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**Folder Title:** Eugene H. Rotberg - Chronological Records - Volume 02 - June - December 1969

**Folder ID:** 1858105

**Series:** Chronological files

**Dates:** 06/26/1969 – 12/31/1969

**Fonds:** Personal Papers of Eugene H. Rotberg

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

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THE WORLD BANK

Washington, D.C.

© International Bank for Reconstruction and Development / International Development Association or

The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: [www.worldbank.org](http://www.worldbank.org)

**PUBLIC DISCLOSURE AUTHORIZED**



Eugene H. Rotberg chronological files  
Vol. 2. June-December 1969

The World Bank Group  
**Archives**



**1858105**

R2004-194 Other #: 1

215302B

Eugene H. Rotberg - Chronological file Volume 02

The World Bank Group  
**Archives**



**1858105**

R2004-194 Other #: 1

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Eugene H. Rotberg - Chronological Records - Volume 02 - June - December 1969

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WITH RESTRICTIONS  
WBG Archives



## OFFICE MEMORANDUM

TO: Mrs. Muriel Lee  
FROM: Edith M. Kesterton *EMK*  
SUBJECT: Future Movements

DATE: December 31, 1969

This is to advise that Mr. Rotberg's tentative travel plans are as follows:

- (1) He will be in New York in the afternoon of January 13.
- (2) He will participate in a Seminar on Capital Markets of the Future in New York City on Saturday, January 17, 1970. This Seminar is being sponsored by Eastman Dillon, Union Securities & Co.
- (3) He will address the Harvard Business School Alumni of New York (luncheon) on January 22, 1970.
- (4) He will address the Bond Club of Los Angeles on Thursday, February 12 and will moderate a symposium on Saturday, February 14 in San Diego at the 1970 Mutual Funds Conference.

EMK/

Chson

## OFFICE MEMORANDUM

TO: Mr. Joseph C. Reamy  
FROM: Eugene H. Rotberg *EHR*  
SUBJECT: Hotel Bill

DATE: December 31, 1969

I am attaching hereto a bill in the amount of \$3.00 which I have just received from the Boca Raton Hotel and Club, Boca Raton, Florida. This represents a charge which was not included on the hotel bill which I sent you with my Statement of Expenses on December 24 (covering period December 7 through 11). Will you please arrange to pay the attached bill.

Attachment



# Boca Raton Hotel and Club

BOCA RATON, FLORIDA

- Mr. E.I. Rotberg  
International Bank  
1818 H Street, N.W.  
Washington, D.C.

| CODE | DEPARTMENT    |
|------|---------------|
| 1    | RESTAURANT    |
| 2    | BAR           |
| 3    | GREEN FEE     |
| 4    | GOLF CART     |
| 5    | GOLF PRO SHOP |

IBA

DETACH AND RETURN WITH YOUR REMITTANCE, TO INSURE PROPER CREDIT

| DESCRIPTION                                                                                         | DATE     | CODE | CHARGE | CREDIT | BALANCE |
|-----------------------------------------------------------------------------------------------------|----------|------|--------|--------|---------|
| BALANCE FORWARDED  |          |      |        |        |         |
| Account                                                                                             | 12/15/69 |      |        |        | 3.00    |

BOCA RATON HOTEL & CLUB

PAY LAST  
AMOUNT IN  
THIS COLUMN 



2015 ROTBERG, M/M E.I.  
12/7 12/10  
INTERNATIONAL BANK  
1910 N. STREET N.W.  
WASHINGTON, D.C.

2/60L  
IDA

FOLIO NO: 42625

*Boca Raton*  
HOTEL AND CLUB  
BOCA RATON, FLORIDA

AMERICAN PLAN MEALS ARE PRO-RATED ON ARRIVAL AND DEPARTURE

| MEMO        | DATE | REFERENCE | CHARGES  | CREDITS  | BALANCE  | PICKUP     |
|-------------|------|-----------|----------|----------|----------|------------|
|             |      |           | 8* 42    |          | * 42     |            |
|             | 12-7 | REST 2315 | 8* 12.10 |          |          |            |
|             | 12-7 | BAR 2315  | 8* 8.90  |          | * 72.02  |            |
|             |      | 2315      | 8* 1.00  |          | * 73.02  |            |
|             |      | 2315      | 8* 2.40  |          | * 75.42  |            |
|             | 12-8 | REST 15   | 8* 12.10 |          |          |            |
|             | 12-8 | BAR 15    | 8* 9.50  |          | * 146.91 |            |
|             | 12-9 | 2315      | 8* 7.62  |          | * 154.53 |            |
|             |      | 2315      | 8* 7.62  |          | * 162.15 |            |
|             |      | 2315      | 8* 9.27  |          | * 171.42 |            |
| DEC 10 PAID |      | 2315      |          | * 221.43 | * .00    | AA* 221.43 |
| DEC 12      |      | REST 2315 | 8* 2.38  |          |          |            |
| DEC 12      |      | BAR 2315  | 8* .62   |          | * 3.00   |            |

PAID  
CASHIER  
7

BOCA RATON  
HOTEL & CLUB

SEE OTHER SIDE FOR CODE EXPLANATION

LAST BALANCE IS AMOUNT DUE

CHARGE TO

TRANSFER TO CITY LEDGER

NAME OR  
ORGANIZATION

GUEST'S  
SIGNATURE

ADDRESS

ADDRESS

CITY

STATE

CITY

STATE

FLORIDA STATE TAX INCLUDED IN ROOM CHARGE



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

December 31, 1969

European Investment Bank  
2, Place de Metz  
Luxembourg, Luxembourg

Gentlemen:

Reference is made to the EIB Press  
Releases which you are good enough to send  
to us. Would you please change your mailing  
records to reflect that Mr. Eugene H. Rotberg  
is the Treasurer of the International Bank  
for Reconstruction and Development. Please  
delete Mr. Robert W. Cavanaugh's name.

Very truly yours,

*Edith M. Kesterton*

(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg

*Eugene H. Rotberg*  
*Treasurer*

*International Bank for  
Reconstruction and Development  
Washington, D. C.*



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

• December 30, 1969

Ford Motor Credit Company  
Dearborn, Michigan 48121

Gentlemen: •

Please change your mailing records to reflect that Mr. Eugene H. Rotberg is the Treasurer of the International Bank for Reconstruction and Development. Please delete Mr. Robert W. Cavanaugh's name.

Very truly yours,

*Edith M. Kesterton*

(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg



*Eugene H. Rotberg*  
*Treasurer*

*International Bank for  
Reconstruction and Development  
Washington, D. C.*



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

December 30, 1969

Federal Reserve Bank of New York  
Federal Reserve P.O. Station  
New York, N.Y. 10045

Gentlemen:

Receipt is acknowledged of your "Monthly Review" for November 1969. Would you please change your mailing records to reflect that Mr. Eugene H. Rotberg is the Treasurer of the International Bank for Reconstruction and Development. Please delete Mr. Robert W. Cavanaugh's name.

Very truly yours,

*Edith M. Kesterton*

(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg



 Eugene H. Rotberg  
Treasurer  
International Bank for  
Reconstruction and Development  
Washington, D. C.



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

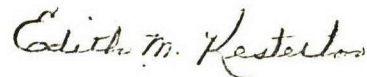
December 30, 1969

Banque Nationale pour le  
Developpement Economique  
Rabat, Morocco

Gentlemen:

Receipt is acknowledged of your latest  
Annual Report. Would you please change your  
mailing records to reflect that Mr. Eugene  
H. Rotberg is the Treasurer of the Inter-  
national Bank for Reconstruction and Develop-  
ment. Please delete Mr. Robert W. Cavanaugh's  
name.

Very truly yours,



(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg

*Eugene H. Rotberg*  
*Treasurer*

*International Bank for  
Reconstruction and Development  
Washington, D. C.*



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

• December 30, 1969

Maryland National Bank  
Baltimore, Md. 21203

Attention: International Department

Gentlemen:

This is to acknowledge receipt of your  
"International Newsletter". Would you  
please change your mailing records to reflect  
that Mr. Eugene H. Rotberg is the Treasurer  
of the International Bank for Reconstruction  
and Development. Please delete Mr. Robert W.  
Cavanaugh's name.

Very truly yours,

*Edith M. Kesterton*

(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg

  
*Eugene H. Rotberg*  
*Treasurer*  
*International Bank for*  
*Reconstruction and Development*  
*Washington, D. C.*



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

December 30, 1969

Commercial Credit Company  
300 St. Paul Place  
Baltimore, Maryland 21202

Gentlemen:

Please change your mailing records to  
reflect that Mr. Eugene H. Rotberg is the  
Treasurer of the International Bank for  
Reconstruction and Development. Please  
delete Mr. Robert W. Cavanaugh's name.

Very truly yours,

*Edith M. Kesterton*

(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg



*Eugene H. Rotberg*  
*Treasurer*

*International Bank for  
Reconstruction and Development  
Washington, D. C.*



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

December 30, 1969

Industrial Development Bank  
of Pakistan  
P.O. Box No. 7300  
Karachi 3 (Pakistan)

Gentlemen:

Receipt is acknowledged of your interesting publication "Eight Years of IDBP". Would you please change your mailing records to reflect that Mr. Eugene H. Rotberg is the Treasurer of the International Bank for Reconstruction and Development. Please delete Mr. Robert W. Cavanaugh's name.

Very truly yours,

*Edith M. Kesterton*

(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg

*Eugene H. Rotberg*  
*Treasurer*  
*International Bank for*  
*Reconstruction and Development*  
*Washington, D. C.*



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

• December 30, 1969

Deutsche Bank  
Junghofstrasse 5-11  
6000 Frankfurt (Main)  
Germany

Gentlemen:

This is to acknowledge receipt of the very beautiful calendar which you recently sent. Would you please change your mailing records to reflect that Mr. Eugene H. Rotberg is the Treasurer of the International Bank for Reconstruction and Development. Please delete Mr. Robert W. Cavanaugh's name.

Very truly yours,

*Edith M. Kesterton*

(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg

*Eugene H. Rotberg*  
*Treasurer*

*International Bank for  
Reconstruction and Development  
Washington, D. C.*



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

December 30, 1969

United California Bank  
Box 54191  
Terminal Annex  
Los Angeles, California 90054

Gentlemen:

Receipt is acknowledged of the revised pages of your Signature List No. 10. Would you please change your mailing records to reflect that Mr. Eugene H. Rotberg is the Treasurer of the International Bank for Reconstruction and Development. Please delete Mr. Robert W. Cavanaugh's name.

Very truly yours,

*Edith M. Kesterton*

(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg



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

BY HAND

December 29, 1969

Mr. Ralph Hirschtritt  
U.S. Treasury  
Room 3213 Main Treasury  
Washington, D.C.

Dear Ralph:

In accordance with our conversation, I am forwarding to you a "marked-up" copy of our latest statement of our Funded Debt, which identifies by asterisks the holdings of Central Banks of non-dollar obligations of this Bank. The only non-dollar obligations issued by this Bank to a Central Bank are denominated in Deutsche mark and are held by the Deutsche Bundesbank. Please note that the first item under U.S. dollars and Deutsche mark (5-1/8% Notes) was rolled over after September 30 with the Deutsche Bundesbank into a DM 64 million obligation.

Please do not hesitate to call me if you need any further information.

Sincerely,

A handwritten signature in cursive script, reading "Gene R.", is written above the typed name.

