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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

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Eugene H. Rotberg chronological files
Vol. 16. July-September 1975

The World Bank Group
Archives



1858119

R2004-194 Other #: 3

215304B

Eugene H. Rotberg - Chronological file Volume 16

The World Bank Group
Archives



1858119

R2004-194 Other #: 3

215304B

Eugene H. Rotberg - Chronological Records - Volume 16 - July - September 1975

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OFFICE MEMORANDUM

TO: Mr. I.P.M. Cargill

FROM: Eugene H. Rotberg 

SUBJECT: Borrowing Program - Germany

DATE: September 30, 1975

Mr. Hittmair has reported that the German public market will remain closed for another month. The Inter-American Development Bank, the European Investment Bank and the Asian Development Bank also will be allowed to have one issue each because they have been on the queue for quite some time. However, both the German authorities and our underwriter have expressed the wish that the new issue program start with a public issue in November by the World Bank because of our credit standing in the market.

I expect to hear tomorrow from Mr. Hittmair whether or not we can proceed immediately with the private transaction with the Girozentrale.

. . .

Regarding your forthcoming discussions in Bonn and Frankfurt, it would be well if you stressed that, while we fully understand that we cannot come to the public market in October, we attach great importance to proceeding with a new public issue in Deutsche mark in November as soon as the ban on new issues is lifted.

cc: Mr. Gabriel

Chron

OFFICE MEMORANDUM

TO: Mrs. Muriel Lee

FROM: Edith M. Kesterton *EMK*

SUBJECT: Future Travel - Treasurer's Department

DATE: September 30, 1975

Mr. Rotberg

Mr. Rotberg will be in New York Thursday afternoon (Oct. 2) and Friday morning (Oct. 3).

He will be in Kansas City October 16 and 17 where he will address the Financial Management Association meetings.

He will be in Japan October 20 to October 25.

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

. . .

Mr. Hittmair

Mr. Hittmair is presently visiting Germany and Switzerland and will return to the Bank on October 9.

EMK/

OUTGOING WIRE

TO: ROBERT L. GENILLARD
C/O CLARIDEN BANK
GENEVA

DATE: SEPTEMBER 29, 1975

CLASS OF SERVICE: TELEX 27479
X-2213

COUNTRY: (SWITZERLAND)

TEXT:
Cable No.:

REURTELEX WOULD BE DELIGHTED TO SEE YOU FOR LUNCH IF YOU ARE FREE
AT TWELVE NOON IN MY OFFICE ROOM E427 SEVEN ZERO ONE NINETEENTH
STREET NORTHWEST STOP IF YOU ARE NOT AVAILABLE FOR LUNCH WOULD
BE ABLE TO SEE YOU ANYTIME IN THE AFTERNOON OF TUESDAY OCTOBER 14
KINDEST PERSONAL REGARDS

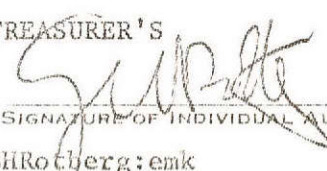
ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

EPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

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

September 26, 1975

Mr. Rotberg

Gene:

Mr. Al-Atrash called and wanted to know whether we had received any answers on the letters sent out to the Mid-Eastern countries. I told him we had received none and he asked to be informed if any replies come in [send a copy].

Hans
Hans C. Hittmair

HCH:jcv

Chron

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: BANKUNION
ZURICH

DATE: SEPTEMBER 26, 1975

CLASS OF
SERVICE: TELEX
2228

COUNTRY: SWITZERLAND

TEXT:
Cable No.:

ATTENTION MR OBERHAENSLI, MANAGER.

MR HITTMAIR, DEPUTY TREASURER, WILL ARRIVE IN ZURICH ON MONDAY,
OCTOBER 6, AND WOULD LIKE TO DISCUSS WITH YOU OR YOUR ASSOCIATES
QUESTIONS CONCERNING OUR FORTHCOMING BOND ISSUE IF POSSIBLE IN THE
AFTERNOON OF OCTOBER 6 STOP PLEASE ADVISE WHETHER THE DATE IS
CONVENIENT AND IF SO THE SPECIFIC TIME FOR A MEETING STOP BEST
REGARDS STOP

ROTBERG

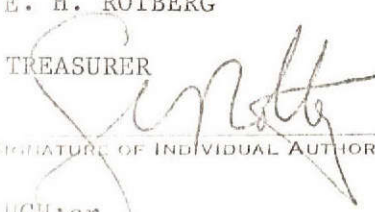
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME E. H. ROTBERG

DEPT. TREASURER

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

HCH:er

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Mr. Rotberg; Mr. Hittmair

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Chron

(370)
INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: ALSUNDUK
KUWAIT

DATE: SEPTEMBER 26, 1975

CLASS OF
SERVICE: TELEX
Ext. 2213

COUNTRY: (KUWAIT)

TEXT:
Cable No.: ATTENTION: ABDLATIF ALHAMAD - KUWAIT FUND FOR ARAB ECONOMIC
DEVELOPMENT

WILL BE DELIGHTED TO SEE YOUR COLLEAGUES ON NOVEMBER TEN OR
THEREAFTER STOP PLEASE ADVISE AT YOUR CONVENIENCE LENGTH OF
THEIR PROPOSED VISIT AT THE IBRD STOP BEST REGARDS

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG, Treasurer

DEPT Treasurer's

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

EHR:jev

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Hittmair, Files

For Use By Communications Section

Checked for Dispatch

Chron

OUTGOING WIRE

TO: INTBAFRAD
PARIS

DATE: SEPTEMBER 26, 1975

CLASS OF
SERVICE: TELEX
Ext. 2213

COUNTRY: (FRANCE)

TEXT:
Cable No.: ATTENTION: N. SEBERT

PLEASE ADVISE DATE OF NEXT OECD FINANCIAL CAPITAL MARKETS MEETING
INCLUDING SPECIAL MEETING WITH BANKERS IF ANY STOP KINDEST REGARDS

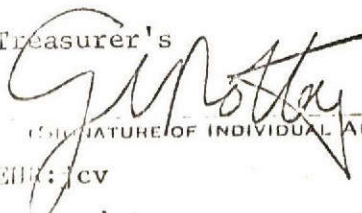
ROTBERG
INTBAFRAD

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AUTHORIZED BY:

NAME EUGENE H. ROTBERG, Treasurer

DEPT. Treasurer's

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE EHC: JCV

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cc: Files

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Chron

27
(3/70)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: NARODNABANKA

DATE: SEPTEMBER 25, 1975

BELGRADE

CLASS OF TELEX
SERVICE:
2213

COUNTRY: YUGOSLAVIA

TEXT: ATTENTION: GOVERNOR, BRANISLAV COLANOVIC

Cable No.:

IN THE ABSENCE OF MR. MCNAMARA I WISH TO EXPRESS ALSO ON HIS
BEHALF OUR SINCEREST APPRECIATION TO BANQUE NATIONALE DE YUGOSLAVIE
FOR ITS LOAN OF FIFTY MILLION DOLLARS TO THE WORLD BANK STOP THE
NATIONAL BANK'S CONTINUING SUPPORT IS INDICATIVE OF YOUR GOVERNMENT'S
UNDERSTANDING OF THE NECESSITY TO ASSIST THE LESS DEVELOPED COUNTRIES
IN THEIR DEVELOPMENT EFFORTS AND IS SINCERELY APPRECIATED STOP

I. P. M. CARGILL

VICE PRESIDENT, FINANCE

INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME I. P. M. Cargill

Vice President, Finance

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

EHRotberg:cr

CLEARANCES AND COPY DISTRIBUTION:

cc: GDPopovic
EHRotberg

For Use By Communications Section

DRAFT: EHRotberg:jcv
September 25, 1975

I. To Meet Lenders Cash Flow Requirements*

- a. Delayed delivery on fixed dates
- b. Open line of credit to be drawn down at our option over 6 months (12 months?), but not more than 25% in any three-month period
- c. Line of credit to be put to us at their option, on one week notice in any amount

* All of above assume interest rate is fixed as is size of total borrowing at time of signing loan agreement.

II. The Interest Rate

- a. Federal Reserve responsibility to advise of rate for U.S. Government obligation for same maturity as our average life--not final maturity. We will add 25 basis points.

III. Liquidity

- a. Prepayment option--not a mandatory sinking fund
- b. If option not exercised the amount of option (in most agreements it is 10% of issue) lapses to final maturity, at same interest rate.
- c. At time of each option, new maturity, either shorter or longer than final maturity, can be renegotiated at a new interest rate. New borrowing would need new Board approval.
- d. Bearer bond option to permit resale in U.S. If requested, equal amount of prepayment option lapses--last one lapses first to permit them maximum liquidity.

- e. No SEC problem. Taken care of last week to permit resale in U.S. without necessity to register.
- f. Last Resort. We might reopen old IBRD issues. This will be expensive because benchmark for rate will have to be secondary market for our old issues.

IV. Currency

- a. Dollars.
- b. Swiss Francs; yen; possibly DM. Hans will determine reaction of Swiss and German authorities. I will check Japan. However, if approved option for Bearer Bond not available since this would create marked pressure, and vehicle for in and out currency speculation and would not be approved by national authorities. Therefore, less liquid.
- c. We will seek to gain approval from Japan and Germany on basis of our intent to take funds and reinvest for 3-5 years. Government paper to finance deficit, while at same time giving us assurance or longer term maturity from OPEC.
- d. At concessionary rates, we should be prepared to offer mix of dollars, Swiss Francs; yen, DM, either directly or as an indexed Bond. Concessionary rate should be 7-1/4% for 10-12 years.
- e. At time of prepayment option, if exercised new currency (as well as rate and maturity) can be negotiated.
- f. We can't be specific until getting reaction from Germany, Japan and Switzerland.

Chron

OUTGOING WIRE

TO: DIRECTIONAL DATE: SEPTEMBER 24, 1975
ZURICH CLASS OF SERVICE: TELEX
X 2228

COUNTRY: (SWITZERLAND)

TEXT: ATTENTION: DR. LEUTWILER

ble No.: MR. HITTMAIR, DEPUTY TREASURER OF IBRD, PLANS TO VISIT
SWITZERLAND IN THE SECOND WEEK OF OCTOBER STOP I WOULD
APPRECIATE IT IF HE COULD HAVE AN APPOINTMENT WITH YOU OR ONE
OF YOUR ASSOCIATES IF POSSIBLE ON MONDAY, OCTOBER 6 STOP
SUBJECT OF DISCUSSION WOULD BE OUR IMMEDIATE BORROWING PLANS
IN SWITZERLAND AND RELATED MATTERS. PLEASE ADVISE IF THE
PROPOSED DATE WOULD BE CONVENIENT AND AT WHAT TIME MR. HITTMAIR
COULD CALL STOP BEST REGARDS STOP

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY: Eugene H. Rotberg Treasurer Signature: <i>E. H. Rotberg</i> EHRotberg:cr SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE	CLEARANCES AND COPY DISTRIBUTION: For Use By Communications Section Checked for Dispatch
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OUTGOING WIRE

TO: ROTHSCHILD
LONDON EC4

DATE: SEPTEMBER 23, 1975

CLASS OF SERVICE: TELEX

COUNTRY: (ENGLAND)

TEXT:
Cable No.:

ATTENTION CAROLE WILSON, SECRETARY TO MR. RODNEY LEACH
REURTELEX SEPTEMBER 17 WORLD BANK GROUP AND IMF ANNUAL MEETINGS
WILL BE HELD AT PHILIPPINE INTERNATIONAL CONVENTION CENTER,
MANILA, PHILIPPINES OCTOBER 4 TO 8, 1976 REGARDS

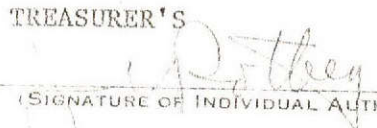
KESTERTON
SECRETARY TO
MR. ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

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(IMPORTANT: See Secretaries Guide for preparing form)

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OUTGOING WIRE

TO: FUNDS CROWN
LONDON

DATE: SEPTEMBER 23, 1975

CLASS OF SERVICE: TELEX
LONDON 915623

COUNTRY: (ENGLAND)

TEXT:
Cable No.:

FOR MR. ASQUITH

WOULD BE DELIGHTED TO MEET WITH YOUR COLLEAGUE, MR. DEREK BARNES,
AND WOULD SUGGEST THREE O'CLOCK MONDAY, OCTOBER 13 STOP IF THIS
TIME NOT CONVENIENT I WOULD ALSO BE AVAILABLE TUESDAY, OCTOBER 14
STOP PLEASE ADVISE TIME PREFERRED BY MR. BARNES STOP REGARDS

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

OF TREASURER'S

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

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

Mr. Cargill

Here is a working draft
on the Euromarkets which might
be incorporated in the Capital
Markets paper.

Gene Rotberg
Sept. 22, 1975 

cc: Mr. Goodman
Mr. Adler
Mr. Hawkins

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OFFICE MEMORANDUM

TO: Mr. Muhammad Al-Altrash

DATE: September 19, 1975

FROM: Eugene H. Rotberg 

SUBJECT: Proposed Borrowing Operations in Mid-East

Pursuant to our conversation: Attached are copies of letters to Kuwait, Abu Dhabi, Saudi Arabia, Qatar and, by way of example, the draft Loan Agreement with Saudi Arabia. Please excuse our oversight. You may be assured that we will send you copies of these and similar letters in the future.

If you would like to discuss these proposals, perhaps we might get together next week.

Attachments

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Kantola

Per our discussion.

Gene Rotberg
September 19, 1975

Attachments (2)

↑
Copy to YP

E1101

Annual Growth Rates of Consumer Prices, 1970-74
(in percent)

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
United States	5.9	4.3	3.3	7.1	11.0
United Kingdom	6.4	9.4	7.1	9.1	16.2
Japan	7.2	6.3	4.8	11.8	22.6
Germany	3.4	5.3	5.5	6.9	7.0
France	5.9	5.5	5.9	7.3	13.7
Italy	4.9	4.8	5.7	10.8	19.1
Switzerland	3.6	6.6	6.7	8.7	9.8
Canada	3.3	2.9	4.8	7.6	10.9

Source: International Financial Statistics, September 1975.

OFFICE MEMORANDUM

TO: Rene H. Springuel, Communication Adviser

FROM: Eugene H. Rotberg

SUBJECT: Selection of Communication Specialist

DATE: September 19, 1975

We recommend as a Communication Specialist Mr. Mark Winkelman.

Treasurer's Department


Eugene H. Rotberg, Treasurer

EHR:jcv

cc: Mr. Raymond J. Goodman

chron

OFFICE MEMORANDUM

TO: Mr. Jacques Henri Wahl

FROM: Eugene H. Rotberg *ER*

SUBJECT: Forthcoming Visit to Banque de France

DATE: September 19, 1975

This is to inform you that Mr. Hugo Schielke, Chief of the Investments Division, is going on a mission to Europe and will visit the Banque de France for general discussions on the investment of our liquid assets and interest rates. He will visit Banque de France on Monday, October 6.

OFFICE MEMORANDUM

TO: Mr. Hans Janssen

DATE: September 19, 1975

FROM: Eugene H. Rotberg *ER*

SUBJECT: Forthcoming Visit to Deutsche Bundesbank

This is to inform you that Mr. Hugo Schielke, Chief of the Investments Division, is going on a mission to Europe and will visit the Deutsche Bundesbank for general discussions on the investment of our liquid assets and interest rates. He will visit Bundesbank on Friday, October 3.

