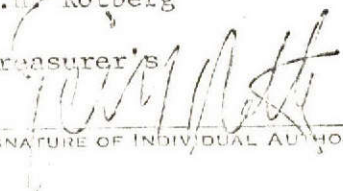
ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHOR: BY:

NAME: E.H. Rotberg

DEPT: Treasurer's

SIGNATURE: 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

6115072

CLEARANCES AND COPY DISTRIBUTION:
Messrs. V. Chang, Prins

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: _____

OFFICE MEMORANDUM

*Chern
Jale*

TO: Mr. Ernest Stern

DATE: November 26, 1973

FROM: Eugene Rotberg *[Signature]*

SUBJECT: Technical Group of the C20 Deputies

Ernie:

This refers to your memorandum of November 9 concerning the Technical Group of the C20 Deputies, in which they have asked for a short note on the Bank's experience in obtaining access to capital markets.

The denial of access has not been frequent. In the last five years, on one, possibly two, occasions the United States Government permitted us only to "roll-over" maturing obligations with Central Banks at a time when we wished to increase our issues by an additional \$25 million. Over all, however, the United States has given its approval to substantially increase our Central Bank issues. We currently have outstanding approximately twice the amount outstanding seven years ago. On one occasion in recent years the United States advised us that they would not give us permission to enter the United States capital market. This was at a time when the United States balance of payments figures were at their very worst, and even then they advised us that if it was an emergency they would give us access to the market. Prior to 1968, our access to the United States market was conditioned by our agreeing to hold the proceeds of the issue in the United States.

The only other occasion in which we were denied access to the market was in Italy when we had planned for a public issue, which was cancelled at the last minute because of floods which wiped out half of Florence.

It is my view, and also that of Siem Aldewereld, that we have consistently received access to markets throughout Western Europe in amounts and frequency which would not justify our raising any complaint. While it is true that we have not borrowed in France, and our borrowings in England have been limited, this is not because we have been denied permission to borrow but simply because interest rates have been too high. We have consistently been told in many countries that if we wished to have access to markets we could have it at the going rate, but as financial managers we have not taken advantage of these opportunities because of cost considerations.

Indeed, one could argue that our borrowings in Switzerland, Belgium, Holland, Germany and Japan have gone well beyond the normal expectations of "access", in part due to the infusion of speculative funds into some of those countries and the desire to draw down undesired liquidity and foreign exchange reserves.

The more fundamental problem the Bank has is the lack of

*For incoming memo
see "Borrowings - General"*

certainty of the interest rate at which funds will be available and the size of the borrowing operation in a particular capital market. We can generally assume one or two bond issues a year if we are willing to pay the rate in most countries. After that we have to rely on substantial access to the United States and Japan which generally have been forthcoming.

I would not therefore in any public forum be critical of the access which has been provided to us.

In your note you also asked about restrictions imposed on institutions (e.g. German insurance companies) which limited their purchases of our bonds. I am unaware of any such limitations. German insurance companies routinely ask for permission to buy our bonds (some of which do not have sinking fund provisions), and these requests have been routinely granted by the Economic Ministry. In other countries such as Japan, we have simply asked for permission to have institutional and quasi-public institutions to be empowered to purchase our securities and this request has been routinely granted. I know of no inhibitions to the selling of our bonds because of legal or regulatory restrictions.

EHRotberg:ih



Record Removal Notice

File Title Eugene H. Rotberg - Chronological Records - Volume 10 - June - December 1973		Barcode No. 1858113		
Document Date 21 November, 1973	Document Type Memorandum			
Correspondents / Participants To: Mervyn Weiner From: Gene Rotberg				
Subject / Title Resume - Mrs. Inai Bradfield				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Tarsica Morgan-Taylor</td><td>Date October 19, 2023</td></tr></table>	Withdrawn by Tarsica Morgan-Taylor	Date October 19, 2023
Withdrawn by Tarsica Morgan-Taylor	Date October 19, 2023			



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

November 20, 1973

Mr. Michael Zucker
General Directorate of
Economic and Financial Affairs
Commission of European Communities
rue de la Loi 200
B-1040 Brussels, Belgium

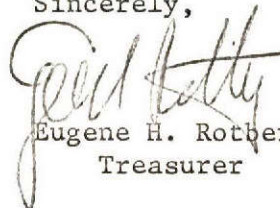
Dear Mr. Zucker:

It was a pleasure for me to meet
with you at the recent OECD Meetings.

I am enclosing for your information
a listing of the relevant terms and condi-
tions for various kinds of Euro market
borrowings. As you may observe, the last
section includes the medium-term floating
rate transactions which we have identified
from various sources. We would be pleased
to send you our monthly additions as they
are prepared.

Kindest personal regards.

Sincerely,


Eugene H. Rotberg
Treasurer

Enclosure



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20433, U. S. A.

November 20, 1973

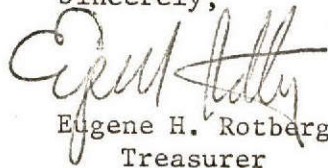
Mr. E.A. Lieftrinck
Deputy Treasurer General
Ministry of Finance
Kneuterdijk, 22
The Hague, The Netherlands

Dear Mr. Lieftrinck:

I am very sorry that I had to leave the second day of the recent OECD Meetings for another appointment and didn't have a chance to say "goodbye" to you. It was very good seeing you again and I look forward to meeting with you at the next session where I will have more time to discuss mutual matters of interest with you.

Kindest personal regards.

Sincerely,


Eugene H. Rotberg
Treasurer



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

November 20, 1973

Mr. John W. Hackett
Deputy Director
Financial and Fiscal Affairs
Organization for Economic
Cooperation and Development
2 rue Andre-Pascal
Paris 16e, France

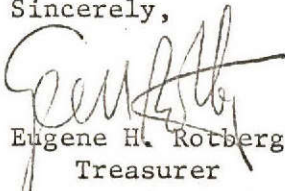
Dear Mr. Hackett:

It was a pleasure seeing you last week
at the OECD Meetings.

I am enclosing for your information a
listing of the relevant terms and conditions
for various kinds of Euro market borrowings.
As you may observe, the last section includes
the medium-term floating rate transactions
which we have identified from various sources.
We would be pleased to send you our monthly
additions as they are prepared.

Kindest personal regards.

Sincerely,


Eugene H. Rotberg
Treasurer

Enclosure

OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

FROM: Eugene H. Rotberg *ER*

SUBJECT: Institutional Investors Conference

DATE: November 20, 1973

Siem:

The Institutional Investors Conference to which you are invited as a participant, is addressed to the following subjects:

1. International currency management, i.e. shifting of funds among currencies in order to take advantage of potential rate changes.
2. Advantages vs. disadvantages of concentrating on currency of investment rather than on identification of particular securities for investment.
3. Stock market conditions in European markets, i.e., availability of information, delivery problems, market liquidity, etc.
4. Economic and monetary conditions prevailing in Japan and other areas of the Far East.
5. Problems encountered in research of non-U.S. companies, i.e., quality of disclosure and general market conditions.
6. Legal Issues: interest equalization tax and foreign investment guidelines.

The conference, according to the brochure, is a "How To Do It" symposium on the practical problems of international money market investment by multinational money managers and multinational corporations. It is designed to bring together persons who have developed an expertise in international money markets.

The Institutional Investor Conferences usually have excellent speakers. They have a fine reputation and these conferences are often well attended. However, I think the subject matter of this conference is one in which the World Bank has limited interest and in view of the subject matter, probably should not participate. The letter was sent to you personally and also indicated that you may send up to three members of the staff. I would recommend that we do not send any observers to the conference, as the observers in this conference will be expected to participate in seminars, workshops, etc.

I would recommend sending the attached letter.

ERotberg:bb

Attachment (1)

D R A F T
EHRotberg:bb
Nov. 20, 1973

Dear Mr. Kaplan:

Thank you very much for your letter of November 14.

I regret that I am unable to accept your kind invitation to participate in your First International Investment Conference. As you may know, the World Bank does not invest its liquid resources in common stocks and does not convert national currencies which it holds for its own account.

While I am sure that international money managers and multinational corporations would be most interested in the symposia and meetings which you have scheduled, I do not believe that the World Bank, in view of its role and activities could productively participate in the meetings.

We thank you, however, for your courtesy in extending ~~us~~ an invitation to our institution.

Sincerely,

S. Aldewereld

Chron



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

November 14, 1973

Mr. Charles A. Coombs
Senior Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, N.Y. 10045

Dear Mr. Coombs:

I am enclosing for your information
Document No. R73-253 issued in connection
with our proposed 7-1/4% Swedish Kronor Bonds
of 1973/88, which has been approved by our
Board of Executive Directors.

Sincerely,

Eugene H. Rotberg
Eugene H. Rotberg *per Emk.*
Treasurer

Encl.

OUTGOING WIRE

TO: HANDELSBANK
STOCKHOLM

DATE: NOVEMBER 14, 1973

CLASS OF
SERVICE:

TELEX

COUNTRY: (SWEDEN)

TEXT:
Cable No.:

ATTENTION MESSRS. BRAENDSTROEM AND KOTTMEIER

MR. ROTBERG HAS ADVISED US HE WILL BE IN STOCKHOLM EARLIER THAN
EXPECTED. HE WILL ARRIVE ON SAS FLIGHT 642 AT 12:30 PM. HE
ADVISES HE CAN MEET PRESS AT ANY TIME. BEST REGARDS.

HITTMAIR
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT TREASURER'S

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EMK/

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Deely
Mr. van Saagsvelt

For Use By Communications Section



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



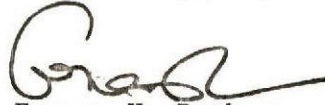
November 9, 1973

Mr. Robert Martin
Vice President
Dain, Kalman & Quail Inc.
100 Dain Tower
Minneapolis, Minnesota 55402

Dear Mr. Martin:

You may be interested in this new
brochure on the World Bank. I hope you
find it useful.

Kindest regards,


Eugene H. Rotberg
Treasurer

Attachment

OUTGOING WIRE

TO: HANDELSBANK
STOCKHOLM

DATE: NOVEMBER 8, 1973

CLASS OF SERVICE: TELEX

COUNTRY: (SWEDEN)

TEXT:
Cable No.:

ATTENTION: MR. KJELL BRAENDSTROEM

THANK YOU FOR YOUR TELEX. DELIGHTED TO JOIN YOU FOR DINNER
ON THURSDAY EVENING. MR. CARRIERE WILL BE ARRIVING MUCH
LATER IN THE EVENING AND THEREFORE IS UNABLE TO ACCEPT YOUR
KIND INVITATION. BEST REGARDS.

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

T. TREASURER'S

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

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Record Removal Notice



File Title Eugene H. Rotberg - Chronological Records - Volume 10 - June December 1973		Barcode No. 1858113		
Document Date November 6, 1973	Document Type Memorandum			
Correspondents / Participants To: Mr. Bulcha Demeksa, Executive Director From: Eugene H. Rotberg, Treasurer				
Subject / Title Late Payments - Sierra Leone				
Exception(s)				
Additional Comments Declassification review of this record may be initiated upon request.		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by K. Brenner-Delp</td><td>Date June 26, 2025</td></tr></table>	Withdrawn by K. Brenner-Delp	Date June 26, 2025
Withdrawn by K. Brenner-Delp	Date June 26, 2025			

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Mr. Aldewereld

Siem:

Attached is a statement summarizing
relevant information on our proposed Swedish
Issue. The Board papers will be distributed
either on Wednesday or Thursday of this
week.


Gene Rotberg
11/5/73



Record Removal Notice



File Title Eugene H. Rotberg - Chronological Records - Volume 10 - June - December 1973		Barcode No. 1858113		
Document Date November 5, 1973	Document Type Board Record			
Correspondents / Participants Siem Alderwereld				
Subject / Title Statement to be made by Mr. Alderwereld at the Meeting of the Executive Directors on November 6, 1973				
Exception(s)				
Additional Comments Declassification review of this record may be initiated upon request.		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by K. Brenner-Delp</td><td>Date June 26, 2025</td></tr></table>	Withdrawn by K. Brenner-Delp	Date June 26, 2025
Withdrawn by K. Brenner-Delp	Date June 26, 2025			

Statement to be made by Mr. Alderwereld at the Meeting of the Executive Directors on November 6, 1973

We will submit for your consideration on November 13, 1973, a proposal to borrow in Sweden. The proposed borrowing would be a public issue of Swedish Kronor Bonds in an aggregate principal amount of SKr 75,000,000, equivalent to approximately U. S. \$17.8 million. The issue would be repayable in ten equal annual installments in the years 1979 through 1988, resulting in an average life of 10-1/2 years.

The interest rate would be 7-1/4% per annum payable semi-annually, and it is expected that the cost to the Bank would be approximately 7.45%.

The relevant documents will be circulated shortly for your consideration on November 13.

Chron.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Mr. Muller

Mervin:

I don't know if you have had a chance to review the recommendations on the investment accounting system. I, personally, am strongly in favor of proceeding as expeditiously as possible with TMI. I very much would like your reaction and, if you agree, take the next step -- drafting an appropriate and careful contract. Perhaps you, George and I can get together to discuss this matter as soon as possible.


Gene Rotberg
November 1, 1973

Chrow



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20433, U. S. A.

November 1, 1973

Dear George:

I want to take this opportunity to thank you, Joe Fowler and Dan Hofgren for your very kind hospitality on the occasion of the Institutional Bond Conference. It was certainly a pleasure, George, for me to participate with you in the Conference and to see so many of my old friends from Goldman, Sachs.

Please keep in touch.

Best regards,

A handwritten signature in dark ink, appearing to read "E. Rotberg", is written over the typed name.

Eugene H. Rotberg
Treasurer

Mr. George M. Ross
Goldman, Sachs & Co.
55 Broad Street
New York, N.Y. 10004

Chm.

OUTGOING WIRE

TO: INTBAFRAD
PARIS

DATE: NOVEMBER 1, 1973

CLASS OF SERVICE: TELEX

COUNTRY: (FRANCE)

TEXT: 1390 FOR CARRIERE
Cable No.:

LATEST DRAFT PRESS RELEASE ON SWEDISH KRONOR BOND ISSUE READS AS FOLLOWS:

QUOTE

AN ISSUE OF SWEDISH KRONOR 75,000,000 (\$17.8 MILLION) 7-1/4% FIFTEEN-YEAR BONDS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (WORLD BANK) WILL BE OFFERED IN SWEDEN ON NOVEMBER 16, 1973 BY A GROUP OF ELEVEN SWEDISH BANKS HEADED BY SVENSKA HANDELSBANKEN AS MANAGER. THE BONDS WILL BE OFFERED AT PAR.

THE BONDS WILL BE REPAYABLE AT PAR BEGINNING DECEMBER 10, 1979 IN TEN ANNUAL INSTALLMENTS OF SKR 7,500,000 EACH, WITH A FINAL MATURITY ON DECEMBER 10, 1988. THE BONDS WILL NOT BE CALLABLE AND INTEREST WILL BE PAYABLE SEMI-ANNUALLY ON EACH JUNE 10 AND DECEMBER 10, THE FIRST PAYMENT BEING DUE JUNE 10, 1974. THE BONDS ARE EXEMPT FROM ALL SWEDISH STAMP DUTIES AND WILL BE LISTED ON THE STOCKHOLM STOCK EXCHANGE.

THIS IS THE SECOND PUBLIC OFFERING OF WORLD BANK BONDS IN SWEDEN. THE FIRST ISSUE OF SKR 75,000,000 WAS PLACED IN 1967.

(continued)

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

PT.

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

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OUTGOING WIRE

TO: INTBAFRAD
PARIS

DATE: NOVEMBER 1, 1973

CLASS OF
SERVICE: TELEX

COUNTRY:

TEXT:
Cable No.: 1390 FOR CARRIERE

PAGE TWO

THE NEW BORROWING OPERATION IN SWEDEN IS WELCOMED BY THE WORLD BANK AS
A FURTHER STRENGTHENING OF WORLD BANK'S RESOURCES IN SUPPORT OF ITS EXPANDING
ASSISTANCE TO DEVELOPING COUNTRIES.

UNQUOTE

I HAVE ALSO ADVISED BRANDSTROM OF SVENSKA HANDELSBANKEN AS FOLLOWS:

QUOTE

WILL ARRIVE STOCKHOLM THURSDAY EVENING NOVEMBER 15 AND HAVE ARRANGED
ACCOMMODATION AT GRAND HOTEL STOP I WILL BE ACCOMPANIED ON FRIDAY, NOVEMBER 16,
BY MY COLLEAGUE MR. JEAN CARRIERE, DIRECTOR OF OUR EUROPEAN OFFICE STOP I
LOOK FORWARD TO SEEING YOU STOP KINDEST REGARDS.

UNQUOTE

I LOOK FORWARD TO SEEING YOU IN PARIS. REGARDS

ROTBURG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

TITLE TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch

Chen

OFFICE MEMORANDUM

TO: Mrs. Muriel Lee

FROM: Edith M. Kesterton *Eck.*

SUBJECT: Future Travel Treasurer's Department

DATE: October 31, 1973

Mr. Rotberg

Mr. Rotberg will be in Paris November 12 through 14 where he will attend the OECD Capital Markets Committee Meetings.

He will be in Stockholm on November 15 and 16 in connection with our forthcoming Swedish bond issue.

He will go to Switzerland some time in January.

Mr. Hittmair

Mr. Hittmair has no travel plans at the moment.

Chron

OFFICE MEMORANDUM

TO: Mr. Paul Mayer, Personnel, Div. III

FROM: Eugene H. Rotberg, Treasurer *ER*

SUBJECT: Junior Accountant Vacancy

DATE: October 31, 1973

The above vacancy was posted on August 31 (No. 761). This position has been approved for this year's budget to strengthen the work force in the Posting Section of our Cashier's Division, which is staffed at present with one professional and three special-services staff.

The number of responses to the advertisement was good (about 20 candidates applied); however, it was also evident that a good number of applicants had misread the particular qualifications on which we based the advertisement. I have, therefore, asked for readvertisement of the position -- with particular stress on the qualification requirement listed under 3(a). I would hope to attract, in this way, new applicants and also spell out more clearly for reapplicants the basic qualifications which we expect so that they can reassess their chances of success. I believe that this is the most equitable approach under the circumstances.

The job description with the revised qualifications list is attached and I would appreciate readvertisement as soon as possible.

Attachment

cc: Miss Evalyn Carter

JUNIOR ACCOUNTANT

LEVEL F/G*

Treasurer's Department - Cashier's Division

Job Description

1. Maintains Bank Group accounts daily as follows:
 - (a) Posts all receipts and disbursements under Loans/Credits/Investments, and administrative expense payments;
 - (b) Keeps up to the minute balances;
 - (c) Checks Depositories' debit and credit advices against Group records;
 - (d) Initiates actions as needed in cases of discrepancies.
2. Prior to posting, verifies thoroughly all accounting documents prepared and processed by the Division, including computations (equivalents and exchange transactions).
3. Does needed research in cases of discrepancies, or with a view to answering queries regarding payments or receipts.

Qualifications

- (a) Experience in commercial banking, posting of accounts and/or foreign exchange transactions an essential requirement.
- (b) Ability to work rapidly and accurately with figures under pressure of deadlines.
- (c) Ability to understand fully all transactions to be verified and recorded (includes exchange of currencies).
- (d) Ability to use adding machine, Friden calculator or other similar machines.
- (e) Elementary reading knowledge of French, Spanish and/or German would be an asset.

* Level dependent upon qualifications

Chen

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
Mr. S. Aldewereld

FROM: Eugene H. Rotberg

SUBJECT: Statement of Portfolio Yields: October 16, 1973

DATE: October 30, 1973

Attached is a statement of portfolio yields as of October 16. The yield on the portfolio is now 7.37%. As can be observed from the chart below there is little difference between the marginal yield on U.S. dollar investments and the average investment yield on our portfolio.

Selected Interest Rates in
U.S. Market: October 29

	<u>Interest Rate</u>
3-month Treasury Bill	7.43%
6-month Treasury Bill	7.64%
6-month Certificate of Deposit	7.75%
1-year Certificate of Deposit	7.75%
2-year Treasury	7.00%
5-year Agency	7.10%

U.S. Domestic Market

We expect housing starts to continue to decline, automobile sales to fall from 1973 levels and the rate of consumer demand to decline as discretionary expenditures will be reduced in reaction to the impact of inflation and the increased cost of necessary goods and services. In addition, many consumers have heavy debt servicing obligations occasioned by substantial credit purchases in the last year, which also should inhibit consumer demand.

In this environment, we assume that the Federal Reserve Board will expand the money supply during the next several months to avoid further economic slowdown. We expect the long-term corporate calendar to increase and temporarily place moderate upward pressure on long-term rates. However, corporations still remain liquid and there is no pressing need for long-term corporate funds. We think Federal Agency borrowings will sharply decline from the very high levels of the last six months. The disintermediation of funds from the Savings and Loan Associations has already abated which should assist the mortgage market and reduce the necessity for Agency borrowing.

These basic and technical factors lead us to project a decline in the prime rate to the 7 to 7-1/2% level by February and a corresponding reduction in the very high short-term Federal fund rate. The market has

Mr. Robert S. McNamara
Mr. S. Aldewereld

- 2 -

October 30, 1973

already anticipated much of this decline: 3 and 6 month fixed interest obligations have declined to the 7-1/2% level from their previous highs of over 9-1/4%. Five-year bonds are currently trading at about 7.10%.

We expect that long-term bond market yields will decline possibly to the 7-1/2% level, but not until after an increase, over current levels. There have been several corporate long-term issues which were priced ahead of the market with the expectation that the market psychology would allow them to be absorbed. Thus, we think that long-term yields will have to be more generous than the current level of 7.90% to permit the sale of inventories in the hands of dealers and to place some successful issues into the market. After that time the more fundamental evaluation of the general state of the economy should produce a decline in long-term yields. We may have a reasonably good opportunity to borrow long term at or about 7-1/2% by the spring of next year and below 7% in the five-year market.

While the foregoing does not include the usual qualifications, we have considered the views of other economists who take a different approach. In the view of some economists, interest rates will increase in reaction to a substantial demand in the long-term corporate market and a restrictive Federal Reserve policy. Wojniak of First Boston, for example, contends that inflation will continue at its present level of about 7% and that the high cost of food and energy (which constituted about 85% of the inflationary increase in the United States this year) will continue to put pressure on the Federal Reserve system for a restrictive monetary policy. This view - a minority one - does not contemplate any decline in short-term rates in the near term and assumes, to the contrary, a substantial increase in rates in both the intermediate and long-term market in the immediate future.

Both economic scenarios, however, would indicate that 3-5 year investments should not now be made. If there is an economic slowdown, it is the short rates, i.e. Prime Rates, Federal Funds, 6 month/1 year rates, which will be affected. It is not likely that a five-year bond will go significantly lower in the next few months; indeed if the long-term market deteriorates, even temporarily, it will inhibit a substantial improvement in the five-year market. Finally, our rate of return will be higher if we purchase one-year securities at this time which are likely to decline considerably in reaction to a 7 to 7-1/2% Prime Rate. If, on the other hand, interest rates increase because of increasing monetary restrictions and inflation, we should wait and not make commitments now in the intermediate-term market. 1/

1/ The manner by which controls are tightened, loosened or eliminated and the resulting "artificial" pent-up demand and supply, makes it difficult to be confident about predicting the trend of interest

(continued)

Mr. Robert S. McNamara
Mr. S. Aldewereld

- 3 -

October 30, 1973

To summarize, we have restructured our portfolio so as to have few maturing investments during the next three months. We are not making intermediate-term commitments but are rather rolling over the few maturing obligations which we do have into six-month or one-year obligations.