Eugene H. Rotberg  
Treasurer

Enclosure



## Funded Debt of the Bank

SEPTEMBER 30, 1969

(Expressed in United States Currency)

| Payable in            | Issue and maturity                                                    | Principal outstanding | Annual sinking fund requirement(1) |
|-----------------------|-----------------------------------------------------------------------|-----------------------|------------------------------------|
| UNITED STATES DOLLARS |                                                                       |                       |                                    |
| 1/                    | 5-1/8% Notes of 1967, due 1969-70                                     | \$ 16,000,000         | None*                              |
|                       | 4-1/2% Twelve Year Bonds of 1960, due 1970-72                         | 72,000,000            | None*                              |
|                       | 4-1/4% Notes of 1965, due 1970                                        | 38,000,000            | None*                              |
|                       | 6-1/8% Two Year Bonds of 1968, due 1970                               | 125,000,000           | None*                              |
|                       | 5.80% Bonds of 1968, due 1970                                         | 144,500,000           | None*                              |
|                       | 4-1/4% Notes of 1965, due 1971                                        | 9,375,000             | None*                              |
|                       | 4-1/4% Notes of 1966, due 1971                                        | 8,000,000             | None*                              |
|                       | 6-7/8% Notes of 1966, due 1971                                        | 192,650,000           | None*                              |
|                       | 6-3/4% Two Year Bonds of 1969, due 1971                               | 16,000,000            | None*                              |
|                       | 5-1/2% Notes of 1967, due 1971                                        | 175,000,000           | None*                              |
|                       | 8% Two Year Bonds of 1969, due 1971                                   | 31,453,000            | 1970 \$1,453,000                   |
|                       | 3-1/2% Nineteen Year Bonds of 1952, due 1971                          | 17,375,000            | None*                              |
|                       | 6-1/8% Notes of 1968, due 1972                                        | 94,736,000            | 1970 \$4,736,000                   |
|                       | 3% Twenty-Five Year Bonds of 1947, due 1972                           | 5,000,000             | 1971-72 \$7,500,000                |
|                       | 6% Notes of 1967, due 1972                                            | 12,000,000            | None*                              |
|                       | 6-1/8% Notes of 1968, due 1973                                        | 67,321,000            | None*                              |
|                       | 4-1/2% Fifteen Year Bonds of 1958, due 1973                           | 31,510,000            | 1970 \$2,321,000                   |
|                       | 3-3/8% Twenty-Three Year Bonds of 1952, due 1975                      | 35,620,000            | 1971-73 \$5,000,000                |
|                       | 3% Twenty-Five Year Bonds of 1951, due 1976                           | 58,272,000            | 1970 \$510,000                     |
|                       | 4-1/2% Twenty Year Bonds of 1957, due 1977                            | 5,000,000             | 1971-74 \$1,500,000                |
|                       | 4-1/2% Fifteen Year Bonds of 1962, due 1977                           | 87,145,000            | 1970 \$620,000                     |
|                       | 4-1/4% Twenty-One Year Bonds of 1957, due 1978                        | 132,468,000           | 1971-75 \$2,000,000                |
|                       | 4-1/4% Twenty-One Year Bonds of 1958, due 1979                        | 51,101,000            | 1970 \$2,596,000                   |
|                       | 4-3/4% Twenty-Three Year Bonds of 1957, due 1980                      | 89,058,000            | 1971-76 \$5,000,000                |
|                       | 3-1/4% Thirty Year Bonds of 1951, due 1981                            | 100,000,000           | 1973-77 \$1,000,000                |
|                       | 4-1/2% Twenty Year Bonds of 1962, due 1982                            | 123,245,000           | 1970 \$3,145,000                   |
|                       | 5% Twenty-Five Year Bonds of 1960, due 1985                           | 200,000,000           | 1971 \$4,000,000                   |
|                       | 4-1/2% Twenty-Five Year Bonds of 1965, due 1990                       | 175,000,000           | 1972-77 \$5,000,000                |
|                       | 5-3/8% Twenty-Five Year Bonds of 1966, due 1991                       | 250,000,000           | 1970 \$3,468,000                   |
|                       | 5-3/8% Twenty-Five Year Bonds of 1967, due 1992                       | 150,000,000           | 1971-77 \$7,000,000                |
|                       | 5-7/8% Twenty-Six Year Bonds of 1967, due 1993                        | 107,300,000           | 1978 \$5,000,000                   |
|                       | 6-1/2% Twenty-Six Year Bonds of 1968, due 1994 (3)                    | 15,000,000            | 1970 \$750,000                     |
|                       | 6-1/2% Twenty-Six Year Bonds of 1968, due 1994                        | 215,100,000           | 1971-79 \$3,000,000                |
|                       | 6-3/8% Twenty-Six Year Bonds of 1968, due 1994 (3)                    |                       | 1980 \$1,500,000                   |
|                       |                                                                       |                       | 1970 \$2,058,000                   |
|                       |                                                                       |                       | 1971-73 \$3,000,000                |
|                       |                                                                       |                       | 1974-80 \$4,000,000                |
|                       |                                                                       |                       | 1972-81 \$5,000,000                |
|                       |                                                                       |                       | 1970 \$1,995,000                   |
|                       |                                                                       |                       | 1971-79 \$3,750,000                |
|                       |                                                                       |                       | 1980-84 \$5,000,000                |
|                       |                                                                       |                       | 1975-79 \$6,000,000                |
|                       |                                                                       |                       | 1980-89 \$7,000,000                |
|                       |                                                                       |                       | 1977-86 \$5,500,000                |
|                       |                                                                       |                       | 1987-91 \$6,500,000                |
|                       |                                                                       |                       | 1987-86 \$8,000,000                |
|                       |                                                                       |                       | 1987-91 \$9,000,000                |
|                       |                                                                       |                       | 1978-92 \$4,700,000                |
|                       |                                                                       |                       | 1993 \$4,500,000                   |
|                       |                                                                       |                       | 1981-83 \$5,000,000                |
|                       |                                                                       |                       | 1984-93 \$6,000,000                |
|                       |                                                                       |                       | 1981-83 \$500,000                  |
|                       |                                                                       |                       | 1984-93 \$600,000                  |
|                       |                                                                       |                       | 1982-86 \$9,540,000                |
|                       |                                                                       |                       | 1987-94 \$10,600,000               |
|                       | Sub-Total                                                             | \$2,850,229,000       |                                    |
| CANADIAN DOLLARS      |                                                                       |                       |                                    |
|                       | 5-1/4% Twenty-Five Year Bonds of 1965, due 1990 (Can\$25,000,000)     | \$ 23,125,023         | 1978-89 Can\$500,000               |
|                       | 5-3/4% Twenty-Five Year Bonds of 1966, due 1991 (Can\$19,600,000) (2) | 18,130,018            | None                               |
|                       | 6-1/4% Twenty-Five Year Bonds of 1967, due 1992 (Can\$19,900,000) (2) | 18,407,518            | None                               |
|                       | 7% Twenty-Five Year Bonds of 1968, due 1993 (Can\$15,000,000) (2)     | 13,875,014            | None                               |
|                       | Sub-Total                                                             | \$ 73,537,573         |                                    |
| DEUTSCHE MARK         |                                                                       |                       |                                    |
| 1/                    | 5-1/8% Notes of 1967, due 1969-70 (DM64,000,000)                      | \$ 16,000,000         | None*                              |
|                       | 4-1/2% Bonds of 1960, due 1970-72 (DM300,000,000)                     | 75,000,000            | None*                              |
|                       | 4-1/4% Notes of 1965, due 1970 (DM160,000,000)                        | 40,000,000            | None*                              |
|                       | 4-1/4% Notes of 1965, due 1971 (DM137,500,000)                        | 9,375,000             | None*                              |
|                       | 4-7/8% Notes of 1966, due 1971 (DM132,000,000)                        | 8,000,000             | None*                              |
|                       | 5-1/2% Notes of 1967, due 1971 (DM64,000,000)                         | 16,000,000            | None*                              |
|                       | Loan of 1969, due 1971-73                                             |                       |                                    |
|                       | 6-1/2% due 1971 (DM50,000,000)                                        | 12,500,000            | None*                              |
|                       | 6-5/8% due 1972 (DM50,000,000)                                        | 12,500,000            | None*                              |
|                       | 6-3/4% due 1973 (DM50,000,000)                                        | 12,500,000            | None*                              |
|                       | 6-1/8% Notes of 1968, due 1972 (DM69,500,000)                         | 17,375,000            | None*                              |
|                       | 6% Bonds of 1969, due 1972-81 (DM150,000,000)                         | 37,500,000            | None                               |
|                       | 6% Notes of 1968, due 1972 (DM130,000,000)                            | 32,500,000            | None*                              |
|                       | 6-1/8% Notes of 1968, due 1973 (DM50,000,000)                         | 12,500,000            | None*                              |
|                       | 5-7/8% Notes of 1968, due 1973 (DM128,000,000)                        | 32,000,000            | None*                              |
|                       | 6-1/2% Notes of 1969, due 1973 (DM128,000,000)                        | 32,000,000            | None*                              |
|                       | 6% Notes of 1968, due 1973 (DM128,000,000)                            | 32,000,000            | None*                              |
|                       | 6-1/2% Notes of 1969, due 1974 (DM130,000,000)                        | 32,500,000            | None*                              |
|                       | 7-1/8% Notes of 1969, due 1974 (Feb.) (DM128,000,000)                 | 32,000,000            | None*                              |
|                       | 3% Bonds of 1959, due 1974 (DM100,000,000)                            | 25,000,000            | None*                              |
|                       | 7-1/8% Notes of 1969, due 1974 (Aug.) (DM130,000,000)                 | 32,500,000            | 1970-74 DM20,000,000               |
|                       | 6-1/2% Loan of 1968, due 1977-82 (DM400,000,000)                      | 100,000,000           | None*                              |
|                       | 6-3/4% Bonds of 1968, due 1978 (DM120,000,000)                        | 30,000,000            | None*                              |
|                       | 6-1/2% Bonds of 1968, due 1980 (DM400,000,000)                        | 100,000,000           | None*                              |
|                       | 6-1/2% Bonds of 1968, due 1984 (DM150,000,000)                        | 37,500,000            | 1977-84 DM18,750,000               |
|                       | 6-1/2% Bonds of 1969, due 1984 (DM125,000,000)                        | 31,250,000            | 1977-84 DM15,625,000               |
|                       | 6% Bonds of 1969, due 1984 (DM125,000,000)                            | 31,250,000            | 1977-84 DM15,625,000               |
|                       | 6-1/2% Bonds of 1969, due 1984 (DM250,000,000)                        | 62,500,000            | 1975-84 DM25,000,000               |
|                       | 5-1/2% Bonds of 1965, due 1985 (DM250,000,000) (2)                    | 62,500,000            | 1971-84 DM17,000,000               |
|                       |                                                                       |                       | 1985 DM12,000,000                  |
|                       |                                                                       | \$ 974,750,000        |                                    |
|                       | Less: bonds purchased (2)                                             | 10,445,500            |                                    |
|                       | Sub-Total                                                             | \$ 964,304,500 (4)    |                                    |

(Continued)



| Payable in                                                              | Issue and maturity | Principal outstanding | Annual sinking fund requirement <sup>(1)</sup> |               |
|-------------------------------------------------------------------------|--------------------|-----------------------|------------------------------------------------|---------------|
| ITALIAN LIRE                                                            |                    |                       |                                                |               |
| 5% Bonds of 1961, due 1976 (Lit15,000,000,000)                          |                    | \$ 24,000,000         | None                                           |               |
| Sub-Total                                                               |                    | \$ 24,000,000         |                                                |               |
| KUWAITI DINARS                                                          |                    |                       |                                                |               |
| 6-1/2% Bonds of 1968, due 1988 (KD15,000,000)                           |                    | \$ 42,000,000         | 1978-87                                        | KD 750,000    |
| Sub-Total                                                               |                    | \$ 42,000,000         |                                                |               |
| NETHERLANDS GUILDERS                                                    |                    |                       |                                                |               |
| 3-1/2% Twenty Year Bonds of 1955, due 1975 (f.14,871,000)               |                    | \$ 4,108,010          | 1970                                           | f. 1,271,000  |
|                                                                         |                    |                       | 1971-74                                        | f. 2,640,000  |
|                                                                         |                    |                       | 1975                                           | f. 3,040,000  |
| 4-1/2% Twenty Year Bonds of 1961, due 1981 (f.50,000,000)               |                    | 13,812,155            | 1972-81                                        | f. 5,000,000  |
| 4-1/2% Twenty Year Bonds of 1962, due 1982 (f.40,000,000)               |                    | 11,849,724            | 1973-82                                        | f. 4,000,000  |
| 6-3/4% Twenty Year Bonds of 1968, due 1988 (f.40,000,000)               |                    | 11,049,724            | 1979-88                                        | f. 4,000,000  |
| Sub-Total                                                               |                    | \$ 40,019,613         |                                                |               |
| POUNDS STERLING                                                         |                    |                       |                                                |               |
| 3-1/2% Twenty Year Stock of 1951, due 1971 (£2,393,183)                 |                    | \$ 5,743,639          | 1970                                           | £ 75,058      |
|                                                                         |                    |                       | 1971                                           | £ 166,700     |
| 3-1/2% Twenty Year Stock of 1954, due 1974 (£2,982,379)                 |                    | 7,157,710             | 1970-74                                        | £ 166,700     |
| 5% Twenty-Three Year Stock of 1959, due 1982 (£8,116,004)               |                    | 19,478,410            | 1970                                           | £ 147,814     |
|                                                                         |                    |                       | 1971-82                                        | £ 278,000     |
| Sub-Total                                                               |                    | \$ 32,379,759         |                                                |               |
| SWEDISH KRONOR                                                          |                    |                       |                                                |               |
| 6% Twenty-Five Year Bonds of 1967, due 1992 (SKr75,000,000)             |                    | \$ 14,497,768         | 1977-91                                        | SKr2,500,000  |
| Sub-Total                                                               |                    | \$ 14,497,768         |                                                |               |
| SWISS FRANCS                                                            |                    |                       |                                                |               |
| 5% Loan of 1968, due 1970 (SwF15,333,333)                               |                    | \$ 3,567,966          | None*                                          |               |
| 3-1/2% Eighteen Year Bonds of 1954, due 1972 (SwF50,000,000)            |                    | 11,634,671            | None                                           |               |
| 4-1/2% Twelve Year Bonds of 1960, due 1972 (SwF60,000,000)              |                    | 13,961,606            | None                                           |               |
| 4% Eleven Year Bonds of 1962, due 1973 (SwF100,000,000)                 |                    | 23,269,342            | None                                           |               |
| 4% Fifteen Year Bonds of 1959, due 1974 (SwF100,000,000)                |                    | 23,269,343            | None                                           |               |
| 4% Fifteen Year Bonds of 1960, due 1975 (SwF60,000,000)                 |                    | 13,961,606            | None                                           |               |
| 3-1/2% Twenty Year Bonds of 1955, due 1976 (SwF26,000,000)              |                    | 6,050,029             | 1971-74                                        | SwF 4,000,000 |
|                                                                         |                    |                       | 1975-76                                        | SwF 5,000,000 |
| 4% Eighteen Year Bonds of 1961, due 1979 (SwF100,000,000)               |                    | 23,269,343            | 1971-78                                        | SwF11,000,000 |
|                                                                         |                    |                       | 1979                                           | SwF12,000,000 |
| 4-3/4% Eighteen Year Bonds of 1965, due 1983 (SwF60,000,000)            |                    | 13,961,605            | None                                           |               |
| 5-1/4% Fifteen Year Bonds of 1968, due 1983 (SwF75,000,000)             |                    | 17,452,007            | 1979-83                                        | SwF15,000,000 |
| 5-1/4% Sixteen Year Bonds of 1968(Nov. Issue), due 1984 (SwF80,000,000) |                    | 18,615,474            | None                                           |               |
| 5% Eighteen Year Bonds of 1967, due 1985 (SwF60,000,000)                |                    | 13,961,606            | 1980-85                                        | SwF10,000,000 |
| Sub-Total                                                               |                    | \$ 182,974,598        |                                                |               |
| Gross Total                                                             |                    | \$4,223,942,811 (4)   |                                                |               |