Chrow

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
Mr. I.P.M. Gargill

DATE: September 18, 1975

FROM: Eugene H. Rotberg *ER*

SUBJECT: IBRD Investment Portfolio as of August 31, 1975

Attached is the statement of investments as of August 31, 1975. As anticipated in June, the market yields in the United States have risen substantially over the past three months. The following table shows a comparison:

Market Yields on U.S. Investments

	<u>6-16-75</u>	<u>9-16-75</u>	<u>Change</u>
3-Month Treasury Bill	5.00%	6.70%	+170 Basis Points
3-Month Certificate of Deposit	5.50	7.10	+160 Basis Points
6-Month Treasury Bill	5.40	7.40	+200 Basis Points
6-Month Certificate of Deposit	5.90	7.90	+200 Basis Points
1-Year Treasury Bill	5.60	7.90	+230 Basis Points
2-Year Treasury Note	6.40	8.40	+200 Basis Points
5-Year Treasury Note	7.30	8.60	+130 Basis Points

The increased rates are attributed to (a) actions of the Federal Reserve Board to control money supply within the planned growth targets; (b) the expectation of continuing double-digit inflation, and (c) upward revisions of the U.S. Government budget deficit.

Since the beginning of the fiscal year, we have, on balance, reduced our U.S. investment holdings over six months to avoid losses in the face of declining prices. In late August and mid-September, however, for tactical reasons, we purchased some 500 million two to four-year notes at attractive yields and sold them before yields increased beyond their original levels.

Despite the prevailing yield curve where an extension in maturity results in higher book yields, we are currently resisting the temptation to extend the maturity of our portfolio.

Currently, we believe that a restraining Federal Reserve policy, heavy U.S. Treasury financing and uncomfortable inflation rates are likely to be with us for the near future. In an environment of rising yields, prudent investment policy dictates that we keep the funds in relatively short instruments and thus avoid financial losses from price

September 18, 1975

declines until there is some better evidence that interest rates will decline. The risk of shifting to longer maturities is considerable. If we had extended our \$4.4 billion U.S. dollar portfolio on June 30 to an average maturity of two years, we would have lost over \$130 million in market value by September 16. We are therefore again restricting ourselves to shorter investments (up to 6 month maturity) at somewhat lower book yields but with a reasonably safe return. If the yield on five-year notes moved from 8.60 to 8.63%, the total return for the notes over one month would be lower than the 7.40% return on six-month Treasury Bills.

Nonetheless we will selectively increase our maturity structure on signs of market weakness, or any sign of a hiatus in the economic recovery.

EHRotberg/HSchielke:rts

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

Mr. McNamara

Bob:

Per your request.

The CPI base year has
changed three times during the
last 15 years. Please see
footnotes on attached table.

Gene Rotberg
9/18/75

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

9/16

To Mr. Rothery

Could you have
this filled in and returned
to me.

Thank you.

Dean

Selected Statistics for 1960-75

As of February Each Year

		C P I ^{1/}			
	Index	Yearly Index 1967 Base	Annual Rate of Change	Dow Jones Industrial ^{2/}	Seasoned Aa Utility ^{3/} Yield
1960	125.6	88.7	1.6%	624.1	4.91%
1961	127.5	89.6	1.0	649.6	4.21
1962	104.8	90.6	1.1	710.0	4.50
1963	106.1	91.7	1.2	676.0	4.20
1964	107.6	92.9	1.3	791.6	4.36
1965	108.9	94.5	1.7	893.8	4.44
1966	111.6	97.2	2.9	972.9	5.05
1967	114.8	100.0	2.9	848.8	5.51
1968	119.0	104.2	4.2	847.7	6.38
1969	124.6	109.8	5.4	926.3	7.23
1970	132.5	116.3	5.9	762.0	8.43
1971	119.4	121.3	4.3	880.1	7.60
1972	123.8	125.3	3.3	915.0	7.31
1973	128.6	133.1	6.2	972.4	7.45
1974	141.5	147.7	11.0	833.7	8.26
1975	157.2	-	-	728.7	8.86

^{1/} The first column, Index, shows the actual CPI index for February of each year. For 1960, the CPI index is based on 1947-1949 as 100; for 1961 through 1970, based on 1957-59 as 100; and for 1971 through 1975, based on 1967 as 100.

The second column, Yearly Index: 1967 Base, shows the annual CPI index for each year with the base of 1967 as 100. This 1967-base CPI series has no monthly data before 1971. Thus, we show only the annual index for this column.

The third column, Annual Rate of Change, is the annual growth rate of CPI on the basis of 1967-base CPI series.

^{2/} Monthly average for each February.

^{3/} As of the end of each February.

Stock Price Index

Price Index, Dow Jones Industrial, and Dow Jones Utility

Dow Jones Utility

C.P. 1 Dunder Bond Yields

1.7
1.7

76.0

76.1

76.7

1975

MEMO TO CHRON:

September 18, 1975

Original to Mr. McNamara

RE: CURRENT DEVELOPMENTS IN MAJOR
CAPITAL
MARKETS

Copies to: Mr. Cargill (2)
Mr. Goodman
Mr. Saxe
Mr. Hittmair
Mr. Park

Note reading: "For your information: August Capital Markets Summary."

Gene Rotberg

Chron

(3 70)
INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: INTBAFRAD PARIS

DATE: SEPTEMBER 16, 1975

CLASS OF
SERVICE: TELEX

(Ext. 2213)

COUNTRY: (FRANCE)

TEXT: MRS. NANETTE SEBERT
Cable No.:

HAVE SENT LETTER TO WARBURG - BRINCKMANN, & WIRTZ STOP SUGGEST
MEETING SEPTEMBER 29 AT 2:30 P.M. STOP KINDEST REGARDS

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG, Treasurer

DEPT TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHR:jcv

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cc: Messrs. Hittmair, Deely and
Schielke

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch



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

chron

September 16, 1975

AIR MAIL

M. M. Warburg - Brinckmann,
Wirtz & Co.
Hamburg, Ferdinandstrasse 75
Germany

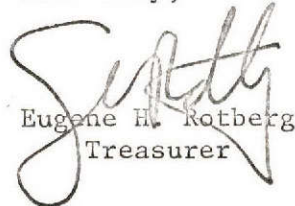
Attention: Mr. H. D. Sundury

Gentlemen:

Reference is made to your recent letter advising of the forthcoming visit to Washington of Messrs. Altenhoff and Seidensticker on September 28 and 29. I would be most pleased to meet with these gentlemen and would suggest they come to my office (Room E-427, 701 Nineteenth Street, N.W.), at 2:30 p.m., on September 29. In the event that I am out of town, Mr. Hittmair, Deputy Treasurer, and some of my other colleagues will be pleased to receive Messrs. Altenhoff and Seidensticker.

Kindest regards.

Sincerely,


Eugene H. Rotberg
Treasurer

bcc: Messrs. Hittmair,
Deely and Schielke

OFFICE MEMORANDUM

TO: Mr. Gavra D. Popovic

DATE: September 11, 1975

FROM: Eugene H. Rotberg *ER*SUBJECT: Proposed Borrowing

This refers to the proposed borrowing by the Bank of \$50 million from the Banque Nationale de Yougoslavie.

We will submit the proposal to the Board of Executive Directors for consideration at their meeting on Tuesday September 16. Subject to approval of the transaction on September 16, we propose to forward to you the letter agreement between the Banque Nationale de Yougoslavie and the Bank, dated September 16, 1975, in the form of the draft forwarded to you on September 5, for your signature. In this connection, we shall appreciate your arranging for the Banque Nationale de Yougoslavie to confirm to us by cable your authority to sign the letter agreement. I will sign the letter agreement on behalf of the Bank pursuant to the resolution of the Bank's Board of Executive Directors authorizing the borrowing.

The letter agreement would provide for the amount of \$50 million to be paid to the Federal Reserve Bank of New York for the account of the Bank on September 18 in the manner indicated in the draft which you have. We will arrange to deliver, against such payment, five Promissory Notes aggregating \$50 million to the Federal Reserve Bank of New York for the account of the Banque Nationale de Yougoslavie. The Promissory Notes will be dated September 18, 1975 and will mature on September 18 of the years 1978 through 1982.

We are prepared to offer an interest rate of 8.50% per annum payable semi-annually on March 18 and September 18 on the outstanding notes. If this rate and the procedure are satisfactory, please advise so that we may circulate the documents to the Board of Executive Directors for their consideration.

Chron

10-77
(5-70)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: DR. ABDUL AZIZ AL-QURAISHI
SAUDI ARABIAN MONETARY AGENCY
JEDDAH

(SAUDI ARABIA)

DATE: SEPTEMBER 11, 1975

CLASS OF
SERVICE: TELEX

COUNTRY:

TEXT:
Cable No.:

PERMIT ME TO ACKNOWLEDGE AND EXPRESS OUR SINCERE APPRECIATION
TO YOU AND YOUR AUTHORITIES FOR THE CONTRIBUTION OF \$25,000,000
TO THE WORLD BANK THIRD WINDOW FACILITY STOP KINDEST REGARDS

CARGILL

INTRAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG, TREASURER
TREASURER'S

DEPT.

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE

rtb

ORIGINAL (File Copy)

(AMPS-91 AND) See Secretariat Guide for preparing form)

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cc: Mr. Cargill, Mr. Rotberg
Mr. Hittmair

For Use By Communications Section

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*Investment
Policy*

OFFICE MEMORANDUM

TO: Mr. Mervin E. Muller, Director, CAD

FROM: Mr. Eugene H. Rotberg, Treasurer *ER*

SUBJECT: Portfolio Performance Measurement System

DATE: September 5, 1975

As you know one of our foremost priorities in the Treasurer's Department has been to measure the performance of our investment activities and to contrast that performance with various indices representing returns available in the market. Up until this point we have only been able to measure aggregate performance and have had rather inadequate standards for comparison. Morton Lane and Mark Winkelman have now designed a more complete system which will (a) measure actual performance (b) provide standards for comparison and (c) break down that performance into its component parts.

Mr. Lane and Mr. Winkelman have discussed in detail their idea with TMI; and they, TMI, have forwarded to us the following design specifications. These specifications are attached in order that your department may perform a technical review. We have examined them and we would like TMI to proceed to implementation as soon as possible. We would, therefore, be grateful if you could give this matter your earliest attention.



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

Chrom.

September 4, 1975

Mr. Branislav Colanovic
Governor
National Bank of Yugoslavia
Belgrade, Yugoslavia

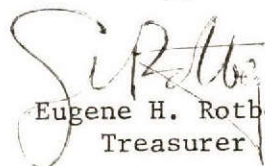
My dear Mr. Governor:

I am attaching for your consideration a draft letter agreement and form of Note which might serve as a format for a proposed borrowing operation with the National Bank of Yugoslavia. As you will observe, the notes, which aggregate \$50 million, would mature in five equal annual payments of \$10 million commencing in the year 1978. This would produce an average life of five years.

We are prepared, of course, to discuss with you at your convenience the appropriate interest rate for the transaction and specific dates for the transaction. We would be prepared to agree to an interest rate, subject to approval of our Board of Executive Directors, somewhat higher than U.S. Government obligations with a similar maturity. Although the draft agreement contemplates a single payment by you, we would be perfectly willing to accept payment in several tranches over say a period of six months to one year if that would be more convenient to you.

I would be most grateful for your comments and suggestions as to the format or other provisions which you think might be appropriate.

Sincerely,


Eugene H. Rotberg
Treasurer

Attachments

Chron.

OFFICE MEMORANDUM

TO: Mrs. Muriel Lee

FROM: Edith M. Kesterton *EMK.*

SUBJECT: Future Travel - Treasurer's Department

DATE: August 28, 1975

Mr. Rotberg

Mr. Rotberg is presently on Annual Leave and will return over the weekend.

He will be attending the Annual Meeting at the Sheraton Park Hotel September 5 through 8.

Mr. Hittmair

Mr. Hittmair will be on business in New York September 8 and 9.

EMK/



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



August 27, 1975

Mr. Koshi Suzuki
Deputy Chief Manager
Securities Department
The Industrial Bank of
Japan, Limited
Tokyo, Japan

Dear Mr. Suzuki:

Thank you very much for sending me your August "Bond Market Report," which I found awaiting me upon my return from vacation. We appreciate your thoughtfulness in providing us with this useful information and look forward to receiving similar reports in the future.

Kindest personal regards,

Sincerely,

Eugene H. Rotberg
Treasurer

bcc: Yoon Park (with attachment)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: INTBAFRAD
PARIS

DATE: AUGUST 27, 1975

CLASS OF SERVICE: TELEX

COUNTRY: (FRANCE)

TEXT: FOR DELESSEPS
Cable No.:

SORRY TO LEARN YOU WILL NOT BE ATTENDING ANNUAL MEETING
AND WILL THEREFORE BE UNABLE TO BE WITH US AT DINNER
SEPTEMBER 1. WE ALL WISH YOU A SPEEDY RECOVERY AND HOPE
MEDICAL PROBLEM WILL CLEAR UP SOON. KINDEST REGARDS

GENE ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME ~~EMGENEXHXXR0TEERRGX~~ H.C. HITTMAN

DEPT. TREASURER'S

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

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(OPTIONAL: See Secretaries Guide for preparing form)

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Chron

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

August 29, 1975

Ms. Bonnie R. Kissich
Number 15
1732 Lincoln Avenue
San Rafael, California 94903

Dear Bonnie:

Thank you for your delightful letter. I must apologize for not writing sooner, but I've been out on a vacation, Bank matters, etc.

It was nice to see you again. Please take care and take care of Emily.

Kindest regards,


Gene H. Rotberg

EHR:jcv



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



chron

August 26, 1975

Ms. Emily Coyne
416 Fernbridge Place
Novato, California 94947

Dear Emily:

Today is my letter writing day. I have just written to Bonnie, but I'm sure she won't show you the letter since it was highly erotic!

I just haven't had a chance to write before this, and, besides, I'm so disorganized it takes me a while to respond. (My secretary says that that sentence is ambiguous and that I should make it clear that the speed of my response refers to letters and not necessarily to any biological function.)

I expect to be in California sometime this fall or winter--or perhaps Japan--and certainly will call and let you know. Keep in touch and stay healthy.

Love,

Gene H. Rotberg

EHR:jcv



Record Removal Notice



File Title Eugene H. Rotberg - Chronological Records - Volume 16 - July - September 1975		Barcode No. 1858119		
Document Date August 22, 1975	Document Type Memorandum			
Correspondents / Participants To: Mr. Choi Siew Hong, Executive Director From: Eugene H. Rotberg, Treasurer				
Subject / Title Your Memorandum of August 15 re Loan 870/TH Service Payment US\$ 22,135.00 equivalent in Lebanese Pounds				
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 DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: MR. HELMUT GUTHARDT
DEUTSCHE GENOSSENSCHAFTSKASSE
FRANKFURTMAIN

DATE: AUGUST 22, 1975

CLASS OF SERVICE: TELEX
X-2213

COUNTRY: (GERMANY)

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN
MAILED TO YOU TO ATTEND A FORMAL DINNER AT EIGHT O'CLOCK
MONDAY, FIRST OF SEPTEMBER, AT MADISON HOTEL STOP IN VIEW
OF LATE DISPATCH OF INVITATIONS WOULD APPRECIATE YOUR
ADVISING BY CABLE WHETHER OR NOT WE WILL HAVE THE PLEASURE
OF YOUR COMPANY STOP KINDEST REGARDS

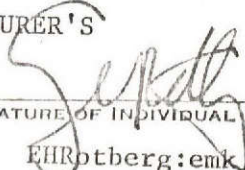
CARGILL/ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

T. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT) See Secretaries Guide for preparing form

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INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: DR. KARL PALE
SPARGIRO
VIENNA

DATE: AUGUST 22, 1975

CLASS OF
SERVICE: TELEX
X-2213

COUNTRY: (AUSTRIA)

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED
TO YOU TO ATTEND A FORMAL DINNER AT EIGHT O'CLOCK MONDAY, FIRST
OF SEPTEMBER, AT MADISON HOTEL STOP IN VIEW OF LATE DISPATCH
OF INVITATIONS WOULD APPRECIATE YOUR ADVISING BY CABLE WHETHER
OR NOT WE WILL HAVE THE PLEASURE OF YOUR COMPANY STOP KINDEST
REGARDS

CARGILL/ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

PT. TREASURER'S

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

EHRotberg:cmk

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(IMPORTANT: See Secretaries Guide for preparing form)

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chron

OFFICE MEMORANDUM

TO: Mr. D.E. Brantley, Dep. Secy., Annual Mtg. DATE: August 22, 1975

FROM: Eugene H. Rotberg, Treasurer, World Bank Group 

SUBJECT: Invitation to Chairman's Reception - Mr. and Mrs. Bruce M. Robertson

Emil Pattberg, Vice Chairman of The First Boston Corporation, has asked as a special favor if Mr. and Mrs. Bruce M. Robertson could be invited only to the Chairman's Reception on Sunday night and be provided with an appropriate identification card (if one is required).