Non-U.S. Market

Our non-U.S. holdings were drawn down in the month of October. We expect total disbursements for October to be \$125 million equivalent. We have therefore been able to disburse the proceeds of the 450 million Swiss francs borrowing in two months. At the same time interest rates on our deposits in Lebanon, Holland and France are continuing to rise in response to tight monetary conditions.

. . .

Long-term interest rates in Germany, Holland and Belgium still remain at or above the 8% level with slight improvement in the German market. In Japan, 13-year bonds are trading at or about 8% and, although the Government officials predict a lower interest rate in the spring of this year, current Japanese wage increases of 12-15% lead us to question that prediction. The last three Swiss issues, brought to market at about 6-1/2%, were not completely sold as domestic investors were reluctant to make long-term commitments given the current rate of inflation in Switzerland.

In summary, over the near term - 3-6 months, it is likely that the U.S. market will be the least expensive place to borrow. In addition,

1/ (continued)

rates. In this connection a recent study by the Kansas City Federal Reserve Bank showed that the Goldsmith-Nagan survey of the interest rate predictions of 40 leading U.S. economists over the last five years was no better than random. The economists' composite forecast did not predict interest rates better than a model which projected that interest rates would remain, for each period studied (3-month intervals), exactly where they were at the beginning of the period studied.

Mr. Robert S. McNamara
Mr. S. Aldewereld

- 4 -

October 30, 1973

the cost of carrying liquidity is much less in dollars than in other currencies since the investment opportunities are greater and there are no restrictions as to the investment of our resources.

One of the reasons interest rates have risen in Europe is because the potential for capital gains of holding European currencies vis-a-vis dollars has been more realistically evaluated. Investors are no longer willing to accept minimal interest rates in return for what they believed to be certain capital gains in Deutsche mark and Swiss francs. They have lost capital by converting into Deutsche mark and Swiss francs and, at the same time, have forgone substantial interest as a result of monetary restrictions in the latter currencies. Slowly but surely, therefore, rates of interest in European countries have risen in response to inflationary pressures in those countries, and in reaction to the improved strength of the U.S. dollar. The dollar has also gained strength as questions have begun to be raised about the strength of European economies in the face of expensive or non-existent sources of energy. And, as investors have shifted into dollars, borrowers have found a new resource. Developing countries in particular are borrowing large amounts in the medium-term Eurodollar market on a floating rate basis - over \$10 billion in calendar '73. These countries apparently believe the dollar is weak and are prepared to pay high interest rates in the expectation that the dollar will continue to perform as badly in the next several years as in the recent past. While it is true that some borrowers have had to bear higher than anticipated costs as a result of their having debt obligations denominated in strong currencies which were later revalued, I think it will be even more costly to borrow dollars on the terms being negotiated.

For your information, on the next page, there is a calculation showing the actual cost of a 7-1/4% Bank loan - assuming varying revaluation on all currencies disbursed, and assuming (a) an immediate revaluation and (b) one 15 years after commitment. Even if a borrower were to have all of its loan denominated in one currency (an unrealistic assumption) and even if that currency revalued 25% immediately after full disbursement (the calculation assumed a complete disbursement of the loan on one day, three years after commitment), also an unrealistic assumption, the total cost to the borrower, I believe, will be less than what borrowers will pay in the Euro-dollar market over time.

Attachments

EHRotberg:emk

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

IMPACT OF REVALUATION ON COST OF IBRD LOANS*

<u>EFFECTIVE ANNUAL BORROWING COST ASSUMING</u>		
<u>PERCENT OF REVALUATION</u>	<u>IMMEDIATE REVALUATION</u>	<u>REVALUATION AFTER 10 YEARS OF REPAYMENT</u>
10%	8.40%	7.58%
25	10.05	8.04
50	12.63	8.73

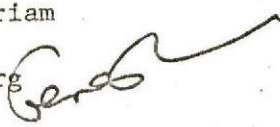
* Assumptions: 25-year maturity with 5 years grace period at 7.25% payable annually, full disbursement after 3 years.

Treasurer's Department
Investments Division
October 12, 1973

HJSchielke:arg

OFFICE MEMORANDUM

TO: Mr. John E. Merriam

FROM: Eugene H. Rotberg 

SUBJECT: Swedish Press Release

DATE: November 1, 1973

Attached is the latest draft press release re our forthcoming Swedish Kronor bond issue. It should not be released until November 16, 1973.

Attachment

EHRotberg:emk

PRESS RELEASE

7-1/4% Fifteen-Year Swedish Kronor Bonds

An issue of Swedish Kronor 75,000,000 (\$17.8 million) 7-1/4% Fifteen-Year Bonds of the International Bank for Reconstruction and Development (World Bank) will be offered in Sweden on November 16, 1973 by a group of eleven Swedish banks headed by Svenska Handelsbanken as manager. The Bonds will be offered at par.

The Bonds will be repayable at par beginning December 10, 1979 in ten annual installments of SKr 7,500,000 each, with a final maturity on December 10, 1988. The Bonds will not be callable and interest will be payable semi-annually on each June 10 and December 10, the first payment being due June 10, 1974. The Bonds are exempt from all Swedish Stamp duties and will be listed on the Stockholm Stock Exchange.

This is the second public offering of World Bank Bonds in Sweden. The first issue of SKr 75,000,000 was placed in 1967.

The new borrowing operation in Sweden is welcomed by the World Bank as a further strengthening of World Bank's resources in support of its expanding assistance to developing countries.

November 1, 1972

BIOGRAPHICAL RESUME

EUGENE H. ROTBERG is Treasurer of the World Bank, a position which he has held since January 1, 1969. Prior to that time he was with the Securities and Exchange Commission where he served as Chief Counsel, Office of Policy Research and Associate Director for Markets and Regulation. He received his Bachelor's Degree in 1951 from Temple University and graduated from University of Pennsylvania Law School in 1954. He is a member of the District of Columbia and Pennsylvania Bar and is a Professorial Lecturer in Law at the George Washington University Law School.

*Sent to George Ross AG Becker re
II Board Conf.*

OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

FROM: Eugene H. Rotberg *ER*

SUBJECT: Conference on medium-term Eurocurrency Loans

DATE: October 29, 1973

Siem:

Attached is a short memorandum on a conference on medium-term Eurocurrency loans. There is also attached an Appendix which has some interesting data on the size and participants in the market.

The market has little interest for us because virtually all of the loans carry floating rates. However, I think we should be interested in the recent activities of developing countries in this market.

First, I am not sure that our external debt data fully covers this new activity. Second, I think these are unwise transactions for most developing countries. The rates are high and rarely have ceilings. The desire for these loans represent, I think, an overreaction of countries who wish to borrow a "weak" currency without restrictions as to how the funds will be used. Third, I think there is a real possibility that our lower than anticipated rate of disbursements may, in part, be due to this kind of financing and, if so, we might wish to make a more organized effort to find out more precisely its size. I have heard estimates that over \$12-15 billion will be borrowed by LDCs in this market in calendar 1973.

I have sent you two copies of the memorandum and appendices in the event that you would wish to send it on to Hollis Chenery or Burke re their evaluation of creditworthiness, external debt, etc.

Attachments

EHRotberg:emk

EGBUFOR, EMANUEL

HUNTLEY, Cynthia

PHIPPS, Phyllis

HANLON, MARK HOWARD

 SONG - Ai Tims

RIBIBEIRO, FRANCISCO



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

October 24, 1973

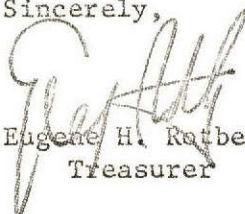
Mr. Ned M. Bailey
Chairman of the Board
Capital Guardian Trust Company
611 West Sixth Street
Los Angeles, California 90017

Dear Mr. Bailey:

Thank you for your letter of October 17.

I am unable to send you a copy of the speech
which I gave at the First Institutional
Investor Bond Conference earlier this month
as my remarks were made from informal notes
and not from a prepared text. I appreciate
your interest, however, and your kind comments.

Sincerely,


Eugene H. Ratberg
Treasurer

Chron.



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

October 24, 1973

Mr. Koshi Suzuki
Manager
International Finance Department
The Industrial Bank of Japan, Ltd.
Yaesu, Tokyo, Japan

Dear Mr. Suzuki:

Thank you very much for your letter
of October 18, 1973 with which you enclosed
IBJ's latest Bond Market Report. I continue
to find this information interesting and
appreciate your thoughtfulness in sending it
to me.

Sincerely,


Eugene H. Rotberg
Treasurer

OUTGOING WIRE

TO: HANDELSBANK
STOCKHOLM

DATE: OCTOBER 19, 1973

CLASS OF
SERVICE: FULL RATE

COUNTRY: (SWEDEN)

TEXT:
Cable No.: ATTENTION: MR. KJELL BRANDSTROM

THANK YOU FOR YOUR TELEX THIS IS TO CONFIRM THAT MESSRS. SCOTT
AND VAN SAAGSVELT WILL COME TO SEE YOU AT 2:30 PM ON MONDAY
OCTOBER 22 STOP THEY BOTH HAVE RESERVATIONS AT SHERATON HOTEL
KINDEST REGARDS

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

EUGENE H. ROTBERG

L . .

TREASURER'S

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

WvanSaagsvelt:bb

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Scott
Mr. van Saagsvelt
Mr. Sella

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch

OUTGOING WIRE

TO: HANDELSBANK

DATE: OCTOBER 18, 1973

STOCKHOLM

CLASS OF
SERVICE: FULL RATE

COUNTRY: (SWEDEN)

TEXT:
Cable No.:

ATTENTION: MR. KJELL BRANDSTROM

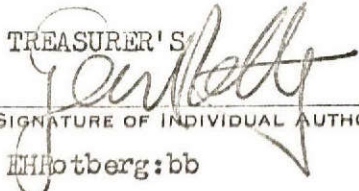
RE OUR PROPOSED BORROWING OPERATION SWEDEN THIS WILL ADVISE THAT
MR. HUGH SCOTT, ASSISTANT GENERAL COUNSEL, ARRIVES SAS FLIGHT 904
SUNDAY MORNING AT 8:10 AM OCTOBER 21 STOP MR. WILLIAM VAN SAAGSVELT,
DEPUTY CHIEF SECURITIES DIVISION, ARRIVES SABENA FLIGHT 761 AT
11:45 AM MONDAY OCTOBER 22 STOP THEY WILL BRING WITH THEM DRAFT
DOCUMENTATION FOR PROPOSED ISSUE STOP KINDEST REGARDS

ROTBERG
TREASURER
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:bb

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Sella
Mr. Scott
Mr. van Saagsvelt

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch

D R A F T
10/18/73

HANDELSBANK
STOCKHOLM
(SWEDEN)

ATTENTION: MR. KJELL BRANDSTROM

RE OUR PROPOSED BORROWING OPERATION^{Sweden} THIS WILL ADVISE THAT

MR. HUGH SCOTT, ~~COMMA~~ ASSISTANT GENERAL COUNSEL, ~~COMMA~~ ARRIVES

SAS FLIGHT NO. 904 SUNDAY MORNING AT 8:10 AM OCTOBER 21 STOP

~~AND MR. WILLIAM VAN SAAGSVELT, COMMA DEPUTY CHIEF, COMMA SECURITIES~~

DIVISION ^{arrives} SABENA FLIGHT 761 AT 11:45 AM MONDAY OCTOBER 22 STOP

THEY WILL BRING WITH THEM A DRAFT DOCUMENTATION ^{for proposed line} INCLUDING

~~MOST RECENT FINANCIAL STATEMENTS~~ STOP KINDEST REGARDS

~~XXXXXXXX~~ ROTBERG
TREASURER
INTBAFRAD

cc:

Alman
Seda
Ven S

OUTGOING TELETYPE

Time:

Federal Reserve Bank of New York, New York
Attention: Foreign Department

Date:

OCTOBER 16, 1973

No. 1643

ATTENTION MR. COYLE
FOR SETTLEMENT TODAY
DEBITING OUR ACCOUNT "A GENERAL" PLEASE PURCHASE \$14,000,000

FACE VALUE TREASURY BILLS BEST YIELD AVAILABLE TEST 1200

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

cc: Mr. Rotberg
Mr. Hittmair
Mr. Prins
Mr. Rutland
Miss Johnston
Mr. Schielke
Mr. Michaelcheck

arg.

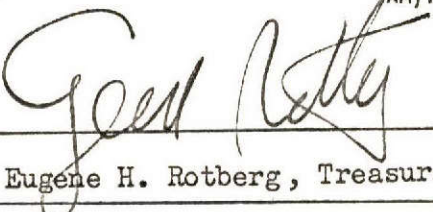
TEST

DESPATCHED

BY

AM/PM

AUTHORIZED BY:


Eugene H. Rotberg, Treasurer, TREASURER'S DEPARTMENT 

OUTGOING TELETYPE

Time:

Federal Reserve Bank of New York, New York
Attention: Foreign Department

Date:

OCTOBER 16, 1973

No. 1641

ATTENTION MR. MASON

VALUE TODAY PLEASE DEBIT OUR ACCOUNT "A GENERAL" AND PAY
\$10,025,667.82 TO DISCOUNT CORPORATION, NEW YORK AGAINST RECEIPT
OF THE FOLLOWING BEARER CERTIFICATES OF DEPOSIT:

\$5,000,000 FACE VALUE ISSUED BY MARINE MIDLAND BANK - NEW YORK
DATED OCTOBER 15, 1973 TO MATURE FEBRUARY 25, 1974
AT 9-3/4% PER ANNUM

\$5,000,000 FACE VALUE ISSUED BY FIRST NATIONAL CITY BANK DATED
OCTOBER 10, 1973 TO MATURE FEBRUARY 22, 1974 AT
9.15% PER ANNUM

STOP PLEASE DEPOSIT CERTIFICATES IN OUR IBRD SECURITIES CUSTODY
ACCOUNT B TEST 1402

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

cc: Mr. Rotberg
Mr. Hittmair
Mr. Prins
Mr. Rutland
Miss Johnston
Mr. Schielke
Mr. Michaelcheck

arg.

TEST

DESPATCHED

BY

AM/PM

AUTHORIZED BY:

Eugene H. Rotberg, Treasurer

TREASURER'S DEPARTMENT

File 8.8.73
6/12

OUTGOING TELETYPE

Time:

Federal Reserve Bank of New York, New York
Attention: Foreign Department

Date:

OCTOBER 16, 1973

No. 1642

ATTENTION MR. MASON

VALUE TODAY PLEASE DEBIT OUR ACCOUNT "A GENERAL" AND PAY
\$9,102,825.56 TO IRVING TRUST COMPANY ~~XXXXXXXXXX~~ ATTENTION
DEALERS CLEARANCE SECTION FOR ACCOUNT OF SALOMON BROTHERS
AGAINST RECEIPT OF THE FOLLOWING BEARER CERTIFICATES OF
DEPOSIT:

\$5,000,000 FACE VALUE ISSUED BY FIRST NATIONAL CITY BANK DATED
OCTOBER 1, 1973 TO MATURE FEBRUARY 11, 1974 AT 9.40%
PER ANNUM

\$4,000,000 FACE VALUE ISSUED BY HARRIS TRUST AND SAVINGS BANK,
CHICAGO DATED AUGUST 20, 1973 TO MATURE FEBRUARY 19, 1974
AT 10-1/8% PER ANNUM

STOP PLEASE DEPOSIT CERTIFICATES IN OUR IBRD SECURITIES CUSTODY
ACCOUNT B TEST 1547

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

cc: Mr. Rotberg
Mr. Hittmair
Mr. Prins
Mr. Rutland
Miss Johnston
Mr. Michaelcheck
Mr. Schielke

TEST arg.

DESPATCHED

AM/PM

BY

AUTHORIZED BY:

Eugene H. Rotberg, Treasurer

, TREASURER'S DEPARTMENT

Yield 9 3/4%
10/22

Chron.

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OFFICE MEMORANDUM

TO: Sir Denis Rickett
FROM: Eugene H. Rotberg *emk*
SUBJECT:

DATE: October 15, 1973

It was a most interesting discussion in your office last Friday. You might be interested in the attached memorandum prepared in July 1971 which analyzes a similar, if not identical, proposal from Rothschilds.

Attachment

EHRotberg:emk

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
Mr. S. Aldewereld

FROM: Eugene H. Rotberg *ER*

SUBJECT: Portfolio Statement: September 30, 1973

DATE: October 12, 1973

There is attached the portfolio statement for the period ending September 30, 1973.

The average yield on all invested funds of \$3.9^b million is now 7.23% - an increase of about 100 basis points since January 1, 1973. The increase in average yield is due to the substantial increase in interest rates on both the dollar and non-dollar components of our portfolio and the holding of a large short maturity position at the end of 1972 and early 1973. We have now restructured our portfolio and made considerable long-term commitments in the three to five-year maturity in the last several months. Nonetheless, we did not shift as much funds as we would have liked. The timeframe for optimum investment was quite short within which to make intermediate-term investments. For example, the table below shows the decline in yields for the 16 days September 17, 1973 to October 3, 1973.

Changes in Yields in U.S. Market
from September 17 to October 3, 1973

	<u>Sept. 17, 1973</u>	<u>Oct. 3, 1973</u>
<u>Treasury Bills</u>		
6 months	9.37%	7.86%
<u>Treasury Notes</u>		
1 year	8.52%	7.63%
<u>Agency Bonds - FNMA</u>		
6 months	9.93%	7.80%
5 years	7.81%	7.43%
<u>Certificates of Deposit</u>		
1 year	9.00%	7.50%

Within this timeframe the yields on certain maturities dropped as much as 150 basis points within two days, making it difficult to do further extension of our maturities in any substantial size. The decline in yield (price increase) within a two-week period reduced our U.S. capital loss from about \$35 million to \$10 million, primarily because our recent commitments were fairly long term. Further market improvement has occurred during the last ten days. In this connection, I think it is interesting to note that the decline in 16 days of 213 basis points in the six-month market (20.7% return) is less profitable than the 38 basis point decline in the five-year maturity (35% return).

October 12, 1973

My colleagues and I do not feel, at this time, that further commitments in the three to five-year maturity range are warranted. At current yields (7-7-1/4%) we think that the market has responded too aggressively to what it considers to be an easing of Federal Reserve policy. We think that rates for five-year securities will be higher than their current level of 7-1/4% at some point in the next 6 to 12 months and, although there is no consensus on the precise timing, we would expect to make further commitments in the four to five-year maturity range at about the 7-3/4% - 8% level. Prior to that time, we expect to make commitments in one-year maturities at the 8% level and are rolling over maturing time deposits into shorter maturities again at the 9 - 9-1/4% level.

The August 31 Ic report shows an investment income of about \$262 million, as compared to the \$238 million original projection, which itself was a conservative projection. The August \$262 million projected investment income assumed an incremental investment of maturing obligations at 7-5/8%. We now think there is a good chance that investment income may be as high as \$270 million. In view of the market's volatility, however, we are conservatively projecting, for purposes of the forthcoming September Ic report, a reinvestment rate of our maturing time deposits at 8% - a rate lower than we currently obtain and forecast.

The extent to which we can further raise the overall return on our total liquidity position is limited by the lack of any investment opportunity in Switzerland and very low rates in Lebanon, Libya, Kuwait and Germany.

Currently, we have ceased disbursing Japanese yen and Deutsche mark and are disbursing Swiss francs, Libyan dinars, Kuwaiti dinars and capital funds almost exclusively. 1/ We are now negotiating with the German Government to see whether we can obtain a yield on investments more commensurate with market yields rather than the artificial low yield they make available to us by way of Treasury Bills. We have not been

1/ If we do not have a currency invested, i.e. if it is in a non-interest bearing account, it does not appear on our investment statement. Such funds (as well as other cash which we hold in trust for others and which also cannot be invested) are currently shown on the Ic report under "Cash and Investments". I understand that we will now include a footnote to the Ic report indicating the amounts not usable or held in trust for others.

Mr. Robert S. McNamara
Mr. S. Aldewereld

- 3 -

October 12, 1973

successful in this effort in the past but believe that, in view of the high interest rates we pay to the Bundesbank and the fact that we must maintain a fairly large balance to service our own debt there, better arrangements for investment opportunities might be made available. If we could invest our liquid funds in Germany at prevailing interest rates, we could increase our net income for a year by about \$5 million. We are also renegotiating some of our time deposits in The Netherlands to extend our maturities at higher rates.

In summary, I believe that by the end of the year we will have a yield for our portfolio which will come close to the average cost of our borrowing for FY74 if we can increase the yields or substantially draw down the non-dollar component of our portfolio. I doubt that we will substantially increase the yields on our dollar holdings - particularly since we would hope to roll over short-term high-yielding deposits into lower-yielding intermediate-term investments so as to assure a sustained good return for future years.

Despite the increase in future drawdowns on the Japanese Line of Credit to 7.44%, we should be able to maintain our projected overall cost of borrowing for this year at or below the 7.50% level. More important, if Central Banks will continue to tighten credit as a means of combating inflation (primarily through market activities which raise short-term interest rates), we may find, over time, that we can achieve a rate of return on investments fairly close to the average cost of our borrowings. For example, in the United States in the last 55 months, short-term rates (3 months to 1 year) were higher than intermediate-term rates (5 years) in 26 of those months, and were higher than long-term borrowing rates in about 1/3 of the months during that period.

Attachment

EHRotberg:emk

Chron

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Lester:

The attached letter to Mr. McNamara came from Dr. David Horowitz, author of the Horowitz Proposal. I understand that the Legal Department had done some extensive work analysis of this proposal some years ago. After reading his letter I do not think that Horowitz realizes the magnitude of the subsidy which would be required to make up the difference between market borrowings and soft IDA loans. However, I am no expert on this matter and I thought perhaps that you or someone in your staff should answer the letter for McNamara's signature.

Gene R.
10/12/73 *me*

Attachment: a/s

Enclosure ltr dtd Sept. 25, 1973 from D. Horowitz,
Bank of Israel addressed to Mr. McNamara.7

Name	Title	Organization	(check one)		
			Personal	Official	Hospitality
Host Mr. Eugene H. Rotberg	Treasurer	Bank		X	
Other Bank Group Staff Mr. Hans C. Hittmair	Deputy Treasurer	Bank		X	
Mr. Lester Nurick	Associate Gen. Counsel	Bank		X	
Douglas Fontein	Legal Counsel	Bank		X	
Others					
Mr. S. Kobayashi	Senior Executive Governor	Osaka Securities Exchange (Japan)		X	
Mr. Minoru Nakamura	Secretary of the Exchange	"		X	
Signature of Host	Department to be charged for Official/Staff Hospitality		Date		
<i>Eugene H. Rotberg</i>	Treasurer's Department		10/3/73		

REQUEST FOR DINING ROOM RESERVATION

(See Reverse Side for Instructions)

TO: Executive Dining Room Manager, Room C216

I request a reservation in the Executive Dining Room on "E" - Thursday - 1 pm October 11, 1973
(Day) (Date)
for the following 6 people, of which (a) will be Personal Charges
(No.) (No.)
(b) 6 will be Official Charges
(No.)
(c) will be Staff Hospitality Charges
(No.)