(1) Each issue, except those indicated with an asterisk, is subject to redemption prior to maturity at the option of the Bank at the prices and upon the conditions stated in the respective bonds. The amounts shown as annual sinking fund requirements are the principal amounts of bonds to be purchased or redeemed to meet each year's requirement, except that in the cases of the 3-1/2% Twenty Year Stock of 1951 and of 1954 and the 5% Twenty-Three Year Stock of 1959 the amount shown is the amount of funds to be provided annually for purchase or redemption. The amounts are shown after deduction of sinking fund requirements met as of the date of this statement.

The following table shows the aggregate principal amount of the maturities and sinking fund requirements each year for the five years following the date of this statement:

| Period                                | Amount          |
|---------------------------------------|-----------------|
| October 1, 1969 to September 30, 1970 | \$ 438,949,964  |
| October 1, 1970 to September 30, 1971 | 560,906,464     |
| October 1, 1971 to September 30, 1972 | 337,514,455     |
| October 1, 1972 to September 30, 1973 | 224,792,494     |
| October 1, 1973 to September 30, 1974 | 223,542,494     |
| Total                                 | \$1,785,705,871 |

(2) In the cases of the following Canadian issues, the Bank will, as purchase funds, use its best efforts to purchase bonds of these issues in the open market or otherwise at annual principal amounts and prices shown hereunder:

| Issue           | Calendar years | Annual principal amount | Price not exceeding (incl. costs) |
|-----------------|----------------|-------------------------|-----------------------------------|
| 5-3/4% due 1991 | 1969-86        | Can\$ 300,000           | 97%                               |
| 6-1/4% due 1992 | 1969-87        | Can\$ 300,000           | 98%                               |
| 7% due 1993     | 1970-88        | Can\$ 225,000           | 97.50%                            |

The purchase funds obligations are non-cumulative from year to year.

In the case of the 5-1/2% Deutsche Mark Bonds of 1965 the Bank intends to support the market for these bonds whenever it may appear appropriate from time to time.

(3) The Bank has entered into agreements to sell additional bonds of the following issues. These agreements provide for the delivery of such bonds to be made against payment therefor in the aggregate amounts and at various dates to and including the dates shown hereafter:

| Issue                   | Amount       | Date of final delivery |
|-------------------------|--------------|------------------------|
| 6-1/2% of 1968 due 1994 | \$42,700,000 | February 4, 1970       |
| 6-3/8% of 1968 due 1994 | \$49,500,000 | July 8, 1970           |

(4) The Bank has arranged to refinance at maturity, October 1, 1969, Notes totaling \$8 million and DM 32 million (US\$ 8 million) by issuing Notes for DM 64 million (US\$ 16 million) at 7-7/8% per annum to mature on February 1, 1974.

1/ On October 1, 1969, U.S.\$ 8,000,000 and DM 32,000,000 (equivalent to U.S.\$ 8,000,000) of these issues were rolled-over into an issue of DM 64,000,000 (equivalent to U.S.\$ 16,000,000) 7-7/8% Notes of 1969, due February 1, 1974. After this transaction, Deutsche Bundesbank held in DM an aggregate principal amount of DM 1,711,000,000 (equivalent to U.S.\$ 427,750,000) of the Bank's obligations. The revaluation of Deutsche mark later in October raised the U.S.\$ equivalent of these holdings to \$ 467,486,339.



## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara  
FROM: Eugene H. Rotberg   
SUBJECT:

DATE: ~~December 23, 1969~~

Re the Bank's current yield on its portfolio. The current yield is now 8.20% for about \$1.930 billion. The rate should rise to about 8.40% by February 15. We are now disbursing on loans yielding ~~at a~~ rate of about 6.15%. Thus, incremental disbursements draw down profit by \$2 million per \$100 million of disbursements.



Chrow.

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Eugene H. Rotberg *EHR*

SUBJECT: Projected Borrowing and Lending Rate

DATE: December 23, 1969

The attached table shows the monthly cost of borrowing as computed by averaging the actual cost of borrowing for the preceding six months from March 1968 through December 1969 and projected from January 1970 through December 1972. Thus, the cost of borrowing for March 1968 (6.39) reflects the actual cost of borrowing for the period October 1967 through March 1968; the cost of borrowing for April 1968 (6.40) reflects the actual cost from November 1967 to April 1968, etc. The projections from January 1970 through December 1972 assume, hypothetically, that the Bank will borrow on a gross basis \$3.6 billion. Because it is not possible to determine how these borrowings will be distributed over the next three years or even within one year, the calculations reflect \$100 million borrowing each month for 36 months.

The projection assumes that interest rates will fall from 9% to 8% in calendar 1970 and will fall to 7% in calendar 1971 and will remain at 7% in 1972. Thus, the projections assume that it will take two years for interest rates to fall to the point that they were one year ago.

If the borrowing rate falls to 8% by the end of this year -- a substantial drop -- and if the Bank borrows as it must to meet its commitments, the negative rate will increase, despite the improvement in the market. For the four year period March 1968 (the first occasion of a negative rate) to March 1972, the Bank, under the projection, will have had a negative lending rate for 40 of 48 months.

In a real sense, of course, the projection is an irrelevancy. Indeed, a case can be made that the Bank can operate quite profitably with a substantial negative spread. By the end of calendar year 1972 the Bank should have outstanding about \$13-1/2 billion on loan from which, on the basis of current projections, it would receive interest at a rate of about 6.6%. Its funded debt could be as high as \$6 billion. While the cost of our funded debt would be over 6%, on the basis of the attached projection, our debt/equity ratio will assure substantial profits. Indeed, it is probable that the Bank can continue a half percent negative spread for extended periods, since the \$3-1/2 billion plus of free funds will, in effect, return the Bank, say, 6-1/2% a year - some \$225 million a year - which conceptually can be allocated to cover a substantial percentage of the projected debt servicing obligation of the Bank.

Attachment

cc: Mr. Aldewereld



Cost of Bank Borrowing, 1970-72  
(calendar years)

|      |           | <u>Assumed cost<br/>of new<br/>borrowing <sup>1/</sup></u> | <u>Amount<br/>borrowed<br/>(\$ million)</u> | <u>Prior 6 month<br/>average</u> | <u>Lending<br/>Rate</u> | <u>Spread<br/>(Negative)</u> |
|------|-----------|------------------------------------------------------------|---------------------------------------------|----------------------------------|-------------------------|------------------------------|
| 1968 | March     |                                                            |                                             | 6.39%                            | 6.25%                   | (.14%)                       |
|      | April     |                                                            |                                             | 6.40%                            | 6.25%                   | (.15%)                       |
|      | May       |                                                            |                                             | 6.37%                            | 6.25%                   | (.12%)                       |
|      | June      |                                                            |                                             | 6.39%                            | 6.25%                   | (.14%)                       |
|      | July      |                                                            |                                             | 6.48%                            | 6.25%                   | (.23%)                       |
|      | August    |                                                            |                                             | 6.47%                            | 6.50%                   | .03%                         |
|      | September |                                                            |                                             | 6.50%                            | 6.50%                   | - %                          |
|      | October   |                                                            |                                             | 6.35%                            | 6.50%                   | .15%                         |
|      | November  |                                                            |                                             | 6.34%                            | 6.50%                   | .16%                         |
|      | December  |                                                            |                                             | 6.34%                            | 6.50%                   | .16%                         |
| 1969 | January   |                                                            |                                             | 6.30%                            | 6.50%                   | .20%                         |
|      | February  |                                                            |                                             | 6.30%                            | 6.50%                   | .20%                         |
|      | March     |                                                            |                                             | 6.40%                            | 6.50%                   | .10%                         |
|      | April     |                                                            |                                             | 6.59%                            | 6.50%                   | (.09%)                       |
|      | May       |                                                            |                                             | 6.65%                            | 6.50%                   | (.15%)                       |
|      | June      |                                                            |                                             | 6.70%                            | 6.50%                   | (.20%)                       |
|      | July      |                                                            |                                             | 6.72%                            | 6.50%                   | (.22%)                       |
|      | August    |                                                            |                                             | 6.80%                            | 7.00%                   | .20%                         |
|      | September |                                                            |                                             | 7.43%                            | 7.00%                   | (.43%)                       |
|      | October   |                                                            |                                             | 7.45%                            | 7.00%                   | (.45%)                       |
|      | November  |                                                            |                                             | 7.45%                            | 7.00%                   | (.45%)                       |
|      | December  |                                                            |                                             | 7.66%                            | 7.00%                   | (.66%)                       |
| 1970 | January   | 9.00%                                                      | 100                                         | 3.11%                            | 7.00%                   | (1.11%)                      |
|      | February  | 8.75%                                                      | 100                                         | 8.44%                            | 7.00%                   | (1.44%)                      |
|      | March     | 8.50%                                                      | 100                                         | 8.71%                            | 7.00%                   | (1.71%)                      |
|      | April     | 8.50%                                                      | 100                                         | 8.69%                            | 7.00%                   | (1.69%)                      |
|      | May       | 8.50%                                                      | 100                                         | 8.65%                            | 7.00%                   | (1.65%)                      |
|      | June      | 8.25%                                                      | 100                                         | 8.58%                            | 7.00%                   | (1.58%)                      |
|      | July      | 8.25%                                                      | 100                                         | 8.46%                            | 7.00%                   | (1.46%)                      |
|      | August    | 8.25%                                                      | 100                                         | 8.38%                            | 7.00%                   | (1.38%)                      |
|      | September | 8.25%                                                      | 100                                         | 8.33%                            | 7.00%                   | (1.33%)                      |
|      | October   | 8.00%                                                      | 100                                         | 8.25%                            | 7.00%                   | (1.25%)                      |
|      | November  | 8.00%                                                      | 100                                         | 8.17%                            | 7.00%                   | (1.17%)                      |
|      | December  | 8.00%                                                      | 100                                         | 8.13%                            | 7.00%                   | (1.13%)                      |
| 1971 | January   | 7.75%                                                      | 100                                         | 8.04%                            | 7.00%                   | (1.04%)                      |
|      | February  | 7.75%                                                      | 100                                         | 7.96%                            | 7.00%                   | (.96%)                       |
|      | March     | 7.75%                                                      | 100                                         | 7.88%                            | 7.00%                   | (.88%)                       |
|      | April     | 7.75%                                                      | 100                                         | 7.83%                            | 7.00%                   | (.83%)                       |
|      | May       | 7.75%                                                      | 100                                         | 7.79%                            | 7.00%                   | (.79%)                       |
|      | June      | 7.75%                                                      | 100                                         | 7.75%                            | 7.00%                   | (.75%)                       |
|      | July      | 7.50%                                                      | 100                                         | 7.71%                            | 7.00%                   | (.71%)                       |
|      | August    | 7.50%                                                      | 100                                         | 7.67%                            | 7.00%                   | (.67%)                       |
|      | September | 7.50%                                                      | 100                                         | 7.63%                            | 7.00%                   | (.63%)                       |
|      | October   | 7.25%                                                      | 100                                         | 7.54%                            | 7.00%                   | (.54%)                       |
|      | November  | 7.25%                                                      | 100                                         | 7.46%                            | 7.00%                   | (.46%)                       |
|      | December  | 7.25%                                                      | 100                                         | 7.38%                            | 7.00%                   | (.38%)                       |
| 1972 | January   | 7.00%                                                      | 100                                         | 7.29%                            | 7.00%                   | (.29%)                       |
|      | February  | 7.00%                                                      | 100                                         | 7.21%                            | 7.00%                   | (.21%)                       |
|      | March     | 7.00%                                                      | 100                                         | 7.13%                            | 7.00%                   | (.13%)                       |
|      | April     | 7.00%                                                      | 100                                         | 7.08%                            | 7.00%                   | (.08%)                       |
|      | May       | 7.00%                                                      | 100                                         | 7.04%                            | 7.00%                   | (.04%)                       |
|      | June      | 7.00%                                                      | 100                                         | 7.00%                            | 7.00%                   | - %                          |
|      | July      | 7.00%                                                      | 100                                         | 7.00%                            | 7.00%                   | - %                          |
|      | August    | 7.00%                                                      | 100                                         | 7.00%                            | 7.00%                   | - %                          |
|      | September | 7.00%                                                      | 100                                         | 7.00%                            | 7.00%                   | - %                          |
|      | October   | 7.00%                                                      | 100                                         | 7.00%                            | 7.00%                   | - %                          |
|      | November  | 7.00%                                                      | 100                                         | 7.00%                            | 7.00%                   | - %                          |
|      | December  | 7.00%                                                      | 100                                         | 7.00%                            | 7.00%                   | - %                          |