Mr. Robertson is the Executive Vice President of The Goodyear Tire & Rubber Company (1140 E. Market St., Akron, Ohio 44316). I would like very much to accede to this request for a "one-day" admission.

Thank you very much for your courtesy.

EHRotberg:emk

Chron



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



August 22, 1975

Mr. Kenneth F. Gudorf
Special Assistant to the Director
Gulf Oil Corporation
1025 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Ken:

I am very sorry I haven't responded to your calls but I have been in and out of the city for three weeks and, indeed, will leave again today for about ten days.

I would be delighted to see you and your colleagues any time in the afternoon of September 10. I have alerted my other colleagues responsible for our investments and they are also available at that time.

Best personal regards.

Sincerely,

Eugene H. Rotberg
Treasurer

EHR:jcv

bcc: Messrs. Schielke and
Michaelcheck (with copy of
incoming letter)

GULF OIL CORPORATTON

1025 CONNECTICUT AVENUE
WASHINGTON, D. C. 20036

KENNETH F. GUDORF
SPECIAL ASSISTANT TO THE DIRECTOR
WASHINGTON OFFICE

August 20, 1975

AREA CODE 202
659-8720

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

Dear Gene:

I imagine you have been extremely busy with the IMF and World Bank meetings the first week in September. I have been attempting to arrange for our short-term portfolio managers to come to Washington for a firsthand look at your portfolio operations but have been stymied by summer vacation problems.

In any event, Dave Kelly, our Assistant Treasurer responsible for banking and investments, would like to come to Washington anytime that would be convenient for you during the week of September 8th. Dave will be accompanied by his chief portfolio trader, Cliff Zimmerman, who has been one of our key traders for the past 20 years.

If you will be tied up during this meeting, perhaps Dave and Cliff could get together with Bill Michaelchek. The three of us look forward to getting together with you early next month.

With best personal regards,

Very truly yours,



Kenneth F. Gudorf

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

3862

Mr. McNamara

*Please refer
to this possibility
in the Capital*

For your information and comment.

Robert's paper

Eugene H. Rotberg
August 21, 1975

Attachment

cc: Messrs. I.P.M. Cargill and
Raymond J. Goodman

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

M McNamara

For your information and comment.


Eugene H. Rotberg
August 21, 1975

. Attachment

cc: Messrs. I.P.M. Cargill and
Raymond J. Goodman

chron

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: August 21, 1975

FROM: Eugene H. Rotberg *ER*

SUBJECT: Some thoughts about borrowing "long" at "short" term interest rates

This note relates to our recent conversation concerning the possibility of a World Bank borrowing at floating interest rates with a fixed long-term maturity. The basic idea would be to tap the very large resources in the short-term market while at the same time assuring, unconditionally, our continued long-term access to these funds.

Before discussing the ways by which we might unconditionally guarantee our market access, I would like to set forth the different costs to issuers who borrow in the "short" market. There are essentially five different types of short-term borrowers in the United States. The rates differ depending on their credit standing in the market. Table 1 summarizes the average costs of various borrowers for the last 10 years in the short-term market and for long-term AAA corporate bonds; it presents also the maximum and minimum yields, standard deviation of yields, and spreads between the average costs:

(a) The lowest cost borrower is the U.S. Treasury which finances most of its requirements through the issuance of short-term Treasury Bills. Over the last 10 years these funds cost an average of 5.58%.

(b) The next higher ^{cost} borrowers are the U.S. Government Agencies which recently have started to issue short-term "discount notes." The Federal Home Loan Bank, the Federal National Mortgage Association and the Banks for Cooperatives recently have offered these notes, of which \$2-1/2 billion is currently outstanding. These Agencies have been able to sell their notes at 40 basis points above the yield on U.S. Treasury obligations.

(c) The next higher cost category of borrowers in the short-term market is high-quality corporations who issue commercial paper. Total commercial paper outstanding is over \$50 billion. Over the past 10 years these corporations have paid an average of 6.52% for their funds - a spread of 94 points over U.S. Government Treasury Bills.

(d) Next, in terms of cost in the short-term market, are commercial banks who finance their marginal lending by borrowing through the issuance of certificates of deposit. The bank certificate of deposit rates are about the same as the commercial paper rates of prime corporations.

(e) Finally, the poorest "high-quality" borrowers are those who cannot issue commercial paper and fund themselves by borrowing at the "prime rate," often with compensating balances, from the commercial banks. These corporations have borrowed at an average cost of 6.96% (the average prime rate for the last 10 years) plus compensating balances which have added another 70 basis points to their cost.

I do not want to belabor this note with a detailed description of the Eurodollar market which is an indispensable element in the short or "floating rate" market. Suffice to note here that commercial banks in London, who typically are branches or subsidiaries of larger banks domiciled elsewhere, seek dollar deposits by paying somewhat more than the parent bank pays for deposits of the same maturity. There are three reasons for the higher rate. First, the Euro Bank does not have to place reserves against these deposits with the Federal Reserve Bank of New York and depositors expect to benefit from this situation. Second, from time to time potential depositors, concerned about the possibility of U.K. exchange controls require premium rates, over the U.S. Certificate of Deposit rate, for deposits made in London. Finally, the London deposits are not as liquid in the secondary market as U.S. Certificates of Deposit.

The convention is for the Euro Bank to charge 1% to 2% over its marginal cost of money to non-bank borrowers. The reason why the Euro Bank insists on a profit margin greater than the difference between the U.S. domestic CD rate and the U.S. prime rate (which generally satisfies the parent bank) is because, first, the Euro-credit is usually riskier, i.e. the non-bank borrowers are not of the same creditworthiness as the best U.S. corporations; second, the U.S. prime rate is in fact a floating rate while the Euro Credit rate is reset only once every six months. Thus, if a Euro Bank receives deposits from Saudi Arabia of only one month duration, it may find that its profit margin has eroded as these borrowed funds may roll over at higher rates during the six-month period - prior to the time for resetting the interest rate to the borrower. It is this precise point why banks were and are concerned about very short OPEC deposits and, in part, it accounts for why that market is expensive for borrowers. Of course if interest rates decline, the London bank profits over a six-month period if its deposits are short, since the interest receivable on its loans is fixed for six months. Finally, even though the cost to the borrower is adjusted every six months, the Euro bank demands a higher profit margin than its parent because it has made a long-term commitment to supply funds at the prevailing cost of money, plus a fixed spread, irrespective of the possibly changing credit condition of the borrower.

. . .

The World Bank, given its credit standing, can borrow directly in the U.S. short-term market rather than through another borrower, such as a commercial bank, since our credit is as good or better than that of the domestic or Euro bank. If we were to borrow from commercial banks domestically, we would have to pay the prime rate plus, perhaps, the equivalent of a compensating balance; if we were to borrow in the Euro-dollar market we would pay the interbank deposit rate, i.e. the cost of marginal money, plus say 1%. Both will result, and would have resulted on the average over the last 10 years, in costs much higher than direct short-term market borrowing.

We know there are two risks to borrowing "short". First, the risk of escalating interest rates and, second, the risk that we may not be able to borrow at any rate because, for one reason or another, the market will consider us a poor risk. The first risk, that of escalating interest rates, is a risk we take whether we borrow short or through floating rates. To some extent it would be offset through a compensating increase in the return on short-term investments. The second risk of non-market access is one which we can avoid - but at a cost. The question is - what is the least expensive way to avoid the risk of non-access? The first alternative would be to negotiate a borrowing, either domestically or from a London bank for a fixed term - say 10 years - with a floating interest rate geared to some market rate (domestic CDs; prime rate; London interbank) plus a spread, and adjusted periodically. This type of arrangement would give us protection but would also be expensive. Commercial banks have to make a profit and, not being particularly high-quality borrowers, would have to be guaranteed some spread over their cost of money for the period concerned. In fact, the commercial bank would be selling the Bank an insurance policy against non-access. The amount of the "spread" would depend on the volatility of the "base" cost, the frequency of the base cost adjustment and their assessment of our future credit standing. Whatever the mechanics or formulae, the cost to us will reflect the relatively low credit standing of the commercial banks and their need to be assured of a profit.

The second alternative is for this Bank itself to borrow directly in the short-term market while at the same time maintaining a fixed guarantee of long-term money at a floating interest rate - but under a known formula in the event the standby is utilized. In my view, the cost of such funds under such an arrangement (our short-term market costs plus the cost of the guarantee) will be the least expensive form of obtaining long-term resources at short-term costs. For example, this Bank should be able to sell discount notes at 50 to 60 basis points above U.S. Treasury Bills or about 20 basis points above U.S. agency discount paper. That rate over time will be considerably below the rate for U.S. commercial paper. We should then negotiate a standby guarantee for 10 years from commercial banks, wherein they would agree to provide us, firm, a principal amount equivalent to our outstanding "discount paper" at any time should we require it at, say, the prime rate, or the London interbank rate plus, say 1%. I do not believe we would have to use this standby. The banks on their part, however, will realize that the use of the guarantee would be unlikely. Therefore, they will insist on a commitment fee on the undrawn balance because they are taking the credit risk we seek to avoid. Given our relationships with commercial banks I think that a commitment fee could be negotiated at less than 50 basis points which, when added to the cost of "discount notes", would be the least expensive way to have an assurance of long-term money at a short-term cost. My own view is that we might be somewhat more liberal in negotiating the "base cost" and the amount of the spread for the standby guarantee as a trade-off for a lower commitment fee on the undrawn balance. Our costs would also be lower if we did not seek a 100% standby.

August 21, 1975

An example of a similar financing is that consummated recently by Electricite de France, the government-owned electricity company. EDF arranged for a 10-year revolving line of credit for \$500 million with a group of London banks. The credit is, in fact, a 10-year borrowing since there is a clause which states that the banks may not revoke the line of credit. The terms of this Eurocredit standby have not been publicly disclosed but we understand EDF will pay 1-1/4% above the London inter-bank rate (the cost of three-month money) should they draw on the standby. In addition, EDF pays a commitment charge on funds not drawn down of 50 basis points. EDF uses the credit as a guarantee against which it issues commercial paper in the United States. It needed the cash guarantee as a backstop against its U.S. commercial paper operation, because of its character as a "foreign" institution in the U.S. Occasionally, when the commercial paper rate is higher, EDF draws on the line of credit and the commercial paper is paid down. It is thus used not only as a credit guarantee but also as a tool of liability management. The World Bank should be able to negotiate a lower commitment fee, a smaller spread, and less expensive "base cost" for the guarantee.

Conceptually, we should be prepared to pay a commitment fee on the guarantee no higher than the advantage which we think we can gain from shifting between direct short market borrowing and the standby guarantee. I realize that by saying this I place little financial value on the standby per se - because I believe that this Bank's credit standing and cash position insulate us from being deprived of access to short-term markets arising out of credit concerns about the Bank. Be that as it may, we can justify the commitment fee because it does provide us with protection, should our credit deteriorate so badly that we could not borrow in the short-term market.

.

Although this note is not designed to argue the case of borrowing short versus borrowing long at fixed interest rates, Table 1 shows that in the last ten years commercial paper has averaged 40 basis points below the yield to the public on AAA corporate bonds--despite the fact that during much of that time short-term rates have been higher than long-term rates because of Federal Reserve policy. Assuming the Bank had borrowed consistently in the short-term market at a cost of 60 basis points over U.S. Treasury Bills and had paid another 50 basis points for a commitment fee, the cost would have been considerably less expensive than a consistent program of long-term borrowing (i.e. 6.58 vs. 6.92) - quite apart from the costs of underwriting, etc.

Over the long run, in modest amounts, short-term borrowings - with a guarantee of long-term access - will (a) provide us a new source of resources which we do not now tap, (b) will bring our name to the attention of others who will be potential buyers of our longer-term issues, and (c) will provide us with a useful tool for liability management.

Table 1

Yields and Yield Spreads(Data Base, Monthly Yields: July 1965 - June 1975)

	<u>Average Yield</u>	<u>Standard Deviation of Yield*</u>	<u>Minimum Yield</u>	<u>Maximum Yield</u>	<u>($\pm$) S p r e a d</u>			
					<u>Corp Bonds</u>	<u>Treasury Bills</u>	<u>Prime Rate</u>	<u>Commercial Paper</u>
Aaa Corporate Bonds	6.92	1.25	4.48	9.27	-	1.34	-0.04	.40
90-Day Treasury Bills	5.58	1.42	3.18	8.74	-1.34	-	-1.38	-.94
Bank prime rate	6.96	1.88	4.50	12.00	.04	1.38	-	.44
High grade commercial paper	6.52	1.85	3.93	11.72	-.40	.94	-.44	-

*In any given month there is a 2 in 3 chance that yield will vary $\pm$ the amount of the standard deviation around the average yield.

- Note: 1) Average yields and other figures for U.S. Agency "discount notes" are not given because a 10-year data base is not available.
- 2) Similarly, 10-year data for CD rates were omitted because during the basis period Regulation Q of the Federal Reserve applied, which restricted the maximum rate which could be offered on CDs; the data would therefore not correctly reflect the market situation.

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: DR. ABDUL AZIZ AL-QURAIHI
SAUDI ARABIAN MONETARY AGENCY
JEDDAH

DATE: AUGUST 20, 1975

CLASS OF SERVICE: TELEX

COUNTRY: (SAUDI ARABIA)

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED
TO YOU AND YOUR WIFE TO ATTEND A FORMAL DINNER AT EIGHT O'CLOCK
MONDAY, FIRST OF SEPTEMBER, AT MADISON HOTEL STOP IN VIEW OF
LATE DISPATCH OF INVITATIONS WOULD APPRECIATE YOUR ADVISING BY CABLE
WHETHER OR NOT WE WILL HAVE THE PLEASURE OF YOUR COMPANY STOP
KINDEST REGARDS

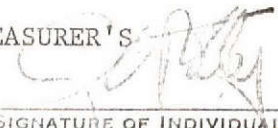
CARGILL- VICE PRESIDENT, FINANCE
ROTBERG - TREASURER
INTBAFRAD

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)

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chron



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



August 20, 1975

Mr. Harry Loman
2208 Strahle Street
Philadelphia
Pennsylvania 19152

Dear Harry:

I must thank you for three beautiful ties. I confess that if it weren't for you I would always be wearing old and beat up ties. These are a welcome addition to my wardrobe. As a matter of fact, if someone would now buy me shirts, shoes, suits, socks, overcoats, etc., I would look halfway decent, but I'm so disorganized I never get around to it. At least I have the best-looking ties around the Bank. I'm wearing one now and feel very well dressed.

My suit, on the other hand . . .

Kindest regards,

Gene H. Rotberg

EHR:jcv



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



August 20, 1975

Mr. Henry Rotberg
5151 Collins Avenue
Apartment 826
Miami Beach, Florida 33139

Dear Uncle Henry:

I could not let the time go by without writing and wishing you a Happy 80th Birthday. You are my favorite uncle and I just wanted to say that and tell you how I look forward to seeing you from time to time.

Love and kisses to you and Aunt Vita,

Gene H. Rotberg

EHR:jcv



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



chron

August 20, 1975

Mr. Thomas Phelan
The Korea Securities P. R. Associa-
tion
Room 403, Bosung Building
163-3, 2-Ka, Ulji-Ro, Chung-Ku
Seoul (100), Korea

Dear Tom:

It was good hearing from you. I was delighted to hear that you are continuing in the field which you know so well. I am sure that you will make a fine contribution.