Name	Title	Organization	(check one)		
			Personal	Official	Hospitality
Host Mr. Eugene H. Rotberg	Treasurer	Bank		x	
Other Bank Group Staff					
Mr. Hans C. Hittmair	Deputy Treasurer	Bank		x	
Mr. Lester Nurick	Associate Gen. Counsel	Bank		x	
Mr. Douglas Fontein	Legal Counsel	Bank		x	
Others					
Mr. S. Kobayashi	Senior Executive Governor	Osaka Securities Exchange (Japan)		x	
Mr. Minoru Nakamura	Secretary of the Exchange	"		x	
Signature of Host		Department to be charged for Official/Staff Hospitality		Date	
G. Hittmair		Treasurer's Department		10/3/73	



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20433, U. S. A.

Chron
copy given to
Mr. Andersson

October 11, 1973

Mr. Kjell Brändström
Executive Vice President
Svenska Handelsbanken
Box 16431
Stockholm, Sweden

Dear Mr. Brandstrom:

It was most pleasant talking to you today. We look forward very much to doing a proposed transaction in Swedish Kronor with you.

In accordance with our telephone conversation, I thought it might be useful to describe a few of our recent borrowing operations - in the context of the market yield on World Bank obligations as compared to other obligations in the marketplace.

In Japan the Bank has borrowed through private placement with The Bank of Japan approximately 1.5 billion dollars equivalent. Under our agreement with The Bank of Japan the interest rate on these borrowings (which are drawn down over a period of time) is set at the applicable rate for government-guaranteed obligations. In the Japanese public market, we issued yen-denominated bonds in December 1971 at a yield of 7% at a time when Nippon Telephone and Telegraph bonds were trading at a 7.07% yield. Recently, in July 1973, our Japanese yen-denominated bonds were issued at 7.56% while the Nippon Telephone and Telegraph were then yielding 7.66%.

In Belgium our public bond issue of February 1972 was marketed at a yield of 7.12% at the time a Belgian Government recent issue was yielding 7.21% in the marketplace.

In Holland, in 1971 when yields were quite high, we issued our bonds to yield 8.22% during a period when issues of the Bank for Netherlands Municipalities were yielding 8.20% in the marketplace.

Recently, in April 1973 the World Bank issued Deutsche mark-denominated bonds (which were primarily purchased outside of Germany) at a yield of 6.28%. At that time the European Coal and Steel bonds for the same maturity, also primarily

Mr. Brandstrom

- 2 -

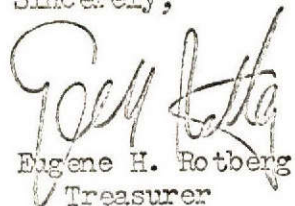
Oct. 11, 1973

purchased by a cross-section of residents throughout Europe, were yielding 6.42% in the market. The German Government bonds, placed domestically, and therefore without tax advantage to non-resident buyers, were then yielding 8.37%.

For the most part therefore, in Europe and in Japan, our bonds trade at or about the level of government-guaranteed obligations and usually are marketed at somewhat lower yields than high grade private industrial issuers. In the United States, we have successfully placed our bond issues in recent years at or about yields commensurate with the highest quality AAA utility issuers.

I hope this information will be helpful to you. Please do not hesitate to call me to discuss this or related matters further. Kindest regards.

Sincerely,



Eugene H. Rotberg
Treasurer

Chron



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D.C. 20433, U.S.A.



October 11, 1973

Dear Emmett:

I have just returned from the Bank's Annual Meeting in Kenya and was delighted to learn of your appointment to the TWA Board of Directors. Please accept my congratulations. I am sure you will do a great job. Iris joins me in sending best wishes to you and your wife.

Keep in touch.

Sincerely,

Eugene H. Rotberg
Eugene H. Rotberg

Mr. Emmett J. Rice
1673 Myrtle Street, N.W.
Washington, D.C.

Chon.

OUTGOING WIRE

TO: BANKUNION
ZURICH

DATE: OCTOBER 8, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (SWITZERLAND)

TEXT:
Cable No.:

34163 ATTENTION MR. TH. HORAT, SYNDICATE DEPARTMENT

~~34163~~ THANK YOU FOR YOUR TELEX REGARDING PRIVATE PLACEMENT. AT THIS
TIME HOWEVER WE WOULD PREFER TO MARKET A LONG TERM PUBLIC ISSUE.
WE UNDERSTAND THIS WILL BE POSSIBLE EARLY IN THE FIRST QUARTER
OF 1974. THANK YOU AGAIN FOR YOUR INTEREST. PERSONAL REGARDS.

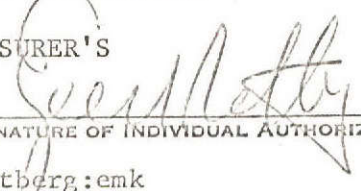
ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

D. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Hittmair
Mr. Deely
Mr. Prins

For Use By Communications Section

Checked for Dispatch

OUTGOING WIRE

TO: CREDIT
ZURICH

DATE: OCTOBER 8, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (SWITZERLAND)

TEXT:
Cable No.:

241 ATTENTION DR. HURTER

THANK YOU FOR YOUR TELEX. WE LOOK FORWARD TO OPERATION XX EARLY
IN THE FIRST QUARTER OF 1974. YOUR COOPERATION AND ASSISTANCE
VERY MUCH APPRECIATED. KINDEST REGARDS.

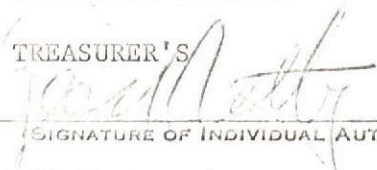
ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (file Copy)

(ADVISE AND/OR SECRETARIES GUIDE FOR PREPARING FORM)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Hittmair
Mr. Deely
Mr. Prins

For Use By Communications Section

Check for Dispatch

Chen

10822 Childs Court
Silver Spring, Md.
20901

October 8, 1973

Dear Aunt Rheba:

Upon our return from Africa just now, Iris and I heard about Uncle Ben's death. My parents had known about it before we left for Africa three or four weeks ago but decided not to tell us. Both of us express to you our great sympathy.

I, personally, of course, will always remember Uncle Ben as one of my fondest relatives who always was so interested in what I was doing and was always willing to sit around and talk. He was one of the few relatives who I could say could do something better than anyone else. I could always go around bragging that I had an uncle who could beat anyone in bridge.

Of course, the inevitability of death does little to relieve one's sadness but perhaps you will get some solace in realizing that Uncle Ben was very much loved and respected by all of his nephews and nieces who knew him.

Love,



Mrs. Rheba Kohen
Roney Plaza Apartments
23rd & Collins Avenue
Miami Beach, Florida



Record Removal Notice



File Title Eugene H. Rotberg - Chronological Records - Volume 10 - June - December 1973		Barcode No. 1858113		
Document Date October 8, 1973	Document Type Memorandum			
Correspondents / Participants To: Mr. Taro Hori, Executive Director for Japan From: Eugene H. Rotberg, Treasurer				
Subject / Title Visit by Officials from the Osaka Securities Exchange				
Exception(s)				
Additional Comments Declassification review of this record may be initiated upon request.		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by K. Brenner-Delp</td><td>Date June 26, 2025</td></tr></table>	Withdrawn by K. Brenner-Delp	Date June 26, 2025
Withdrawn by K. Brenner-Delp	Date June 26, 2025			

Chron

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OFFICE MEMORANDUM

TO: Mr. Taro Hori, Executive Director for Japan DATE: October 8, 1973
FROM: Eugene H. Rotberg, Treasurer *EHR*
SUBJECT: Visit by Officials from the Osaka Securities Exchange

On Thursday, October 11, Mr. Kobayashi and Mr. Nakamura of the Osaka Securities Exchange will be in Washington and I have invited them to have lunch with me and a few of my colleagues. If you are free on that day I would be most pleased if you would join us. If it is not possible for you to be with us, perhaps you would extend the invitation to Mr. Sumi, the Alternate Executive Director.

The luncheon will be at 1 o'clock in Dining Room 5 in the "E" Building. I would appreciate your advising me if you or your associate can attend the luncheon.

October 2, 1973

Mr. John H. Costello
Fidelity Management & Research Company
35 Congress Street
Boston, Massachusetts 02109

Dear Mr. Costello:

Reference is made to your letter of September 21, 1973, regarding the classification of International Bank for Reconstruction and Development bonds.

This is to advise you that the bonds of the International Bank for Reconstruction and Development are not "U.S. - Treasury or Agency Obligations". As you may know, all of the capital shares of this Bank are owned by member governments who provide, in effect, a guarantee of the Bank's obligations through unpaid but callable capital subscriptions which can be used only to meet the Bank's obligations. The unpaid callable capital subscriptions of member governments now amount to \$27 billion of which the United States subscription is \$7 billion.

Sincerely yours,

Eugene H. Rotberg
Treasurer

EHRotberg:mb

OUTGOING WIRE

TO: GENBANK
AMSTERDAM

DATE: OCTOBER 2, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: THE NETHERLANDS

TEXT:

Cable No.: ATTENTION: DR. A. BATENBURG

TEST 1011

PLEASE QUOTE BEST RATES FOR TIME DEPOSIT OF UP TO GUILDERS 8.5 MILLION

FOR

AAA SIX, NINE AND TWELVE MONTHS AND

BBB FOR TWO, THREE AND FOUR YEARS STOP

PLEASE ADVISE WHETHER AND ON WHAT TERMS EARLY WITHDRAWAL OPTION CAN

BE ARRANGED FOR BBB STOP MR. HITTMAIR, DEPUTY TREASURER, WILL BE IN

EUROPE LATER THIS MONTH AND COULD CALL ON YOU FOR FURTHER DISCUSSIONS

STOP BEST REGARDS

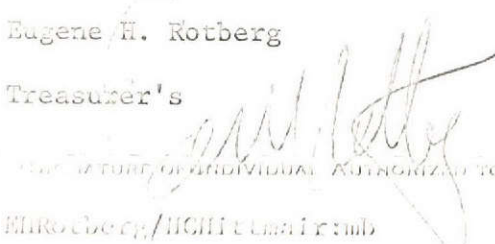
ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Eugene H. Rotberg

Treasurer's

SIGNATURE  AUTHORIZED TO APPROVE

EHROTBERG/HCHITTMAIR:mdb

CLEARANCES AND COPY DISTRIBUTION:

Messrs. Hittmair, Schielke, Prins,
Miss Johnston

For Use By Communications

OUTGOING WIRE

TO: MR. SHIZUO KOBAYASHI
OSAKA SECURITIES EXCHANGE
KITAHAMA 2-CHOME HIGASHI-IU
OSAKA 541

DATE: OCTOBER 1, 1973

CLASS OF
SERVICE: TELEX *Full Rate*

COUNTRY: JAPAN

TEXT:
Cable No.:

THANK YOU FOR YOUR LETTER ADVISING ME OF FORTHCOMING VISIT TO
WORLD BANK GROUP STOP I WOULD BE MOST PLEASED TO SEE YOU STOP
PLEASE ADVISE WHETHER YOU AND MR. NAKAMURA CAN JOIN ME AND
MY COLLEAGUES FOR LUNCH ON OCTOBER 11 STOP KINDEST PERSONAL
REGARDS

ROTBURG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME E.H. Rotberg

DEPT. Treasurer's

SIGNATURE *E.H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

CLEARANCES AND COPY DISTRIBUTION:

Mr. Hittmair

For Use By Communications Section

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(MAY NOT BE USED FOR PREPARING FORMS)

Checked for Dispatch:

60



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



October 1, 1973

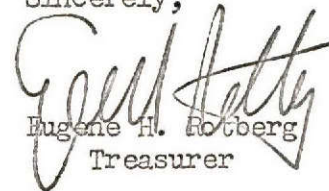
Dear Mr. Nishiyama:

I have just returned from the Annual Meeting in Nairobi and was very pleased to find copies of your latest brochure "Introduction to Sumitomo Trust" on my desk. It was very nice of you to include my picture together with Mr. Okudaira in your new publication.

Please accept my sincere appreciation for your courtesy and kindness in sending me these brochures.

With best personal regards.

Sincerely,


Eugene H. Rotberg
Treasurer

Mr. Hiroichi Nishiyama
Manager, International Department
The Sumitomo Trust and Banking Co., Ltd.
4-4, Marunouchi 1-Chome, Chiyoda-ku,
Tokyo, Japan

The Sumitomo Trust & Banking Co., Ltd.

Telephone No.
(211) 0661

4-4, Marunouchi 1-Chome, Chiyoda-ku,
Tokyo, Japan

Cable Address
"SMITBANKING"

September 12, 1973

Mr. Eugene H. Rotberg
Treasurer
World Bank
1818 H Street, N. W.,
Washington, D. C. 20433
U. S. A.

Dear Mr. Rotberg,

We are pleased to send you our latest brochure,
" Introduction to Sumitomo Trust " which includes
the picture of Mr. Rotberg on Page 12.

Concerning our international activities, we
referred to the first yen-denominated private
placement in Japan of your World Bank.

We are very glad to find that our new brochure
became brilliant owing to the photograph of you and
Mr. Okudaira, our president.

With best wishes for your health and prosperity.

We remain,

sincerely yours,



Hiroichi Nishiyama
Manager
International Department

HN:kf

Chron

HITMAIR
INTBAPRAD
WASHINGTON, DC

SEPTEMBER 25, 1973

LT

U.S.A.

AUSTRIAN LOAN AGREEMENT SIGNED 5 PM, MONDAY SEPTEMBER 24, 1973 stop

BEST REGARDS

ROTBURG

Eugene H. Rotberg

Treasurer's

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
Mr. S. Aldewereld

DATE: September 14, 1973

FROM: Eugene H. Rotberg *ER*

SUBJECT: Statement of Portfolio Yields for the Period ending August 31, 1973

Attached is the statement of portfolio yields for the period ending August 31. Current yields for U.S. dollar investments are as follows:

3-month Treasury Bills	-	9%
6-month Treasury Bills	-	9.5%
3-month Certificate of Deposit	-	11%
6-month Certificate of Deposit	-	10-1/8%
1-year Certificate of Deposit	-	8-1/2%
2-year Agencies	-	8%
5-year Agencies	-	7-3/4%

The short-term rates, which reflect extremely tight monetary policy by the Federal Reserve Board, are at historic highs. The 5-year maturities remain well below their 9% highs reached several years ago during the last escalation of interest rates. It is our present plan to purchase more 5-year agencies at or about the 8% level or, alternatively if they are not available, to purchase 2-year agencies at or about the 8-1/4% level. The negative yield between short and intermediate term maturities is at historic differentials. We believe there is a greater likelihood that yields on 4-5 year investments will increase (they reached 8-1/2% for a few days in mid-August), rather than for the short-term rates to decline drastically in the next few months. Further, even if short-term rates were to decline, it is our expectation that the decline would have a smaller effect on the current yields for intermediate-term agencies.

You may be interested in the table following (Attachment I) which presents an analysis showing the real rate of return (interest income plus/minus capital gain or loss) for various investments made now, and after 3-month intervals under varying projected interest rate conditions.

Our U.K. investments do not do well. The only solace is that the market yields of 6-1/2% U.K. stocks are almost at the 11% level. Thus we would have had a substantial unrealized capital loss on the intermediate term investments at 6-1/2%. The yield curve has become flat in the U.K. In this connection, Attachment II shows the impact on the market price and total return of two different bonds caused by an increase in yield to 11%. The first bond is a 6-1/2% coupon 5-year

Mr. Robert S. McNamara
Mr. S. Aldewereld

- 2 -

September 14, 1973

instrument originally purchased at 100. As the table shows, the market price would drop to \$85.75 if the yield increased to 11% at the end of one year. This drop of \$14.25 in market price would be partially offset by the 6-1/2% coupon which is assumed to be reinvested at 11%. The net result of these three factors (capital loss, coupon income and reinvestment of coupons) is a total return of -5.62% for the year.

The Table shows that the total return on a 9.25% 13-year bond would always be higher than the total return on a 6.50% bond of 5-year maturity if both bonds are sold in the market at an 11% yield. Stated another way, the 275 basis point higher yield on the 9.25% bond has a more favorable financial impact than the effect of 8 years additional maturity.

Attachments

EHRotberg:emk

5YR. 8% AGENCY BOND

PRICED AT 100.00 TO YIELD 8.00

REALIZED COMPOUND YIELD TABLES

-----YIELD VALUES-----

WORKOUT TIME	5.00%	6.00%	7.00%	8.00%	9.00%
0.25YRS	62.36	42.65	24.58	8.01	-7.20
0.50YRS	31.93	23.58	15.61	8.00	0.73
0.75YRS	22.60	17.57	12.71	8.00	3.43
1.00YRS	18.09	14.64	11.27	7.99	4.79
1.25YRS	15.44	12.90	10.42	7.99	5.61
1.50YRS	13.70	11.76	9.85	7.98	6.15
1.75YRS	12.47	10.95	9.45	7.98	6.53
2.00YRS	11.56	10.34	9.15	7.97	6.81

2YR. 8.50% AGENCY BOND

PRICED AT 100.00 TO YIELD 8.50

REALIZED COMPOUND YIELD TABLES

-----YIELD VALUES-----

WORKOUT TIME	5.50%	6.50%	7.50%	8.50%	9.50%
0.25YRS	29.21	22.05	15.16	8.51	2.11
0.50YRS	17.04	14.14	11.29	8.50	5.76
0.75YRS	13.15	11.57	10.02	8.49	6.98
1.00YRS	11.23	10.31	9.39	8.48	7.58
1.25YRS	10.10	9.55	9.01	8.47	7.93
1.50YRS	9.36	9.06	8.76	8.46	8.17
1.75YRS	8.83	8.70	8.58	8.45	8.32
2.00YRS	8.44	8.44	8.44	8.44	8.44

1YR. 9% SECURITY

PRICED AT 100.00 TO YIELD 9.00

REALIZED COMPOUND YIELD TABLES

-----YIELD VALUES-----

WORKOUT TIME	6.00%	7.00%	8.00%	9.00%	10.00%
0.25YRS	18.01	14.96	11.96	9.02	6.13
0.50YRS	11.93	10.94	9.97	9.00	8.04
0.75YRS	9.95	9.63	9.30	8.98	8.67
1.00YRS	8.98	8.97	8.97	8.97	8.97

A COMPARISON BETWEEN TOTAL RETURN^{1/} FROM A
13-YEAR 9.25% BOND AND A 5-YEAR 6.50% BOND
RESULTING FROM A YIELD INCREASE TO 11%

VALUE DATE	6-1/2% Coupon Bond Five-Year Maturity		9.25% Coupon Bond Thirteen-Year Maturity	
	Market Price at 11%	Total Return ^{2/}	Market Price at 11%	Total Return ^{2/}
After One year	85.75	-5.62%	88.49	-1.66%
Two years	88.76	2.52%	88.99	4.57%
Three years	92.11	5.31%	89.54	6.69%
Four years	95.85	6.71%	90.16	7.74%
Five years	100.00	7.56%	90.85	8.40%

^{1/} Total return is computed by adding coupon earnings to market loss or gain.

^{2/} Assuming all coupons are reinvested at 11%.

William J. Michaelcheck
September 10, 1973
Treasurer's Department



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



September 7, 1973

Mr. Charles A. Coombs
Senior Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, N.Y. 10045

Dear Mr. Coombs:

I am enclosing for your information
Document No. R73-213 issued in connection
with our proposed borrowing from the Govern-
ment of the Republic of Austria, which has
been approved by our Board of Executive
Directors.

Sincerely,


Eugene H. Rotberg
Treasurer

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Eugene H. Rotberg

SUBJECT: Allocation of September 1973 Central Bank Issue

DATE: August 31, 1973

The purpose of this memorandum, Bob, is to express to you the reasons why my colleagues in this Department and I raised questions and were concerned about the allocation of our recent Central Bank issue. While the decision has been made and is now "water over the dam", all of us think it is important for you to receive directly the views of this Department. Some of my colleagues have worked on the issuance and allocation of bond issues for much of their careers; others only recently, but all of us believe that you should know the reasons for our concern. We are, by no means, certain we are "right" - if that word is appropriate at all for this kind of decision, but we think the issues are of sufficient importance for us to communicate them to you.

What were the relevant circumstances surrounding this issue? First, the interest rate was set at 8-5/8%. Sophisticated Central Banks, and some not so sophisticated ones, realized that this was a generous rate, both in the context of available market opportunities during the subscription period and in absolute terms. Second, the size of the issue was set \$70 million below the subscriptions received from the March 1973 issue. Third, the dollar had shown increasing strength in the exchange markets. Fourth, many Central Banks had substantially increased their subscriptions in the two years intervening from the maturing issue. The issue now maturing, as you may recall, was at the time of the first dollar crisis and represented the nadir of Central Banks' willingness to buy dollar-denominated obligations. Exchange markets were closed. We postponed our September 1971 issue until markets stabilized. The September 1971 issue resulted in the lowest level of subscriptions in the last 10 issues. Indeed, many Central Banks had reduced their subscriptions to the issue now maturing from previous levels in response to their disenchantment - their fear of holding dollars after the dollar was no longer convertible to gold.

Virtually all subscribers to this issue substantially increased their commitments to us since the September 1971 issue. We think that these factors are relevant in allocating the oversubscription.

. . .

No system of allocation is a perfect one. All have advantages and disadvantages. Obviously, reasonable people differ on the fairest and most rational method of allocation. The problems are compounded where there is a substantial oversubscription. Our reasons for

recommending the honoring of all subscriptions up to \$1 million and cutting all others approximately 50% of their subscription over that amount is as follows:

- (1) It is a fair and traditional way of dealing with over-subscriptions and would normally be understood and accepted by subscribers.
- (2) It is consistent with our previous policy in handling oversubscriptions.
- (3) It increases the number of new subscribers and allocates more bonds to those subscribers who have increased their support to the Bank in the last two or three issues.
- (4) It would not penalize countries who, during a period of monetary hysteria two years ago, reduced their subscriptions from previous levels - many of whom had made substantial and regular contributions to this Bank for a decade before and many of whom have substantially increased their commitments to us since that time. Nor would it penalize those countries who for other reasons may not have been in a position to subscribe at that time.
- (5) There are 17 subscribing countries who will get no bonds whatsoever irrespective of the amount of their subscription to this issue. Some of those countries are new subscribers; others have only subscribed for the last two or three issues, reflecting their awareness of investment opportunities and increased sophistication, their support for this Bank or their recent acquisition of reserves. Still others who will receive no allocation have subscribed 15 or 20 times to our issues. (See attachment).
- (6) We are not really awarding subscriptions up to the amount of bonds held by 1971 subscribers. We know that these bonds are traded, sometimes immediately after purchase, and their subscription may have little relationship to the bonds actually held at maturity. We know, for example, that the U.K. holds \$16 million of the maturing issue - not the \$5 million originally subscribed.
- (7) Most subscribers received letters from Executive Directors and Bank staff urging their participation. No matter how large an oversubscription, it is difficult to rationalize a "cut" - usually thought of as a percentage of an oversubscription, to zero. One of the primary reasons for going forward with the issue was to maintain our relationships with Central Banks. The allocation used breaks the link with 25% of our subscribers.