Data Prepared by P & B  
12/23/69

<sup>1/</sup> Supplied by Mr. Rotberg

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. Aldewereld

Siem:

Attached is a memorandum from de Fontenay and Flachmann. You may recall that de Lesseps had suggested that we seek to tap the Savings Banks through the IIS or EEE Associations. I am impressed with de Fontenay's and Flachmann's arguments against that approach. On the other hand, attendance by Bank representatives at one of their meetings could afford us a convenient opportunity to meet the national heads of the savings banks and perhaps describe the Bank's activities.

Gene Rotberg  
December 22, 1969



## OFFICE MEMORANDUM

TO: Mr. Eugene H. Rotberg

FROM: Patrick B. de Fontenay  
Klaus K. Flachmann

SUBJECT: Cooperation with "International Institute of Savings Banks" (IIS) and  
"EEC-Association of Savings Banks"

DATE: December 19, 1969

1. We consider it useful that the Bank be represented at the meeting of the "Committee of the Central Banks of Savings Institutions" of IIS. The convention may grant the opportunity to meet a number of leading representatives of European savings banks systems. But judging from the activities of IIS (see Annex) the institution and its committees don't seem to be proper places to discuss business related questions. In addition, it is not even sure that the delegates representing their banks at the January meeting are those in charge of the issue-departments of their respective institutions. For the time being, we should only consider the institute a potential source of information. A member of the Paris Office should attend and report to us.

2. Besides that, it is doubtful that IIS or the "EEC--Association of Savings Banks" can be of any direct help to the Bank in its attempt to tap European capital markets. To illustrate this judgement, we provide a short summary of the main functions and responsibilities of these institutions (Annex).

3. It also doesn't seem wise for the Bank to "apply pressure on the Managerial Council (of IIS) to strengthen the relationship between IBRD and savings banks." First, we wouldn't achieve much through these institutions (see Annex); second, there is hardly any necessity to embark on such a policy. The savings banks systems in most European countries are complex organizations. The institutions of the bottom of these systems--the "savings banks" (Sparkassen, etc.)--are local institutions. The principle of "regionality" is an essential feature of their structure, a fact, which we have to accept as such and which was strongly emphasized by Mr. Poullain in his speech to the International Congress of Savings Institutions held in Rome earlier this year. (See Attachment D of Mr. Lesseps letters as of November 26, 1969). The central institutions of the savings banks, however, (e.g. Girozentralen) have a much wider range of activities. Although they too are, to some extent, regional-minded, they normally do not have any legal restrictions which would seriously prevent them "from going international." They are in other words, the institutions within the complex national savings banks systems to which we should turn. There is no necessity to apply any pressure through international channels such as the ones dealt with here.

4. To conclude, we would like to suggest:

--A member of the Paris Office should attend the January meeting of IIS.

--We should consider both international organizations of the savings banks as important sources of information for our future work.

--For business purposes it is not advisable to approach the European savings banks through either of these institutions.

--It seems neither appropriate nor necessary to use these institutions as a device to apply any kind of pressure on European savings banks in order to open them up for increased Bank borrowing.



ANNEX TO OFFICE MEMORANDUM OF DECEMBER 19, 1969

I. International Institute of Savings Banks

The International Institute of Savings Banks (IIS), established after World War I, was for a long time a mere center of documentation; during these first years it was administered by "Cassa di Risparmio delle Provincie Lombarde, Milan.

After World War II--under Dutch auspices--the Institute tried to intensify its activities. It set up a number of committees so as to provide a framework for a closer international cooperation of savings banks especially in the fields of marketing, automation and the activities of the Central Institutions of Savings Banks.

In 1969 the charter of the Institute was revised, its structural set-up reshaped and a new management took over. In October 1969, IIS has moved into new quarters in Geneva (from Amsterdam). According to the new charter of the Institute "it is its responsibility to work for the effective cooperation between member savings banks, for their development and for the expansion of savings banks so as to promote the savings bank concept and to safeguard the interest of savers all over the world." The Institute--according to its new charter--considers itself "the international center for contact among savings banks and is supposed to provide--through all appropriate means--effective support, information and international representation."

At present the Institute has members from 36 countries, among which are savings banks from 20 industrialized countries and from 16 developing countries. The membership of its two most important committees, however, is much smaller: the "Committee of Central Banks of Savings Institutions" has members from 9 countries, the "Committee of National Savings Banks Associations" has members from 12 countries. It remains to be seen whether the Institute in its new form will be able to exert more influence than in the past. It is likely that--as in the past--its main activities will concentrate on the following subjects:

- Exchange of views and studies on various aspects of the savings banks systems in member countries.
- Organization of annually held international "summer schools" for managers and various specialists of savings banks.
- Promotion of modern marketing methods for savings banks.
- Promotion of electronic data processing in savings banks.



Besides that, there is only one new field where the Institute might be able to play a more active role, viz. the promotion of the savings banks concept in developing countries. Quite recently the Institute has begun to establish relationships with various UN--institutions working in the field of development aid. Some experts consider it likely that the Institute may become to some extent the clearing-house for the various scattered efforts by national savings banks to establish savings banks in developing countries.

## II. EEC--Association of Savings Banks

The "EEC--Association of Savings Banks" is--generally speaking--nothing else but the savings banks' lobby at the seat of the Common Market. Associations like this are maintained by many business sectors, the private commercial banks for example, run a similar institution.

Besides its lobbying functions, i.e. its attempts to influence EEC--policies which have or might have bearing on savings banks, the Association serves a useful purpose in helping to harmonize the various savings banks systems of EEC countries. So the Association claims credit for the following innovations:

1. The introduction of current accounts by savings banks in Belgium and the Netherlands.
2. The issuance of savings bonds by the Belgium "Caisse General d' Epargne et de Retraite".
3. The introduction of house mortgages and the reform of the savings banks association in France.
4. The establishment of a central bank for the Dutch savings banks,--Bank der Bondspaarbanken, N.V."

As a whole the work of the Association is based on 3 layers of common interest:

- a. The interest to get early information about all developments and forthcoming measures which might effect the savings banks as well as the saving process in EEC countries.
- b. The desire to have a permanent exchange of views concerning these developments and measures and their repercussions on savings banks and savers.
- c. The intention to influence these developments and measures in a way which is considered most favorable to the interests of savings banks and savers.

The organizational set-up of the Association provides for a secretariat, a board of directors, a general assembly and various committees. Besides the secretariat, the actual work of the Association is done by 6 special committees in charge of legal problems, agricultural credit, economics and statistics, capital market problems, house construction and credit to municipalities.

The Association issues a monthly Statistical Bulletin about the flow of savings through EEC savings banks and a quarterly Bulletin about the interest rate development of various kinds of savings accounts and savings bonds. A loose-leaf collection of savings banks' laws is being prepared. Special conferences are organized to provide a forum for discussions of subjects which are of common interest. The first conference held in January 1969 concentrated on "problems of the establishment of a European capital market" and on "the harmonization of bank laws of the EEC countries."





# Record Removal Notice

|                                                                                                   |                                   |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
|---------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------|
| <b>File Title</b><br>Eugene H. Rotberg - Chronological Records - Volume 02 - June - December 1969 |                                   | <b>Barcode No.</b><br><br>1858105                                                                                                                                                                                                                                                                                 |                                              |                              |
| <b>Document Date</b><br>19 December, 1969                                                         | <b>Document Type</b><br>Letter/CV |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Correspondents / Participants</b><br>To: Manuel F. Cohen<br>From: Eugene Rotberg               |                                   |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Subject / Title</b><br>Resume for Everett John Santos                                          |                                   |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Exception(s)</b><br>Personal Information                                                       |                                   |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Additional Comments</b>                                                                        |                                   | <p>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.</p> <table border="1"><tr><td><b>Withdrawn by</b><br/>Tarsica Morgan-Taylor</td><td><b>Date</b><br/>July 17, 2024</td></tr></table> | <b>Withdrawn by</b><br>Tarsica Morgan-Taylor | <b>Date</b><br>July 17, 2024 |
| <b>Withdrawn by</b><br>Tarsica Morgan-Taylor                                                      | <b>Date</b><br>July 17, 2024      |                                                                                                                                                                                                                                                                                                                   |                                              |                              |



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

December 18, 1969

Mr. Arthur Karasz  
International Bank for Recons-  
truction and Development  
European Office  
4, Avenue D'Iena  
Paris (16<sup>e</sup>), France

Dear Arthur:

I am enclosing a copy of a letter from Mr. Van Lennep to Mr. McNamara and a copy of a related press release. It would be most appreciated if you could discreetly determine from the OECD the level of government representatives they expect to participate in the Group. As you can appreciate it is somewhat difficult for us to make a decision as to who should represent the Bank as an observer unless we know, in general, whether governments will send their higher echelon people as their representatives. Secondly, we would also like to know approximately the number of meetings that are contemplated in, say, a year as this also might affect who we designate to represent the Bank. Since Van Lennep's letter will require some response from Mr. McNamara, I would appreciate your response as soon as possible.

Thank you for your courtesy and have a happy new year.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Enclosures



# OCDE

ORGANISATION DE COOPÉRATION  
ET DE DÉVELOPPEMENT ÉCONOMIQUES

524.82.00

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Télégrammes : DEVELOPECONOMIE

# OECD

ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT

2, rue André-Pascal, PARIS-XVI<sup>e</sup>

Le Secrétaire général

The Secretary-General

EL-68

3rd December, 1969

Dear Mr. McNamara,

After completing a thorough examination of the future work of the Organisation on financial affairs, the Council of the O.E.C.D. agreed in March, 1969, to set up a special working party instructed to submit proposals on the orientation of these activities and on the structure and nature of the Committees which would deal with financial affairs.

The report submitted by the working party and contained in document C(69)74, a copy of which is attached, recommended inter alia that the work undertaken by the Organisation in the field of capital markets should be expanded and that it would be useful to create a Group of Governmental Experts on Financial Markets.

The Council was agreeable to this proposal, and recently adopted a Resolution to this effect. Paragraph 1 of the Resolution provides for attendance at meetings of the Group of an observer from the International Bank for Reconstruction and Development, as well as of the International Monetary Fund.

I am, therefore, pleased to send you the text of this Resolution, which takes into account the interest of your Organisation in the subject to be considered by the Group of Governmental Experts. The date of the first meeting of the Group will be notified to you in due course and the working documents will be transmitted through usual channels.

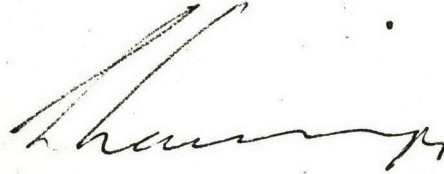
./.