A number of my friends talk about the extraordinary growth in Korea over the last ten years. I hope you will get an opportunity to visit some of your friends in Japan, Taiwan and Southeast Asia. You should be a real "Asianphile" by now. I will look up Mr. Choi today.

My love to Carleen, and please keep in touch.

Best regards,

Eugene H. Rotberg
Treasurer

EHR:jcv

P.S. Thanks for the clipping.

E.H.R.

An interest rate of 8.40% compares very favorably with alternative investments of 2-year maturities. As some of you may have seen, the recent U.S. Government 2-year Treasury Note auction was sold at an average interest rate of 8-1/4%. It has subsequently improved in price and is now selling at a premium to yield about 8.10. Therefore, at this time we are proposing to offer our bonds at about 30 basis points over the comparable yield for U.S. Government obligations. I might also point out that the typical investments of Central Banks, short-term deposits and short-term Treasury Bills also yield less than these 2-year bonds. The interest rate of 8.40% is in line with our previous practice of pricing these issues competitively with alternative investment opportunities but at the same time is a fair and appropriate rate for the Bank to pay.

August 19, 1975

EHRotberg:jcv

DRAFT: 8/18/75
EHRotberg:jev

Subject: Central Bank Issue

The matter before you relates to a proposed issue in the principal amount of \$350 million of the World Bank's 2-year bonds. As you know, a 2-year issue is brought to you for your consideration twice a year. Currently, there is outstanding \$867.7 million of these 2-year issues which mature in September 1975, March 1976, September 1976 and March 1977.

Initially, 19 years ago, these issues were in the amount of \$75 million. They commenced in 1956 and have, in effect, been the source of relatively permanent funds to the Bank. As the issues have increased in size, we have had a continually broadening source of purchasers of our bonds and in recent years the issues have been oversubscribed and we allotted the subscriptions received.

The issue which matures on September 15, 1975, which is the subject of this proposed borrowing operation, is in the amount of \$170 million. It is proposed to offer at this time \$350 million which would serve to refinance the maturing issue and raise additional bonds. We propose an interest rate of 8.40%. We believe it appropriate at this time to set the amount of the new issue at \$350 million for several reasons. First, the Bank's borrowing program of \$3.8 billion for this fiscal year will not be easy to achieve. Currently, the interest cost to the Bank of intermediate or long-term money is high in most markets. We cannot currently raise the amounts we require at costs lower than 8.40%, though in certain currencies relatively small amounts are available

at a lower cost. Second, this increase in our Central Bank borrowing over the amount to be refinanced will be at relatively little or no cost to the Bank as we would expect to invest these incremental resources at or about the same rate as the cost of the borrowing. Third, it is quite important for the Bank to increase the size of our Central Bank issues. We have found that Central Banks will tend to roll over the amounts which mature, and will tend to increase their subscriptions during periods of relatively higher interest rates. We believe that Central Banks will continue their practice to maintain their holdings even when interest rates subsequently decline. Currently, an interest rate of 8.40% we believe will attract new funds to the Bank and that these amounts will be maintained in subsequent years.

Finally, I might also observe that simply as a matter of good financial practice and fairness, it would seem preferable for the Bank not to merely seek to increase subscriptions when rates are, in absolute terms, relatively low. Central Banks, as you all know, have a wide variety of investment alternatives. We believe they will support this Bank financially, through their "investments" if year in and year out we offer them competitive market rates and in amounts which they recognize to be consistent with our requirements.

OFFICE MEMORANDUM

TO: Mr. D.E. Brantley, Dep. Secretary, Annual Mtg. DATE: August 18, 1975

FROM: Eugene H. Rotberg, Treasurer, World Bank Group *EH*

SUBJECT: Invitation to Chairman's Reception - Mr. and Mrs. B.L. Prins

It would be most appreciated if you would extend an invitation to the Chairman's Reception to Mr. and Mrs. B.L. Prins. Mr. Prins, as you may recall, was Chief Cashier of the Bank for 28 years and has recently completed an assignment as a Consultant in the Treasurer's Department. Their address is:

2445 Lyttonsville Road
Apartment 906
Silver Spring, Md. 20910

Thank you very much for your cooperation in this matter.

EHRotberg:emk

D R A F T
EHRotberg:emk
August 15, 1975

- (1) What is the cheapest kind of short-term borrowing and why is it cheapest? Describe.

A. Credit standing.

- (2) Where do banks get money?

A. From deposits.

Therefore, those who borrow from banks do so because they can't borrow directly in the same maturity in the market - even after allowing for Bank profit.

- (3) We are better borrowers than banks.

Therefore, we should not borrow from banks which will charge us either prime plus or their CD rate plus or commercial paper rate plus.

- (4) If we want short-term money, we should go to the market ourselves. A reasonable vehicle would be discount notes.

- (5) But, we not only want the lowest cost for short-term resources, but we want the assurance of having it for a long time, say 10 years.

- (6) We, therefore, have two options:

A. We can ^{try to} obtain funds from Banks for a fixed period of time, say 10 years, with a rate set ^{re each six months} according to the cost to the banks (their CD rate) plus, say, 25 basis points profit to them. That probably

Given to Bill M

won't work since our statistical studies show that the prime rate is on the average a 100 (a hundred) basis points over the CD rate. And banks want to reset rates more often than once every six months. The Prime changes perhaps twice a month. When the banks lends over a "deposit" rate, such as the Eurodollar market, they insist on a wide spread to protect them against loss should their deposits be shorter than six months. There is a second alternative. The Bank should borrow short directly in the U.S. market. It probably can do so at 30⁻⁵⁰ points over the Treasury Bill rate which is well below the typical commercial paper, CD, or prime rate, and seek a standby 10-year protection for banks to lend to us at, say, prime, should we need it. The Bank should have the option of repaying the banks should it draw down the funds (i.e. if for some reason it is denied access to the short market). We should be prepared to pay a commitment fee for the privilege of the drawdown and repayment option which, when added to the cost of our issuing discount notes, will result in the overall lowest cost.

Chron

OFFICE MEMORANDUM

TO: Files

FROM: Hans C. Hittmair *HCH*

SUBJECT: Germany -- 8-1/4% DM Bonds of 1975

DATE: August 15, 1975

Yesterday I was called by Dr. Grassnick of the Deutsche Bank, who referred to a letter by Mr. Uhrig of August 5, raising the question why the reference to the eligibility of our bonds for investment by insurance companies and the intention to obtain a ruling to that effect had been eliminated in the latest prospectus.

Dr. Grassnick explained that the respective law had been changed and in accordance with the new law of December 20, 1974 the insurance companies could decide for themselves which instruments to include for investment of their reserves and that it was no longer necessary to obtain a ruling from the supervisory agency in Berlin. All foreign DM issues would thus be eligible. He then proposed to leave the prospectus unchanged since it had already been printed in final form, but he suggested to include for the next issue a statement in the prospectus that "the eligibility for investment by insurance companies" is basically assured under the new law [Deckungsstockfähigkeit grundsätzlich gegeben]. I agreed with Dr. Grassnick that we would proceed along these lines.

* * *

The German domestic market is weak at present and there is very little demand. A Federal Government issue is expected to come out in early September. On August 20 the Committee on the Federal issue will meet and this should give a better indication of market expectations. The foreign DM market, which is closed for August, would certainly have to wait for resuming operations until it is known how the Federal issue has been received by investors. Dr. Grassnick said they would discuss this matter further in Washington during the Annual Meeting.

HCHittmair:jcv

cc: Messrs. Rotberg,
Deely, Levit
and Buhler

chron

OFFICE MEMORANDUM

TO: Shipment Office

FROM: Hans C. Hittmair

SUBJECT: Home Leave -- Reimbursement of Customs Duties Paid

DATE: August 15, 1975

Immediately prior to her return from home leave on August 6, my wife sent a shipment of alcoholic beverages to Washington. Since the Travel and Shipping Division could not be advised about this shipment ten days in advance, as required, we picked up the parcel and paid customs duties totaling \$33.10. The quantity of the liquor shipped is well within the guidelines mentioned in the Personnel Manual Statement No. 3.45, Annex II, paragraph 12. Attached please find: (a) reimbursement request form, (b) customs receipt dated August 12 for \$33.10, and (c) purchase invoice issued in Innsbruck, Austria, dated August 4, 1975.

I would greatly appreciate it if you would take the necessary steps to claim reimbursement of the customs duties paid.

HCHittmair:jcv

Attachments (3)

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Hans C. Hittmair (through
Eugene H. Rotberg)

SUBJECT: Bond Rating of European Investment Bank (EIB) and IBRD

DATE: August 15, 1975

Both the IBRD and the EIB are generally considered as prime-credit borrowers in world capital markets. It is, however, only in the U.S. market where independent rating services publish formal quality classifications. These ratings do not extend to dollar denominated issues in the Euromarket or elsewhere, or to issues denominated in other currencies. As a result, none of EIB's past borrowings carry a formal rating, while in the case of the Bank only dollar issues placed in the U.S. market are rated.

In mid-July, the EIB announced a two-part public offering in the U.S. for early August of \$100 million of notes, consisting of two equal tranches with a 5 and 7-year maturity, respectively. The issue was declared by Moody's Rating Service as of prime-grade quality and was assigned a provisional Aaa rating. According to most recent information, the planned EIB issue has been postponed because of unfavorable market conditions.

The analysis of the EIB and its operations for purposes of the provisional Aaa rating shows important parallels to similar presentations for the World Bank. The Aaa prime quality classification for both institutions is based on (a) the callable capital from member countries and (b) the "support provided by the Bank's assets, earnings and reserves". The callable capital is clearly an important element for the rating of the issues and is mentioned at various points in Moody's analysis. In the case of EIB it is stressed that the shareholders are the nine members of the EEC and that there is no provision for withdrawal from the EIB by any member state.

As to the support by assets, earnings and reserves, only one ratio is presented explicitly--the interest coverage ratio. EIB's ratios in this area are clearly inferior to those of the Bank:

<u>Actual Interest Coverage</u>	<u>1974</u>	<u>1973</u>	<u>1972</u>	<u>1971</u>	<u>1970</u>
IBRD [Years ending June 30]	1.35	1.38	1.46	1.69	1.87
EIB [Years ending December 31]	1.18	1.18	1.17	1.25	1.34

No comment or evaluation is given in this section.

In a lengthy descriptive section headed "Business" Moody's summarizes the following subjects regarding the EIB: (a) establishment and structure; (b) lending activities; (c) lending rates and terms; (d) composition of loan portfolio; (e) funded debt; (f) capital subscription, paid-in capital, and reserves; (g) recent capital increase. Important points in this description are the

August 15, 1975

noting of the protection of funded debt through the 80% callable capital; a reference that EIB "operates on a non-profit making basis", and that "its interest rates are close to the average rates charged in the financial markets where it obtains its funds"; there is also detailed description of a recent 75% increase in subscribed capital (equivalent to \$1.9 billion) payable over the next four years, starting April 30, 1976, after final approval by member states.

The ratios, which can be calculated on the basis of the description given by Moody's would show an 84/16 debt/equity ratio for EIB, as of March 31, 1975, which would compare with a 69/31 ratio for IBRD, as of June 30, 1975, excluding callable capital. The uncalled portion of subscribed capital would cover funded debt in the case of EIB only .50 times; in the case of IBRD 2.26 times. The EIB figure would improve only to .89 times if the forthcoming capital increase was assumed in effect on a pro forma basis.

The ratios stated and implied in the Moody analysis indicate that EIB ratios are clearly inferior to those of IBRD. We think that the Aaa rating in part is attributable to the capital increase now under way at the EIB; a lending rate policy which gears the marginal lending rate to the marginal borrowing cost, the quality of the loan portfolio, and, most important, the concept of protecting the bondholders by callable capital of creditworthy shareholders.

HCHittmair:EHRotberg:jcv

bcc: Dr. Park

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

Mr. Cargill

Peter:

El-Fishaway will identify the
names of officials from OPEC.


Gene R.
August 14, 1975

Attachment

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

Chron

OUTGOING WIRE

TO: ASIANBANK
MANILA

DATE: AUGUST 14, 1975

CLASS OF
SERVICE: TELEX

X-2213

COUNTRY: (THE PHILIPPINES)

TEXT:
Cable No.:

ATTENTION: WOLF PREUSS, TREASURER

PLEASE ACCEPT MY CONGRATULATIONS ON YOUR APPOINTMENT AS TREASURER OF
THE ASIAN DEVELOPMENT BANK STOP WILL BE PLEASED TO MEET YOU DURING YOUR
FORTHCOMING STAY IN WASHINGTON STOP WOULD SUGGEST WORKING OUT APPOINTMENTS
CONVENIENT TO YOU WITH MESSRS. CARGILL, GABRIEL AND MYSELF AFTER YOUR AR-
RIVAL ON AUGUST 29. STOP BEST REGARDS

ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: HELL:jcv

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Messrs.
Cargill, Gabriel, Hittmair

For Use By Communications Section

Checked for Dispatch

Chron

Form 100, 2/75 (3-70)		
INTERNATIONAL DEVELOPMENT ASSOCIATION	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	INTERNATIONAL FINANCE CORPORATION

OUTGOING WIRE

TO: NOMURASH
TOKYO

DATE: AUGUST 13, 1975

CLASS OF SERVICE: TELEX
X-2213

COUNTRY: (JAPAN)

TEXT:
Cable No.:

ATTENTION: MR. TADASHI ISHIDA, EXECUTIVE MANAGING DIRECTOR

THANKS YOUR TELEX CONTAINING INFORMATION REGARDING REDUCTION

IN OFFICIAL DISCOUNT RATES STOP 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

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INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: MR. ROBERT L. GENILLARD
C/O CREDIT SUISSE WHITE WELD LIMITED
1 QUAI DU MONT-BLANC
XXXX GENEVA

DATE: AUGUST 13, 1975

CLASS OF SERVICE: TELEX
X-2213

COUNTRY: (SWITZERLAND)

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED
TO YOU TO ATTEND A DINNER AT EIGHT O'CLOCK MONDAY, FIRST OF SEPTEMBER,
AT MADISON HOTEL STOP IN VIEW OF LATE DISPATCH OF INVITATIONS
WOULD APPRECIATE YOUR ADVISING BY CABLE WHETHER OR NOT WE WILL HAVE
THE PLEASURE OF YOUR COMPANY STOP KINDEST REGARDS

CARGILL/ROTBURG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:ek

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OUTGOING WIRE

TO: MR. NOBUYA HAGURA
MANAGING DIRECTOR
DAI-ICHI KANGYO BANK
TOKYO

DATE: AUGUST 13, 1975

CLASS OF SERVICE: TELEX
X-2213

COUNTRY: (JAPAN)

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED
TO YOU TO ATTEND A DINNER AT EIGHT O'CLOCK MONDAY, FIRST OF
SEPTEMBER, AT MADISON HOTEL STOP IN VIEW OF LATE DISPATCH OF
INVITATIONS WOULD APPRECIATE YOUR ADVISING BY CABLE WHETHER OR NOT
WE WILL HAVE THE PLEASURE OF YOUR COMPANY STOP KINDEST REGARDS

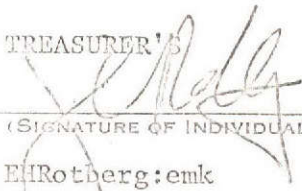
CARGILL/ROTBURG
INTBAFRAD

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INTERNATIONAL DEVELOPMENT
ASSOCIATIONINTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: MR. JOJI ITAKURA
MITSUI BANK LIMITED
TOKYO

DATE: AUGUST 13, 1975

CLASS OF
SERVICE: TELEX
X-2213

COUNTRY: (JAPAN)

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED
TO YOU AND YOUR WIFE TO ATTEND A DINNER AT EIGHT O'CLOCK MONDAY,
FIRST OF SEPTEMBER, AT MADISON HOTEL STOP IN VIEW OF LATE DISPATCH
OF INVITATIONS WOULD APPRECIATE YOUR ADVISING BY CABLE WHETHER OR
NOT WE WILL HAVE THE PLEASURE OF YOUR COMPANY STOP KINDEST REGARDS