(8) The allocation makes substantial percentage and absolute reductions in several cases, e.g. Nigeria, Germany, Libya, etc. The last two pose particular problems - not only because these countries are "important" to the Bank but because of the circumstances surrounding their subscription. Germany has often given us a standby of \$20 million in the past. On two or three occasions, they have preferred to subscribe rather than stand-by, I assume because they wished to be assured of an investment at the interest rate which we offered. In this specific case, in response to our inquiry, they advised us prior to the setting of the interest rate that the Board of the Bundesbank would respond to us after they received our cable setting forth the interest rate. Thus, in a very real sense we are penalizing them because they gave us standbys rather than a subscription. The Bundesbank is sophisticated. Its market specialists must know that an 8-5/8% rate was a good one and to cut them by 75%, because they did not subscribe two years ago, is difficult to explain. If the interest rate were at the 6-1/2% level, we frankly wouldn't be so concerned with the Bundesbank reaction. (The fact that Germany and Libya will be allocated \$5 million as special exceptions raises more questions, in the context of equal treatment to all "non 1971 subscribers" than it resolves). We think, as an alternative, it would have been preferable to allocate \$10 million plus to each and simply explain that such allocation was the result of an equal across-the-board cut for everyone.

We are concerned with the substantial reduction for Libya - again not because they are "important" but because the Central Bank of Libya has just lent us \$101 million equivalent for 15 years at an interest rate of 7-5/8%. Governor Sherlala specifically asked our negotiating team in Libya if we could better the rate - interest rates were moving up considerably in the period between our initial contacts and his initial offer to us and the final negotiations in Libya. We did not do so. Now, when he sees an opportunity for a substantial commitment with us at a higher rate, we reduce his commitment by 75% since he did not subscribe two years ago. Libya has subscribed for \$27 million of our two year bonds in the last three issues, excluding the present issue.

The allotment of zero to Ethiopia, a country subscribing for \$5 million after having subscribed 19 times previously; an allotment to Austria of \$1.5 million from a subscription of \$4 million, after having subscribed 24 times previously and recently having offered us highly concessionary long-term funds; an allotment of \$1 million to Nigeria from a \$10 million subscription; an allotment of \$5 million to the United Kingdom from a subscription of \$16 million, having just begun to make commitments to us in each of the last four issues after a hiatus since 1959, are other troublesome examples.

August 31, 1973

(9) We now look forward to our 1975 issue with a base made up of a September 1971 mix of subscribers. Essentially, we think it would have been preferable to have built our base for 1975, given the constraints of \$170 million, by making an across-the-board pro rata cut over \$1 million. We would have thereby avoided some of the problems noted above.

. . .

Of course, there are negative aspects to an across-the-board cut; specifically, we would have to explain to Central Banks, who in 1971 subscribed to our bonds, why we cut them. Frankly, those subscribers are pretty knowledgeable. We think they would have understood the problem and the necessity to treat all equally with a pro rata cut - given a large oversubscription.

Fundamentally, Bob, our concern is that we did not appropriately, carefully, define "old friends". If the aim was to reward with full subscriptions those who were stable customers of the Bank, possibly an allocation to those who subscribed consistently, over time, would have accomplished that objective.

While we know that this was not an easy question for you to decide - there are no easy answers to fairly allocating an oversubscription of this size - and while it doesn't really do much good to go into long-winded explanations after the fact, we hope you can appreciate our motivations and that there were at least a few rational reasons for our concern - given the circumstances of this issue and the maturing one and the need for building a strong base for 1975.

Attachment

cc: Mr. Aldewereld

EHRotberg:emk

<u>Country</u>	<u>Subscription</u>	<u>Allotment</u>	<u>Number of Times Subscribed</u>
Austria	4.0	1.5	24
Bangladesh	1.0	none	2 of last 2
Dominican Republic	0.5	none	new
El Salvador	0.2	none	10
Ethiopia	5.0	none	19
Fiji	0.5	none	new
Germany	20.0	5.0 (appr)	13
Guatemala	0.5	none	5
Iran	5.0	2.0	15
Jamaica	0.25	none	new
Kenya	2.0	none	10 of last 12
Kuwait Central Bank	1.0	none*	3
Libya	20.0	5.0 (appr)	14
Luxembourg	0.2	none	9
Nigeria	10.0	1.0	13
Oman	3.0	none	3 of last 3
Peru	2.0	none	3 of last 3
Philippines	2.0	0.25	4
Saudi Arabia	25.0	10.00	17 of last 18
Sudan	0.1	none	5
Tanzania	3.0	none	7
Tunisia	0.25	none	1
United Kingdom	16.00	5.0	4 of last 4
U.N.D.P.	1.00	none	4
Vatican	0.15	none	7

* possibly to be increased to \$1 million

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OFFICE MEMORANDUM

TO: Messrs. A. Broches/L. Nurick

FROM: Eugene H. Rotberg *EHR*

SUBJECT: Paris Office

DATE: Aug. 31, 1973

Siem sent the attached to me. It was in response to a request by him of Carriere, setting forth the terms of reference for the Paris Office. Obviously our Department is a bit distressed, to say the least, about the proposal.

Attachment

Chron

INTERNATIONAL DEVELOPMENT
ASSOCIATION

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RECONSTRUCTION AND DEVELOPMENT

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Attachment



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20433, U. S. A.

Chron
August 30, 1973

Mr. Richard N. Westcott
Editor, Alumni Review
Temple University
Philadelphia, Penna. 19122

Dear Mr. Westcott:

I am sorry I did not respond earlier to your letter of August 16, but I have recently returned from a trip out of the country. Unfortunately, I cannot now commit myself to writing an article on the current world financial situation for the Alumni Review. My schedule is quite hectic and I would not want to promise something I could not deliver.

Further, as you may know, the World Bank's role is to provide development aid for high economic priority projects to the less developed countries of the world. Accordingly, while monetary instability, inflation, etc. have an effect on our activities, the work of the International Monetary Fund would seem more relevant to the subject matter of your letter.

Thank you very much for your letter and if I can be of any assistance to you, please let me know.

Sincerely,


Eugene H. Rotberg
Treasurer



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



August 28, 1973

Mr. Charles S. Ganoe
President, BAFT
c/o The Fidelity Bank
Philadelphia, Pennsylvania

Dear Charles:

This is to acknowledge receipt of your letter concerning your quest for an Executive Secretary for BAFT. I am looking around and have also passed on your letter to one of my colleagues, who will make some discreet inquiries around the Bank. I will let you know immediately, of course, if I can find anyone suitable.

Best regards.

Sincerely,

Eugene H. Rotberg
Treasurer

Chron

10822 Childs Court
Silver Spring, Md.
20901

August 28, 1973

Dear Anne and Bert:

Iris and I returned from an extended trip this past weekend and it was just not possible to come to Gail's wedding. I was particularly distressed at not being able to attend since, on my arrival home, I found out that my Mother and Father probably could not attend because of Mom's recent illnesses.

Please accept our warmest congratulations. Best wishes for a happy and good life to you and your children.

Love,


Gene



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



August 27, 1973

Mr. Charles C. Munroe III
Advisor to the Governor
National Bank of Vietnam
17, Ben Chuong-Duong
Saigon, Vietnam

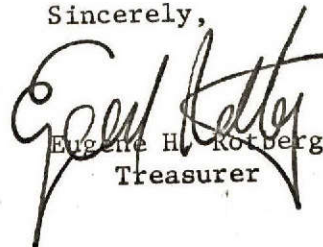
Dear Mr. Munroe:

Thank you for your letter of August 4, 1973. I have not yet received the completed securities market Decree and final rules and regulations pertaining thereto, but I look forward to reading them when they arrive.

I have forwarded your letter to Mr. Rudolf van der Bijl, Investment Officer in the Capital Markets Department of the International Finance Corporation. I am sure that he will be pleased to discuss your program with you. I regret that I will be unable to see you when you come to Washington since I will be in attendance at the Bank's Annual Meeting in Nairobi.

Best regards.

Sincerely,


Eugene H. Rotberg
Treasurer

cc: Mr. van der Bijl

NATIONAL BANK OF VIETNAM

17, BEN CHUONG-DUONG - SAIGON

Mr. Eugene H. Rotberg
Treasurer
World Bank
1818 "H" Street
Washington, D.C.
U.S.A.

4 August, 1973

Dear Mr. Rotberg:

Earlier this year I believe that Mr. Vu The Chinh briefly discussed the securities market development program currently underway at the National Bank of Vietnam. I believe he may have furnished you with some preliminary drafts of the Decree authorizing the securities market and regulatory agency and possibly a draft of the rules and regulations.

Assuming that you still have an interest in our work I have forwarded to you the completed Decree, as signed, and the final rules and regulations of the securities market as well as a final copy of the operating procedures of the regulatory agency and a draft of the proposed articles of association for a securities exchange. I hope that these documents will better clarify our program intent and demonstrate the necessity for a well regulated securities market in Vietnam.

I believe that Mr. Chinh also mentioned to you that our program had pressing need for technical and financial assistance. Earlier this year we forwarded a request for assistance to USAID/Vietnam and unfortunately, due to severe cutbacks in personnel and funding, USAID had to regretfully decline our request.

I will be in the Washington area toward the end of September and would appreciate an opportunity to discuss our program with you or your staff, to detail our needs and to solicit your advice as to alternate sources of assistance.

Sincerely yours,


Charles C. Munroe III

Advisor to the Governor
of the National Bank

OUTGOING WIRE

TO: INTBAFRAD
TOKYO

DATE: AUGUST 24, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (JAPAN)

TEXT:
Cable No.: 288 FOR SOEJIMA

REUR 346 MENDELS ADVISES ME HE WILL ARRANGE FOR AN IDENTIFICATION BADGE WHICH WILL ADMIT MR. IWATA TO THE MEETINGS STOP IT IS UNDERSTOOD THAT NO ACCOMMODATION WILL BE NEEDED STOP PLEASE ADVISE MR. IWATA HE SHOULD PICK UP IDENTIFICATION BADGE AT SPECIAL GUEST REGISTRATION DESK IN THE KENYATTA CENTRE ON SATURDAY, SEPTEMBER 22, OR SUNDAY, SEPTEMBER 23 STOP BEST REGARDS

ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretariat's Guide for preparing form)

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Checked for Dispatch

OCDE PARIS

Distribution

Mr. Rotberg

RECEIVED
AUG 29 1 47 PM 1973
COMMUNICATIONS
SECTION

ROTBERG

IN BERTRANDS ABSENCE I SUPPOSE YOU ARE REFERRING TO OUR
QUESTIONNAIRE ON IMPLEMENTATION OF COUNCIL RECOMMENDATION ON
INTERNATIONAL SECURITY ISSUES STOP IT IS TOO EARLY TO SAY WHETHER
THESE WILL BE MADE PUBLICLY AVAILABLE . REGARDS.

SCHLEPEGRELL OECD DEVELOPECONOMIE

OUTGOING WIRE

TO:

DATE: AUGUST 24, 1973

MR. RAYMOND BERTRAND
DIRECTOR FOR FINANCIAL & FISCAL AFFAIRS
OECD
PARIS
COUNTRY: (FRANCE)

CLASS OF
SERVICE: TELEX

TEXT:
Cable No.:

CAN YOU ADVISE ME WHETHER RESULTS OF QUESTIONNAIRE ON RESTRICTIONS
BY MEMBER COUNTRIES ON CAPITAL MOVEMENT WILL BE PUBLISHED *or made public*
AVAILABLE STOP ALTERNATIVELY CAN RESULTS BE MADE AVAILABLE ON SELECTED
BASIS TO ACADEMIC OR QUASI PUBLIC INSTITUTIONS FOR THEIR OWN USE STOP
LOOK FORWARD TO SEEING YOU IN NOVEMBER BEST REGARDS

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: _____

Chiron



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U. S. A.



August 23, 1973

Mr. C. H. Brunie
Oppenheimer & Company
One New York Plaza
New York City 10004

Dear Chuck:

I am enclosing Mr. McNamara's speech addressed before our Board of Governors for September 1972. It is in that speech that he describes the income distribution problem, see page 13 ff. Also enclosed is his remarks at our Annual Meeting on September 1971. I will see if I can locate some of the data developed by our economists which may offer some detail on the subject.

Please keep in touch.

Kindest regards,

one
Gene Rotberg

Attachments (2)

Oppenheimer & Co.

MEMBERS NEW YORK STOCK EXCHANGE

ONE NEW YORK PLAZA, NEW YORK CITY 10004, (212) 825 4000, CABLE ADDRESS: MOPENER NEW YORK

CHARLES H. BRUNIE, PARTNER

15 August 1973

Mr. Eugene Rotberg
International Bank for
Reconstruction & Development
1818 H Street, N.W.
Washington, D.C. 20433

Dear Gene:

Sometime ago Mr. McNamara gave a speech which was quoted in The American Banker. I sent for it but never received a copy. Therefore, I want to ask you the favor of sending me a copy if you possibly can. If not the speech, at least the data for it is the data I'm interested in.

To the best of my recollection, what he was discussing was the new policy of the World Bank not to lend to undeveloped countries unless they made a significant change in their social infrastructure. He measured the relationship of income of the top 5% in 24 countries to the bottom 40% and found that in the worst eight the spread was 24 to 1. In the next sixteen it was 16 to 1 or something like that. I would like to have any related data that the World Bank has developed. This is more for my own personal interest than anything else so if you cannot do it, it's certainly okay.

With best wishes, I remain

Sincerely yours,

Chuck Brunie/km

CHB/km
(dictated but not read)

Department of Defense

COMMUNICATIONS
SECTION

1973 AUG 20 AM 10:40

RECEIVED

Chyon



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



August 23, 1973

Mr. C. H. Brunie
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New York City 10004

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Please keep in touch.

Kindest regards,

A handwritten signature in dark ink, appearing to read "Gene".
Gene Rotberg

Attachments (2)

OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

DATE: August 23, 1973

FROM: Eugene H. Rotberg SUBJECT: Two-year Issue

You have raised a question about the delay between Board authorization for our Central Bank issues and the actual pricing of the issue. You have also asked for my comments on the exposure of the Bank during the subscription period for our two-year Central Bank issues. My comments are as follows:

Delay Between Board Authorization and Pricing

This delay occurs only in connection with the September Two-year Central Bank issue. The minimum length of time needed by the Bank between the pricing and the settlement date is approximately 18 days. This schedule assumes nine days for the subscription period (which includes a weekend) inclusive of time necessary for transmission and receipt back of cables, and the dispatch and receipt of allotment cables. In the allotment cables the purchasers are requested to provide us with the names of their New York Agents who will make payment on their behalf, the denominations of the bonds which they desire and how such bonds should be registered. These responses to allotment cables usually take about one week. From this information schedules are prepared and delivered to the Federal Reserve Bank. Based on these schedules the Federal Reserve inscribes and prepares the bonds for delivery. The Federal Reserve requires a minimum of three working days prior to September 15, to inscribe the bonds.

An 18-day schedule would mean that the last Board meeting for which we could obtain approval for a September 15 settlement date would be approximately August 28. Since the Board is often in recess on that date we have no alternative except to obtain the authorization at the immediate preceding Board meeting whenever that might be - assuming a September 15 settlement date.

There are three possible variations:

1. We might price the issue immediately after the Board meeting and thereby eliminate any gap between the resolution and the pricing. This would result in a pricing about one month before the settlement date. There is no reason why we could not follow that procedure except that a month's delay between pricing and settlement is somewhat long and Central Banks might be reluctant to commit themselves so far in advance of settlement date particularly when options are open to them for alternative investments during the period.

2. A second alternative is to delay the Central Bank issue until October 1. The disadvantage is that both of our own staff, as well as the staffs of Central Banks, are at the Annual Meeting. I think it is preferable to avoid a subscription period during the Annual Meeting or in the travel period before or after the meeting.

3. A third alternative would be to change the settlement date to November 1 or December 1 and thereby change the cycle of our Central Bank issues by lengthening the maturity of our next September issue to, say, 26 months and thereafter reverting to a two-year cycle. I have no strong views on this alternative except to note that Central Banks have been accustomed to a two-year cycle and I do not know their administrative reaction to changing the format.

Length of Subscription Period

Our policy is to send out offering cables on a Tuesday following a Board meeting and close the subscription period the following Tuesday afternoon. As a practical matter, this means that Central Banks throughout the world receive their cables on Wednesday. If Arabic countries do not review their cables and make a commitment by Thursday, we will not hear from them until Monday. I assume from the responses obtained that many other Central Banks make a final decision after the weekend and respond on Monday or Tuesday. Assuming that Central Banks require 48 hours to study the market, arrange for necessary administrative approvals, and if necessary check back with their market sources, most will send their responses on Friday or Monday. We could perhaps shave one day off our schedule but, considering the substantial number of cables which come in on Monday and Tuesday, I would be reluctant to do so. After all, if we are "exposed" to a substantial interest rate shift for seven days, including a weekend, does it really make any difference if we reduce that "risk" to six days? Actually, the greater "risk" is borne by the subscribers who make a commitment 2-3 weeks before the settlement date when they could, if they so wished, wait until the last minute and buy U.S. Treasury Bills or place funds on Time Deposits on September 15. Since they are willing to be exposed to this kind of "exposure", I would not be too concerned about whether we have a six or seven-day subscription period some weeks before. As a practical matter, if Central Banks were making their investment purely based on interest rate considerations, they would be most concerned with the delay between closing of subscription and settlement date since it is in that long period that markets change. (It is for this reason I don't think we should lengthen the period between pricing and settlement date - by pricing the issue immediately after the Board meeting - since that would only intensify the "exposure" of Central Banks.



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



August 21, 1973

Dear Pat,

Iris and I have just returned from a rather extended visit out of the country and I just learned of your recent and unexpected illness. We are both delighted to hear that the operation and your recuperation have gone so splendidly. We hear that you are expected to be just about fully recovered soon and getting back into doing the things you love so well. Keep up the great work.

Both Iris and I look forward to seeing you soon. Our very best and warmest regards to Dorothy.

Sincerely,

Gene Rotberg

P.S.: I assume that you have noticed the tremendous decline in the bond markets since your absence from the office. That just shows how badly you are missed.

Mr. Emil J. Pattberg, Jr.
257 Round Hill Road
Greenwich, Connecticut

10822 Childs Court
Silver Spring, Md. 20901

August 20, 1973

Dear Fred:

I am very sorry that I haven't written you sooner but Iris and I have just returned from a month out of the country and, prior to that time, the stock market was deteriorating so badly that I really didn't believe there was any rush in making equity investments. The market is continuing to deteriorate and, indeed, it may do so further. However, on the assumption that no one can identify the market "lows" and, since many of the stocks are now at their historic lows, I think now might be the time to make some investments.

First, as to Bonds: You can now get about 8-1/4% for a five-year, high-quality, corporate bond or U.S. Government agency bond. I think this is far preferable to obtaining over 9% for, say, 3 months since short-term rates are very volatile and do not provide you with long-term certain income because you must reinvest the money after 3 months. On the other hand, 4 to 5-year bonds give you a substantial flow of good income for a reasonable time. The disadvantage, however, of even a five-year bond (or even one with a longer maturity) is that the interest is taxed as ordinary income and there is little opportunity for capital appreciation. Therefore, if you were to buy a 4 to 5-year bond, at say 8-1/4%, your effective return after taxes, at your tax bracket, is likely to be something like 6%. Even if the bond were a 20-year bond, which would guarantee you an 8-1/4% income over a longer period of time, you should still subtract about 25% since you will be taxed that amount of your interest income. It is true, of course, that a 6% true return is better than you are now getting since you probably have money in a savings account at 6%, which is also taxed, producing a real return probably not much more than 4-1/2%.

In short, I would suggest, if you want income, a "dual-vest" income fund and I am enclosing several reports of the Gemini Fund and the Income and Capital Share Fund. Both of these have two sorts of stock - "income" shareholders and "capital" shareholders. Those who hold the income shares get all the income and no capital gain; vice versa for those who hold the capital shares. For example, the expected income for Gemini Fund for 1973 is \$1.12 per share and the shares are traded at 13-5/8 for a yield of over 8%. The income for Income Shares is expected to be \$.90. The shares are trading at 9-1/4 for a yield of about 10%. Please read the brochures. You will notice that you are guaranteed a price of 11 for Gemini and a

price of 10 for Income shares in 1984 and 1982 respectively when all income shareholders are paid off and the corporation reverts to only capital shareholders.

If you do not want income, but want the potential for capital gain, either of the "capital" shares of these companies (which are closed-end investment companies) are good values. For example, the capital shares of Gemini are selling at 11-5/8 but have a true portfolio value today of \$14.21 and the capital shares of Income and Capital are selling at 7-1/8 and have a true portfolio value of \$10.50. These are substantial "discounts" and the shares will trade at their true market price when the companies convert into a full capital share company in 1982 and 1984. Both are well-managed and have excellent diversified portfolios as you can see from the reports. I would recommend either as a safe, high-quality, diversified investment with some advantage to the Capital shares of Income and Capital because of the greater discount from their true value in the market.

Love and best wishes to you, Helen and the children.



Gene

Mr. Fred Adler
14 Betsy Lane
Delmar, New York 12054



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

DECLASSIFIED

Date: 10/25/2010

August 20, 1973

CONFIDENTIAL

Mr. J. P. Silcock
N. M. Rothschild & Sons Limited
P.O. Box 185
London EC4P 4DU

Dear John:

Thank you for your memorandum proposal suggesting a European Composite Unit ("Eurco"). We have done some thinking about your proposals, and others we have received during the last several months, and you might be interested in some of our initial statistical analyses. These were prepared on the basis of your earlier draft which I know has been revised - particularly with respect to the "weightings".

We examined the values of three different proposals for composite units for three dates: January 1, 1969; January 5, 1973 and July 30, 1973. If we had invested (or borrowed) \$1 on January 1, 1969 and on January 5, 1973 in the bonds of three composite units, the value of the investments would have increased as of July 30, 1973, as follows:

	<u>Increase of the Investment Value</u>	
	<u>Between 1/1/69 - 7/30/73</u>	<u>Between 1/5/73 - 7/30/73</u>
"Eurco"	31% (\$1.03 vs. \$1.35)	23% (\$1.10 vs. \$1.35)
"Escu"	45% (\$1.00 vs. \$1.45)	28% (\$1.13 vs. \$1.45)
"Eurunit"	52% (\$0.88 vs. \$1.34)	20% (\$1.12 vs. \$1.34)

See Attachment I for a detailed schedule. I have also enclosed a brief note from one of my colleagues, Mr. Yoon S. Park, which summarizes the similarities and differences of the various proposals "floating" (if you will excuse the expression) about.