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

- 2 -

I trust that the above arrangements will be regarded as satisfactory and that they will prove mutually beneficial to our two Organisations.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'E. van Lennep', written in a cursive style.

E. van Lennep



Paris, 12th November, 1969

C(69)131(1st Revision)

Scale 1

DECLASSIFIED

Date: 10/19/2010

RECEIVED 21 NOV. 1969

COUNCIL

GROUP OF GOVERNMENTAL EXPERTS ON FINANCIAL MARKETS

(Note by the Secretary-General)

1. The Council examined during its meeting of 8th July, 1969, the Report by Working Party No. 7 of the Council dated 2nd June, 1969, on the work of the Organisation on financial affairs [C(69)74].
2. When this examination was completed, the Council decided, among other things, that work on financial markets should be continued and expanded as suggested in paragraphs 14 and 16(b) of the Report by Working Party No. 7 and to instruct the Secretary-General to submit for the Council's approval the necessary texts for the implementation of this proposal. The proposal envisages that the Council would have to establish a Group of Governmental Experts on Financial Markets composed of qualified persons coming from capitals. The Group would be open to all Member countries desiring to participate in its work and observers of the International Monetary Fund and the International Bank for Reconstruction and Development may attend meetings of the Group of Experts.
3. To implement the proposal approved by the Council, the Secretary-General proposes that the Council adopt the draft Resolution concerning the establishment and terms of reference of a Group of Governmental Experts on Financial Markets, of which the text is attached.



## ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

PRESS/A(69)61

Paris, 20th November, 1969

ESTABLISHMENT OF GROUP OF GOVERNMENTAL EXPERTS  
FOR IMPROVING FINANCIAL MARKETS

The OECD has decided to establish a standing Group of Government Experts on Financial Markets. The general terms of reference assigned the Group by the OECD Council are to study measures designed to improve the operation of national financial markets and the international financial market.

The Group will be headed by Mr. M. Rougé (France), who is the Chairman of the OECD's Committee for Invisible Transactions. Other members will be chosen by interested Member countries for their knowledge of problems relating to financial markets and their national reputations in the field. The International Monetary Fund and the International Bank for Reconstruction and Development are invited to send observers to meetings of the Group.

Establishment of this Group of Experts follows several years of work carried out in this field by the OECD Committee for Invisible Transactions. An extensive study of capital markets, their operation, resources and utilisation was published in 1967 and 1968 [See Press/A(67)44 of 12 September 1967]. The first report in a series of country studies has just been issued, and deals with the German financial market.



## OFFICE MEMORANDUM

TO:

Mr. Robert S. McNamara ✓  
Mr. S. Aldewereld

DATE: December 18, 1969

FROM:

Eugene H. Rotberg *EHR*

SUBJECT:

1. I am attaching some recent correspondence for your information. The letter to Mr. Van Helshoecht is a follow-up of discussions initiated by de Lesseps. This government controlled institution has substantial assets and these are increasing (see also incoming letter from de Lesseps).

2. The letter to Olver of the UNDP is a follow-up of his letter to me in which he explains the reasons for the UNDP Investment Committee's decision not to purchase from our portfolio. I think, however, we still have a chance on this.

3. Re Savings Banks: Most European Savings Banks hold substantial deposit funds. They have formed a "Federation" which meets in January. Mr. Poullain of the Westdeutsche Landesbank is the President of the organization. de Lesseps tells me we will be invited to attend their May meeting. I will send to you within the next day or so a summary of the deposits in these Savings Banks broken down by central giro institutions, direct deposit institutions, etc. (The sum total of deposits in Savings Banks in Belgium, Germany, France, Italy and the Netherlands is \$53 billion). I am satisfied that this Bank must tap this particular source of funds rather than commercial banks through underwriters if it expects to raise substantial amounts in Europe. The problem is not a simple one, however, as you can see from the attached letter to de Lesseps from the Economic Adviser to the Savings Banks Federation.

Attachments

*President has seen.*



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

Dec. 18, 1969

Mr. McNamara  
Mr. Aldewereld

I am attaching two letters for your information. The first to Mr. Van Helshoecht is a follow-up of discussions initiated by de Lesseps. The Belgian Savings Banks have substantial assets and these are increasing.

The letter to Olver of the UNDP is a follow-up of his letter to me in which he explains the reasons for the UNDP Investment Committee's decision not to purchase from our portfolio. I think, however, we still have a chance on this.

. . .

Re Savings Banks: Most European Savings Banks are quite flush with funds now. They have formed a "Federation" which meets in January. Mr. Poullain of the Westdeutsche Landesbank is the President of the organization. de Lesseps tells me we will be invited to attend their May meeting. I will send to you within the next few days a summary of the deposits in these Savings Banks. I am satisfied that this Bank must tap this particular source of funds rather than commercial banks through underwriters if it expects to raise substantial amounts in Europe. The problem is not a simple one, however, as you can see from the attached letter to de Lesseps from the Economic Adviser to the Savings Banks Federation.

Gene Rotberg

COMPLETE SET.



*Chron*

## OFFICE MEMORANDUM

TO:

Mr. Robert S. McNamara  
Mr. S. Aldewereld

DATE: December 18, 1969

FROM:

Eugene H. Rotberg *ER*

SUBJECT:

1. I am attaching some recent correspondence for your information. The letter to Mr. Van Helshoecht is a follow-up of discussions initiated by de Lesseps. This government controlled institution has substantial assets and these are increasing (see also incoming letter from de Lesseps).
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Attachments

1. BELGIUM





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

December 17, 1969

Mr. M. L. Van Helshoecht  
President  
Conseil d'Administration  
Caisse Generale d'Epargne et de  
Retraite (C.G.E.R.)  
Brussels, Belgium

My dear Mr. Van Helshoecht:

My purpose in writing to you is to supplement the discussions between Robert de Lesseps, Director of Financial Operations in Europe for the International Bank for Reconstruction and Development and Dr. M. L. Aerts. First, permit me to express my appreciation for the kindness and courtesy shown to Mr. de Lesseps on his recent visit. I understand that he has transmitted to the C.G.E.R. a copy of our most recent annual report and related documents which describe the activities and operations of the World Bank. You may be interested in a more recent and detailed statement concerning the World Bank's operations. I am therefore enclosing a copy of our latest Financial Statements dated October 31, 1969. It is my privilege also to describe to you in somewhat further detail certain aspects of the World Bank's operations and its resources.

As you may observe, the outstanding bonds and notes of the World Bank total \$4.3 billion. These obligations are backed by the full faith and credit of its member countries whose uncalled capital subscriptions now total \$23.1 billion - over 500% of the Bank's outstanding debt. The Bank has issued since 1947 over \$8.0 billion of direct obligations (of which \$3.7 billion has been retired or matured) in ten different currencies, namely, Belgian francs, Canadian dollars, Deutsche mark, Italian lire, Kuwaiti dinars, Netherlands guilders, Pounds sterling, Swedish kronor, Swiss francs and United States dollars. The Bank issue of 500 million Belgian francs originally issued in 1959 has recently matured and been repaid.

A significant portion of our current outstanding funded debt amounting to \$1.3 billion is held by Central Banks representing over 65 different countries throughout the world. The Bank has also received considerable support from savings institutions throughout the world. Indeed, since July 1968, the World Bank has issued DM 1.1 billion of its obligations to Westdeutsche Landesbank Girozentrale (and its predecessor, the Rheinische Girozentrale und Provinzialbank), the Deutsche Girozentrale-Deutsche Kommunalbank and



Mr. M. L. Van Helshoecht

- 2 -

December 17, 1969

Deutsche Genossenschaftskasse. In October 1968, the World Bank successfully placed a public issue in the United States of \$250 million. A substantial portion of this offering was placed with savings institutions. Indeed, since its earliest financings in the United States, the World Bank has received consistent and substantial support from this important segment of the financial sector.

I am also pleased to report that through the recent support of public and private financial institutions the Bank has been able to increase its holdings in cash and liquid securities to approximately \$1,900,000,000 equivalent as of December 15, 1969. These funds are held in many currencies throughout the world. Our projected lending program, which is substantial, will be facilitated by these holdings of cash and liquid securities and by our ability to continue to obtain support in public or private financial markets.

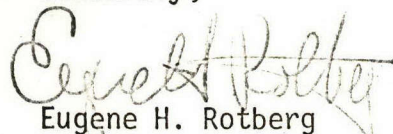
The World Bank, as you know, exercises meticulous care in determining the creditworthiness of the countries who guarantee the repayment of Bank loans. It also pays great attention, of course, to assure that the projects it finances are the highest economic priority. Further, the procedures developed by the Bank are designed to assure that the appropriate technical, managerial, and financial aspects of all projects have been considered and provided for. The Bank's reputation for the maintenance of continual review and supervision of projects it finances is well known. The result of this care, the general efficiency of its operations, and its debt/equity ratio should assure net profits for Fiscal Year 1970 of approximately \$220 million - an increase of \$50 million over our previous fiscal year. Since its beginnings in 1946, the Bank has earned over \$1.5 billion.

I have also taken the liberty of forwarding to you addresses made by the undersigned and by Mr. McNamara somewhat earlier this year concerning the Bank and its operations.

I would be most honored to discuss the future plans of the World Bank with you and your colleagues and in particular to advise you of the kinds of projects which the World Bank supports, the various resources which are available to it and its projected lending and financing plans.

I would be most pleased to visit with you at your convenience.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Enclosures



## 2. UNDP

Headquarters:  
Washington, D.C., U. S. A.



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
Cable Address - INTBAFRAD PARIS

INTERNATIONAL DEVELOPMENT ASSOCIATION  
Cable Address - INDEVAS PARIS



EUROPEAN OFFICE:

4, AVENUE D'IEÑA, PARIS (16<sup>e</sup>) - FRANCE

Telephone - 553-2510

**DECLASSIFIED**

Date: 10/19/2010 545

CONFIDENTIAL

November 5, 1969

Mr. Eugene H. Rotberg  
Treasurer  
International Bank for Reconstruction  
and Development  
Washington D.C. 20433

Reference: Visit to Caisse Générale d'Epargne et de Retraite  
48, rue du Fossé aux Loups, Bruxelles 1, Belgium

Dear Gene,

1. On October 30, 1969 I called on Mr. Aerts, General Manager of the above-named institution.
2. This is the largest state-controlled savings institution in Belgium. Its wealth is estimated at about B.frs. 220 billion (its 1968 financial report is annexed to this letter).
3. Caisse Générale collects funds from the public in form of saving deposits and insurance premiums. It lends for local housing and industrial development, and acts as a giro-agency for the discount of mortgage bills.
4. Since the later part of 1968 the level of its savings deposits has gone down. This situation was related to the fact that its depositors switched to more profitable and speculative investments (euro-accounts and purchases of D-Marks). Following the stabilization of the German currency, funds have flowed back to Belgium and local savings have increased considerably.  
It is expected that this trend will extend over the early part of 1970 with a relative lowering of interest rates on medium and long-term operations.
5. Mr. Aerts informed me that, in view of the general improvement which he foresees within the next months, he personally saw no technical obstacle to a Belgian franc transaction between his institution and the Bank. Nevertheless he insisted very firmly on



Mr. Eugene H. Rotberg

November 5, 1969

the fact that a direct lending would have to be approved by his Board and he warned that the members of this Board were ultra-conservative as regards the use made of loan funds, specially when these were earmarked for new development projects.

6. Consequently, Mr. Aerts mentioned that should our Bank be interested in negotiating a direct loan from Caisse Générale, the following procedure should be followed:

Washington should send a letter to Mr. L. Van HELSHOECHT, President of the Board of Caisse Générale, stating the amount of the borrowing (Mr. Aerts suggested something between B.frs. 250/500 million as a start), the duration (between five and fifteen years), the disbursement and repayment procedures (the spreading of withdrawals is best suited to Caisse Générale's own lending transactions), and the rate of interest acceptable to the Bank (the latter problem can be made conditional to prevailing conditions at the time an agreement is finalized).

Mr. Aerts is of the opinion that it would be helpful if the letter gave a brief outline on how the funds would be used and made a reference to similar transactions effected by the Bank in recent years (Germany in particular).

7. I thanked Mr. Aerts for his helpful suggestions and told him that I would refer them to my Head Office.

Summing up our discussion Mr. Aerts told me confidentially that the period situated between mid-January and the end of February was the most favourable for Caisse Générale's lending program. Receipts usually reached their highest level at that time.

I am forwarding to Mr. Aerts documentation on the Bank's activities, including the Articles of Agreement.