CARGILL/ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

PT. TREASURER'S

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

EHRotberg:cmk

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OUTGOING WIRE

TO: INTBAFRAD
TOKYO

DATE: AUGUST 13, 1975

CLASS OF
SERVICE: TELEX
X-2213

COUNTRY: (JAPAN)

TEXT:
Cable No.:

FOR MR. MAEDA

INVITATION HAS BEEN MAILED TO YOU TO ATTEND DINNER FOR OUR
UNDERWRITERS AT EIGHT O'CLOCK MONDAY, FIRST SEPTEMBER, AT
MADISON HOTEL STOP IN VIEW OF LATE DISPATCH OF INVITATIONS
WOULD APPRECIATE YOUR ADVISING BY CABLE WHETHER OR NOT YOU
CAN ATTEND STOP KINDEST REGARDS

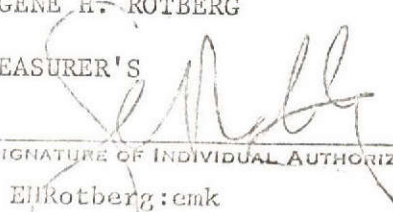
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CORPORATION

OUTGOING WIRE

TO: INTBAFRAD
TOKYO

DATE: AUGUST 13, 1975

CLASS OF
SERVICE: TELEX
X-2213

COUNTRY: (JAPAN)

TEXT:
Cable No.:

FOR MRS. ATSUMI

INVITATION HAS BEEN MAILED TO YOU TO ATTEND DINNER FOR OUR
 UNDERWRITERS AT EIGHT O'CLOCK MONDAY, FIRST SEPTEMBER, AT MADISON
 HOTEL STOP IN VIEW OF LATE DISPATCH OF INVITATIONS WOULD
 APPRECIATE YOUR ADVISING BY CABLE WHETHER OR NOT YOU CAN ATTEND
 STOP KINDEST REGARDS

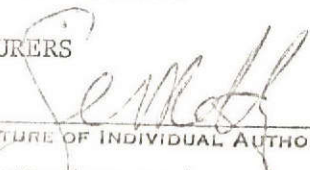
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NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

TIT. TREASURERS

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ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: INTBAFRAD
PARIS

DATE: AUGUST 13, 1975

CLASS OF SERVICE: TELEX
X-2213

COUNTRY: (FRANCE)

TEXT:
Cable No.:

FOR MR. CARRIERE

INVITATION HAS BEEN MAILED TO YOU AND YOUR WIFE TO ATTEND DINNER
FOR OUR UNDERWRITERS AT EIGHT O'CLOCK MONDAY, FIRST SEPTEMBER, AT
MADISON HOTEL STOP IN VIEW OF LATE DISPATCH OF INVITATIONS WOULD
APPRECIATE YOUR ADVISING BY CABLE WHETHER OR NOT YOU CAN ATTEND
STOP KINDEST REGARDS

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ASSOCIATIONINTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: INTBAFRAD
PARIS

DATE: AUGUST 13, 1975

CLASS OF
SERVICE: TELEX
X-2213

COUNTRY: (FRANCE)

TEXT:
Cable No.:

FOR MR. DELESSEPS

INVITATION HAS BEEN MAILED TO YOU TO ATTEND DINNER FOR OUR UNDERWRITERS
AT EIGHT O'CLOCK MONDAY, FIRST SEPTEMBER, AT MADISON HOTEL STOP IN
VIEW OF LATE DISPATCH OF INVITATIONS WOULD APPRECIATE YOUR ADVISING
BY CABLE XXXX WHETHER OR NOT YOU CAN ATTEND STOP KINDEST REGARDS

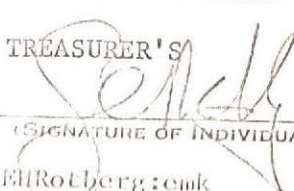
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NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

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

August 13, 1975

Miss Heidi Fiske
Vice President
The Institutional Investor
14th Floor
488 Madison Avenue
New York, New York 10022

Dear Heidi:

I am enclosing registration cards for the September Middle East Conference and the October Bond Conference. It would be most appreciated if you would accept the indelicacy of my asking that you permit Mr. William J. Michaelcheck, our Senior Investment Officer, to attend the Bond Conference, and Mr. Hugo J. H. Schielke, Chief of our Investment Division, to attend the Middle East Conference--with appropriate name cards, of course. While neither of these conferences is on Broadway, the practice of "twofer's" is, I hope, a not too uncommon practice on the East Side.

I will call you when I come to New York.

Love and kisses,

Gene H. Rotberg

Enclosures (2)

bcc: Messrs. Hittmair,
Schielke and Michaelcheck

Please register me for the **THIRD INSTITUTIONAL INVESTOR BOND CONFERENCE**
to be held at the New York Hilton Hotel, New York City, October 9 & 10, 1975.

Name	Mr. Hugo J.H. Schielke		
Title	Chief, Investment Division		
Company	World Bank	Telephone Number	(202) 477-2211
Street	1818 H Street, N.W., Room E-427		
City/State/Zip	Washington, D.C. 20433		Signature <i>[Signature]</i>

CANCELLATION AND RESERVATION POLICY Once you have sent this card a place is reserved for you. If you wish to cancel you must inform us in writing no later than 30 days prior to the Conference to receive a refund. After that time, you are responsible for the Conference fee but may, if you wish, send a substitute.

HOTEL RESERVATIONS The New York Hilton is holding a block of rooms for this Conference. For reservations, contact the Hilton directly. Please mention the Third Institutional Investor Bond Conference for special rates.

(This is your acknowledgement of registration. An invoice will follow.)

CONFERENCE FEE

☐ Check Enclosed

☐ Bill Me

☒ Bill My Company

AA

Please register me for the **INSTITUTIONAL INVESTOR MIDDLE EAST CONFERENCE**
to be held at the Waldorf Astoria Hotel, New York City on September 8 & 9, 1975.

Name	Mr. Hans C. Hittmair		
Title	Deputy Treasurer	Telephone	(202) 477-2228
Company	World Bank		
Street	1818 H Street, N.W., Room E-427		
City/State/Zip	Washington, D.C. 20433		Signature <i>[Signature]</i>

CANCELLATION AND RESERVATION POLICY Once you have sent this card a place is reserved for you. If you wish to cancel you must inform us in writing no later than 30 days prior to the Conference to receive a refund. After that time, you are responsible for the Conference fee but may, if you wish, send a substitute.

HOTEL RESERVATIONS The Waldorf Astoria is holding a block of rooms for this Conference. For reservations, contact the Waldorf directly. Please mention the Institutional Investor Middle East Conference for special rates.

(This is your acknowledgement of registration. An invoice will follow.)

CONFERENCE FEE
\$440 (U.S. Dollars)

☐ Check Enclosed

☐ Bill Me

☒ Bill My Company

ii-7

OUTGOING WIRE

Chron

TO: INTBAFRAD
TOKYO

DATE: AUGUST 12, 1975

CLASS OF
SERVICE:

COUNTRY: (JAPAN)

TEXT:
Cable No.:

ATTENTION MAEDA/SAKAI

RE OUR DINNER FOR UNDERWRITERS STOP INASMUCH AS WE HAVE EXTENDED
INVITATIONS TO NOMURA, NIKKO, DAIWA, YAMAICHI, IBJ, BANK OF TOKYO,
LONG-TERM CREDIT BANK AND MITSUBISHI BANK, WHO ACTED AS REPRESENTATIVE
OF BANKERS ASSOCIATION FOR OUR FOURTH AND FIFTH YEN BOND ISSUES,
SHOULD WE ALSO EXTEND INVITATIONS TO THE REPRESENTATIVES OF BANKERS
ASSOCIATION WHO SERVED ON OUR OTHER ISSUES, NAMELY MITSUI AND
DAI-ICHI KANGYO BANK STOP REGARDS

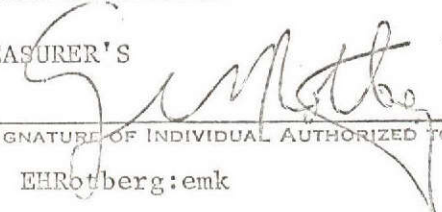
ROTBERG

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:

For Use By Communications Section

Checked for Dispatch:



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

August 12, 1975

Professor Peter B. Kenen
Director
International Finance Section
Princeton University
Post Office Box 644
Princeton, New Jersey 08540

Dear Peter:

It is with great reluctance that I must decline your invitation to attend Princeton's conference on "International Economic Stabilization". I simply overcommitted myself on Monday, September 8, after the Bank-Fund meetings and won't be able to get away.

Thank you for thinking of me.

Kindest regards,

Sincerely,


Eugene H. Rotberg
Treasurer



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

August 12, 1975

Mr. Emil J. Pattberg, Jr.
Vice Chairman of the Board
The First Boston Corporation
20 Exchange Place
New York, New York 10005

Dear Pat:

Iris and I will be delighted to join you
for dinner on Sunday evening, August 31st. We both
look forward to seeing your personal and your of-
ficial families.

Sincerely,

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

Eugene H. Rotberg
Treasurer



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

August 11, 1975

Mr. Henry H. Fowler
Partner
Goldman, Sachs & Co.
55 Broad Street
New York, New York 10004

Dear "Joe":

Iris and I will be delighted to attend
the reception and buffet dinner on Saturday, August
30.

We very much look forward to seeing you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eugene", is written over the typed name.

Eugene H. Rotberg
Treasurer



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

August 11, 1975

Mr. A. W. Clausen
President
Bank of America
National Trust and
Savings Association
San Francisco
California 94137

Dear Tom:

It is with great reluctance that Iris and I must decline your kind invitation for dinner. Unfortunately, on Monday evening, we are committed to hosting a dinner for the managing underwriters of our bond issues throughout the world. I am sure, however, that I will see you at the meetings and look forward to meeting with you later in the week.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eugene", is written over a horizontal line.

Eugene H. Rotberg
Treasurer



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

August 11, 1975

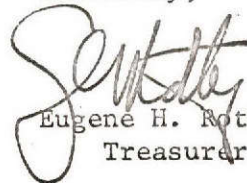
Mr. Thomas R. Wilcox
Chairman of the Board
Crocker National Bank
One Montgomery Street
San Francisco
California 94104

Dear Mr. Wilcox:

It is with great reluctance that I cannot accept your invitation for dinner on Tuesday, September 2nd. Unfortunately, I have a conflicting engagement which prevents me from accepting your kind invitation.

I look forward to seeing you, however, at the meetings.

Sincerely,


Eugene H. Rotberg
Treasurer

OUTGOING WIRE

chron

TO: CIRCULAR CABLE

DATE: August 11, 1975

CLASS OF
SERVICE: TELEX OR LT

X-2213

COUNTRY: SEE ATTACHED LIST

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED TO YOU TO
ATTEND A DINNER AT EIGHT O'CLOCK MONDAY, FIRST OF SEPTEMBER, AT MADISON
HOTEL STOP IN VIEW OF LATE DISPATCH OF INVITATIONS WOULD APPRECIATE
YOUR ADVISING BY CABLE WHETHER OR NOT WE WILL HAVE THE PLEASURE OF YOUR
COMPANY STOP KINDEST REGARDS

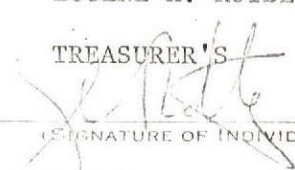
CARGILL/ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG, TREASURER

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHR:jcv

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MR. ALEXANDRE LAMFALUSSY
BANQUE BRUXELLES LAMBERT
BRUSSELS
(BELGIUM)

[Banque Bruxelles Lambert]

MR. GEORGES SMOLARSKI
CREDIONAIS
PARIS
(FRANCE)

[Credit Lyonnais]

DR. ALBERTO RIGHI
DIRCOMIT
MILAN
(ITALY)

[Banca Commerciale Italiana]

MR. H. BAHAR
ESTITHMAR
KUWAIT
(STATE OF KUWAIT)

[Kuwait Investment Company]



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



August 11, 1975

Mr. Koshi Suzuki
Deputy Chief Manager
Securities Department
The Industrial Bank
of Japan, Limited
Tokyo, Japan

Dear Mr. Suzuki:

Thank you very much for sending me your July "Bond Market Report" of IBJ, which I found awaiting me on my return from vacation. We appreciate your thoughtfulness in providing us with this useful information and look forward to receiving similar monthly reports in the future.

Sincerely,

Eugene H. Rotberg
Treasurer

bcc: YP (with attachment referred to above)

DATE: August 6, 1975

TO: Hans C. Hittmair, Deputy
Treasurer

FROM: William J. Michaelcheck

I checked the fiduciary trust contract with Brown Brothers which also engages in this type of business and with Fisher, Francis, Trees and Watts. Both stated that these fees are on the very high end of the acceptable range, though this can be expected since the amount is small. The transaction charge is quite high, although there again it is in the ball park. Apparently international transactions charges are higher than domestic charges. We should push ahead to reduce these fees if more investments are to be managed.

WJM:jcv

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: MR. HANS-JOACHIM SCHREIBER
DRESD BANK
FRANKFURT MAIN
~~XXXXXXXX~~

DATE: AUGUST 5, 1975

CLASS OF SERVICE: TELEX
X-2213

COUNTRY: (GERMANY)

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED
TO YOU AND YOUR WIFE TO ATTEND A DINNER AT EIGHT O'CLOCK MONDAY,
FIRST OF SEPTEMBER, AT MADISON HOTEL STOP IN VIEW OF LATE
DISPATCH OF INVITATIONS WOULD APPRECIATE YOUR ADVISING BY CABLE
WHETHER OR NOT WE WILL HAVE THE PLEASURE OF YOUR COMPANY STOP
KINDEST REGARDS

CARGILL/ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME H.C. HITTMAN

T. TREASURER'S

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EMK/

ORIGINAL (File Copy)

(IMPORTANT: See Secretariat Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Cargill

For Use By Communications Section

Checked for Dispatch

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: MR. RIVOSSECCHI
CREDIREZIO
MILAN

DATE: AUGUST 5, 1975

CLASS OF SERVICE: TELEX

COUNTRY: (ITALY)

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED
TO YOU AND YOUR WIFE TO ATTEND A DINNER AT EIGHT O'CLOCK MONDAY,
FIRST OF SEPTEMBER, AT MADISON HOTEL STOP IN VIEW OF LATE
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WHETHER OR NOT WE WILL HAVE THE PLEASURE OF YOUR COMPANY STOP
KINDEST REGARDS

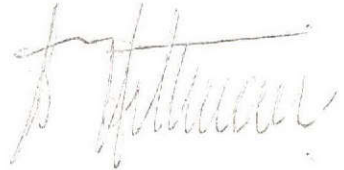
CARGILL/ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME ~~EXXIM~~ H.C. HITTMAIR

OFFICE: TREASURER'S

SIGNATURE: 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

INITIALS: EMK/

ORIGINAL (File Copy)

Approved for Use: Secretaries Cable for preparation found

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Cargill

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Checked for Dispatch

OUTGOING WIRE

TO: MR. HANS BERNDT
SPARGIROBANK
FRANKFURTMAIN

DATE: AUGUST 5, 1975

CLASS OF SERVICE: TELEX

COUNTRY: (GERMANY)

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED
TO YOU TO ATTEND A DINNER AT EIGHT O'CLOCK MONDAY, FIRST OF
SEPTEMBER, AT MADISON HOTEL STOP IN VIEW OF LATE DISPATCH OF
INVITATIONS WOULD APPRECIATE YOUR ADVISING BY CABLE WHETHER OR
NOT WE WILL HAVE THE PLEASURE OF YOUR COMPANY STOP KINDEST
REGARDS

CARGILL/ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME H. C. HITTMAN

T. TREASURER'S

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

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ORIGINAL (File Copy)

(REMARK: See Secretaries Guide for preparation form)

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OUTGOING WIRE

TO: CIRCULAR CABLE

DATE: AUGUST
XEXX 1, 1975CLASS OF
SERVICE: TELEX OR LT
X-2213COUNTRY: SEE ATTACHED LIST (NUMBER TWO) ~~and 4 PAGES~~TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED
TO YOU AND YOUR WIFE TO ATTEND A DINNER AT EIGHT O'CLOCK MONDAY,
FIRST OF SEPTEMBER, AT MADISON HOTEL STOP IN VIEW OF LATE
DISPATCH OF INVITATIONS WOULD APPRECIATE YOUR ADVISING BY CABLE
WHETHER OR NOT WE WILL HAVE THE PLEASURE OF YOUR COMPANY STOP
KINDEST REGARDS

CARGILL/ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME I.P.M. CARGILL *[Signature]*
DEPT. VICE PRESIDENT, FINANCESIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: IPMCargill:emk

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VIENNA
(AUSTRIA)

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NATIOPAR
PARIS
(FRANCE)

[Banque Nationale de Paris]

MR. PIERRE L. MOUSSA
PARIBAS
PARIS
(FRANCE)

[Compagnie Financiere de Paris et des Pays-Bas]

MR. CHRISTIAN VALENSI
LAZARBAN
PARIS
(FRANCE)

[Lazard Freres et Cie]

MR. MARC VIENOT
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(FRANCE)

[Societe Generale]

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DEUTSCHBANK
FRANKFURTMAIN
(GERMANY)

[Deutsche Bank A.G.]