You may observe that in Mr. Park's note he makes a point that the retention of the right to designate the repayment currency is an advantage to the borrower and a disadvantage to the investor. While at first blush it would seem that it should make no difference who chooses the currency of repayment (since the designation of a

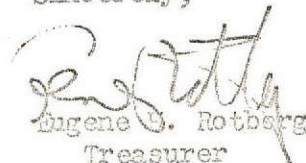
"weaker" currency would simply require more units to be paid), I think the point is well taken in the context of the advantage to the issuer of the unit. Thus, the issuer can manage its cash flow more efficiently and can invest short-term cash in the currency with the marginally highest interest rate, pending interest and principal payments; the issuer can also avoid restrictions limiting conversions into a particular currency not of his own choice. Similarly, investors might feel somewhat ill at ease at not being able to control the designation of currencies, particularly if certain short-term investment opportunities are available in certain currencies and not in others. This, in turn, could have an effect on the interest rates carried by different types of composite units.

Notwithstanding the foregoing, I have little doubt that a proposal of the type you have been developing will have great appeal -- not to investors in countries which have viable capital markets in currencies which are deemed strong but, rather, for investors who either have few opportunities to invest their savings domestically and who wish to avoid the political and financial risks envisaged outside their country. As we all know, there are few currencies available today which are (a) strong in the traditional sense, (b) totally "safe" in the political sense and (c) available. When the first two conditions are met, the last often provides the stumbling block.

I would very much like to continue this exchange on an informal basis. Our own borrowing requirements for this year can be readily met in traditional ways at low interest rates by borrowing non-resident Deutsche marks, Swiss francs and Yen. I realize that our borrowers are concerned at what they envisage to be a considerable currency risk over the next 25 years. I might conclude as an aside, however, that I am not certain that borrowers' risks are so clear in Deutsche marks, Swiss francs and Yen (over a 25-year period) at exchange rates prevailing, vis-a-vis dollars, on August 1, 1973. But I have been wrong before and this may be just another example. It is the hedging of such risk, of course, that fundamentally will make proposals for composite units attractive.

Please keep in touch.

Sincerely,


Eugene C. Rotberg
Treasurer

Attachments

cc: Mr. Rodney Leach

OFFICE MEMORANDUM

TO: Mr. Eugene H. Rotberg

DATE: July 13, 1973

FROM: Yoon S. Park

SUBJECT: Evaluation of the European Composite Unit ("Euroco")

The European Composite Unit (Euroco) consists of fixed amounts of the currencies of the nine EEC member countries. Since the U.K. pound sterling is the same as the Irish pound and the Belgian franc is the same as the Luxembourg franc due to their respective monetary union, as for the possibility of exchange rate variations we may assume in reality that the Euroco is composed of seven currencies instead of nine. To the extent that each amount of nine currencies within the Euroco is fixed irrevocably, the Euroco is exactly the same as the Eurunit and the ESCU.

As a result, the distribution of exchange risks between the bond issuer and the bondholder is the same in principle in all the three units of account. Accordingly, the issuers from strong-currency countries and the investors from weak-currency countries would welcome the Euroco, Eurunit and ESCU bonds, while the issuers from weak-currency countries and the investors from strong-currency countries would stay away from them ceteris paribus. However, there are also differences among the three units of account in their other characteristics, as following:

(1) The number of currencies involved: The Euroco consists of nine EEC currencies, while the Eurunit has six EEC currencies and the ESCU may have either five or six.

(2) The value of the composite currency units: Both the Euroco and the Eurunit are roughly equal to the pre-Smithsonian U.S. dollar in terms of their implicit gold value (US\$ 1 = 0.88867 gram of fine gold) while the ESCU is equal to the current U.S. dollar in value (US\$ 1 = 0.73666 gram of fine gold, representing about 17% devaluation from the pre-Smithsonian dollar). Since all the three units of account are composed of European currencies whose exchange rates are floating at present in terms of the U.S. dollar as well as in terms of the SDR, their implicit gold values are also not fixed but floating. As we have noted, however, even if their gold values are floating, their values in terms of their respective component currencies are fixed irrevocably.

(3) The weights of component currencies: The component currencies of the ESCU have equal weights in terms of the U.S. dollar value, each ESCU being worth one current U.S. dollar and each component currency being worth one-sixth (or one-fifth) of one U.S. dollar. The nine component currencies of the Euroco have differential weights, roughly but not exactly proportional to the respective values of trade and GNP of the EEC countries. The six component currencies of the Eurunit have also differential weights, based on not only the values of GNP and trade but also the amounts of participation in the capital of the European Investment Bank and of commitment limits of medium-term financial aid between EEC member countries.

(4) The settlement (subscription and repayment) currency:

The U.S. dollar is both the subscription and the repayment currency for ESCU bonds. In the case of Eurunit bonds, both the subscription and the repayment currency may, at the option of the investor, be any one of the six component currencies which are "freely convertible" at the time of settlement (either subscription or repayment). In the case of Eurco bonds, however, the issuer has the option of selecting both subscription and repayment currencies among not only the nine component currencies but also other currencies, thus enabling utilization of the U.S. dollar, the Swiss franc, the Japanese yen, etc.

(5) The exchange rates between the component currencies and the settlement currency: At the time of settlement, the exchange rates between the component currencies and the settlement currency are the spot financial rates then prevailing. However, there are differences regarding who finally determines the exact values of exchange rates. For Eurunit bonds, the manager will determine them (after consulting the co-managers of the issue). In the case of Eurco bonds, the Luxembourg Stock Exchange will decide them, publishing each day the formal value for that day of the Eurco in terms of the component currencies and the U.S. dollar.

(6) The probable interest rates: We already have seen that all the three units of account have the same kind of exchange risk distribution between the borrower and the investor. Apart from the same overall distribution of the exchange risk burdens, however, there are certain differences in the degree or intensity of exchange risks to the parties concerned. The component currencies of the ESCU appear stronger as a package than those of the Eurunit. Also, the option of selecting both the subscription and the repayment currency belongs to the investors in the case of Eurunit bonds. Accordingly, the ESCU bonds should carry a lower interest rate than the Eurunit bonds, other things being equal. However, we can assume that the Eurunit bonds would carry a lower interest rate than the Eurco bonds, because the issuer of Eurco bonds has the option of selecting both the subscription and the repayment currency. Apparently, the issuer of Eurco bonds could select the strongest currency as the subscription currency (DM, Swiss franc or Japanese yen) and then select the most easily available and also weak currency (the U.S. dollar) as repayment currency. Due to this advantage to the issuer of Eurco bonds, the interest rate of Eurco bonds should be the highest among the three composite unit bonds, followed by the Eurunit bonds and then by the ESCU bonds. Therefore, we might expect the rank of interest rates of various international bonds:

From High to Low Rates

\$ Euro-bonds
EUA bonds
Eurco bonds
Eurunit bonds
ESCU bonds
ECU bonds
DM bonds
Swiss franc bonds

Relative Values of Three Composite Units

	Exchange Rate per US \$			EURCO (Value in US\$)			ESCU (Value in US\$)			EURUNIT (value in US\$)		
	<u>1/1/69</u>	<u>1/5/73</u>	<u>7/30/73</u>	<u>1/1/69</u>	<u>1/5/73</u>	<u>7/30/73</u>	<u>1/1/69</u>	<u>1/5/73</u>	<u>7/30/73</u>	<u>1/1/69</u>	<u>1/5/73</u>	<u>7/30/73</u>
German Mark	4.0	3.21	2.33	.25	.31	.43	.67	.21	.29	.23	.28	.39
French Francs*	4.937	5.13	4.14	.22	.21	.26	.82	.16	.20	.24	.23	.29
Pounds Sterling	.416	.43	.39	.18	.17	.19	-	-	-	.24	.23	.25
Italian Lire*	625.0	586	622	.14	.15	.14	-	-	-	.17	.19	.18
Dutch Guilders	3.620	3.23	2.59	.10	.11	.14	.60	.19	.23	.09	.10	.12
Belgian Francs*	50.0	44.21	35.9	.09	.10	.13	8.33	.19	.23	.08	.09	.11
Danish Krone	7.5	6.90	5.50	.03	.03	.04	-	-	-	-	-	-
Irish Pounds	.416	.43	.39	.01	.01	.01	-	-	-	-	-	-
Luxembourg Francs*	50.0	44.21	35.9	.01	.01	.01	-	-	-	-	-	-
Austrian Schillings	26.0	23.20	17.08	-	-	-	4.33	.19	.25	-	-	-
Swiss Francs	4.32	3.77	2.83	-	-	-	.72	.19	.25	-	-	-
Total				1.03	1.10	1.35	1.00	1.13	1.45	0.88	1.12	1.34

* In the case of the two-tier exchange rate system, the financial rate is used in all three units of account.

Chron



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



August 20, 1973

Dear Mr. and Mrs. Alsharekh:

I was very pleased to receive
the announcement of the birth of your
son, Fahad. Please accept my sincere
congratulations and good wishes on
this very joyous occasion.

Best regards.

Sincerely,


Eugene H. Rotberg

Chow



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

August 17, 1973

Mr. K. P. Jacobs
Executive Vice President
Commerzbank A.G.
55 Broad Street
New York, N.Y. 10004

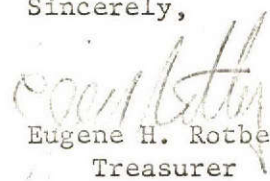
Dear Mr. Jacobs:

I have just returned from a trip abroad and was pleased to find the English version of your 1972 Annual Report awaiting me. I look forward to reading this Report, which I am sure I will find most interesting and informative. Thank you for your thoughtfulness in sending it to me.

I look forward to our continued association with your Bank and to seeing you again in Washington in the near future.

Best regards.

Sincerely,


Eugene H. Rotberg
Treasurer

Chen



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



August 17, 1973

Mr. Charles A. Coombs
Senior Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, N.Y. 10045

Dear Mr. Coombs:

I am sending you herewith the following documents which have been approved by our Board of Executive Directors:

- (1) R73-198 issued in connection with our 7-5/8% Libyan Dinar Bond Issue of 1973; and
- (2) R73-203 issued in connection with our proposed Two Year Bond Issue of September 15, 1973.

Sincerely,

Eugene H. Rotberg
Treasurer

Encl: 2

Chron



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



August 17, 1973

Mr. Nobuo Hayashi
Executive Senior Managing Director
The Nikko Securities Co., Ltd.
Tokyo 100, Japan

Dear Mr. Hayashi:

I have just returned from a trip abroad and was delighted to find on my return the beautiful book titled "The Japanese Garden".

I want to express my sincere appreciation to you for your courtesy and kindness in sending this beautiful Art Book to me. It is a treasure and I am sure I will have many pleasant hours of enjoyment looking through it, and, of course, with most fond recollections of our good friend Mr. Toyama.

With best personal regards.

Sincerely,

Eugene H. Rotberg
Eugene H. Rotberg
Treasurer

Chron



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



August 3, 1973

Mr. Walter P. Stern
Senior Vice President
Capital Research Company
One Chase Manhattan Plaza
New York, N.Y. 10005

Dear Mr. Stern:

Thank you for your letter of July 30 addressed to Mr. Rotberg. Mr. Rotberg is presently out of the country and I am sure that, as soon as he has had an opportunity to wade through the huge pile of papers on his desk, he will be in touch with you.

Best regards.

Sincerely,

Kessie

Edith Kesterton
Secretary to
Mr. Rotberg

Chron



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



July 30, 1973

Mr. S.M.A. Kazmi
Treasurer
Asian Development Bank
P.O. Box 789
Manila, Philippines

Dear Mr. Kazmi:

On behalf of Mr. Rotberg, who is presently out of the country, I wish to acknowledge receipt of and thank you for the Board Paper on Commitment Charge Review recently issued by your Bank. I will bring this document to Mr. Rotberg's attention upon his return.

Sincerely,

Edith M. Kesterton

Secretary to
Mr. Rotberg

OFFICE MEMORANDUM

TO: Mrs. Muriel Lee
FROM: Edith M. Kesterton *EMK*
SUBJECT: Future Travel - Treasurer's Department

DATE: July 30, 1973

Mr. Rotberg

Mr. Rotberg is presently on Annual Leave and will return to the Bank on August 16.

He will be away for the last two weeks of September, during which time he will attend the Annual Meeting in Nairobi.

Mr. Hittmair

Mr. Hittmair has no travel plans at the moment.

EMK/



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



July 29, 1973

Mr. John MacKinnon
Office of the Treasurer
U.S. Postal Service
Washington, D.C. 20260

Dear Mr. MacKinnon:

I wish to acknowledge receipt of
your letter of July 19 addressed to
Mr. Rotberg. Mr. Rotberg is presently
out of the country and upon his return to
the Bank I will, of course, bring your
letter to his attention.

Sincerely,

Edith M. Kesterton

Secretary to
Mr. Rotberg

Chron.

Room A-1042
1818 H Street
Washington, D.C.

July 29, 1973

Mrs. F. A. Khosrovi
Hortlg. 8
1090 Wien
AUSTRIA

Dear Mr. Khosrovi:

This is to acknowledge receipt of
your letter of July 17 addressed to
Mr. Rotberg. Mr. Rotberg is presently out
of the country and I will bring your letter
to his attention upon his return.

Very truly yours,

G. Kesterson

Secretary to
Mr. Rotberg

Chron.



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



July 29, 1973

Mr. Koshi Suzuki
Manager
International Finance Department
The Industrial Bank of Japan, Ltd.
Yaesu, Tokyo, Japan

Dear Mr. Suzuki:

In the absence of Mr. Rotberg, who is presently out of the country, I wish to acknowledge receipt of and thank you for sending your latest report on the Japanese Bond Market. I will bring this report to Mr. Rotberg's attention upon his return to the Bank.

Sincerely,

E. Kesterton

Secretary to
Mr. Rotberg

Chron

10822 Childs Court
Silver Spring, Md.
20901

July 24, 1973

Dear Joel:

As you may remember, my wife and I visited with you on the occasion of your recent Bar Mitzvah. Partly through negligence and partly through disorganization, we neglected to send you the Bar Mitzvah gift which we had chosen for you. We have sent to you, under a separate mailing, a world atlas. We hope that throughout your lifetime you will have many occasions to visit different parts of this earth and enjoy for yourself the sights and scenery shown on the maps.

Best wishes and good luck.

Sincerely,

Eugene and Gene Rotberg

Eugene H. Rotberg

Mr. Joel Shmukler
1400 Melrose Avenue
Melrose Park, Pennsylvania

Chson

10822 Childs Court
Silver Spring, Md.
20901

July 24, 1973

Dear Scott:

Some months ago I had the pleasure of meeting you on the occasion of your Bar Mitzvah. My wife and I, partly through negligence and partly through disorganization, neglected to send you a gift we had bought for you. We have sent to you, under a separate mailing, an atlas of maps of the world. I hope that throughout your lifetime you will have occasion to visit the four corners of the earth and see for yourself the sights that the maps portray.

Best wishes and good luck.

Sincerely,

Eugene and Gene Rotberg
Eugene H. Rotberg

Mr. Scott Keith Levenson
12512 Exchange Court
Potomac, Md.

Chiron

10822 Childs Court
Silver Spring, Md.
20901

July 23, 1973

Dear Anne and Bert:

Iris and I thank you for your most kind invitation to Gail's wedding. We are leaving tomorrow for Norway and expect to return in the middle of August.

Iris and I will make every effort to be with you on August 26. It all depends upon whether I can be in New York City on that weekend. I will let you know as soon as I get back, if that is not too late.

Love,


Gene

Mr. and Mrs. Bertrand Rotberg
50 West 97th Street
New York, N.Y. 10025

Chron

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

July 23, 1973

Mr. Ljungh:

Anders:

I am going on annual leave commencing tomorrow afternoon. Mr. Hittmair will return to the office from his annual leave on Friday July 27. In the interim should you or Mr. McNamara need any information with respect to our investments please call Mr. Hugo Schielke (extension 2211) Senior Investment Officer. Inquiries with respect to borrowings should be referred to Mr. William van Saagsvelt (extension 2837) Deputy Division Chief, Securities Division.

Gene R.

Gene R. Hittmair

Chron

OFFICE MEMORANDUM

TO: Mr. W. van Saagsvelt

DATE: July 23, 1973

FROM: Eugene H. Rotberg



SUBJECT: Central Bank Issue

It will be most appreciated if you would prepare, commencing today, Monday July 23, a pricing sheet for the Central Bank issue. In addition to the two year agencies (there was a new one about a week ago), please also include a one year Treasury Note, three month Eurodollar, three month Treasury Bill and a one year domestic CD. I suggest you talk to Hugo Schielke or Bill Michaelcheck about the forthcoming new agency issues.

Also have available the chart where we show the history of the pricing of the Central Bank issues and the spread differential from new agencies. Please note that on the last Central Bank two year issue we priced it very close to the yield of new agencies as the market was changing very rapidly at the time of pricing. At the present time I would assume that a two year agency would be priced at about 8.125. I would not price our issue much higher than that, possibly to 8.25%.

EHRotberg:mb

cc: Mr. Hittmair

Chron

Monday Morning
July 23, 1973

Dear Louise:

It was very good seeing you yesterday. Enclosed is a little schedule of our trip. Actually, we are not certain we will be staying at these hotels but we will pick up our mail there. We can be reached through Kessie, of course.

If there are any serious medical problems, Kessie knows who to call. Depending on the nature of the problem, she will call either Dr. Stiller or a friend of ours, Paul Mason, who is very familiar with all of the medical "specialists" in Washington.

The kids seem to be having a wonderful time and we are looking forward to our trip. Write to us if you have some time.

Love,


Gene

Encl.

Chron

Monday Morning
July 23, 1973

Dear Keren and Jay:

Iris and I are rushing off again. We leave for Europe tomorrow. The folks tell me they had a great time in Florida and were absolutely ecstatic about the party you gave them.

We will be back on August 15 and then leave again for Africa on September 15. I will look around for a sculpture.

The children are at camp and we now have some time on our hands.

I am glad you are all feeling healthy and happy.

Love to you both and to the children.


Gene

Chow.

10822 Childs Court
Silver Spring, Md.
20901

July 23, 1973

Dear Anne and Bert:

Iris and I thank you for your most kind invitation to Gail's wedding. We are leaving tomorrow for Norway and expect to return in the middle of August.

Iris and I will make every effort to be with you on August 26. It all depends upon whether I can be in New York City on that weekend. I will let you know as soon as I get back, if that is not too late.

Love,


Gene

Mr. and Mrs. Bertrand Rotberg
50 West 97th Street
New York, N.Y. 10025

Chron

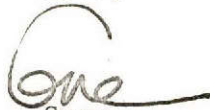
Monday Morning
July 23, 1973

Dear Mom and Dad:

I hope by the time you get this letter that Mom is feeling better. We have a lot of details to attend to in the next couple of days so I am sort of rushing around now.

Attached is a schedule of our trip and the approximate dates you should mail a letter in time for us to receive it. We, of course, can be reached through Kessie.

Love,


Gene

Encl.

Chron
10822 Childs Court
Silver Spring, Md.
20901

July 23, 1973

Temple University
Alumni Review
Temple University
Philadelphia, Pennsylvania

Attention: Managing Editor

Dear Sir:

I have just received a copy of
the Summer 1973 Temple University Alumni
Review. I found it most informative.
It brought back many old memories.

There is one reference, however,
which, while gracious and flattering, alas,
is inaccurate. On page 19 you refer to me
as President of the World Bank. While I
appreciate the compliment, I currently hold
the position of Treasurer. Robert S. McNamara
is the World Bank's President.

Sincerely,


Eugene H. Rotberg

OFFICE MEMORANDUM

TO: Mr. S. Aldewereld
FROM: Eugene H. Rotberg *EHR*
SUBJECT: Swiss Issue

DATE: June 21, 1973

I received a telephone call from Joseph Uhrig, Treasurer's Department, who advised me as follows:

1. The Swiss National Bank has approved the borrowing of 450 million Swiss francs. They did so after assurances from the Credit Suisse, the Managing Underwriter, that all the bonds would be placed in Switzerland, in accordance with applicable Swiss regulations.

2. Dr. J. Lademann, Director of the Swiss National Bank advised Mr. Uhrig, however, that the approval of the Ministry of Finance in Berne had not yet been obtained and that it could not be obtained before Monday at the earliest. He advised Uhrig that there are certain political pressures on the Ministry of Finance and that he could only speak for the Swiss National Bank in giving his approval.

Mr. Uhrig told me that in his view the chances of the Ministry of Finance not going along with the approval of the Swiss National Bank was minimal. He pointed out that we have gone to our Board after approval of Swiss National Bank, subject of course to the approval of the Ministry of Finance.

In response to my question, he said that a delay of our Board meeting until Tuesday (at which time we might have the reaction of the MOF) would not cause problems for our underwriters. Signing is scheduled to take place on Wednesday, June 27.

The Board resolution makes it clear that we will not sign the underwriting contracts until all necessary approvals have been obtained.

Question: Should we bring the matter to the Board now, having received the approval of Swiss National Bank, or wait for the response of the MOF in Berne?

EHRotberg:bb



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360 • Cable Address - INTBAFRAD

July 20, 1973

Mr. Edgar Mahn
Corporación de Fomento de la Producción
One World Trade Center, Suite 5151
New York, N.Y. 10048

Re: Loan No. 479-CH

Dear Mr. Mahn:

This is in response to your letter No. IBRD-2840 of July 11, 1973, concerning the delivery of bonds representing the above Loan.

We have examined Mr. Sergio Mancilla's powers granted by ENDESA on September 9, 1972 and they appear in order. As regards the powers granted by ENDESA to Messrs. Javier Urrutia and Mario Vergara on June 22, 1972 they seem equally in order; however, unlike what has happened on previous occasions, these powers do not state whether the similar powers granted by ENDESA to Messrs. Enrique Barraza and yourself on June 11, 1971 and to Mr. Fernando Bobenrieth on February 4, 1970, remain in effect or have been revoked. We would appreciate your answer in this respect.

We assume that the Chilean Chargé d'Affaires would be signing the bonds pursuant to Articles 3 and 4 of Decree No. 2481 of December 10, 1966. If this is the case, this is acceptable to the Bank.

I remain,

Sincerely yours,


Eugene H. Rotberg
Treasurer

cc: Messrs. Nurick
Sella
Cancio
Lecuona
Gutierrez
Nelson
Gabriel
Rutland

EHRotberg:mb/DCLecuona:mb

x 2213
2228

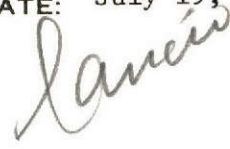
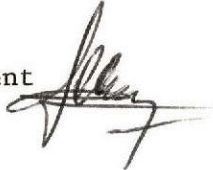
OFFICE MEMORANDUM

TO: Mr. Eugene H. Rotberg, Treasurer

FROM: Daniel C. Lecuona, Legal Department

SUBJECT: CHILE: Loan No. 479-CH
Request for bonds

DATE: July 19, 1973



Attached herewith please find the draft letter you requested.

As you may know, the Bank is currently considering, in connection with the debt service negotiations with Chile, whether to request bonds in different currencies than those specified in the May 15, 1973 request or to withdraw the request altogether. I will be exploring certain aspects of this matter in Chile next week. Whatever the outcome, it would be an unnecessary burden on Chile to honor our May 15, 1973 request on the deadline, i.e. August 1, 1973. You may wish to consider adding an appropriate extension of time in the letter to Mr. Mahn.

cc to Messrs. Nurick
Sella
Cancio
Gutierrez
Nelson
Gabriel

DCLeCuona
July 19, 1973

Mr. Edgar Mahn
Corporación de Fomento de la Producción
One World Trade Center, Suite 5151,
New York, N.W. 10048

RE: Loan No. 479-CH

Dear Mr. Mahn:

This is in response to your letter No. IBRD-2840 of July 11, 1973, concerning the delivery of bonds representing the above Loan.