Awaiting your comments on the above and with kind regards,

Yours sincerely,



Robert de Lesseps

cc: Mr. S. Aldewereld

P.S. Due to delays in the mail, the 1968 report from Caisse Générale has not yet arrived; it will be forwarded to you as soon as it comes in.





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

December 17, 1969

Mr. John A. Olver  
Director  
Division of Financial Management  
and Administrative Policy  
United Nations Development Programme  
United Nations Building  
New York, N.Y.

CONFIDENTIAL

DECLASSIFIED

DEC 19 2024

Dear Mr. Olver:

WBG ARCHIVES

Thank you very much for your letter of December 8, 1969 following our telephone conversation regarding the offering we made to the UNDP to purchase loans from our portfolio.

I welcome this opportunity to review this matter with you and to comment on some of the questions that were raised by your Investment Committee.

Our offering was primarily made up of loans bearing nominal interest rates from 5-1/2% to 6-1/2% (one loan was at 5% and another carried a rate of 5-3/8%) at a price that would be discounted to yield 7% to maturity. While a 7% rate is not now competitive with dollar investments in short or medium term U.S. Government securities, it does compare favorably with Treasury Bills in Germany and Japan or time accounts in Switzerland of comparable maturity. Indeed, the Bank itself holds investments in ninety-day Treasury Bills in Germany and Japan which yield less than 6%. Our holdings in Finnish markkaa are invested in Government of Finland 5% bonds and Mortgage Bank of Finland 5 and 7% bonds at an average yield of 6.02%. Danish kroner, Swedish kronor and Dutch guilders, on the other hand, now yield more than 7% on investments of one or two years.

As you may know, the Bank cannot convert, under its investment policies, the currencies received from portfolio sales. Consequently, the current high dollar yields are not relevant to the proceeds of sales in other currencies. Moreover, I can assure you that the non-dollar currencies received will be disbursed as expeditiously as possible (probably within a week) on loans that carry interest rates from 5-1/2% to 6-1/2%. You may be interested to know that this fiscal year the Bank's disbursements are likely to be in the order of \$900 million - an amount considerably in excess of our internally generated funds. It may also be relevant to note that the interest rate due the Bank on its current disbursements to borrowers averages



6.15%, while the total of loan receivables of the Bank carry an interest rate averaging 6% - considerably below the incremental cost of new funds. As to the dollar portion of any loan repayment, it is only our substantial holdings in that currency which make it unrealistic to assure that the particular dollars you might provide would be disbursed.

Notwithstanding the foregoing, it is undoubtedly correct to say that any sales from our portfolio will add to our liquidity position and our investment income. This increase in liquidity, however, is not a substitute for borrowing as our expanding lending program to developing countries will require very substantial recourse to capital markets - perhaps as much as \$3.0 billion, net, over the next 5 years. The current undisbursed balance of Bank loans is now approximately \$3 billion; it will rise to over \$3.5 billion at the end of the fiscal year. We expect our cash position to remain about \$1.8 - \$1.9 billion. Thus, the buildup in our liquidity (which undoubtedly does now result in short term profit) is designed to permit expanded commitments, which in the relatively near future will be drawn down as disbursements are made on such commitments.

As you know, the Bank will show a substantial profit this year. In large measure such profit derives from the very favorable rate on the Bank's short term investments in Time Deposits. Theoretically, any increase in our liquidity will contribute to such profit pending a drawdown of this liquidity for the disbursements on our current loan commitments. It is relevant, moreover, to note the allocation of these profits - which I emphasize are derived in large measure from short term investments made during a period of sizable long term borrowing and lending. Since 1964, annual transfers from the Bank's net income amounting to \$385 million have been made to the International Development Association (IDA) which represents 93% of total income received from investments during that period. For Fiscal Year 1969, 58% (\$100 million) of the Bank's net income from all sources was transferred to IDA. IDA, as you know, is the soft loan affiliate of the Bank which lends funds at no interest, 10 year grace period and principal repayment over the remaining 40 years. Essentially, the funds are committed to countries which are not creditworthy in their ability to service debt but which require and can make good use of substantial concessionary aid. Thus, these profits do not simply increase our "reserves" but rather, together with government budgetary allocations, are used in large part to finance the most needy. It is true, of course, that a portion of the Bank's profit is retained as earnings --

Mr. John A. Oliver

- 3 -

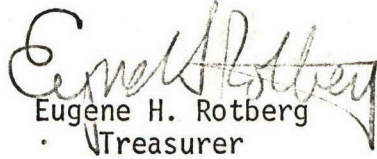
December 17, 1969

and these reserves are undoubtedly substantial. I suspect, however, that the existence of these reserves, in large measure, permits the Bank currently to maintain a 7% lending rate without jeopardizing its credit standing in a capital market from which substantial support will be required.

I hope the above is useful to you. If you have any further questions, please do not hesitate to call me.

Best of luck and have a happy year.

Sincerely,

  
Eugene H. Rotberg  
Treasurer



UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

UNITED NATIONS  
NEW YORK

CABLE ADDRESS: UNDEVPRO • NEW YORK

TELEPHONE: 754-1234

PERSONAL AND CONFIDENTIAL **DECLASSIFIED**

REFERENCE:

DP 213/8

DEC 19 2024

8 December 1969

Dear Mr. Rotberg,

**WBG ARCHIVES**

I wonder if I could ask you to be good enough to provide me in the most informal and personal way, with a written summary of the points you made to me by telephone recently in connexion with our discussions with the UN Controller over whether or not UNDP should increase its participations in IBRD outstanding loans. This is one point among several on which I am trying to write a rather detailed statement for Mr. Hoffman to transmit to the Controller, and I would like to be sure that my facts are entirely correct.

I think you know the gist of the advice of the Investments Committee to the Secretary General on the point in question. Present at the Committee meeting dealing with this point were:

Mr. R. McAllister Lloyd, Chairman  
Mr. Eugene R. Black  
Mr. Roger de Candolle  
Mr. George A. Murphy  
Ambassador Braj Kumar Nehru

The Committee had indicated that they were not sufficiently familiar with the conditions governing the placement of UNDP funds particularly as regards diversification by currencies and maturities, but they considered that a fair number of investments seemed to offer little liquidity and a low rate of return. In this connexion they referred to the outstanding loans made by IBRD to the developing countries and pointed out that these loans were not guaranteed by the Bank. They conceded that some five years ago such participations despite the lack of liquidity, provided a reasonable rate of return, but such was not the case at present.

/...

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



- 2 -

They also observed that the purchase of these "already outstanding loans" does not result in making new funds available to the developing countries and instead provides the Bank with low-cost borrowings which are added to already very large reserves and are then placed on a very much higher yield now available on the commercial market. They concluded that these participations result in a kind of subsidy to the Bank which has very much greater reserves than UNDP itself. They therefore concluded that the Secretary General should consider alternate investments which would afford both greater liquidity and a higher yield.

We have assembled some interesting data on the yields and it is apparent that the Committee did not take into account the discount factor when making their comparisons. However, I am very anxious to deal particularly with the point about "subsidizing" the Bank and I found your comments very interesting and helpful on this. I am not trying to pin you down at all in asking you for a written note, but I only wish to be sure that any statements I make are solidly based on fact.

Thank you very much for your help in this matter.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "J.A. Olver", with a long horizontal flourish extending to the right.

John A. Olver  
Director

Division of Financial Management  
and Administrative Policy



### 3. EUROPEAN SAVINGS BANKS

| IBRD LANGUAGE SERVICES DIVISION         |                        |
|-----------------------------------------|------------------------|
| CONTROL No. E-1160/69                   | DATE: December 2, 1969 |
| ORIGINAL LANGUAGE: French (Switzerland) |                        |
| DEPT. Treasurer's                       | TRANSLATOR: GA/hh      |

INTERNATIONAL SAVINGS BANKS INSTITUTE (IICE)  
Economic Adviser

Geneva, November 17, 1969

Mr. Robert de Lesseps  
World Bank  
Paris

Dear Sir:

As agreed during our conversation of November 12, on the occasion of our most pleasant lunch, for which I thank you again, I transmit the following information.

The new organization of the IICE is as follows: alongside the Board of Management (Prof. Dell'Amore, Chairman; Messrs. Jensen (Norway), Adamek (Austria) and Rougemont (Switzerland), Vice Chairmen), an Executive Committee has been set up to plan and oversee the activities of the central office. The Committee is composed of Messrs. Dell'Amore, Poullain (Westdeutsche Landesbank), Jensen and Rougemont, the new General Manager, Mr. Sinnwell (Germany), formerly head of the Saarlouis Savings Bank, with a balance sheet of DM 200 millions, attending the quarterly meetings. The Board is assisted by an advisory committee composed of directors of savings banks (Chairman: Mr. T. van Puyvelde, C.G.E.R., Brussels) and by a committee of general secretaries of national associations (Chairman: Mr. S. Svenson, Svenska Sparbanksföreningen, Birger Jarlsgatan 26 (Fack), Stockholm 7). The post of economic adviser to the organization, which was created especially to facilitate foreign contacts and to prepare independent opinions, has been abolished.

It is difficult, and perhaps unfair, to evaluate here and now the orientation that may be derived from these decisions. My own opinion, however, despite the oral denials of those concerned, is that these decisions put an abrupt halt to the development of IICE toward the function of intermediary and prime mover on the international level. This opinion is based on several observations:

First, the German demands with a view to complete control of activities -- today they have the management of IICE and of the Savings Banks Group of EEC -- arise from their desire to limit the induced effects of possible moves towards unity. Mr. Poullain's speech, enclosed, clearly reflects this attitude.

Second, the establishment and composition of the Executive Committee, as well as the position assumed by the Associations -- which exist only in Northern Europe and are of course dominated by the overwhelming German apparatus -- tend to strengthen this control of policy.



Third, the decision in principle, adopted at the Vienna meeting of October 1, 1969, not to act in the field of development aid except within the framework of bilateral steps to set up local banks. The Plan that I had drawn up with Mr. Benoît, based on close collaboration between UNDP and IIICE, was thus rejected. In the latter instance, Mr. Dell'Amore clove to the German viewpoint, his desire being to have complete freedom of action for the Milan bank in Africa.

In these circumstances, the protection and development of relations between the World Bank and IIICE will largely depend, I believe, on pressure from above and on the establishment of contacts with key people.

On the inside, these are not only Messrs. Dell'Amore, Poullain and Sinnwell but also other influential members of the Board, particularly Mr. F. Adamek (Erste Osterreichische Sparkasse, Graben 21, Vienna 1), Mr. M. de Aranegui y Coll (Caja Provincial de Ahorros de Alava, Vitoria, Spain), and Mr. B. Moret (Essenlaan 43, Rotterdam, The Netherlands), as well as Mr. van Puyvelde and Mr. Svenson. (These are also the people to whom the Pearson Report should perhaps be sent.) Pressure from above should be exerted by the national authorities having responsibility for the savings banks; the latter like to "dig in" behind legal provisions regulating the use of their funds. I think it would be advisable for the Bank to make an official statement that it is no longer realistic to have an annual flow of some \$8 to 10 billion lying idle.

Moreover, I think it would be extremely useful if you could personally inform the members of the Committee of Central Savings Banks, whose meeting has been postponed until January, of the conditions for possible collaboration with the World Bank. Most of the heads of savings banks and their central agencies in fact know absolutely nothing about the Bank. It would be difficult for Mr. Dell'Amore to refuse you that opportunity, which offers obvious advantages of personal bilateral contact.

Lastly, as regards statistics, Mr. K. Meyer-Horn, Secretary General of the EEC Savings Banks Group, has promised me that he will send you regularly the monthly statistical bulletin covering the six countries. In addition, publications will be sent to you from Geneva with less detailed statistics on other countries. This will provide you with a picture of developments in the principal countries.

These are the points you discussed with me. If I may draw one conclusion, however, I should say that a truly effective effort that would make the savings banks a habitual instrument for channeling funds toward domestic needs as well as toward international needs poorly met by the market, calls above all for action about structures. Legislative structures that at present still envisage investment in the narrow context of

of national priorities -- decision structures particularly, since laws can be improved and were never fashioned to provide men with reasons for refraining from innovation. The immense prestige of the President of the World Bank would be likely to tip the scales by a tiny effort, and to establish precedent that might be the beginning of a series of operations which I myself have always considered as the natural vocation of the savings banks.

I am at your disposal for any additional information.

Very truly yours,

N. G. Krul

P.S. I have informed Professor Fremond that Mr. Rist will pass through Switzerland. He is at present considering the conference schedule and will assuredly get in touch with you.