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DRESDBANK
FRANKFURTMAIN
(GERMANY)

Dresdner Bank AG

DR. WALTER SEIPP
LANDESBANK
DUESSELDORF
(GERMANY)

[Westdeutsche Landesbank Girozentrale]

MR. FERDINANDO VENTRIGLIA
CENBANROMA
ROME
(ITALY)

[Banco di Roma]

DR. CIRO DE MARTINO
DIRSICIL
PALERMO
(ITALY)

[Banco di Sicilia]

MR. GIORGIO ROSSI
CREDIREZIO
MILAN
(ITALY)

[Credito Italiano]

MR. SOICHI YOKOYAMA
TOHBANK
TOKYO
(JAPAN)

[The Bank of Tokyo Ltd.]

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DAIWA SECURITIES CO. LTD.
TOKYO
(JAPAN)

[Daiwa Securities Co. Ltd.]

MR. TERU HIDAKA
YAMAICHI SECURITIES CO. LTD.
TOKYO
(JAPAN)

[Yamaichi Securities Co. Ltd.]

DR. A. BATENBURG
GENBANK
AMSTERDAM
(THE NETHERLANDS)

[Algemene Bank Nederland N.V.]

MR. K.H. BEYEN
AMROBANK
AMSTERDAM
(THE NETHERLANDS)

[Amsterdam-Rotterdam Bank N.V.]

MR. H. L. GULDEMOND
MEESBANK
AMSTERDAM
(THE NETHERLANDS)

[Bank Mees & Hope N.V.]

MR. ALF AAKERMAN
ESSEBANK
GOTHENBURG
(SWEDEN)

[Skandinaviska Enskilda Banken]

DR. EDGAR F. PALTZER
SUIDELEG
BASLE
(SWITZERLAND)

[Swiss Bank Corporation]

MR. GUIDO R. HANSELMANN
BANKUNION
ZURICH
(SWITZERLAND)

[Union Bank ofSwitzerland]

MR. RONALD J. SCOTT
CURBOR
ABU DHABI
(UNITED ARAB EMIRATES)

[United ARab Emirates Currency Board]

MR. NICHOLAS BARING
BARINGS
LONDON
(ENGLAND)

[Baring Brothers & Co. Limited]

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: CIRCULAR CABLE

DATE: AUGUST
~~XXXX~~ 1, 1975

CLASS OF SERVICE: TELEX OR LT
X-2213

COUNTRY: SEE ATTACHED LIST (NUMBER ONE) ~~- 4 PAGES~~

TEXT:
Cable No.:

ON OCCASION OF WORLD BANK MEETING AN INVITATION HAS BEEN MAILED
TO YOU TO ATTEND A DINNER AT EIGHT O'CLOCK MONDAY, FIRST OF
SEPTEMBER, AT MADISON HOTEL STOP IN VIEW OF LATE DISPATCH OF
INVITATIONS WOULD APPRECIATE YOUR ADVISING BY CABLE WHETHER OR
NOT WE WILL HAVE THE PLEASURE OF YOUR COMPANY STOP KINDEST REGARDS

CARGILL/ROTBERG
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME I.P.M. CARGILL

DEPT. VICE PRESIDENT, FINANCE

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

IPMCargill:emk

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(AMERICAN: See Secretaries Guide for preparing form)

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CREDIT
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(AUSTRIA)

[Creditanstalt-Bankverein]

DR. JOSEF TAUS
SPARGIRO
VIENNA
(AUSTRIA)

[Girozentrale und Bank der
Oesterreichischen Sparkassen A.G.]

DR. WOLF F. OEHLER
LAENDERBANK
VIENNA
(AUSTRIA)

[Oesterreichische Laenderbank A.G.]

MR. LOUIS CAMU
BANQUE BRUXELLES LAMBERT
BRUSSELS
(BELGIUM)

[Banque Bruxelles Lambert]

MR. ROGER ALLOO
GENERALE
BRUSSELS
(BELGIUM)

[Societe Generale de Banque]

MR. NESTOR RIGA
GENERALE
BRUSSELS
(BELGIUM)

[Societe Generale de Banque]

~~MR. FRANK H. LOGAN
DOMINION SECURITIES HARRIS
TORONTO, ONTARIO (CANADA)~~

MR. BERNARD DE MARGERIE
PARIBAS
PARIS
(FRANCE)

[Banque de Paris et des Pays-Bas]

MR. JEAN-MAXIME LEVEQUE
FRANCIAL
PARIS
(FRANCE)

[Credit Commercial de France]

LIST NUMBER ONE (Page Two)

MR. JACQUES CHAINE
CREDIONAIS
PARIS
(FRANCE)

[Credit Lyonnais]

MR. JEAN RICHARD
FRANCIPERA
PARIS
(FRANCE)

[Societe Generale]

DR. LUDWIG POUILLAIN
LANDESBANK
DUESSELDORF
(GERMANY)

[Westdeutsche Landesbank Girozentrale]

DR. PETER GRASNICK
DEUTSCHBANK
FRANKFURTMALN
(GERMANY)

[Deutsche Bank A.G.]

DR. WIEGAND HENNICKE
SPARGIROBANK
FRANKFURTMALN
(GERMANY)

[Deutsche Girozentrale-Deutsche Kommunalbank]

PROFESSOR GAETANO STAMMATI
DIRCOMIT
MILAN
(ITALY)

[Banca Commerciale Italiana]

PROFESSOR ALBERTO FERRARI
DIRBANCOPER
ROME
(ITALY)

[Banca Nazionale del Lavoro]

PROFESSOR PAOLO PAGLIAZZI
BANCO DI NAPOLI
NAPLES
(ITALY)

[Banco di Napoli]

LIST NUMBER ONE (Page Three)

MR. ISAO MASAMUNE KOGIN TOKYO TOKYO (JAPAN)	[The Industrial Bank of Japan, Ltd.]
MR. BINSUKE SUGIURA BANKCHOGIN TOKYO TOKYO (Japan)	[The Long-Term Credit Bank of Japan, Ltd.]
MR. SHOGO WATANABE NIKKO SECURITIES CO. LTD. TOKYO (JAPAN)	[Nikko Securities Co., Ltd.]
MR. KIICHIRO KITaura NOMURA SECURITIES CO. LTD. TOKYO (JAPAN)	[Nomura Securities Co., Ltd.]
MR. ABDLATIF Y. AL-HAMAD KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT KUWAIT (STATE OF KUWAIT)	[Kuwait Fund for Arab Economic Development]
MR. BADER AL-DAWOOD ESTITHMAR KUWAIT (STATE OF KUWAIT)	[Kuwait Investment Company]
MR. JOSEPH T. GEAGEA ASSOCIE DES BANQUES DU LIBAN BEIRUT (LEBANON)	[Associe des Banques du Liban]
DR. MAHSOUN B. JALAL THE SAUDI FUND FOR DEVELOPMENT RIYADH (SAUDI ARABIA)	[The Saudi Fund for Development]

LIST NUMBER ONE (Page Four)

MR. LARS O. STROEM
PKBANK
STOCKHOLM
(SWEDEN)

[Post-Och Kreditbanken, PKBanken]

MR. JAN EKMAN
HANDELSBANK
STOCKHOLM
(SWEDEN)

[Svenska Handelsbanken]

MR. RAINER E. GUT
CREDIT
ZURICH
(SWITZERLAND)

[Credit Suisse]

DR. F.E. ASCHINGER
SUIDELEG
BASLE
(SWITZERLAND)

[Swiss Bank Corporation]

chron

10822 Childs Court
Silver Spring
Maryland 20901

July 24, 1975

Mr. George A. Fitzsimmons
Secretary
Securities and Exchange Commission
500 North Capitol Street, N.W.
Washington, D.C. 20549

Dear Mr. Fitzsimmons:

Re: File No. S7-570

The purpose of this letter is to bring to your attention and recommend Mr. Bernard Garil to membership in the National Market Advisory Board. I have known Mr. Garil for about ten years and can attest to his judgment, his wisdom and expertise on matters relating to the operation of the U.S. securities markets. As you may know, he developed great expertise during his employment at the Securities and Exchange Commission in matters relating to the structure and operations of the U.S. securities markets. Subsequently, at Oppenheimer & Co., he was directly responsible for matters which complemented and expanded his expertise. I know him to be diligent, honest and possessed of great integrity. You may be sure that he will objectively evaluate the many controversial matters considered by the Board and offer judgments in a manner which will be consistent with the public interest.

Sincerely,


Eugene H. Rotberg

bcc: Mr. Bernard Garil (Envp. marked "Personal and Confidential")
Oppenheimer & Co.
One New York Plaza
New York, New York 10004

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: July 24, 1975

FROM: Eugene H. Rotberg *for*SUBJECT: Performance of dollar portfolio in FY75

I understand that you raised a question concerning the significance of the financial return figure of 11.67% in the first paragraph of my memorandum dated July 23.

The attached table summarizes the financial rates of return achieved during FY75 on a monthly, quarterly and cumulative basis. These returns are a measure of performance which we also express as an index in order to obtain a basis of comparison with other similar indices which are available in the market or have been specifically designed by us to assess our investment performance.

The financial rate of return is the rate of change in the market (liquidation) value of the Bank's portfolio over a specified interval of time. The change in value is expressed as an annualized equivalent percentage rate making due allowance for cash inflows and outflows during the period. As a matter of market convention the annualized rate of return is expressed as a semi-annual compound equivalent basis. The following figures illustrate the calculation for the fiscal year 1974/5.

	<u>\$ millions</u>
Market value of dollar portfolio on 6/30/74	\$3,045
Market value of dollar portfolio on 6/30/75	<u>4,203</u>
Difference	\$1,158
Of which net cash inflows were	742
Increase in value	416

This increase in value, after considering the timing of cash inflows and outflows during the period, represents an annualized rate of return of 11.67% on a semi-annual compound equivalent basis.

I consider the financial return measure as the only important yardstick that can gauge the performance of our portfolio management. It is the accepted measure for that purpose in the market and various indices are also based on this concept.

The concept of a "book return on investment" (coupon income plus realized capital gains/losses divided by average book value of portfolio) cannot be used for evaluating performance. The computation values the investments at purchase cost irrespective of market value. It does not

Mr. Robert S. McNamara

- 2 -

July 24, 1975

take into account the value of the security at any given time and the market improvement or losses caused by portfolio management. It is of little comfort to buy \$100 million of obligations at 8% and claim that one "earned" 8% for the year, if at the end of such year the market value has declined to 92. We would label that a 0% financial return. Our "book return on investment" would however be stated at 8% on the Ic Report and elsewhere and has been used, unfortunately I think, as the measure of performance and the basis to determine "the cost of carrying liquidity".

EHRotberg;HCHittmair:mb

cc: Mr. Cargill
Mr. Adler

WORLD BANK PORTFOLIOS PERFORMANCE

Achieved Financial Rates of Return

Month Ending	IBRD				IDA - B			
	Annualized Rate of Return				Annualized Rate of Return			
	Mon	Qtr	Cumul	Index	Mon	Qtr	Cumul	Index
6/30/74				100.00				100.00
7/31/74	7.32	-	7.32	100.61	10.0	-	10.0	100.83
8/31/74	- 0.67	-	3.28	100.55	- 3.2	-	3.3	100.55
9/30/74	31.84	12.19	12.19	103.05	24.3	10.2	- 3.2	99.20
10/31/74	17.01	15.48	13.39	104.46	14.6	12.0	11.5	103.83
11/30/74	20.31	22.89	22.89	106.46	18.3	19.5	12.8	105.21
12/31/74	15.91	17.71	14.93	107.47	13.3	15.4	12.9	106.45
1/31/75	18.43	18.19	15.43	109.00	15.9	15.7	13.3	107.76
2/ 8/75	9.62	14.79	14.75	109.83	7.5	12.4	12.6	108.40
3/31/75	4.21	10.71	13.53	110.21	6.63	10.05	11.96	109.00
4/30/75	1.55	5.00	12.33	110.35	5.47	6.09	11.18	109.49
5/31/75	11.94	5.91	12.29	111.44	11.19	7.36	11.18	110.51
6/30/75	4.92	6.15	11.67	111.90	5.04	7.26	10.67	110.96

Chron

OFFICE MEMORANDUM

TO: Mr. I. P. M. Cargill

FROM: Eugene H. Rotberg *EHR*

SUBJECT:

DATE: July 24, 1975

Peter:

Please. We can make one helluva lot of money now by going into the Eurodollar market, even in a modest way, and by buying government obligations, denominated in dollars, in the Eurobond market. This is the time to do it. Could you please, therefore, give Chuck Cooper a gentle but firm nudge? You can be sure that these investments will reduce the trading in our portfolio as we will tend to lock in worthwhile investments at high yields.

It will save our FY76 income if we do it fairly quickly.

EHRotberg:jcv

cc: Mr. Hittmair

bcc: Mr. Michaelcheck

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
Mr. I.P.M. Cargill

FROM: Eugene H. Rotberg *ER*

SUBJECT: Statement of Portfolio Yields: June 30, 1975

DATE: July 23, 1975

Attached is the statement of investment yields as of June 30. Looking at the recently completed year, I am reasonably satisfied with our total financial return for FY75 (11.67%)--particularly in view of the short average life of the portfolio at low interest rates toward the end of the fiscal year. The increase in our "net asset value" was due, in major part, to our substantial commitment, in July/August 1974, in four to five year U.S. agencies at interest rates between 8-1/2 to 9-1/2%. As yields declined later in the fiscal year, the value of the portfolio increased considerably.

In the last half of the fiscal year we shortened the life portfolio by liquidating our holdings in one to four year maturities and reinvested in very short maturities in the expectation of higher yields in FY76. (See maturity structure Table following.) The sale of securities made in connection with changes in our portfolio maturity (and the taking advantage of yield aberrations amongst different securities of the same maturity) resulted in capital gains and losses equivalent to over 112 million; the net capital gain for the year however only amounted to 5.2 million, and did not therefore appreciably affect our realized investment income of \$383 million.

Our performance could have been improved upon if we had purchased even more 4-5 year bonds in August 1974, and if we had liquidated all investments longer than three months in May and June 1974 when we foresaw a substantial increase in rates.

The realized investment return (capital gains plus interest income divided by average monthly cash balances) was 8.42% exceeding the actual cost of borrowing by about 25 basis points. While much attention is paid to this investment "return," it is, of course, merely a bookkeeping artifact which is determined in major part by the book yields on securities we happen to sell in making financial decisions. It reflects accounting conventions--not financial management decisions.