We have examined Mr. Sergio Mancilla's powers granted by ENDESA on September 9, 1972 and they appear in order. As regards the powers granted by ENDESA to Messrs. Javier Urrutia and Mario Vergara on June 22, 1972 they seem equally in order; however, unlike what has happened on previous occasions, these powers do not state whether the similar powers granted by ENDESA to Messrs. Enrique Barraza and yourself on June 11, 1971 and to Mr. Fernando Bobenrieth on February 4, 1970, remain in effect or have been revoked. We would appreciate your answer in this respect.

We assume that the Chilean Chargé d'Affaires would be signing the bonds pursuant to Articles 3 and 4 of Decree No. 2481 of December 10, 1966. If this is the case, this is acceptable to the Bank.

I remain,

Sincerely yours,

Eugene H. Rotberg
Treasurer

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Mr. Lecuona

I would very much
appreciate receiving a
draft reply to the attached
letter. Thank you.

Gene Rotberg

7/17/73

CORPORACION de FOMENTO de la PRODUCCION

Chile

NEW YORK OFFICE
SUITE - 5151
C.N.E. WORLD TRADE CENTER
NEW YORK, N. Y. 10048

Telephone: (212) 466-6700
Cables: FOMENTO, N.Y.

Julio 11, 1973
IBRD #2840

International Bank for
Reconstruction and Development
1818 H. Street N. W.
Washington, D. C. 20433

Attention: Mr. Eugene H. Rotberg
Treasurer

Ref: LOAN N° 479-CH

Gentlemen:

We refer to your letter of May 15, 1973 regarding your request of delivery of Bonds pursuant to the Loan Agreement N° 479-CH.

As it was explained to your Mr. Eugene H. Rotberg by our Mr. Enrique Barraza, in a recent telephone conversation, we wish to mention to you that the Gerente General of Empresa Nacional de Electricidad, S.A. has conferred certain powers upon Mr. Sergio Mancilla under a Deed of September 9, 1972 which was sent to the International Bank for Reconstruction and Development with our letter IBRD N° 2813 of December 26, 1972. Photocopy of the document in Spanish, as well as free translation to English, are attached for your perusal.

The Gerente General of ENDESA also conferred certain powers upon Messrs. Javier Urrutia S. and Mario Vergara R. under a Deed dated June 22, 1972. Photocopy of the Spanish document and free translation are also attached.

Finally, we wish to point out that the new Ambassador of Chile in Washington has not been appointed yet, to replace His Excellency Orlando Letelier, but the ad-interim Charge d' Affairs of Chile in the USA is Mr. Pablo Valdés.

We would greatly appreciate your informing us, at your earliest convenience, any comments regarding the above in order not to delay the execution and delivery of the Bonds.

-2-

Julio 11, 1973

Sincerely,

CORPORACION DE FOMENTO DE LA PRODUCCION

Edgar Mahn

EB/imt

OUTGOING WIRE

TO: CIRCULAR TELEX

DATE: JULY 19, 1973

(SEE ADDRESSES ATTACHED)

CLASS OF
SERVICE: TELEX

COUNTRY:

TEXT:
Cable No.:

WE EXPECT TO HAVE AVAILABLE FOR TIME DEPOSIT ON AUGUST 1, 1973
BEST
FINANCIAL LIRE STOP PLEASE QUOTE US/RATES YOU WOULD OFFER FOR
THREE, SIX, NINE, TWELVE AND EIGHTEEN MONTHS FOR MULTIPLES OF
LIT 5 BILLION STOP THESE DEPOSITS SHOULD BE KEPT IN ITALY IN
FINANCIAL LIRE AND INTEREST PAYMENTS MADE IN COMMERCIAL LIRE
IN CONFORMITY WITH ITALIAN REGULATIONS STOP

REGARDS

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: WJMichaelcheck:bb

ORIGINAL (File Copy)

(Mount and See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

Cleared w/&cc: Mr. Sella

cc: Mr. Aldewereld

Mr. Hittmair

Mr. Schielke

Mr. Prins

Mr. Michaelcheck

For Use by Communications Section

Checked for Dispatch:

OUTGOING WIRE

TO: (1) DIRCOMIT (BANCA COMMERCIALE ITALIANA) DATE: JULY 19, 1973
MILAN
(ITALY)
ATTENTION: DRS. SERTOLI/ANTONUCCI CLASS OF
SERVICE: TELEX

TEST 5922

COUNTRY:

TEXT:
Cable No.:

(2) CENBANROMA (BANCO DI ROMA)
ROME
(ITALY)

TEST 6043

(3) CREDIREZIO (CREDITO ITALIANO)
MILAN
(ITALY)

TEST 6064

(4) DIRBANCOPER (BANCA NAZIONALE DEL LAVORO)
ROME
(ITALY)

TEST 5932

(5) DIRBANCO (BANCO DI NAPOLI)
NAPLES
(ITALY)

TEST 6062

(6) ESTSICILIA (BANCO DI SICILIA)
ROME
(ITALY)

TEST 6130

(SEE CIRCULAR TELEX)

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

DEPT.

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

ORIGINAL (1 To Copy)



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360 • Cable Address - INTBAFRAD

REGISTERED

July 19, 1973

Ufficio Italiano dei Cambi
Servizio Ragioneria
Via delle Quattro Fontane 123
Roma
ITALY

(Attention: Dr. Samuelli)

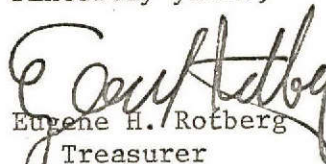
Gentlemen:

In accordance with the arrangements agreed between Dr. Orazi and Mr. Sella, I enclose herewith the temporary certificate representing the forty Certificati di Credito to be issued and delivered by our Bank to Ufficio Italiano dei Cambi pursuant to our letter of July 19, 1973.

Please hold the enclosed temporary certificate for our account until August 1, 1973; on that date and against payment of Lit. 20,000,000,000 to our account with Banca d'Italia, please deliver the enclosed temporary certificate to yourselves, in accordance with the provisions of the afore-said letter.

I shall be grateful if you would confirm, by telex, the safe receipt of the enclosed temporary certificate as soon as possible and, on August 1, 1973, the payment of the proceeds of the issue and the delivery of the temporary certificate itself.

Sincerely yours,


Eugene H. Rotberg
Treasurer



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Ann Code 202 • Telephone - EXecutive 3-6360 • Cable Address - INTBAFRAD

(Banca Internazionale per la Ricostruzione e lo Sviluppo)

CERTIFICATO PROVVISORIO

rappresentativo di quaranta certificati nominativi della Serie Speciale di Certificati di Credito B.I.R.S. in Lire italiane 7 1/4% - 1973 in data del 1^o agosto 1973, per un valore nominale complessivo di venti miliardi di lire italiane, da intestarsi all'Ufficio Italiano dei Cambi, via delle Quattro Fontane, 123, Roma, in conformità alla lettera della Banca Internazionale per la Ricostruzione e lo Sviluppo del 19 luglio 1973.

Il presente certificato verrà scambiato per i Certificati di Credito definitivi entro il 1^o febbraio 1974.

Il presente certificato non costituisce impegno da parte di alcun Governo.

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

SPECIMEN

Treasurer

Washington, D.C., 1^o Agosto, 1973

Esente da imposta di bollo a' sensi
della Legge 27 marzo 1947, n. 132.

OUTGOING WIRE

TO: CIRCULAR TELEX

DATE: JULY 19, 1973

(SEE ADDRESSES ATTACHED)

CLASS OF
SERVICE: TELEX

COUNTRY:

TEXT:
Cable No.:

WE EXPECT TO HAVE AVAILABLE FOR TIME DEPOSIT ON AUGUST 1, 1973
BEST
FINANCIAL LIRE STOP PLEASE QUOTE US/RATES YOU WOULD OFFER FOR
THREE, SIX, NINE, TWELVE AND EIGHTEEN MONTHS FOR MULTIPLES OF
LIT 5 BILLION STOP THESE DEPOSITS SHOULD BE KEPT IN ITALY IN
FINANCIAL LIRE AND INTEREST PAYMENTS MADE IN COMMERCIAL LIRE
IN CONFORMITY WITH ITALIAN REGULATIONS STOP

REGARDS

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: WJMichaelcheck:bb

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

Cleared w/&cc: Mr. Sella

cc: Mr. Aldewereld

Mr. Hittmair

Mr. Schielke

Mr. Prins

Mr. Michaelcheck

For Use by Communications Section

Checked for Dispatch

OUTGOING WIRE

TO: (1) DIRCOMIT (BANCA COMMERCIALE ITALIANA) DATE: JULY 19, 1973
MILAN
(ITALY)
ATTENTION: DRS. SERTOLI/ANTONUCCI CLASS OF
SERVICE: TELEX

TEST 5922

COUNTRY:

TEXT: (2) CENBANROMA (BANCO DI ROMA)
Cable No.: ROME
(ITALY)

TEST 6043

(3) CREDIREZIO (CREDITO ITALIANO)
MILAN
(ITALY)

TEST 6064

(4) DIRBANCOPER (BANCA NAZIONALE DEL LAVORO)
ROME
(ITALY)

TEST 5932

(5) DIRBANCO (BANCO DI NAPOLI)
NAPLES
(ITALY)

TEST 6062

(6) ESTSICILIA (BANCO DI SICILIA)
ROME
(ITALY)

TEST 6130

(SEE CIRCULAR TELEX)

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

DEPT.

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

ORIGINAL (3to Copy)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OFFICE MEMORANDUM

TO: Mr. M. M. Mendels

DATE: July 19, 1973

FROM: Eugene H. Rotberg

SUBJECT: Addition to Special Guest List

I would be most grateful if you would have the name of Mr. Harry P. Barrand, Jr., Executive V-P, Franklin National Bank, reinstated on the Special Guest List to receive an invitation to the Annual Meeting. Mr. Barrand and his Bank have been very active participants in lending by the World Bank over the last several years and currently hold some \$4 million of our outstanding loans. They also have been a major depository for our time deposits. Franklin National Bank is deserving of being given high consideration as a candidate for inclusion on the list.

cc: Mr. Bennett



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



Chow

July 19, 1973

Mr. Charles A. Coombs
Senior Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, N.Y. 10045

Dear Mr. Coombs:

I am sending you herewith the following documents which have been approved by our Board of Executive Directors:

- (1) R73-175 issued in connection with our proposed borrowing from the Deutsche Bundesbank; and
- (2) R73-176 issued in connection with our proposed borrowing in Italy.

Sincerely,


Eugene H. Rotberg
Treasurer

Encl. 2

OUTGOING WIRE

TO: INTBAFRAD
TOKYO

DATE: JULY 17, 1973

CLASS OF
SERVICE: *Telex*

COUNTRY: (JAPAN)

TEXT:
Cable No.:

255 FOR SOEJIMA THANKS YOUR 305 WE ARE PLEASED THAT SIXTH ISSUE
IS A SUCCESS STOP REGARDING ITEM TWO WE HAVE NO OBJECTION FOR
NIKKO PLACING TOMBSTONE ADS IN LEADING FOREIGN NEWSPAPERS AS
HAS BEEN DONE IN THE PAST PROVIDED THAT COST IS BORNE BY NIKKO
AND SUGGEST THAT BANK'S EMBLEM BE OMITTED FROM THESE ADS AS
HAS BEEN DONE PREVIOUSLY REGARDS

ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EH Rotberg/WVanSaagsvelt/os/bb

ORIGINAL (File Copy)

(AM ORT Add: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Rotberg ✓
Mr. Deely

For Use By Communications Section

Checked for Dispatch

OUTGOING WIRE

TO: INTBAFRAD
TOKYO

DATE: JULY 17, 1973

CLASS OF
SERVICE: Telex

COUNTRY: (JAPAN)

TEXT:
Cable No.:

255 FOR SOEJIMA THANKS YOUR 305 WE ARE PLEASED THAT SIXTH ISSUE
IS A SUCCESS STOP REGARDING ITEM TWO WE HAVE NO OBJECTION FOR
NIKKO PLACING TOMBSTONE ADS IN LEADING FOREIGN NEWSPAPERS AS
HAS BEEN DONE IN THE PAST PROVIDED THAT COST IS BORNE BY NIKKO
AND SUGGEST THAT BANK'S EMBLEM BE OMITTED FROM THESE ADS AS
HAS BEEN DONE PREVIOUSLY REGARDS

ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EH/rotberg/WVanSaagsvelt/os/bb

ORIGINAL (File Copy)

(IMPORTANT) See Secretaries Guide for preparing form

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Rotberg
Mr. Deely

For Use By Communications Section

Checked for Dispatch

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: NIKOSE A
TOKYO

DATE: JULY 17, 1973

CLASS OF
SERVICE: TELEX

J22410

COUNTRY: (JAPAN)

TEXT:
Cable No.:

ATTENTION MR. WATANABE

PLEASE ACCEPT MY CONGRATULATIONS TO YOU AND YOUR COLLEAGUES ON THE
OCCASION OF THE SUCCESSFUL PLACEMENT OF OUR MOST RECENT BOND ISSUE
YOUR COOPERATION AND EXPERTISE IN THIS MATTER IS MOST APPRECIATED

KINDEST REGARDS

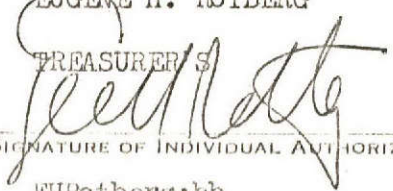
ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

T.

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:bb

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Hittmair
Mr. Deely
Mr. van Saagsvelt
m. Fonten

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch

Chron

OUTGOING WIRE

TO: CAMBITAL
ROME
ITALY

DATE: JULY 17, 1973

CLASS OF
SERVICE: TELEX

COUNTRY:

TEXT:
Cable No.:

ATTENTION DR. MANCIOTTI PLEASED INFORM YOU IBRD EXECUTIVE DIRECTORS
HAVE AUTHORIZED PLACEMENT 20 BILLION LIRE NOTE ISSUE WITH CAMBITAL
ON TERMS AND CONDITIONS AGREED WITH YOU SUBJECT TO APPROVAL BY
ITALIAN GOVERNMENT STOP GOVERNMENT APPROVAL REQUESTED BY LETTER
OF JULY 9, 1973 AND WE ARE AWAITING FORMAL CONFIRMATION

REGARDS

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: ENRotberg:bb

ORIGINAL (file copy)

CLEARANCES AND COPY DISTRIBUTION:

Cleared w/&cc: Mr. Sella
cc: Mr. Aldewereld
Mr. Hittmair
Mr. Deely
Mr. Uhrig

For Use By Communications Section

Checked for Dispatch

OUTGOING WIRE

TO: BANKITALIA
ROME

DATE: JULY 17, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (ITALY)

TEXT:
Cable No.:

ATTENTION DR. ERCOLANI REFERENCE ALDEWERELD LETTER TO GOVERNOR CARLI
TRANSMITTING FORMAL IBRD REQUEST FOR APPROVAL BY MINISTRY OF TREASURY
OF PROPOSED PLACEMENT 20 BILLION LIRE NOTES ISSUE WITH CAMBITAL PLEASE
TELEX US AS SOON AS ISSUE IS APPROVED STOP IBRD EXECUTIVE DIRECTORS
AUTHORIZED ISSUE TODAY SUBJECT TO ITALIAN GOVERNMENT APPROVAL FOR
SETTLEMENT AUGUST 11, 1973 Test 21440

REGARDS

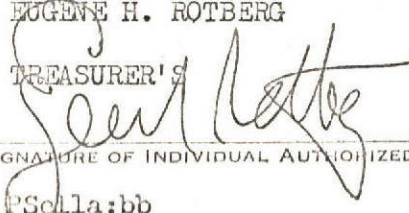
ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: PSella:bb

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

Cleared w/&cc: Mr. Sella

cc: Mr. Aldewereld

Mr. Hittmair

Mr. Deely/Mr. Uhrig

For Use By Communications Section

Checked for Dispatch

Chron



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

July 16, 1973

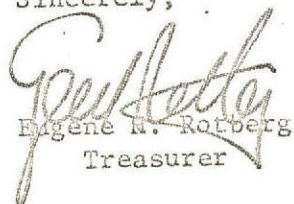
Mr. W.H. Conroy
Kleinwort, Benson Limited
P.O. Box 560
20 Fenchurch Street
London EC3P 3DB - England

Dear Mr. Conroy:

Thank you for your letter of July 4 with which you enclosed some interesting statistical information pertaining to the various currencies involved in the performance of the NATO Fund, which we discussed during your recent visit to Washington. I appreciate your taking the time out to collate these figures and will be in touch with you again if I have any further questions on this subject.

It was a pleasure meeting with you and your colleague, Mr. Saunders.

Sincerely,


Eugene M. Rorberg
Treasurer



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

July 16, 1973

Mr. M. Tyus Butler, Jr.
Lead Articles Editor
Mercer Law Review
Walter F. George School of Law
Mercer University
Macon, Georgia 31207

Dear Mr. Butler:

Thank you for your letter of July 9
in which you request that I write an article
for publication in a forthcoming issue of the
Mercer Law Review.

While I appreciate your thoughtfulness
in inviting me to submit such an article,
unfortunately, due to a heavy work schedule at
the office and the necessity for me to travel
quite extensively, I cannot at the present
time commit myself to write a paper for your
publication.

Sincerely,


Eugene H. Rotberg
Treasurer

Chron

July 11, 1973

The Bank of Japan
Tokyo
Japan

Gentlemen:

This refers to the Loan Agreement dated February 20, 1973 between us. It is our intention to withdraw an additional Yen 30,000,000,000 before the end of July. We will appreciate your advising us by telex of the date which will be most convenient to The Bank of Japan for such a withdrawal.

Sincerely yours,

(signed) Eugene H. Rotberg
Eugene H. Rotberg
Treasurer

cc: Messrs. Soejima
Rotberg
Scott
Rutland
Prins
Deely/IBRD Yen Bonds

DEHarris:ktp



OFFICE MEMORANDUM

Chron

TO: Files

DATE: July 10, 1973

FROM: Eugene H. Rotberg *EH*SUBJECT: Bundesbank Roll Over - August 1, 1973

Mr. Aldewereld and I spoke to Dr. Tungeler of the Deutsche Bundesbank in connection with the roll over of our August 1 maturity. After a brief discussion, in which we summarized the prevailing market yields in U.S. (which were higher than last week), Dr. Tungeler stated that his Board would accept a yield of 8-3/4% for a roll over of the maturing obligation. He suggested the new obligation be evidenced by two tranches of DM 154.5 million and DM 101.5 million to mature on August 1, 1977 and February 1, 1978, respectively. We agreed to these terms with Dr. Tungeler subject to the approval of our Board of Executive Directors on July 17; we agreed to confirm the transaction by cable after our Board approval.

We thanked Dr. Tungeler for providing us with a rate below prevailing interest rate levels in Germany; we told him we looked forward to future relationships with the Bundesbank; etc. etc.

EHRotberg:bb

cc: Mr. Aldewereld
Mr. Nurick
Mr. van Saagsvelt

Chron

10822 Childs Court
Silver Spring, Md.
10822

July 10, 1973

Dear Svala:

I have located the bill for the art material which is self-explanatory. I believe I left with you the second bill for the additional paper. Please do not send me a check as we will settle this momentous transaction when you finish the painting. It was good seeing you yesterday.

Sincerely,



Gene Rotberg

Mrs. Svala Ritch
1560 - 33rd Street, N.W.
Washington, D.C.

領 収 証

昭和 6 月 27 日

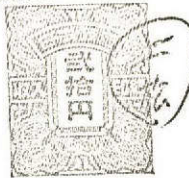
上 様

下記正に領収いたしました

¥ 81,559-

但し

W



日本画・洋画材料部 東京都渋谷区渋谷2-20-8

TEL (400) 5556-5557

図案材料部 TEL (400) 5551-高橋

額 縁 店 東京都渋谷区渋谷2-19-18

TEL (409) 4455-3900

造形材料部 TEL (400) 5558

クリエイティブ・スタッフ TEL (406) 3785

ウエマツ

48.2.1000

3.183
1.920
4.320
1.080
4.270
1.260
1.800
1.998
2.640
2.550
943
1.920
3.290
2.100
1.658
4.480
2.190
1.440
2.320
2.480
2.590
2.380
1.948
2.295
4.785
2.470
64,310 *

discount
給具

64,310
64,310-
57,879

【Linas
C112

26x
300=
65,679

【Glue
1200

270x
18=
70,539

【Paper
313

1.020
81,559 *

OUTGOING WIRE

*Chen*TO: NOTENBANK
FRANKFURTMAIN

DATE: JULY 9, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (GERMANY)

TEXT:
Cable No.:

FOR MR. TUENGELER

REFERENCE OUR PREVIOUS TELEPHONE CONVERSATION RE MATURING IBRD
OBLIGATION WITH BUNDESBANK, MR. ALDEWERELD AND I WILL TELEPHONE
YOU APPROXIMATELY 3:00 P.M. FRANKFURT TIME TUESDAY, JULY 10
STOP BEST REGARDS. TEST 651

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Hittmair
Mr. Deely

For Use By Communications Section

Checked for Dispatch: _____

~~X~~
Urgent
Chron

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT
ASSOCIATION
INTERNATIONAL FINANCE
CORPORATION

Mr. van Saagsvelt

Bill:

Will you please have
someone check this out and
let me know as early as
possible on Monday morning
whether or not it is O.K.

Thanks.

Gene R.
7/6/73

BORROWINGS IN JAPAN

	<u>Bank of Japan</u>	<u>Public Issues</u>
	(in millions of dollars)	
<u>Calendar 1970*:</u>	\$100.0	
	\$100.0	
	.	.
<u>Calendar 1971:*</u>	\$100.0	
	\$100.0	
	\$ 19.4	\$ 30.6
	\$ 16.7	\$ 33.3
	.	.
<u>Calendar 1972:*</u>	\$ ^{4.7} 325.0	\$ 41.7
		\$ 64.9
		\$ 64.9
	.	.
<u>Calendar 1973:*</u>	\$438.3**	\$ 32.5
		\$ 75.0 ⁴
TOTAL.....	<u>\$1199.¹4</u>	<u>\$34^{3.3}2.9</u>

* All borrowings were in Yen (500 billion yen). The dollar equivalent set forth above reflects the exchange rate at the time of borrowing or commitment to borrow.

** Of this amount approximately \$36¹~~0~~ million, at current exchange rates remains undrawn, but will be drawn before February 1974 under the terms of the Line of Credit.

Chron.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.

July 6, 1973

Mr. Charles A. Coombs
Senior Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, N.Y. 10045

Dear Mr. Coombs:

I am sending you herewith the following documents which have been approved by our Board of Executive Directors:

- (1) R73-149 issued in connection with our borrowing of Swiss Francs 450,000,000; and
- (2) R73-164 issued in connection with our 7-1/2% Japanese bond issue in the amount of 20 billion yen.

Sincerely,


Eugene H. Rotberg
Treasurer

Encl.

Chron.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D.C. 20433, U.S.A.