Encls: Limits of the Activity of Savings Banks (Ludwig Poullain)

- World Thrift 2/1966
- World Thrift 2/1969

NK/as





GROUPEMENT DES CAISSES D'ÉPARGNE DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE  
 GRUPPO DELLE CASSE DI RISPARMIO DELLA COMUNITÀ ECONOMICA EUROPEA  
 SPAARBANKENVERENIGING VAN DE EUROPESE ECONOMISCHE GEMEENSCHAP  
 SPARKASSENVEREINIGUNG DER EUROPÄISCHEN WIRTSCHAFTSGEMEINSCHAFT

SECRETARIAT : BRUXELLES 4 - SQUARE EUGÈNE PLASKY, 92-94 - TÉL. 35.78.72 ET 35.79.80

MONATLICHE SPAREINLAGEN-STATISTIK  
 STATISTIQUE MENSUELLE DES MOUVEMENTS DE L'ÉPARGNE  
 STATISTICA MENSILE DEI MOVIMENTI DEL RISPARMIO  
 MAANDELIJKE STATISTIEK VAN DE SPAARTEGOEDEN

MONTHLY SAVINGS ACCOUNTS

Monat      Mois  
 Mese      Maand  
 9 /      69

| I.<br>Spareinlagen<br>Dépôts d'épargne<br>SAVINGS DEPOSITS<br>Depositi di risparmio<br>Spaartegoeden | Umsätze im Berichtsmonat / Mouvements au cours du mois<br>Movimenti del mese / Bewegingen van de maand<br>MONTHLY TURNOVER |                                                                                     |                                                                                                                             |        | Bestand am Ende des Monats<br>Situation en fin de mois<br>Situazione a fine mese<br>Inleggerstegoed per ultimo<br>van de maand<br>END OF MONTH HOLDINGS |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                      | Gutschriften<br>Versements<br>Versamenti<br>Inleggingen<br>NEW SAVINGS                                                     | Lastschriften<br>Remboursements<br>Prelevamenti<br>Terugbetalingen<br>DISBURSEMENTS | Zunahme oder Abnahme<br>Accroissement ou diminution<br>Aumenti o diminuzioni<br>Toeneming of daling<br>Increase or Decrease |        |                                                                                                                                                         |
|                                                                                                      | Mio. R.E. / U.C.                                                                                                           |                                                                                     | Mio. R.E. / U.C.                                                                                                            | % (+)  | Mio. R.E. / U.C.                                                                                                                                        |
| Belgique/België                                                                                      | 93,8                                                                                                                       | 83,0                                                                                | + 10,8                                                                                                                      | + 0,38 | 2.884,1                                                                                                                                                 |
| BR Deutschland                                                                                       | 1.302,7                                                                                                                    | 1.214,1                                                                             | + 88,6                                                                                                                      | + 0,30 | 29.198,3                                                                                                                                                |
| France                                                                                               | 561,4                                                                                                                      | 365,4                                                                               | + 196,0                                                                                                                     | + 1,92 | 10.418,9                                                                                                                                                |
| Italia                                                                                               | 421,7                                                                                                                      | 370,5                                                                               | + 51,2                                                                                                                      | + 0,59 | 8.716,0                                                                                                                                                 |
| Luxembourg                                                                                           | 4,5                                                                                                                        | 4,3                                                                                 | + 0,2                                                                                                                       | + 0,11 | 179,2                                                                                                                                                   |
| Nederland                                                                                            | 163,8                                                                                                                      | 157,8                                                                               | + 6,0                                                                                                                       | + 0,30 | 2.025,7                                                                                                                                                 |
| CEE/EEG/EWG                                                                                          | 2.547,9                                                                                                                    | 2.195,1                                                                             | + 352,8                                                                                                                     | + 0,66 | 53.422,2                                                                                                                                                |

£ 352 million

£ 53 billion

To: Mr. Ralph Hirschtritt  
U. S. Treasury

From: Eugene H. Rotberg

Ralph:

Attached is a statement of the Bank's funded debt. I have identified by asterisk the Central Bank purchasers of our dollar-denominated bonds. You will note that we borrowed 5 million dollars from the National Bank of Austria. The balance was purchased by the Deutsche Bundesbank and those identified on the attached list - purchasers of our 2-year bonds.

Attachment

*Hand carried by Mr. W. U.S. 50. to U.S. Treasury.*



copy for  
Chon.

D. Ralph Hunt  
Fm \_\_\_\_\_

Ralph,

Attached is a statement of the Bank's funded debt.

I have identified by asterisks the Central Bank purchasers  
of our dollar-denominated bonds. You will notice <sup>the dollar bonds</sup> ~~the~~  
<sup>smaller dollar bonds from the National Bank of Austria.</sup>  
~~Austrian Central Bank - 1 million dollars.~~ The balance was  
<sup>those identified on the</sup>  
purchased by the Deutsche Bundesbank and ~~the~~ attached list —  
<sup>purchasers</sup>  
of ~~our~~ holders of our 2-year bonds.

Att a ch ment



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

December 18, 1969

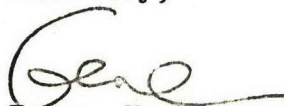
Mr. Arthur Karasz  
International Bank for Recons-  
truction and Development  
European Office  
4, Avenue D'Iena  
Paris (16<sup>e</sup>), France

Dear Arthur:

I am enclosing a copy of a letter from Mr. van Lennep to Mr. McNamara and a copy of a related press release. It would be most appreciated if you could discreetly determine from the OECD the level of government representatives they expect to participate in the Group. As you can appreciate it is somewhat difficult for us to make a decision as to who should represent the Bank as an observer unless we know, in general, whether governments will send their higher echelon people as their representatives. Secondly, we would also like to know approximately the number of meetings that are contemplated in, say, a year as this also might affect who we designate to represent the Bank. Since Van Lennep's letter will require some response from Mr. McNamara, I would appreciate your response as soon as possible.

Thank you for your courtesy and have a happy new year.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Enclosures





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

December 17, 1969

Mr. David Novick  
Research Council  
The Rand Corporation  
1700 Main Street  
Santa Monica, Calif. 90406

Dear Dave:

I expect to be in Los Angeles between the 10th and 13th of February. I would be pleased to talk to you and your colleagues during that time. I can't arrange an exact date yet because I first must firm up a specific speaking engagement. I will keep in touch.

Best regards,

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

Eugene H. Rotberg  
Treasurer

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. Aldewereld

Siem:

I think we still have a fighting  
chance on the \$10 million UNDP purchase.

See the incoming letter from Olver.

I am attaching for your comment a reply.

On the one hand I do not want to  
"sell" the loans too hard. On the other,  
I am quite distressed at some of the  
reasons given by their Investment Committee  
for not taking up ~~this~~ loans. I think the  
letter will succeed in turning things  
around a bit.

Gene R.  
Dec. 17, 1969



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. Aldewereld

Siem:

You may recall de Lesseps' discussions with the C.G.E.R. Dr. Aerts has suggested, prior to any meeting, that we write to Van Helschoecht. Attached is a letter which should facilitate further contact - perhaps in January or February.

Gene R.  
12/17/69



## 2. UNDP





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

December 17, 1969

Mr. John A. Olver  
Director  
Division of Financial Management  
and Administrative Policy  
United Nations Development Programme  
United Nations Building  
New York, N.Y.

CONFIDENTIAL

**DECLASSIFIED**

Date: 10/19/2010

Dear Mr. Olver:

Thank you very much for your letter of December 8, 1969 following our telephone conversation regarding the offering we made to the UNDP to purchase loans from our portfolio.

I welcome this opportunity to review this matter with you and to comment on some of the questions that were raised by your Investment Committee.

Our offering was primarily made up of loans bearing nominal interest rates from 5-1/2% to 6-1/2% (one loan was at 5% and another carried a rate of 5-3/8%) at a price that would be discounted to yield 7% to maturity. While a 7% rate is not now competitive with dollar investments in short or medium term U.S. Government securities, it does compare favorably with Treasury Bills in Germany and Japan or time accounts in Switzerland of comparable maturity. Indeed, the Bank itself holds investments in ninety-day Treasury Bills in Germany and Japan which yield less than 6%. Our holdings in Finnish markkaa are invested in Government of Finland 5% bonds and Mortgage Bank of Finland 5 and 7% bonds at an average yield of 6.02%. Danish kroner, Swedish kronor and Dutch guilders, on the other hand, now yield more than 7% on investments of one or two years.

As you may know, the Bank cannot convert, under its investment policies, the currencies received from portfolio sales. Consequently, the current high dollar yields are not relevant to the proceeds of sales in other currencies. Moreover, I can assure you that the non-dollar currencies received will be disbursed as expeditiously as possible (probably within a week) on loans that carry interest rates from 5-1/2% to 6-1/2%. You may be interested to know that this fiscal year the Bank's disbursements are likely to be in the order of \$900 million - an amount considerably in excess of our internally generated funds. It may also be relevant to note that the interest rate due the Bank on its current disbursements to borrowers averages



6.15%, while the total of loan receivables of the Bank carry an interest rate averaging 6% - considerably below the incremental cost of new funds. As to the dollar portion of any loan repayment, it is only our substantial holdings in that currency which make it unrealistic to assure that the particular dollars you might provide would be disbursed.

Notwithstanding the foregoing, it is undoubtedly correct to say that any sales from our portfolio will add to our liquidity position and our investment income. This increase in liquidity, however, is not a substitute for borrowing as our expanding lending program to developing countries will require very substantial recourse to capital markets - perhaps as much as \$3.0 billion, net, over the next 5 years. The current undisbursed balance of Bank loans is now approximately \$3 billion; it will rise to over \$3.5 billion at the end of the fiscal year. We expect our cash position to remain about \$1.8 - \$1.9 billion. Thus, the buildup in our liquidity (which undoubtedly does now result in short term profit) is designed to permit expanded commitments, which in the relatively near future will be drawn down as disbursements are made on such commitments.

As you know, the Bank will show a substantial profit this year. In large measure such profit derives from the very favorable rate on the Bank's short term investments in Time Deposits. Theoretically, any increase in our liquidity will contribute to such profit pending a drawdown of this liquidity for the disbursements on our current loan commitments. It is relevant, moreover, to note the allocation of these profits - which I emphasize are derived in large measure from short term investments made during a period of sizable long term borrowing and lending. Since 1964, annual transfers from the Bank's net income amounting to \$385 million have been made to the International Development Association (IDA) which represents 93% of total income received from investments during that period. For Fiscal Year 1969, 58% (\$100 million) of the Bank's net income from all sources was transferred to IDA. IDA, as you know, is the soft loan affiliate of the Bank which lends funds at no interest, 10 year grace period and principal repayment over the remaining 40 years. Essentially, the funds are committed to countries which are not creditworthy in their ability to service debt but which require and can make good use of substantial concessionary aid. Thus, these profits do not simply increase our "reserves" but rather, together with government budgetary allocations, are used in large part to finance the most needy. It is true, of course, that a portion of the Bank's profit is retained as earnings --



Mr. John A. Oliver

- 3 -

December 17, 1969

and these reserves are undoubtedly substantial. I suspect, however, that the existence of these reserves, in large measure, permits the Bank currently to maintain a 7% lending rate without jeopardizing its credit standing in a capital market from which substantial support will be required.

I hope the above is useful to you. If you have any further questions, please do not hesitate to call me.

Best of luck and have a happy year.

Sincerely,

(signed) Eugene H. Rotberg

Eugene H. Rotberg  
Treasurer

UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

~~PERSONAL AND CONFIDENTIAL~~ **DECLASSIFIED**

REFERENCE:

DP 213/8

Date: 10/19/2010

8 December 1969

Dear Mr. Rotberg,

I wonder if I could ask you to be good enough to provide me in the most informal and personal way, with a written summary of the points you made to me by telephone recently in connexion with our discussions with the UN Controller over whether or not UNDP should increase its participations in IERD outstanding loans. This is one point among several on which I am trying to write a rather detailed statement for Mr. Hoffman to transmit to the Controller, and I would like to be sure that my facts are entirely correct.

I think you know the gist of the advice of the Investments Committee to the Secretary General on the point in question. Present at the Committee meeting dealing with this point were:

Mr. R. McAllister Lloyd, Chairman  
Mr. Eugene R. Black  
Mr. Roger de Candolle  
Mr. George A. Murphy  
Ambassador Braj Kumar Nehru

The Committee had indicated that they were not sufficiently familiar with the conditions governing the placement of UNDP funds particularly as regards diversification by currencies and maturities, but they considered that a fair number of investments seemed to offer little liquidity and a low rate of return. In this connexion they referred to the outstanding loans made by IBRD to the developing countries and pointed out that these loans were not guaranteed by the Bank. They conceded that some five years ago such participations despite the lack of liquidity, provided a reasonable rate of return, but such was not the case at present.

/...