The May 1975 Financial Policy paper projects a realized investment return of 7.75% for FY76 in order to produce a 75 basis point "negative spread" from the projected "cost" of FY76 borrowing. It is highly unlikely that our realized income will approach that figure if we manage our portfolio with the aim of maximizing our financial return. Apart from the effect of subtracting 75 basis points from a

July 23, 1975

projected cost of borrowing which is weighted both by amount and maturity (which has the effect of overstating our borrowing costs in the year incurred) as the basis from which to project our investment income, there is no reasonable prospect of our realizing 7.75% for the entire fiscal year. The book yield on our portfolio is now about 7% and, even after the 125 basis point rise in short-term yields, six month Treasury Bills still only yield 6.75%. For financial reasons, we do not now wish to extend the portfolio out to the five-year area, where yields are almost 8%, since we project higher yield levels over the next few months. From a financial point of view, it is preferable to invest at 6% for one month than to purchase a 7-1/2% two-year bond, or an 8% five-year bond, if at the end of the month the two-year bond has declined by 4/32nds in price, or the five-year bond declines by 5/32nds.

If we average not 7.75% but 7.25% on our investments for FY75, our income will be about 30 million less than stated in the May 1975 Financial Policy paper, i.e., we will earn about \$207 million.

EHRotberg:jcv

Attachments

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Investment Holdings as of June 30, 1975

Amounts

(US\$ million equivalent)

Maturity	US\$	L	F	f.	Lit	DM	¥	Others	TOTAL
Up to 6 months	3,265.8	9.8	0.6	45.1	28.9	139.8	22.0	43.4	3,555.4
6 mos to 1 yr	423.0	59.4		13.8	67.9		1.5	5.5	571.1
1 yr to 2 yrs		8.9	12.4	5.7			5.6	10.2	42.8
2 to 3 yrs		35.8	40.5	12.5			4.9		93.7
3 to 4 yrs	357.1	4.3	20.4	28.9			49.1		459.8
4 to 5 yrs	93.9		14.9	14.6		54.5			177.9
Over 5 yrs		182.3							182.3
TOTAL	4,139.8	300.5	88.8	120.6	96.8	194.3	83.1	59.1	5,083.0

Yields
(%)

Up to 6 mos	6.13	9.25	16.00	7.33	12.11	3.15	6.72	5.98	6.09
6 mos to 1 yr	7.30	10.69		7.92	9.37		10.31	10.65	7.95
1 yr to 2 yrs		9.97	9.50	9.50			9.86	8.24	9.34
2 to 3 yrs		10.87	8.99	9.14			9.39		9.75
3 to 4 yrs	8.80	12.48	9.37	9.37			9.43		8.96
4 to 5 yrs	8.95		8.80	11.02		9.14			9.17
Over 5 yrs		9.04							9.04
TOTAL	6.54	9.67	9.16	8.62	10.19	4.82	8.78	6.80	6.87

NOTE: Amounts are amortized book values at date of the Table.
Yields are average annual weighted yields.
Other currencies are Cr\$, Can\$, DKr, and SwF, each
one less than one percent of holdings

Controller's
7/8/75

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: July 23, 1975

FROM: Eugene H. Rotberg *ER*

SUBJECT: IBRD Bond Issue

At the time of our recent U.S. bond issues, I asked First Boston to keep a record of the responses of the institutional investors to FOB's solicitation of their potential interest. The attached work-sheets speak for themselves. They reflect a range of responses indicating the portfolio managers' evaluation of the bond markets, the availability of new money for investment and, of course, their reaction to the Bank.

EHR:ce

Attachment

cc: Mr. I.P.M. Cargill

Note to Mr. Cargill: I will send you the attachments referred to above in a day or two.

E.H.R.

skron

Mr. Robert S. McNamara

July 23, 1975

Eugene H. Rotberg

IBRD Bond Issue

At the time of our recent U.S. bond issues, I asked First Boston to keep a record of the responses of the institutional investors to FOB's solicitation of their potential interest. The attached worksheets speak for themselves. They reflect a range of responses indicating the portfolio managers' evaluation of the bond markets, the availability of new money for investment and, of course, their reaction to the Bank.

EHR:ce

Attachment

cc: Mr. I.P.M. Cargill



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



July 21, 1975

Mr. Henry C. Wallich
Member of the Board
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

Dear Henry:

Thank you very much for the paper written by you and Mable concerning capital accumulation facility for labor, which I received on my return from Europe. I found the paper most interesting and innovating. In view of the difficulties of employers to raise funds in the equity markets in the last several years, I suspect that the Plan would find some good support now. I liked it. Thanks for sending it.

Kindest regards,

Sincerely,

Eugene H. Rotberg
Treasurer

EHR:jcv

Chron.



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



July 16, 1975

Mr. Alan R. Holmes
Executive Vice President
Federal Reserve Bank
of New York
33 Liberty Street
New York, N.Y. 10045

Dear Alan:

I am enclosing herewith for your
information Document No. R75-155 issued in
connection with our proposed borrowing from
the Deutsche Bundesbank.

Best personal regards.

Sincerely,


Eugene H. Rotberg
Treasurer

Encl.

K?
D R A F T
EHRotberg:emk
July 15, 1975

For general press comment on intermediate-term loans:

The borrower would be obligated to pay interest at a rate equal to the difference between the Bank's normal lending rate, currently 8-1/2%, at the time of the loan and such payments as may be made by the Subsidy Fund to the Bank. It is contemplated that the Subsidy Fund, which is constituted by direct contributions from certain member countries, would pay to the Bank 4-1/2% of the principal amount outstanding on intermediate-term loans.



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



July 15, 1975

Tarao Maeda, Director
Tokyo Office
International Bank for
Reconstruction and
Development
Kokusai Building, Room 916
1-1, Marunouchi 3 -chome,
Chiyoda-ku
Tokyo 100, JAPAN

Dear Mr. Maeda:

First, let me offer you my official congratulations upon your undertaking the responsibility as Director of the World Bank Tokyo Office. I am sure it will be a great pleasure working with you and to gain the benefit of your wisdom and expertise. Let me also thank you for the special supplement published by Nihon Keizai Shimbun. It was most kind and thoughtful of you to transmit it to me.

Kindest regards,

Sincerely,


Eugene N. Rothberg
Treasurer

Arrow

OFFICE MEMORANDUM

TO: Mr. Douglas J. Fontein

FROM: Eugene H. Rotberg *ER*

SUBJECT:

DATE: July 15, 1975

Yesterday, July 14, I received an inquiry from Commissioner A. A. Sommers of the Securities and Exchange Commission, who asked whether I would be prepared to serve, if nominated by the SEC, as a member of a congressionally authorized advisory committee entitled the "National Market Advisory Board."

The Advisory Board was authorized under the Securities Act Amendments of 1975. The relevant section of the statute reads as follows:

" . . . the [Securities and Exchange] Commission shall establish a National Market Advisory Board (hereinafter in this section referred to as the 'Advisory Board') to be composed of fifteen members, not all of whom shall be from the same geographical area of the United States, appointed by the Commission for a term specified by the Commission of not less than two years or more than five years. The Advisory Board shall consist of persons associated with brokers and dealers (who shall be a majority) and persons not so associated who are representative of the public and, to the extent feasible, have knowledge of the securities markets of the United States."

Commissioner Sommers indicated I would serve as a "representative of the public" and my participation would be without compensation. According to the statute, the purpose of the Advisory Board is to:

- (a) " . . . formulate and furnish to the Commission its views on significant regulatory proposals made by the Commission or any self-regulatory organization concerning the establishment, operation, and regulation of the markets for securities in the United States.
- (b) "The Advisory Board shall study and make recommendations to the Commission as to the steps it finds appropriate to facilitate the establishment of a national market system. . . .
- (c) "The Advisory Board shall study the possible need for modifications of the scheme of self-regulation provided for in this title so as to adapt it to a national market system. . . .

July 15, 1975

- (d) "The Advisory Board shall report to the Congress, on or before December 31, 1976, the results of such study and its recommendations, including such recommendations for legislation as it deems appropriate."

The primary purpose of the Board is to make recommendations and offer views and comments on the fairness and efficiency of the U.S. securities markets. It cannot implement changes but can only recommend and make comment.

I believe it would be consistent with the general public interest to serve on this Advisory Board. There appear to be no conflicts with my responsibilities to or duties with the Bank, and there would be no control by the U.S. Government or its instrumentalities over my positions or views. My participation would be conducted in a manner not inconsistent with my responsibilities to the Bank, and would not be an embarrassment to the Bank. Finally, I think a responsible case can be made that as potentially the largest borrower in the United States market it is in the Bank's interest to have a market for its securities and the securities of others which is fair and efficient and in which the public has deserved confidence. My participation, of course, would be noncompensatory.

I have also attached for your information a recent release by the SEC concerning the "Advisory Board."

EHRotberg:jcv

Attachment

cc: Mr. Cargill
Mr. Chadenet

July 15, 1975

- (d) "The Advisory Board shall report to the Congress, on or before December 31, 1976, the results of such study and its recommendations, including such recommendations for legislation as it deems appropriate."

The primary purpose of the Board is to make recommendations and offer views and comments on the fairness and efficiency of the U.S. securities markets. It cannot implement changes but can only recommend and make comment.

Review 7/17/75

I believe it would be consistent with the general public interest to serve on this Advisory Board. There appear to be no conflicts with my responsibilities or duties with the Bank, no control by the U.S. Government or its instrumentalities over my positions or views, and, in my view, little, if any, likelihood that any position I might take would be inconsistent with my responsibilities to the Bank or would be an embarrassment to it. Finally, I think a responsible case can be made that as the largest potential borrower in the U.S. it is in the Bank's interest to have a market for its securities and the securities of other issues which is fair and efficient and in which the public has deserved confidence. *and there would be*
~~The position, of course, would be noncompensatory.~~
my participation,

I have also attached for your information a recent release by the SEC concerning the "Advisory Board."

EHRotberg:jcv

Attachment

cc: Mr. Cargill
 Mr. Chadenet

Based upon my understanding of the subject matter of the SEC release, my participation would be conducted in a not in consistent manner with my responsibilities to the Bank, and it does not seem to me that it would be an embarrassment to the Bank.

Securities and Exchange Commission
Washington, D.C. 20549

Securities Exchange Act of 1934
Release No. 11505/June 30, 1975

Request for Recommendations for Appointment to the
National Market Advisory Board. (File No. S7-570)

The Securities and Exchange Commission today announced that it is requesting recommendations of individuals for appointment to the National Market Advisory Board (the "Advisory Board"), which the Securities Acts Amendments of 1975 (the "Amendments")1/ direct the Commission to establish by December 1, 1975.

Responsibilities of the Advisory Board

The Advisory Board will be responsible for formulating and furnishing to the Commission its views on significant regulatory proposals made by the Commission or any self-regulatory organization concerning the establishment, operation, and regulation of the markets for securities in the United States.

The Advisory Board will study and make recommendations to the Commission as to the steps it finds appropriate to facilitate the establishment of a national market system. It will also study the possible need for modification of the scheme of self-regulation provided for in the Securities Exchange Act of 1934 so as to adapt it to a national market system, and the need for the establishment, as a new self-regulatory organization, of a Regulatory Board to administer the national market system. In the event the Advisory Board determines a Regulatory Board should be established, it will make recommendations concerning (i) the point in time at which a Regulatory Board should be established; (ii) the composition of a Regulatory Board; (iii) the scope of the authority of a Regulatory Board; (iv) the relationship of a Regulatory Board to the Commission and to existing self-regulatory organizations; and (v) the manner in which a Regulatory Board should be funded.

The Advisory Board will be required to report to the Congress, on or before December 31, 1976, the results of such study and its recommendations, including such recommendations for legislation as it deems appropriate.

In carrying out its responsibilities, the Advisory Board will consult with national securities exchanges, registered securities associations, brokers, dealers, securities information processors, issuers, representatives of Government agencies and other persons interested or likely to participate in the establishment, operation or regulation of the national market system.

Membership of the Advisory Board

The Advisory Board will consist of fifteen persons, not all of whom are to be from the same geographical area, appointed for a term of not less than two nor more than five years. A majority of the members are to be "persons associated with brokers and dealers";^{2/} the rest are to be representatives of the public, who to the extent feasible, have knowledge of the securities markets of the United States.

The Commission intends to appoint persons associated with brokers and dealers from different segments of the industry and public members who represent investors, both small and large, issuers, vendors, and other persons who will be affected by the national market system.^{3/}

Commission Request

The Commission is requesting all interested persons to submit the names of individuals for the Commission's consideration in appointing the members of the Advisory Board. A recommendation should state: the name of the individual recommended, business affiliation, business address and telephone number, home address and telephone number, and educational and professional background, as well as the name, business affiliation and address, and relationship to the individual recommended, of the person making the recommendation.

If the individual recommended is associated with a broker or a dealer, the recommendation should indicate the segment of the securities industry with which the individual is identified. Recommendations for public representatives should indicate whether the individual is expected to represent investors, issuers, vendors or others likely to be affected. Recommendations may also include additional information which might be useful to the Commission in evaluating the recommendations. Respondents are also requested to submit, for the Commission's consideration, their views as to general qualifications of persons to be appointed to the Advisory Board.

The Commission may appoint persons to the Board who are not recommended pursuant to this Release.

Three copies of each recommendation should be submitted to: George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, N.W., Washington, D.C. 20549, not later than July 31, 1975. Reference should be made to File No. S7-570.

All requests for additional information, or for clarification of the Advisory Board's responsibilities, organization, or composition should be directed to: Andrew P. Steffan, Director, Office of Policy Planning, Securities and Exchange Commission, 500 North Capitol Street, N.W., Washington, D.C. 20549.

All correspondence in response to this solicitation will be a matter of public record.

By the Commission.

George A. Fitzsimmons
Secretary

Footnotes:

-
- 1/ Pub. L. No. 94-29, 94th Cong., 1st Sess. (June 4, 1975).
- 2/ Section 3(a)(18) of the Securities Exchange Act of 1934, as amended, defines a "person associated with a broker or dealer" as "any partner, officer, director, or branch manager of such broker or dealer (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such broker or dealer or any employee of such broker or dealer. . ."
- 3/ Joint Explanatory Statement of the Committee of Conference,
H.R. Rep. No. 94-229, 94th Cong. 1st Sess. (May 19, 1975).

OUTGOING WIRE

TO: INTBAFRAD
PARIS

DATE: JULY 14, 1975

CLASS OF
SERVICE: TELEX

X-2213

COUNTRY: (FRANCE)

TEXT:
Cable No.: FOR: DeLESSEPS

RE YOUR SURVEY OF CAPITAL MARKETS FOR JULY: PRIMO, CARGILL NOW VISITING
IN HOLLAND TO DISCUSS POTENTIAL OPERATIONS WITH DUTCH AUTHORITIES STOP
I WILL ADVISE YOU ON HIS RETURN WHAT FOLLOW-UP, IF ANY, IS REQUIRED STOP
SECOND, I HAVE DISCUSSED BELGIAN MARKET CONDITIONS AND OUR TWO-YEAR CEN-
TRAL BANK ISSUE WITH GOVERNOR OF CENTRAL BANK STOP WE WILL DISCUSS MAT-
TER FURTHER AT OUR ANNUAL MEETING AND NO FURTHER CONTACT SHOULD BE MADE
BEFORE THAT TIME STOP

THIRD, CARGILL VISITING BUNDESBANK AND ECONOMICS MINISTRY TO DISCUSS OUR
FUTURE GERMAN BORROWING PROGRAM WITH HIM AND I WILL ADVISE YOU ABOUT
RESULTS STOP

FOURTH, I RECOMMEND NOT CIRCULATING DOCUMENT CONCERNING OUR STEEL LOAN TO
BRAZIL TO PERSONS OUTSIDE THE BANK AT THIS TIME STOP

THANK YOU VERY MUCH FOR YOUR REPORT AND RECENT MEMORANDA STOP ON A
PERSONAL NOTE, I HAVE JUST HEARD ABOUT YOUR ACCIDENT STOP PLEASE ACCEPT
MY BEST WISHES FOR FULL HEALTH STOP REGRET I HAD NOT KNOWN SOONER STOP
KINDEST REGARDS STOP

ROTBERG - INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

T.