July 6, 1973

Miss Bonnie Polacek
Conference Programming Department
Institutional Investor Systems, Inc.
14th Floor
488 Madison Avenue
New York, N.Y. 10022

Dear Miss Polacek:

In accordance with our conversation on
the telephone today, I am enclosing herewith
a corrected version of the biographical sketch
for Mr. Rotberg.

Sincerely,

Edith Kesterton

Secretary to
Mr. Rotberg

Encl.

Eugene H. Rotberg is Treasurer of the World Bank and its affiliates, International Development Association (IDA) and International Finance Corporation (IFC). He was formerly Associate Director of Securities and Exchange Commission (Markets and Regulation) and Chief Counsel, Office of Policy Research, and is a recipient of the S.E.C. Distinguished Service Award. He holds a B.S. degree from Temple University and an L.L.B. from the University of Pennsylvania.

Personal

DECLASSIFIED

JUL 01 2025

WBG ARCHIVES



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



July 6, 1973

Miss Bonnie Polacek
Conference Programming Department
Institutional Investor Systems, Inc.
14th Floor
488 Madison Avenue
New York, N.Y. 10022

Dear Miss Polacek:

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Edith Kesterton

Secretary to
Mr. Rotberg

Encl.

Eugene H. Rotberg is Treasurer of the World Bank and its affiliates, International Development Association (IDA) and International Finance Corporation (IFC). He was formerly Associate Director of Securities and Exchange Commission (Markets and Regulation) and Chief Counsel, Office of Policy Research, and is a recipient of the S.E.C. Distinguished Service Award. He holds a B.S. degree from Temple University and an L.L.B. from the University of Pennsylvania.

OUTGOING WIRE

*Personal*TO: INTBAFRAD
TOKYO

DECLASSIFIED

DATE: JUNE 4, 1973

JUL 01 2025

CLASS OF
SERVICE: TELEX

WBG ARCHIVES

COUNTRY: (JAPAN)

TEXT:
Cable No.: 205 FOR MR. SOEJIMA

PLEASE ADVISE ME MRS. ATSUMI'S CONDITION. BEST REGARDS.

GENE ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY: EUGENE H. ROTBERG

NAME: TREASURER'S

DEPT.

SIGNATURE: *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

EHRotberg:emk
ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

Checked for Dispatch: _____

Chiron

OFFICE MEMORANDUM

TO: Files

DATE: July 10, 1973

FROM: Eugene H. Rotberg *EHR*SUBJECT: Bundesbank Roll Over - August 1, 1973

Mr. Aldewereld and I spoke to Dr. Tungeler of the Deutsche Bundesbank in connection with the roll over of our August 1 maturity. After a brief discussion, in which we summarized the prevailing market yields in U.S. (which were higher than last week), Dr. Tungeler stated that his Board would accept a yield of 8-3/4% for a roll over of the maturing obligation. He suggested the new obligation be evidenced by two tranches of DM 154.5 million and DM 101.5 million to mature on August 1, 1977 and February 1, 1978, respectively. We agreed to these terms with Dr. Tungeler subject to the approval of our Board of Executive Directors on July 17; we agreed to confirm the transaction by cable after our Board approval.

We thanked Dr. Tungeler for providing us with a rate below prevailing interest rate levels in Germany; we told him we looked forward to future relationships with the Bundesbank; etc. etc.

EHRotberg:bb

cc: Mr. Aldewereld
Mr. Nurick
Mr. van Saagsvelt

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

Chron

OUTGOING WIRE

TO: CAMBITAL

DATE: JULY 10, 1973

ROME

CLASS OF
SERVICE: TELEX

COUNTRY: (ITALY)

TEXT:
Cable No.:

FOR DR. MANCIOTTI AM PLEASED TO INFORM YOU BANK MANAGEMENT HAS
APPROVED DRAFT DOCUMENTS JULY 4, 1973 BROUGHT BACK BY SELLA STOP
WE WILL SUBMIT PROPOSED BORROWING TO OUR BOARD OF EXECUTIVE
DIRECTORS FOR CONSIDERATION ON JULY 17, 1973 STOP IN DRAFT
CONDITIONS OF CERTIFICATES PLEASE NOTE THAT MATURITY OF AUGUST ONE,
1983 SHOULD REFER TO CERTIFICATES NOS. 13 TO 15 INSTEAD OF NOS. 12
TO 15 STOP FORMAL REQUEST FOR GOVERNMENT APPROVAL AIRMAILED TODAY
TO MINISTER OF TREASURY THROUGH GOVERNOR CARLI STOP MANY THANKS
FOR YOUR KIND COOPERATION

REGARDS

ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHROTberg:bb

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld

Cleared w/& cc: Mr. Sella

cc: Mr. Deely

cc: Mr. Uhrig

For Use By Communications Section

ORIGINAL (File Copy)

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
Mr. S. Aldewereld

DATE: July 9, 1973

FROM: Eugene H. Rotberg *ER*SUBJECT: Investment Portfolio

Attached is the report on our investment holdings as of June 15, 1973. Since May 31, the average yield on total portfolio has increased by 8 basis points to 6.74%. Almost all of this increase in yield is due to the higher rates on U.S. certificates of deposit.

The following rates are indications of current U.S. market rates (see also attached chart) as of July 3, 1973:

<u>Maturity</u>		<u>Yield</u>
3 months	Treasury Bill	8.25%
"	Certificate of Deposit	9.00
6 months	Treasury Bill	8.35
"	Certificate of Deposit	8.75
1 year	Treasury Bill	8.15
	Certificate of Deposit	8.25
	Agency Bond	8.00
5 years	Treasury Note	7.00
"	Agency Bond	7.50

Yields on short-term instruments are continuing to increase; recently, medium-term (five-year) yields have risen from the 7-1/4% to 7-1/2% level. Our strategy is to invest temporarily in short maturities which offer high returns and are quite liquid. These short investments are sold whenever an opportunity for a medium-term investment arises.

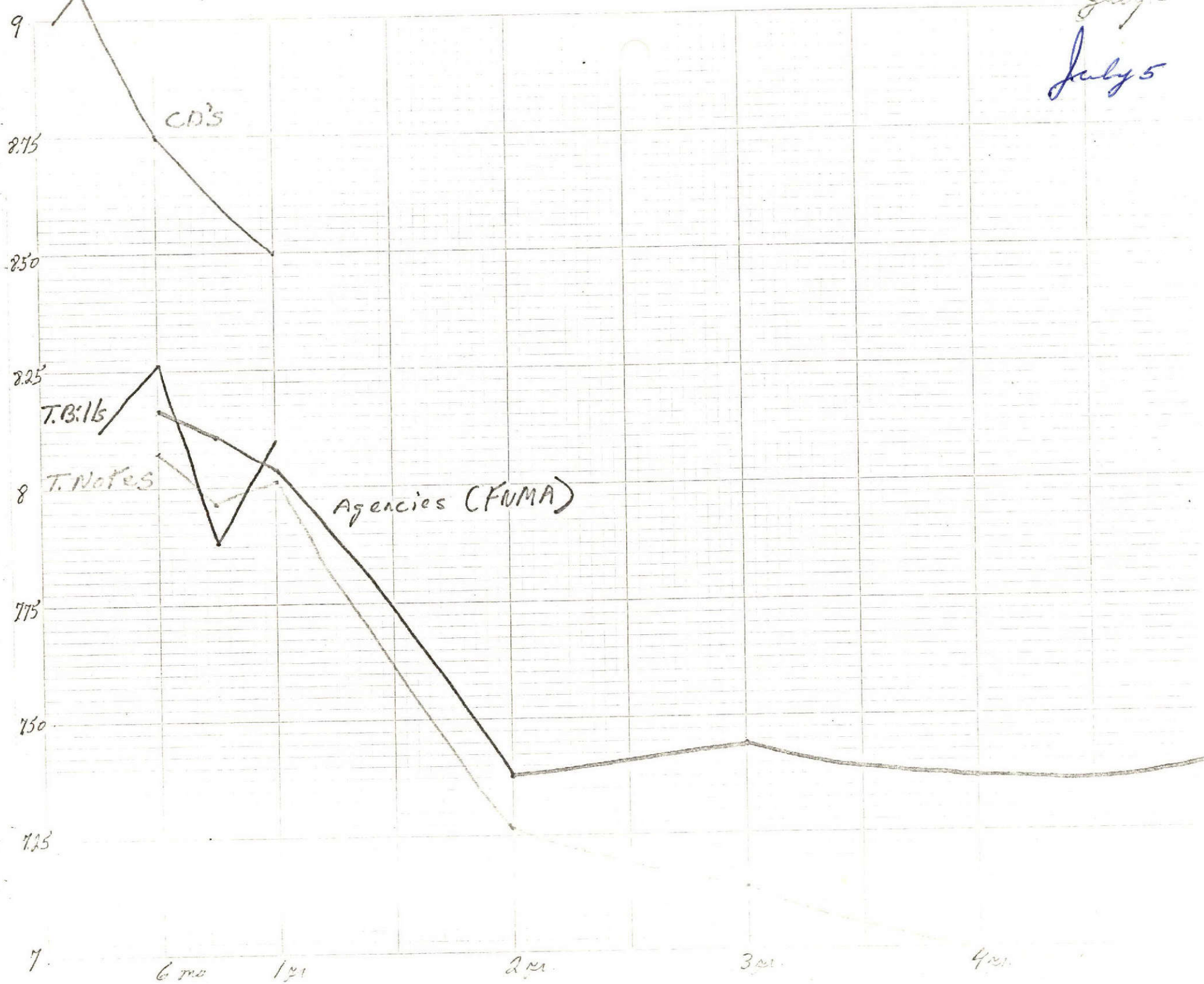
Completed purchases not included in the attached statement are:

\$20 million FHA Notes due July 1978 yielding 7.46%
\$50 million FNMA Debentures due December 1977 yielding 7.25%
\$50 million FLB Bonds due July 1977 yielding 7.50%

We hold \$277 million equivalent in DM and yen (a reduction of \$75 million equivalent from the previous month) currently yielding about 4.75%. These holdings, absent a repayment of our maturing Bundesbank obligation, will increase because of the recent yen borrowing and the necessity to disburse quickly the proceeds of our \$148 million, equivalent, Swiss franc borrowing.

Attachment

July 5



OUTGOING WIRE

Chion

TO: NOTENBANK
FRANKFURTMAIN

DATE: JULY 9, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (GERMANY)

TEXT:
Cable No.:

FOR MR. TUENGELER

REFERENCE OUR PREVIOUS TELEPHONE CONVERSATION RE MATURING IBRD
OBLIGATION WITH BUNDESBANK, MR. ALDEWERELD AND I WILL TELEPHONE
YOU APPROXIMATELY 3:00 P.M. FRANKFURT TIME TUESDAY, JULY 10
STOP BEST REGARDS. TEST 651

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Hittmair
Mr. Deely

For Use By Communications Section

Checked for Dispatch: _____

ROUTING SLIP

Date

7/2/73

NAME

ROOM NO.

1) Miss Kenton

A1042

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

☒ Information

Signature

Initial

Send On

REMARKS

Kessie: Joint Library is trying
to get Standard
Poor back on
Schedule. Confusion
must reflect the state of
the market.

From: Research Files and Library Services, Room G1070

JOINT BANK-FUND LIBRARY

7-2-73

Mr Zlatich —

Hope these
help

Barbara

*Chron
File*

March 9, 1973

Gentlemen:

We refer to our purchase order IBA-3627A, dated August 22, 1972, requesting the renewal of our subscription for 1973 as follows:

1. Corporation records, monthly revised
2. Poor's register of directors and executives (including supplement)

Addressed to: International Finance Corp.
Attention: IFC Library
1818 H Street, N. W.
Washington, D. C. 20431

3. Poor's register of directors and executives, U. S. and Canada

Addressed to: Research Files
International Bank for Reconstruction
and Development
1818 H Street, N. W.
Washington, D. C. 20431

4. Standard & Poor's security owners' stock guide

Addressed to: Research Files
International Bank for Reconstruction
and Development
1818 H Street, N. W.
Washington, D. C. 20431

Thus far we have not received an invoice to cover the cost. We shall greatly appreciate it if you will send us your invoice in duplicate at your earliest convenience so that we can close out our order before the end of our fiscal year.

Thank you for your attention to this matter.

Very truly yours,

Martin L. Loftus
Librarian

Standard & Poor's Corporation
910 17th Street, N. W.
Washington, D. C. 20006
Washington, D. C. 20006

SC
3/9/73



STANDARD & POOR'S CORPORATION

345 HUDSON STREET, NEW YORK, N.Y. 10014

June 5, 1973

Joint Bank-Fund Library
19th & H Sts., N.W.
Washington, D.C. 20431

Att: Martin L. Loftus
Librarian

Dear Mr. Loftus:

Re: Account 9961-W-0076
Corporation Records - Monthly Revised (AA-5)
9961-W-0640
Register of Corporation,
Directors & Executives (RD)
Stock Guide (CK)

We have received your recent letter concerning your purchase order #IBA-3627A covering a renewal of your Corporation Records - Monthly Revised and the renewal of your Register and also a new subscription for the Stock Guide.

Our records indicate that these subscriptions, the Register and the Corporation Records - Monthly Revised were canceled in January 1973 because we had failed to receive a renewal purchase order from you. I have enclosed photocopies of several of the letters we sent attempting to secure a purchase order. We received no answer and were forced to cancel the subscriptions.

I still cannot locate this purchase order in our files so if you will please forward the purchase to my attention, I will be glad to reinstate the Corporation Records and Poor's Register and also begin a new subscription to the Stock Guide for the following address:

Research Files International Bank
For Reconstruction
1818 8th St., N.W.
Washington, D. C. 20433

I await your reply.

Sincerely,

Candace DiPietro
Candace DiPietro (Mrs.)
Customer Relations

CD:jr
Enc.
cc: N. Luth

June 12, 1973

Dear Mrs. Di Pietro:

In reply to your letter of June 5, 1973, we are enclosing a copy of our Purchase Order IBA-3627A which was originally sent to your Washington office on August 22, 1972.

Thank you for your attention to this matter.

Very truly yours,

Martin L. Loftus
Librarian

Mrs. Candace Di Pietro
Customer Relations
Standard & Poor's Corporation
345 Hudson Street
New York, N. Y. 10014

MLL:mas
6.12.73
IBA-3627A

SUBJECT COPY

JOINT BANK - FUND LIBRARY

19th and H Streets, N. W.

Washington, D. C. 20431

International Monetary Fund

International Bank for Reconstruction
and Development

ORDEN DE COMPRA

PURCHASE ORDER

BULLETIN DE COMMANDE

Order No.	Date	Bank	Fund	Joint
IBA-3627A	August 22, 1972			

To:

Standard & Poor's Corporation
910, 17th Street, N.W.
Washington, D.C. 20006

Deliver to:
A livrer à:
A entregarse a: Items 1 & 2:-
International Finance Corporation
Attention: IFC Library
1818 H Street, N.W.
Washington, D.C. 20431

Items 3 & 4: See below.

Item No. No. des articles Artículo número	Description Descripción	Quantity Quantité Cantidad	Unit price Prix unitaire Precio unitario	Amount Prix Importe
	<u>Subscription renewals:</u> Period: 1973 (Previous order no. IBA-2645)			
B-iso 1.	Corporation records, monthly revised.	1		\$320.00
" 2.	Poor's register of directors and executives (including supplement)	1		115.00
" 3.	Poor's register of directors and executives, U.S. and Canada. Mail to: Research Files International Bank for Reconstruction & Development 1818 H Street, N.W. Washington, D.C. 20431	2	\$115.00	230.00
" 4.	Standard & Poor's security owners' stock guide. Mail to: Research Files International Bank for Reconstruction & Development 1818 H Street, N.W. Washington, D.C. 20431	1		26.50
Bank .. \$691.50				

See reverse
T.S.V.P.
Vuelta

MLL:ng 8.22.72

TOTAL \$691.50

Copy invoice 8/24/72

Librarian

Chron

OFFICE MEMORANDUM

TO: Mrs. Muriel Lee

DATE: July 2, 1973

FROM: Edith M. Kesterton
FROM: Edith M. Kesterton

EMK

SUBJECT: Future Travel - Treasurer's Department

Mr. Rotberg

Mr. Rotberg is presently in Japan in connection with the signing of our issue of Japanese Yen Bonds of 1973 - Sixth Series. He is expected to return to the Bank on July 6.

He will be on Annual Leave for the first two weeks of August.

He will be away for the last two weeks of September, during which time he will attend the Annual Meeting in Nairobi, Kenya.

.

Mr. Hittmair

Mr. Hittmair is presently on Home Leave and will return to the Bank on July 30.

EMK/



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20433, U.S.A.

June 28, 1973

Mr. Koshi Suzuki
Manager
International Finance Department
The Industrial Bank of Japan, Ltd.
Yaesu, Tokyo, Japan

Dear Mr. Suzuki:

In the absence of Mr. Rotberg, who is presently out of the country, I wish to acknowledge receipt of and thank you for sending your latest report on the Japanese Bond Market. I will bring this report to Mr. Rotberg's attention upon his return to the Bank.

Sincerely yours,

Edith M. Keister

Secretary to
Mr. Rotberg

OFFICE MEMORANDUM

TO: Mr. S. Aldewereld
FROM: Eugene H. Rotberg
SUBJECT: German Issue

DATE: June 22, 1973

Dr. Seipp called this morning and advised me as follows:

Interest rates are rising in Germany. The Deutsche Bank today, Friday, June 22, has underwritten a DM 150,000,000 issue of the European Investment Bank. Average life 10-1/2 years; coupon 7%; issue price, par.

Dr. Seipp said that an 8-year private placement in today's market would be at the same coupon and price. If we were interested in a 6-year note issue, it probably could be done with a 6-3/4% coupon. Dr. Seipp recommended that if we wanted to go forward with an issue that we do a regular 15-year public issue (similar to the EIB's) since the costs would essentially be the same as the shorter note issue.

I thanked Dr. Seipp and advised him of the importance of keeping our conversations confidential in view of our pending Swiss operation. I told him if there was any change in market conditions in Germany during the next two weeks we would appreciate it if he called Mr. Aldewereld. In any event we would continue our discussions the first or second week of July.

EHRotberg:bb

cc: Mr. H. T. T. T.
Mr. Deely

OUTGOING WIRE

Chron

TO: PIERO SELLA
LA GROTTA
SANT'ILARIO - ELBA

DATE: JUNE 22, 1973

CLASS OF FULL RATE
SERVICE:

COUNTRY: (ITALY)

TEXT:
Cable No.:

HAVE TODAY SENT FOLLOWING CABLE TO CAMBITAL COLON

QUOTE IN VIEW OF YOUR INABILITY TO ENTER INTO PARTICIPATION
AGREEMENT WITH RESPECT TO WORLD BANK LOAN TO ZAMBIA
WE ARE PLEASED WITH YOUR ALTERNATIVE SUGGESTION TO
LEND CONVERTIBLE LIRE TO WORLD BANK FOR ITS OPERATIONS
STOP MR. PIERO SELLA, ASSISTANT GENERAL COUNSEL,
WILL ARRANGE TO MEET WITH YOU IN EARLY JULY AND DISCUSS
TECHNICAL DETAILS OF PROPOSED LOAN WHICH WE HOPE TO
PRESENT TO OUR BOARD OF EXECUTIVE DIRECTORS AS SOON AS
POSSIBLE STOP THANK YOU FOR YOUR COOPERATION STOP
REGARDS UNQUOTE

ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

Checked for Dispatch: _____

OUTGOING WIRE

*Chron.*TO: INTBAFRAD
TOKYO

DATE: JUNE 22, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (JAPAN)

TEXT:
Cable No.: 232 FOR SOEJIMA

ARRIVE TOKYO TUESDAY, JUNE 26, ON FLIGHT PAA 001 AT 1605 STOP

HAVE REQUESTED HOTEL ACCOMMODATION AT IMPERIAL STOP REGARDS

ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

Checked for Dispatch: _____

OUTGOING WIRE

Chiron

TO: CAMBITAL
ROME

DATE: JUNE 22, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (ITALY)

TEXT:
Cable No.:

IN VIEW OF YOUR INABILITY TO ENTER INTO PARTICIPATION AGREEMENT
WITH RESPECT TO WORLD BANK LOAN TO ZAMBIA ~~STOP~~ WE ARE PLEASED
WITH YOUR ALTERNATIVE SUGGESTION TO LEND CONVERTIBLE LIRE TO
WORLD BANK FOR ITS OPERATIONS STOP MR. PIERO SELLA, ASSISTANT
GENERAL COUNSEL, WILL ARRANGE TO MEET WITH YOU IN EARLY JULY AND
DISCUSS TECHNICAL DETAILS OF PROPOSED LOAN WHICH WE HOPE TO
PRESENT TO OUR BOARD OF EXECUTIVE DIRECTORS AS SOON AS POSSIBLE
STOP THANK YOU FOR YOUR COOPERATION STOP REGARDS

ROTBERG
TREASURER
INTBAFRAD

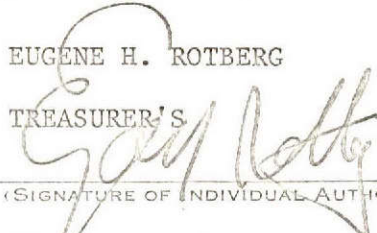
→ Tuesday } Sella
Wed. } in Rome

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Rota, Executive Director
Mr. Aldewereld
Mr. Bell
Mr. Scott Repeat to
Mr. Hittmair Mr. Sella
Mr. Deely (in Elba, Italy)

For Use By Communications Section

Checked for Dispatch: _____

OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

DATE: June 21, 1973

FROM: Eugene H. Rotberg SUBJECT: Swiss Issue

I received a telephone call from Joseph Uhrig, Treasurer's Department, who advised me as follows:

1. The Swiss National Bank has approved the borrowing of 450 million Swiss francs. They did so after assurances from the Credit Suisse, the Managing Underwriter, that all the bonds would be placed in Switzerland, in accordance with applicable Swiss regulations.

2. Dr. J. Lademann, Director of the Swiss National Bank advised Mr. Uhrig, however, that the approval of the Ministry of Finance in Berne had not yet been obtained and that it could not be obtained before Monday at the earliest. He advised Uhrig that there are certain political pressures on the Ministry of Finance and that he could only speak for the Swiss National Bank in giving his approval.

. . .

Mr. Uhrig told me that in his view the chances of the Ministry of Finance not going along with the approval of the Swiss National Bank was minimal. He pointed out that we have gone to our Board after approval of Swiss National Bank, subject of course to the approval of the Ministry of Finance.

In response to my question, he said that a delay of our Board meeting until Tuesday (at which time we might have the reaction of the MOF) would not cause problems for our underwriters. Signing is scheduled to take place on Wednesday, June 27.

The Board resolution makes it clear that we will not sign the underwriting contracts until all necessary approvals have been obtained.

Question: Should we bring the matter to the Board now, having received the approval of Swiss National Bank, or wait for the response of the MOF in Berne?