TREASURER'S

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

EHRotberg:jcv

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

Messrs. Cargill, Hittmair, Deely, Uhrig,
and Levit

For Use By Communications Section

Checked for Dispatch



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



July 11, 1975

Mr. Michio Sakurai
Assistant Chief Manager
International Finance
International Division
The Fuji Bank, Limited
Tokyo, Japan

Dear Mr. Sakurai:

Thank you very much for sending me
your recent news service on the market "Interest
Rates in Japan", which I found awaiting me on
my return from abroad. We appreciate your
thoughtfulness in providing us with this useful
information and look forward to receiving
similar reports in the future.

Sincerely,


Eugene H. Rotberg
Treasurer

Chron



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



July 11, 1975

Mr. Koshi Suzuki
Deputy Chief Manager
Securities Department
The Industrial Bank
of Japan, Limited
Tokyo, Japan

Dear Mr. Suzuki:

Thank you for your letter of June 28
with which you enclosed IBJ's latest Bond
Market Report. We appreciate your thought-
fulness in sending these reports to us and
continue to find them most interesting.

Kindest regards.

Sincerely,


Eugene H. Rotberg
Treasurer

cc: yp

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: NOMURA SECURITIES
TOKYO

DATE: JULY 14, 1975

CLASS OF SERVICE: T ELEX

X-2213

COUNTRY: (JAPAN)

TEXT:
Cable No.:

ATTENTION: MR. TADASHI ISHIDA, EXECUTIVE MANAGING DIRECTOR
THANKS YOUR RECENT TELEX GIVING DETAILS OF REVISION OF ISSUING
TERMS OF DOMESTIC GOVERNMENT BONDS AND BANK DEBENTURES STOP
WE APPRECIATE YOUR FURNISHING US WITH THIS INFORMATION STOP
KINDEST REGARDS

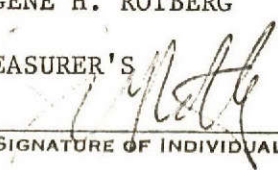
ROTBERG
INTBAFRAD

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)

(IMPORTANT: See Secretaries Guide for preparing form)

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Checked for Dispatch

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

Mr. Cargill

Re your forthcoming trip to The Netherlands,
in addition to Mr. Ponsen of the Ministry of
Finance, you may also wish to call on:

- (1) The Algemene Bank Nederland N.V.
(General Bank of The Netherlands)
Vijzelstraat 32
Amsterdam-C, The Netherlands

Dr. A. Batenburg
Chairman of the Managing Board

These are our leading underwriters for
our Netherlands bond issues.

Phone: (020) 299 111

Cable: GENBANK

- (2) De Nederlandsche Bank N.V.
Westeinde 1
NL-1002 Amsterdam, The Netherlands

Professor J. Zijlstra, President

This is the Central Bank of The Netherlands
and you may wish to contact them re our
forthcoming Central Bank issue. They now hold
\$10.5 million of our Two Year issues; they have
nothing maturing in September.

Phone: 6-31-33

Cable: NETHERBANK

Kessie for CTR
7/11/75

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: MR. DAVID POTTER
EXECUTIVE DIRECTOR
CREDIT SUISSE WHITE WELD LIMITED
LONDON

DATE: JULY 10, 1975

CLASS OF
SERVICE: TELEX

COUNTRY: (ENGLAND)

TEXT:
Cable No.:

REURTELEX TODAY STOP MR. ROTBERG IS OUT OF THE COUNTRY UNTIL
JULY 14 BUT HE WOULD BE PLEASED TO MEET WITH YOU AND YOUR
COLLEAGUES ON JULY 23 AT THREE THIRTY STOP HIS OFFICE IS
LOCATED IN ROOM E427, SEVEN ZERO ONE NINETEENTH STREET NORTHWEST
STOP REGARDS

KESTERTON
SECRETARY TO
MR. ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME JOSEPH P. UHRIG

DEPT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EMK/

CLEARANCES AND COPY DISTRIBUTION:

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ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch

OFFICE MEMORANDUM

TO: Mr. I.P.M. Cargill *EMK.*
FROM: Edith M. Kesterton (secretary to Mr. Rotberg)
SUBJECT: U.S. Bond Issue

DATE: July 9, 1975

Mr. Doescher, First Boston, called our office today at 11 a.m. (he was unable to reach you) and he gave me the following message (which I have conveyed to Mr. Rotberg in London on the telephone):

"The deal is in excellent shape. Aside from the State of California, who bought \$25 million of the '85s, our business is all on swaps with many small buyers, and we are taking bonds back from the banks and right now things couldn't be looking better".

While I was speaking to Mr. Rotberg, Mr. Doescher called again (about ten minutes later) to report "both government and corporate markets are off about 1/4 now, and our deal is still in excellent shape."

. . .

Our Investments Division (Mr. Schielke) confirms the above and notes that "all dealers and banks that we talk to have seen good interest in the bonds and find it a good sale".

cc: Mr. Gabriel
Mr. Hittmair
Mr. Deely
Mr. Uhrig
Mr. Schielke

EMK/

INTERNATIONAL DEVELOPMENT
ASSOCIATIONINTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: EUGENE ROTBERG
INN ON THE PARK HOTEL
LONDON

DATE: JULY 9, 1975

CLASS OF TELEX 22771
SERVICE: X-2213

COUNTRY: (ENGLAND)

TEXT:
Cable No.:

ARRANGED
LUNCH/WITH GOVERNOR DE STRYCKER AT NATIONAL BANK OF BELGIUM ON
FRIDAY AT ONE O'CLOCK STOP IF POSSIBLE PLEASE CALL UHRIG
AT ABOUT FIVE P.M. YOUR TIME THURSDAY STOP REGARDS

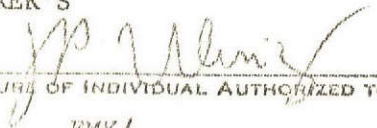
KESTERTON

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME JOSEPH P. UHRIG

POST. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EMK/

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

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Checked for Dispatch

Chson

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: July 8, 1975

FROM: Eugene H. Rotberg *EHR*

SUBJECT: GERMANY

10.45 a.m. - July 8, 1975

We have just negotiated, subject to Board approval, a rollover of the August 1 maturity with the Bundesbank of DM 300 million. The new borrowing would have a 4.8 year maturity at a cost of 8%.

EHRotberg:mb

cc: Mr. Cargill

Chron

(5-70)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: ~~XXXXXXXXXXXXXXXXXX~~
MR. DAVID R. POTTER
EXECUTIVE DIRECTOR
CREDITSUISSE WHITE WELD
LONDON

DATE: JULY 7, 1975

CLASS OF SERVICE: TELEX OR LT
X-2213

COUNTRY: (ENGLAND)

TEXT:
Cable No.:

REFERENCE MR. GUT'S TELEX TODAY WOULD BE PLEASED TO MEET WITH YOU
AFTERNOON OF JULY 23 OR MORNING OF JULY 24 STOP REGARDS

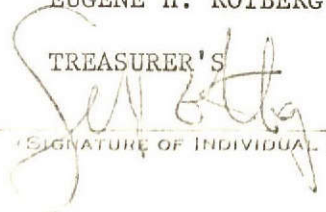
ROTBERG
TREASURER
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

PT. TREASURER'S

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

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Checked for Dispatch

Chron

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: CREDIT
ZURICH

DATE: JULY 7, 1975

CLASS OF SERVICE: TELEX
X-2213

COUNTRY: (SWITZERLAND)

TEXT:
Cable No.:

ATTENTION: MR. RAINER E. GUT

REURTELEX TODAY PLEASED TO MEET WITH MR. POTTER AFTERNOON OF
JULY 23 OR MORNING OF JULY 24 STOP REGARDS

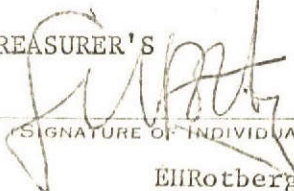
ROTBERG
INTBAFRAD

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)

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OFFICE MEMORANDUM

Chen

TO: Mr. I.P.M. Cargill

FROM: Eugene H. Rotberg *[Signature]*

SUBJECT: U.S. Bond Issue

DATE: July 3, 1975

During the last several days I have received reports from our underwriters concerning the price deterioration in the five and ten-year market. On Tuesday, July 1, the consensus was that our five-year obligations would have to be sold to yield 8.20% and the 10-year securities to yield 8.40-8.45%, resulting in a cost to us of 8.35% and 8.55% respectively. While these rates were high, there was little indication that the bonds would be difficult to place at these rates.

Yesterday, Wednesday, July 2, however, I received a call from Greg. Doescher of First Boston who raised some unsettling questions about the success of the issue. He made several points:

First, only \$100 million of the \$500 million proposed issue has been spoken for or "circled" at the rates set forth above. There has been no real interest in the issue despite an extensive selling effort by the underwriters. Investors apparently are prepared to let the security come to market at those rates and take their chances on either buying it in the secondary market or purchase some other issuer's 5-10 year obligations.

Second, U.S. Government, U.S. agencies, and corporate issuers have come to the 5 to 10-year market as a major source of financing. While the market is extremely large, our bonds are viewed as just another name which will be purchased only at "attractive" spreads compared to alternative instruments. Doescher noted that, on the occasion of our December 1974 issues, 60% of the principal amount was purchased by commercial banks as a speculative trading vehicle. He observed that investors have been disappointed in the market performance of the bonds, particularly during market rallies. Therefore, we do not have the reputation as a "trading vehicle".

Third, Doescher said that he has "pages upon pages" - perhaps hundreds of names - of small and medium-size institutions who simply will not buy World Bank bonds. There are a variety of reasons - not the least of which is that we are considered a "foreign" institution but our bonds are priced as if we were a domestic high-quality issuer.

Fourth, Doescher said that, although the underwriters are considering alternative dates for our issues, the calendar is also heavy for July; in August we run again into new U.S. Treasury financing. As of Wednesday night, he believed that the bonds would have to be priced at a level which would be "attractive" to investors. The consensus was 8.25% for the five-year and 8.50% for the ten-year issue.

. . .

Mr. I.P.M. Cargill

- 2 -

July 3, 1975

Much of this is not new. The problem is that \$500 million is an extremely large issue, even for the U.S. - particularly in the context of our recent market performance and the fact that we did issue \$500 million six months ago. No issuer, other than governments or agencies, has raised \$1 billion in six months. If the market improves or if there is a feeling of optimism, the \$500 million issue will be priced well and placed easily at 8.25 and 8.50%. If, on the other hand, the market is lethargic, drifts downward, is preoccupied with a large calendar, and remains unsettled by the pressure put on some financial institutions to purchase the New York MAC obligation, we may have to go up another 5 basis points. I will have more specific information by 10:30 a.m., Monday, July 7.

cc: Mr. Goodman

EHRotberg:emk

OFFICE MEMORANDUM

TO: Mr. John E. Merriam
FROM: Eugene H. Rotberg *EH*
SUBJECT: Annual Report

DATE: July 3, 1975

I have the following comments on the Finance Section of the draft Annual Report and would be prepared to meet with the authors on Monday, July 7.

PAGE 33

I would omit Lines 9 and 10 which purport to give a reason for the increase in our investment income. The statement is inaccurate because yields were not "relatively high" for most of the period, as set forth in the draft report.

Line 12 - I would suggest adding the average interest on outstanding and disbursed loans and the return on our average liquid holdings for FY75.

PAGE 35

Line 12 - Change "marketed" to "sold".

Line 13 - Change "marketing" to "placements".

PAGE 38

Line 1 - Change "marketings" to "Sales of Bank obligations".

Lines 12 and 13 - The sentence should begin "In addition, there matured \$25 million, etc..."

PAGES 42 through 50

I recommend the entire section should be revised except for (1) a reference and table showing OPEC loans directly to the World Bank, (2) a section by Jo Saxe on Eurocurrency credits.

The section is quite confusing because it assumes considerable technical background on the part of the reader. It uses the terms "world bond markets", "foreign bonds", "foreign bond purchases", "European markets", "foreign bond sales", "international bond sales", "foreign issues", "Euro-bond market", "international bond market", "international issues", with no definitions of these terms but with quite precise data. For example (p. 42), I can't believe that the "world bond markets" reached a new peak of \$12 billion in 1974 when U.S. corporations alone issued

July 3, 1975

\$25 billion of bonds in the U.S. Or does the "world bond market" exclude the U.S. (and all other national capital markets.) If so, it should not be compared to World Bank borrowings since wherever "world bond markets" are located, none of our issues took place there - at least not that I am aware of.

It is therefore meaningless to compare our Saudi Arabian and Venezuelan placements and our Central Bank issues to the size of the "world bond market".

Again, on page 42, we do not know how much OPEC "lent" in the aggregate, nor how much they purchased in the "world bond market"; I remain confused as to what is a "foreign bond" or "international bond" in the context of lines 15 and 16.

PAGE 43

Lines 16-25 - First, how do we know the extent of OPEC bilateral loans? Does the listing purport to be complete? Second, there is no reference to their substantial purchases of Deutsche mark, Swiss francs, Guilder issues, etc. of individualized countries. (Nor is that data available.) Third, the most important aspect of OPEC support, i.e. their deposits in banks who then use those funds for Eurocredit lending is nowhere mentioned; it is far more significant in aggregate volume than the amounts referred to on this page.

Lines 23-26 - I don't understand lines 23 to 26 on page 43 or lines 1 through 9 on page 44. Does this section purport to describe the Euro-bond market or does it refer to issues on domestic markets by non-residents? Is the suggestion being made on page 44 that Israel is a substantial issuer of bonds in the U.S. and that OPEC is the primary buyer of their bonds? OPEC is not a substantial influence in U.S. "bond markets".

PAGE 44

Lines 20-25 - Not accurate. The Eurobond market did not improve in the third quarter of 1974; it deteriorated; interest rates were high, not low, during that period and it was virtually impossible to sell long-term bonds. It has only been in 1975, and even then only temporarily that the Eurobond market improved somewhat.

* * *

Please see my handwritten questionmarks and notations on draft.

(5-79)

INTERNATIONAL DEVELOPMENT
ASSOCIATIONINTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: INTBAFRAD
LONDON

DATE: JULY 2, 1975

CLASS OF SERVICE: TELEX
X-2213

COUNTRY: (ENGLAND)

TEXT:
Cable No.:

FOR JANET CORDERY

CROWN AGENTS WILL CALL YOU TO CONFIRM DATE AND TIME FOR MY
MEETING WITH THEM EITHER JULY 9, 10 OR 11 STOP PLEASE CONFIRM
TO ME AS SOON AS POSSIBLE STOP KINDEST REGARDS

GENE ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

EHRotberg:emk

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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OFFICE MEMORANDUM

TO: Mr. Sidney W. Oliver
DATE: July 1, 1975
FROM: Eugene H. Rotberg *ER*
SUBJECT: Accounting Machines - previously assigned to Controller's Department

In response to your telephone inquiry today, this is to advise that the Treasurer's Department has no use for the four accounting machines being relinquished by the Controller's Department.

EHR:emk



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



July 1, 1975

Mr. R.J. Dowey
Secretary
Reserve Bank of Australia
65 Martin Place
Box 3947 GPO Sydney 2001
Australia

Dear Mr. Dowey:

SPECIMEN AUSTRALIAN NOTES

I wish to acknowledge receipt of the
specimens of Australian notes in denominations
of \$1, \$2, \$5, \$10 and \$20. We appreciate
your sending these specimen notes to us.

Sincerely,


Eugene H. Rotberg
Treasurer

cc: Mr. De Boeck (with specimen notes)

EHRotberg:emk