EHRotberg:bb

OFFICE MEMORANDUM

TO: Mr. R. A. Clarke, Director, Personnel Dept. DATE: June 21, 1973

FROM: Eugene H. Rotberg, *E. H. Rotberg* Treasurer

SUBJECT: Visit of Mr. Joseph W. Barr

I received a visit yesterday, June 20, from Mr. Joseph Barr, Chairman of the Board, American Security and Trust Company. Mr. Barr advised me as follows:

American Security and Trust Company (AS&T), has in recent years been an important supplier of mortgage financing for World Bank employees. The World Bank and the Department of State foreign service employees are the major customers seeking home mortgage financing from AS&T. At the present time the usury laws in Washington do not permit interest rates in excess of 8% on home financing. In recent months money has tightened considerably in the Washington area and AS&T has had to pay more for new funds than it receives on 8% mortgages. In addition, there is a cost of \$150 borne by AS&T to set up and service each mortgage.

Mr. Barr said that because of the cost of new money they are losing money on each mortgage financed. (I did not ask Mr. Barr whether he was referring to average cost of money or the marginal cost of new funds, or with respect to new funds, whether he was referring to cost of money from the Federal Reserve Bank, time deposits, savings accounts, etc.)

Mr. Barr continued that AS&T was willing to make funds available at an interest rate of 8% but wanted at least to cover the costs of the financing for the first year. He calculated that if we were to purchase a Certificate of Deposit for \$750,000 for one year at an interest rate of 7-1/8%, AS&T would break even the first year, after taking into account the reserve requirements on the deposit and the start-up costs for servicing the mortgage.

I advised Mr. Barr that I believed there was conflict of interest on using World Bank resources to subsidize indirectly the cost of housing for its employees. Mr. Barr commented that it was not a question of extra compensation - to certain Bank employees - but rather a question of whether new employees could get any home financing in Washington or Maryland.

. . .

Mr. Clarke

- 2 -

June 21, 1973

I have calculated that \$750,000 deposit for one year at 7-1/8% would reduce the income of the Bank for one year by approximately \$5,400 from the rate at which we can place deposits with certain other banks. I consider it to be irrelevant that the rate most banks are willing to quote is 7-7/8% since the fact is that we do invest at higher rates by selectively choosing the banks prepared to offer more. Accordingly, I propose to advise Mr. Barr that we will not place a deposit at a concessionary interest rate even though the loss to the Bank is relatively small. I think the concessionary rate involves a fundamental conflict of interest; an action which would be a discriminatory form of excess compensation for some of our employees; and one which is not disclosed in our budget.

However, you may wish to advise the Staff Association or the Credit Union to determine whether they would be prepared to make a deposit with the staff's liquid funds. I do not know how or with whom they negotiate time deposits and it may be that because of their small size and their lack of continuity in the market that they have been unable to place funds at higher than 7-1/8% for one year. As you know, I have no responsibility for their activities, but I think that we might advise them as to this matter and indicate that there are prospects that mortgage financing may not be available from AS&T. There are, of course, other banks making mortgage loans and I assume that most mortgage financing in this area is done by Savings & Loans. May I have your views.

EHRotberg:bb

cc: Mr. Aldewereld
Mr. Paijmans

OUTGOING WIRE

TO: PIERRO SELLA
LA GROTTA
SANT'ILARIO - ELBA

DATE: JUNE 20, 1973

CLASS OF
SERVICE: FULL RATE

COUNTRY: (ITALY)

TEXT:
Cable No.:

PLEASE TELEPHONE ROTBERG (X-2213) OR ALDEWERELD (X-2663) RE KAFUE

MATTER STOP REGARDS

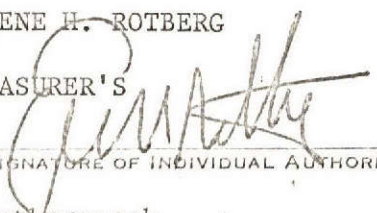
ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Communications Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

Checked for Dispatch

Chron

OFFICE MEMORANDUM

TO: Mr. J. Burke Knapp
FROM: Eugene H. Rotberg *ER*
SUBJECT: Zambia - Kafue II Project

DATE: June 19, 1973

Italiano
I received a telephone call from Piero Sella this morning that the Ufficio dei Cambi could not participate in the Kafue II loan. They told Mr. Sella they did not realize until they received my letter that the participation did not carry the guarantee of the Bank and, under their investment constraints they could not consider an investment in Zambia as appropriate. Mr. Sella advised them that he did not think the Bank would be prepared to offer its guarantee (which we have not done since the '50s), but that he would bring this matter to our attention.

Italiano
The Ufficio dei Cambi offered as an alternative the possibility of lending funds to the Bank under the same terms and conditions as the proposed participation, i.e. 20 billion lire at 7-1/4%, final maturity 15 years, etc. Sella indicated that he would transmit this to us for our reaction. He is leaving Rome tomorrow morning and I told him we would try to call him tonight at the Grand Hotel.

EHRotberg:bb

cc: Mr. Aldewereld
Mr. Broches
Mr. Bell
Mr. Hittmair

OUTGOING WIRE

Chiron

TO: MR. PIERO SELLA

DATE: JUNE 19, 1973

GRAND HOTEL

CLASS OF
SERVICE: FULL RATE

ROME

COUNTRY: (ITALY)

TEXT:
Cable No.:WILL TELEPHONE YOU BETWEEN 11 PM AND 12 PM ROME TIME CONCERNING
UFFICIO DEI CAMBI MATTER

ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *Eugene H. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:bb

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Bell
Mr. Hittmair

For Use By Communications Section

Checked for Dispatch: _____

OUTGOING WIRE

*Chron*TO: INTBAFRAD
PARIS

DATE: JUNE 13, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (FRANCE)

TEXT:
Cable No.:

FOR M R. TOBIAS ASSER

JOSEPH UHRIG WILL BE STAYING AT ATLANTIS HOTEL IN ZURICH STOP
ARRANGEMENTS HAVE BEEN MADE FOR YOU AND JOSEPH TO BE AT OFFICES
OF SWISS CREDIT BANK IN ZURICH ABOUT TEN O'CLOCK MONDAY MORNING
JUNE 18 STOP REGARDS

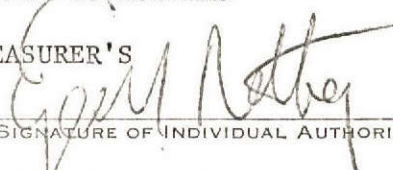
ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Hittmair
Mr. Deely

For Use By Communications Section

Checked for Dispatch: _____

OFFICE MEMORANDUM

TO: Mr. M. M. Mendels

DATE: June 13, 1973

FROM: Eugene H. Rotberg

SUBJECT: Invitation to Annual Meeting

Mort:

It would be most appreciated if you would extend an invitation to Mr. Robert H. Bethke, Chairman of the Executive Committee of Discount Corporation.

The Treasurer's Department is in daily contact with Discount Corporation of New York in connection with the investment of the Bank's liquid portfolio. Typically, we have several telephone calls a day to discuss with them money market developments. As you know, Discount Corporation is one of the leading four dealers in the U.S. Government securities market as recognized by the Federal Reserve Bank of New York. We engage, on a rather regular basis, in purchases and sales of bonds, Certificates of Deposit and swaps with Discount Corporation.

Discount Corporation is, of course, a major underwriter and distributor of our own obligations, and if removed from the list of invitees would be, I believe, the only major underwriter so excluded. Finally, Mr. Bethke had made reservations at the Copenhagen meetings which he attended, to go to Nairobi. These reservations were cancelled because of the Bank's preempting hotel space in Nairobi. As you know, Bethke has previously made arrangements to join the U.S. Undersecretary of the Treasury, William Simon, in Nairobi.

EHRotberg:bb

cc: Mr. William L. Bennett



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



June 12, 1973

Dear Bob:

Thank you for your Brochure. I think there are two possibilities for funding. First, I will bring the matter to the attention of the International Finance Corporation (IFC), an affiliate of the World Bank, which has responsibility, under the direction of Mr. David Gill for capital market developments in less developed countries.

Secondly, I will discuss the Brochure with the OECD. I will be in Paris this month for the OECD Committee Meetings on World Financial Markets. That Committee has responsibility in the OECD for the subject matters of your proposal. I will let you know if anything comes of these overtures.

Best regards,

A handwritten signature in cursive script, appearing to read "Eugene H. Rotberg".

Eugene H. Rotberg

Mr. Robert H. Mundheim
University of Pennsylvania Law School
3400 Chestnut Street
Philadelphia, Pennsylvania 19174

Chron

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Sella
Mr. Hittmair
Mr. Deely
Mr. Prins

For Use By Communications Section

Checked for Dispatch

Chen

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: INTBAFRAD
PARIS

DATE: JUNE 12, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (FRANCE)

TEXT:
Cable No.: 738 FOR CARRIERE

(ONE) SWISS CREDIT BANK HAS RESPONDED TO MY CABLE BY LOWERING COMMISSION ONE-EIGHTH OF ONE PERCENT FOR SIX AND SEVEN YEAR TRANCHES. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME AS SET FORTH IN THEIR INITIAL CABLE. THEY HAVE ALSO STRONGLY URGED THAT WE TAKE DOWN ALL PROCEEDS IN JULY, TO WHICH WE HAVE AGREED. FOR YOUR RECORDS TEXT OF OUR RESPONSE CABLE TO THEM READS AS FOLLOWS:

QUOTE: ATTENTION MESSRS. HURTER AND HIRS. THANK YOU FOR YOUR CABLE OF JUNE 12 STOP WE AGREE TO TERMS AND CONDITIONS FOR PROPOSED 450 MILLION SWISS FRANC PLACEMENT AS SET FORTH IN YOUR CABLE OF JUNE 7 AS MODIFIED BY YOUR CABLE OF JUNE 12 SUBJECT TO THE APPROVAL BY BANQUE NATIONALE SUISSE OF THE OPERATION AND APPROPRIATE ARRANGEMENTS FOR USE OF PROCEEDS AND AUTHORIZATION BY OUR BOARD OF EXECUTIVE DIRECTORS STOP REGARDING TAKE-DOWN OF PROCEEDS WE AGREE WITH YOUR SUGGESTION TO TAKE DOWN ENTIRE AMOUNT IN JULY 1973 STOP WE PROPOSE TO CALL YOU TOMORROW JUNE 13 AT 1600 HOURS ZURICH TIME TO DISCUSS TIME SCHEDULE AND ARRANGE FOR PREPARATION OF DOCUMENTATION STOP THANK YOU AND BEST REGARDS. ROTBERG. ~~MM~~ UNQUOTE.

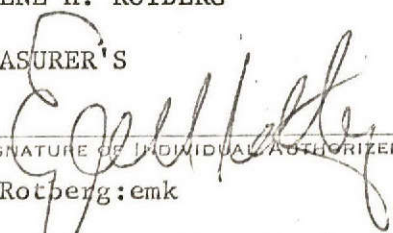
(TWO) PLEASE HAVE TOBIAS ASSER OF LEGAL DEPARTMENT CALL ME AS SOON AS POSSIBLE TOMORROW, JUNE 13, AS IT IS IMPORTANT FOR HIM TO JOIN JOSEPH UHRIG IN SWITZERLAND ON MONDAY, JUNE 18, TO PREPARE DOCUMENTATION FOR THIS OPERATION. BEST REGARDS. ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

PT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Sella
Mr. Hittmair
Mr. Deely

For Use By Communications Section

OUTGOING WIRE

Chron.

TO: CREDIT

DATE: JUNE 11, 1973

ZURICH

CLASS OF
SERVICE: TELEX

COUNTRY: (SWITZERLAND)

TEXT: FOR MESSRS. HURTER AND HIRS

Cable No.:

TEST 5175

RE YOUR TELEX OFFERING ON BEHALF OF YOURSELVES COMMA UNION BANK OF
SWITZERLAND AND SWISS BANK CORPORATION A PRIVATE PLACEMENT OF
450 MILLION SWISS FRANCS WE ARE CONSIDERING YOUR PROPOSAL AND WISH
CLARIFICATION ON TWO POINTS STOP

1. WE HAVE BEEN ADVISED BY MR. ALDEWERELD THAT ALL THREE AFOREMENTIONED
BANKS ADVISED MR. ALDEWERELD DURING HIS VISIT ON JUNE FIVE AND SIX
THAT COMMISSION WOULD BE 1-1/2 PERCENT STOP THIS COMMISSION RATE OF
1-1/2 PERCENT FOR PRIVATE PLACEMENT IS SAME AS DISCUSSED PREVIOUSLY
IN MARCH WITH MY COLLEAGUES AT TIME OF OUR PUBLIC ISSUE STOP IN VIEW
OF FOREGOING WE WOULD APPRECIATE YOUR COMMENT AND RECONSIDERATION OF
YOUR PROPOSAL FOR COMMISSION OF 1-5/8 PERCENT FOR SIX YEARS AND
1-3/4 PERCENT FOR SEVEN AND EIGHT YEARS STOP

2. FURTHER COMMA PLEASE ADVISE WHETHER IT WOULD BE FEASIBLE TO
ARRANGE TO TAKE DOWN PROCEEDS OF PROPOSED PRIVATE PLACEMENT IN EQUAL
TRANCHES IN JULY COMMA AUGUST AND SEPTEMBER IN ORDER TO FACILITATE

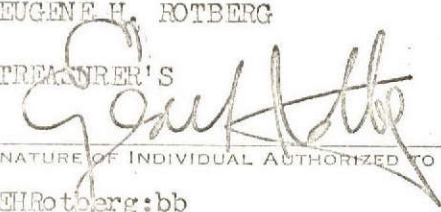
OUR ORDERLY DISBURSEMENT OF PROCEEDS STOP WE AWAIT YOUR RESPONSE
AND REMAIN SINCERELY YOURS XXXX ROTBERG

NOT TO BE TRANSMITTED INTBAFRAD

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:bb

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld ☒
Mr. Hittmair
Mr. Deely
Mr. Prins

For Use By Communications Section

Checked for Dispatch: _____

Mr. Aldewereld Repeated this
cable to Mr. Carrion

Chross



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U.S.A.



June 12, 1973

Dear Bob:

Thank you for your Brochure. ^{#1} I think there are two possibilities for funding. First, I will bring the matter to the attention of the International Finance Corporation (IFC), an affiliate of the World Bank, which has responsibility, under the direction of Mr. David Gill for capital market developments in less developed countries.

Secondly, I will discuss the Brochure with the OECD. I will be in Paris this month for the OECD Committee Meetings on World Financial Markets. That Committee has responsibility in the OECD for the subject matters of your proposal. I will let you know if anything comes of these overtures.

Best regards,

Eugene H. Rotberg

Mr. Robert H. Mundheim
University of Pennsylvania Law School
3400 Chestnut Street
Philadelphia, Pennsylvania 19174

#1 Filed under Personal

OUTGOING WIRE

TO: GENERALE
BRUSSELS

DATE: JUNE 11, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (BELGIUM)

TEXT:
Cable No.:

ATTENTION MR. R. WALLENBORN

THANK YOU FOR YOUR LETTER OF JUNE 5 ADVISING OF CAPITAL MARKET
CONDITIONS IN BELGIUM. WE VERY MUCH APPRECIATE YOUR KEEPING US
INFORMED OF MARKET CONDITIONS. BEST REGARDS. TEST 478

ALDEWERELD

INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld
Mr. Hittmair
Mr. Deely
Mr. Prins

For Use By Communications Section

Checked for Dispatch

Chen

OUTGOING WIRE

TO: INBAFRAD
PARIS

DATE: JUNE 6, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (FRANCE)

TEXT:
Cable No.: 697

FOR ALDEWERELD/CARRIERE

FOR YOUR INFORMATION SWISS BANK CORPORATION IN MARCH 1973 AT
TIME OF OUR PUBLIC ISSUE OFFERED 100 MILLION SWISS FRANCS UNDER
FOLLOWING TERMS:

SERIAL OBLIGATION MATURING AFTER 7, 8 AND 9 YEARS CARRYING COUPON
OF 6-1/2% PAYABLE ANNUALLY. 7 YEAR MATURITY WOULD BE PRICED AT
PAR; 8 YEARS AT 99-1/4 AND 9 YEARS AT 98-1/2. THIS FORMULATION
RESULTS IN A 12 BASIS POINT INCREASE IN COST FOR EACH YEAR IN
EXCESS OF 7 YEARS. TOTAL COST OF SUCH PROPOSAL, INCLUSIVE OF
1.5% UNDERWRITING COMMISSION, ENCASHMENT FEES, AND TAXES, WOULD
BE 6.86%. REGARDS.

ROTBURG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

NATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:cmk

ORIGINAL (File Copy)

(IMPORTANT: See Secretariat Guide for preparing form)

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Checked for Dispatch

Chron.

OUTGOING WIRE

TO: INBAFRAD
PARIS

DATE: JUNE 6, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (FRANCE)

TEXT:
Cable No.: 697

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ROTBERG

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DEPT. TREASURER'S

ATURE
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OUTGOING WIRE

Chron

TO: INTBAFRAD
TOKYO

DATE: JUNE 6, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (JAPAN)

TEXT:
Cable No.: 209 FOR ASAMI

PLEASE SEND ON MY BEHALF FLOWERS OR A PLANT TO MRS. ATSUMI. THANK YOU.

REGARDS.

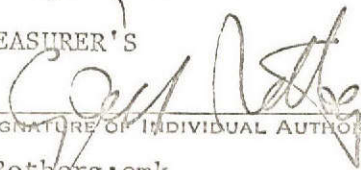
ROTBERG

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Johnson

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Mr. McNamara

Bob:

Attached are the tables on the Dow Jones Industrials and interest rates for selective maturities for the last two years. I will keep these tables up to date monthly.

As you may know, the Dow Jones Industrials index does not reflect the extent of the stock market decline. I understand that if four stocks (Sears, IBM, Exxon and Eastman Kodak) were omitted from the Dow Jones, the average would be below 700. There is a similar problem with the Standard & Poor index of 500 stocks since the 25 largest companies (weighted by the value of outstanding shares) have a weight equal to 52% of the Index.

Gene Rotberg *[Signature]*
June 4, 1973

Table I - End of Month Dow Jones Index of 30 Industrials

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Jan.	855.47	946.05	744.06	868.50	902.17	999.02
Feb.	840.50	905.21	777.59	878.83	928.13	955.07
March	840.67	935.48	785.57	904.37	940.70	951.01
April	912.22	950.18	736.07	941.75	954.17	921.43
May	899.00	937.56	700.44	907.81	960.72	901.41
June	897.80	873.19	683.53	891.14	929.03	
July	883.00	815.07	734.12	858.43	924.74	
Aug.	896.01	836.72	764.58	898.04	963.73	
Sept.	935.79	813.09	760.68	887.19	953.27	
Oct.	952.39	855.99	755.61	839.00	955.52	
Nov.	985.08	812.30	794.09	831.34	1,018.21	
Dec.	943.75	800.36	838.92	890.20	1,020.02	

Treasurer's Department
June 4, 1973

Table II - Yields on U.S. Investments

Date (First of month)	1972						1973					
	3 mo. <u>Bill</u>	6 mo. <u>Bill</u>	1 yr <u>Agency</u>	5 yr <u>Agency</u>	6 mo. <u>CD</u>	12 mo. <u>CD</u>	3 mo. <u>Bill</u>	6 mo. <u>Bill</u>	1 yr. <u>Agency</u>	5 yr. <u>Agency</u>	6 mo. <u>CD</u>	12 mo. <u>CD</u>
Jan.	3.65%	4.00%	4.50%	5.90%	4.50	5.10	5.26	5.61	5.47	6.28	5.75	6.13
Feb.	3.35	3.70	4.35	6.01	4.38	5.25	5.78	6.15	6.01	6.50	6.35	6.50
March	3.48	3.78	4.30	5.87	4.60	5.00	5.90	6.35	6.49	6.78	7.15	7.15
April	3.84	4.40	5.10	6.12	5.00	5.25	6.73	7.16	7.04	6.88	7.50	7.50
May	3.64	4.06	4.62	6.00	5.12	5.38	6.14	6.43	6.80	6.86	7.50	7.50
June	3.82	4.16	4.62	5.94	5.15	5.50	7.00	7.25	7.06	6.98	7.90	7.75
July	3.96	4.50	5.12	6.17	5.25	5.38						
Aug.	3.76	4.28	5.08	6.13	5.25	5.55						
Sept.	4.54	4.90	5.50	6.37	5.50	5.90						
Oct.	4.56	5.18	5.75	6.40	5.75	6.05						
Nov.	4.76	5.10	5.68	6.36	5.75	6.13						
Dec.	4.95	5.40	5.36	6.23	5.62	6.00						

Source: Salomon Brothers, New York Times and Wall Street Journal.

Treasurer's Department
June 4, 1973

OUTGOING WIRE

*Chen*TO: INTBAFRAD
TOKYO

DATE: JUNE 4, 1973

CLASS OF
SERVICE: TELEX

COUNTRY: (JAPAN)

TEXT:
Cable No.: 205 FOR MR. SOEJIMA

PLEASE ADVISE ME MRS. ATSUMI'S CONDITION. BEST REGARDS.

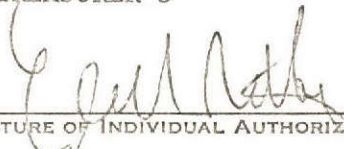
GENE ROTBERG
~~INTBAFRAD~~

NOT TO BE TRANSMITTED

AUTHORIZED BY: EUGENE H. ROTBERG

NAME: TREASURER'S

DEPT.

SIGNATURE: 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

EHRotberg:emk

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TERMS OF REFERENCE

Three main areas can be sorted out:

I. Operations

1. Assistance to Head Office for borrowing operations

(a) Decisions are to be made in Washington and negotiations conducted by Head Office. But the European Office is frequently approached informally by bankers who wish to make an offer to the Bank. The European Office is a natural diplomatic intermediary which helps create the best conditions for opening negotiations, should the informal offer suit the requirements of the Bank.

(b) Borrowing operations require a lot of administrative, legal or technical work during the negotiations, and after. The European Office should continue to give help to negotiating teams and, afterwards, to Head Office, until the operation is fully completed.

2. Sales of participations

Direct participations in new loans play an important part in relation to the Bank's general money-raising activities. Their purpose is threefold:

- help to make member countries' obligations better known to investors;

- prepare a way for establishing the credit of member countries in international markets;
- replenish the Bank's liquid resources by attracting new funds from external investors.

3. Sales of portfolio maturities

Portfolio sales are presently suspended, except in cases when a country is prepared to re-purchase its own loans or loans which carry its guarantee.

As an occasional and complementary source of money, it might be worthwhile to reactivate these operations which, in many ways, help to improve the Bank's relations with the investment community.

II. Contacts

1. The European Office must keep in close personal touch with government officials, Central Banks, and banking communities in all European countries.
2. The European Office must also investigate new possible sources of funds and seek how IBRD can gain access to these funds when the need arises.
3. Also with a view to enlarging the markets for IBRD borrowing, the European Office has to assess legal, administrative and tax regulations and policies which prevent the Bank from tapping certain

categories of funds. If needed, the European Office should seek the appropriate amendments.

III. Research

1. With a view to implementing current borrowing programs, Head Office has to be kept informed, whenever necessary, of any events taking place on national and international markets.

2. To help Head Office devise medium and long-term borrowing programs and policies, the European Office should provide it with regular analyses of market trends and of basic policies affecting the markets.

* * *

For these three main areas of interest to the Bank, the European Office is, as far as Europe is concerned, best placed to perform the above described tasks on behalf of Head Office.

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