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



UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

- 2 -

They also observed that the purchase of these "already outstanding loans" does not result in making new funds available to the developing countries and instead provides the Bank with low-cost borrowings which are added to already very large reserves and are then placed on a very much higher yield now available on the commercial market. They concluded that these participations result in a kind of subsidy to the Bank which has very much greater reserves than UNDP itself. They therefore concluded that the Secretary General should consider alternate investments which would afford both greater liquidity and a higher yield.

We have assembled some interesting data on the yields and it is apparent that the Committee did not take into account the discount factor when making their comparisons. However, I am very anxious to deal particularly with the point about "subsidizing" the Bank and I found your comments very interesting and helpful on this. I am not trying to pin you down at all in asking you for a written note, but I only wish to be sure that any statements I make are solidly based on fact.

Thank you very much for your help in this matter.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "J.A. Olver", with a long horizontal flourish extending to the right.

John A. Olver  
Director

Division of Financial Management  
and Administrative Policy

## OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

DATE: December 17, 1969

FROM: Eugene H. Rotberg

SUBJECT: Farmers Home Administration Securities

I have had conversations with Salomon Brothers & Hutzler, Merrill Lynch and the Farmers Home Administration concerning the new FHA offering which is to be underwritten by the following:

Merrill Lynch, Pierce Fenner & Smith, Inc. of New York  
First Boston Corporation of New York  
Salomon Brothers and Hutzler of New York  
A. G. Becker and Company Incorporated of Chicago

The offering is planned for late January and will be "fully priced", probably above U.S. Agency rates even though it is a full faith and credit obligation of the U.S. Government. Salomon expects a 9% <sup>coupon</sup> issue-price. They want an assured success on their first offering and are concerned because of the \$1 billion plus calendar on January. I recommend that we purchase \$80 million of the issue providing it can be tailored to our needs, i.e. settlement on February 11, giving \$20 million to each of the above underwriters.

We have approximately \$60 million F.N.M.A. Securities maturing February 10th and 11th and I would propose we sell other short maturing Agency Securities to cover the balance. Salomon and Merrill both say that they expect a liquid secondary market. I would like to advise SB & H of our decision sometime in January.



Chiron

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. Aldewereld

Siem:

Attached is a copy of an outgoing cable to de Lesseps, his response and the press release of the OECD on the special committee to study European financial markets. I feel that the Bank observer to this committee should be from the Treasurer's Department - (or perhaps de Lesseps). I note that McNamara has been apprised of the committee. Shall I speak to Demuth or will you. Let's discuss.

Gene R.  
12/17/69



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

December 17, 1969

Mr. Francis M. Wheat  
Gibson, Dunn & Crutcher  
634 South Spring Street  
Los Angeles, California  
90014

Dear Frank:

Welcome to the World of decisions -  
decisions - decisions. We need you.

Best regards,

A handwritten signature in dark ink, appearing to read "Gene", is written over a horizontal line.

Gene Rotberg





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

December 16, 1969

Dear Robert,

Let me thank you again for the excellent summaries that you have sent concerning your recent trips. I have read them carefully and we are developing material summarizing the activities of the savings institutions.

I have just written a letter to the EIB concerning the employment of our liquid resources and I have also just finished drafting a letter to the C.G.E.R. I will send you copies of both of these letters. As you may know, our German issue is postponed temporarily because of adverse market conditions.

Thank you again for your reports. They are most useful.

Best regards,

  
Gene Rotberg

Mr. Robert de Lesseps  
Chief, European Financial Operations  
International Bank for Reconstruction  
and Development  
4 Avenue d'Iena  
Paris 16e, France



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

December 16, 1969

European Investment Bank  
2, Place de Metz  
Luxembourg, Luxembourg

Attention: Mr. Le Portz, Vice-President

Gentlemen:

Mr. Robert de Lesseps has forwarded to me your request for information concerning the employment of the liquid resources of this Bank. It is my pleasure to respond. I hope the information will be useful to you.

1. The Bank, typical of many financial institutions, uses a cash flow projection in managing its funds. Projections are prepared for periods of five years, one year, three months and one month, with more detail given for near-term estimates.

The near-term projections of cash flow are prepared manually each month on a monthly and three-month basis, both as an overall total and by selected currencies. The procedure for the collection and processing of data for the projection is described below.

- A. Currency balances at the beginning of the period are confirmed.
- B. Gross receipts:
  - (a) Loan principal repayments and interest due to the Bank are accumulated. From the billing statements to our borrowers, which are mailed about 4 to 6 weeks prior to the due date, the Computer Center of the Bank prepares a statement of Anticipated Receipts by currency. The receipts from loan repayments and charges for one month are therefore firm. For the next two months, receipts by currencies are estimated.
  - (b) Information is assembled and analyzed on sales of loans, usable capital subscription funds, maturities of the Bank's investments, income receivable on investments, bonds to be issued under delayed delivery arrangements, and borrowings. These are separately identified and permit us to analyze "new" funds and "roll over" funds which we may not wish to disburse.



## C. Gross disbursements:

- (a) Funded debt servicing requirements are accumulated. A monthly and quarterly statement, prepared manually for bond servicing requirements by issue, provides the basis for accumulating payments required, by currency, for the Bank's bond maturities, bond interest payments, and incidental expenses.
- (b) Annual sinking fund requirements for the Bank's bonds are pro-rated for the purpose of the cash flow projection.
- (c) The administrative expense budget for the year is pro-rated on the percentage basis of actual currency expenditures in the prior quarter.
- (d) Real estate expenditures (building construction) and draw-downs on the "IDA Transfer" are accumulated from actual or estimated requirements.
- (e) The year's estimated disbursements on loans are pro-rated as a total requirement only. Individual currency requirements for disbursements are not estimated as the available currencies are convertible and the decision as to which currency to disburse essentially involves a decision concerning which currencies to invest.

Against the resulting estimated excess (or shortage) of new funds available at the end of the period under review, both in the aggregate and by particular currency, decisions are made to invest, re-invest (and for how long), sell investments, and/or hold for operations.

2. The Bank's accounts are maintained by IBM punch card data processing equipment, but are now in the process of being transferred to a Burroughs 5500 computing system. The computer configuration is detailed in the enclosed pamphlet prepared by the Bank's Computer Center.

3. The Bank also has been developing a "Financial Model" to forecast the evolution of the Bank's finances under a number of assumptions and policy variables. The function of the model is to make long-term cash flow, income statement and balance sheet projections. The

December 16, 1969

model has been refined and expanded since it was first developed by our staff in 1968. A paper on a definitive Financial Model is in preparation.

Essentially, we have programmed into the computer the basic components of our profit/loss statement, balance sheet and long-term cash flow statement. Obviously, there are certain variables which must be pre-specified, i.e. projected interest rate return for cash and securities; the interest rate, terms and call periods on borrowed funds and projected borrowings; the number of loans to be signed; amount of sales out of portfolio; interest rate of loans signed; amount of IDA transfer; rate of disbursement (which varies according to our projections on the kind of loans we expect to make) etc. When these variables are fixed, since we know the projected loan repayments and the interest rate thereon as well as the cost of our existing funded debt, we can develop a very useful projection. Essentially what we are doing is simply to program the operative accounts and add our projections for future activity so as to produce a prospective summary of financial statements. Thus, by pre-determining and fixing the level of cash and liquid securities which we wish to hold at the end of a period, we can project the amount of gross and net borrowings we will require in order to maintain a particular lending program. Similarly, since we know within reasonable limits what our interest costs are likely to be in the immediate future and since we know our interest income on current loans outstanding and our administrative expenses we can, by projecting the interest cost of borrowing, determine with reasonable accuracy our projected profit for the coming year.

I trust this brief description of the system used by the Bank to project cash flow will be of some assistance to you. I would be pleased, of course, to discuss these matters further with you.

Sincerely yours,

  
Eugene H. Rotberg  
Treasurer

Enclosure





# Record Removal Notice

|                                                                                                   |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
|---------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------|
| <b>File Title</b><br>Eugene H. Rotberg - Chronological Records - Volume 02 - June - December 1969 |                                | <b>Barcode No.</b><br><br>1858105                                                                                                                                                                                                                                                                                 |                                              |                              |
| <b>Document Date</b><br>16 December, 1969                                                         | <b>Document Type</b><br>Letter |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Correspondents / Participants</b><br>To: Lord & Taylor<br>From: Eugene Rotberg                 |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Subject / Title</b><br>Account Invoice and Payment                                             |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Exception(s)</b><br>Personal Information<br>Financial Information iv                           |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Additional Comments</b>                                                                        |                                | <p>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.</p> <table border="1"><tr><td><b>Withdrawn by</b><br/>Tarsica Morgan-Taylor</td><td><b>Date</b><br/>July 17, 2024</td></tr></table> | <b>Withdrawn by</b><br>Tarsica Morgan-Taylor | <b>Date</b><br>July 17, 2024 |
| <b>Withdrawn by</b><br>Tarsica Morgan-Taylor                                                      | <b>Date</b><br>July 17, 2024   |                                                                                                                                                                                                                                                                                                                   |                                              |                              |

OUTGOING WIRE

TO: DELESSEPS  
INTBAFRAD  
PARIS

DATE: DECEMBER 16, 1969

CLASS OF  
SERVICE: NLT

COUNTRY: (FRANCE)

TEXT:  
Cable No.: 1403

NOTE FORMATION OF OECD COMMITTEE RE OPERATION OF FINANCIAL MARKETS  
UNDER ROUGE (FRANCE) STOP PRESS RELEASE STATES INTBAFRAD WILL BE  
INVITED TO SEND OBSERVERS STOP HAVE YOU BEEN INFORMED AS TO  
NATURE OF MEETINGS, SUBJECT AND DATE OF MEETINGS, AND OUR INTEREST  
IN THEM STOP PLEASE ADVISE

ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

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

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.

December 15, 1969

Mr. Charles D. Ellis  
Vice President  
Donaldson, Lufkin  
& Jenrette, Inc.  
140 Broadway  
New York, N.Y. 10005

Dear Charley:

I am sorry that Bob McNamara cannot  
address the Endowment Conference.

As per our conversation I am enclosing  
a copy of some very informal remarks I made  
at the last Institutional Traders Confer-  
ence. Have fun.

Best regards,

  
Eugene H. Rotberg  
Treasurer

Encl.



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

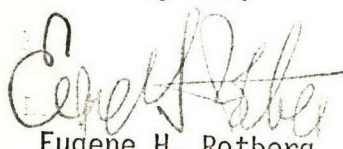
December 15, 1969

His Excellency  
Charles Lucet  
The Ambassador of France  
Washington, D.C.

My dear Mr. Ambassador:

Permit me to thank you for extending  
to me the luncheon invitation to honor  
Mr. Pierre Chatenet. It was a delightful  
pleasure meeting and talking to you and  
your colleagues. I look forward to seeing  
you again soon.

Best regards,

  
Eugene H. Rotberg  
Treasurer



*Chron.*

## OFFICE MEMORANDUM

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

DATE: December 15, 1969

FROM: Eugene H. Rotberg

SUBJECT: Portfolio Yields: November 30, 1969

I am enclosing the November 30, 1969 statement of the Bank's portfolio yields. Since that date the Bank has purchased \$8 million (November 1971), \$4 million (January 1972), and \$37 million (March 1973) of U.S. Government agency securities at yields of 8.86, 9.02 and 8.32 respectively. We liquidated lower yielding government agencies and U.S. Treasury Bills to make these purchases. The switch was profitable because of the yield curve on the shorter maturities that we sold and the high yield we obtained on our purchases. In addition, for value December 8, we purchased \$14.4 million of January 1973 U.K. Treasury obligations at 10% yield and liquidated the same amount of our lower yielding Treasury Bills. Here too, the yield curve assured a profitable switch.

You may also be interested in the attached frequency distribution which breaks down our U.S. dollar investments (excluding Treasury Bills). Note that of these U.S. dollar investments only 32.28% mature this year; these yield considerably below the present market and our average yield. As long as the yield curve remains relatively flat for different maturities for U.S. Government agencies, we will extend these maturities as long as possible. I am reasonably confident about our investment income for 1971. At a certain point -- it has not occurred yet -- it might be prudent to reduce our CD's and Time Deposits by reinvesting maturing funds into longer-term instruments. Right now they are still yielding almost 200 basis points over agencies.

Attachments: 2

Chow

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Eugene H. Rotberg

SUBJECT: Market Commentaries

DATE: December 15, 1969

I think the attached articles on the U.S. market and the Eurobond and German markets are informative. The picture painted is not a very happy one, particularly the analysis by Sidney Homer of Salomon Brothers & Hutzler. I am rapidly becoming a prophet without honors; fortunately, it is becoming for the Bank to profit without being onerous.

Attachments

cc: Mr. Aldewereld



Chrow.

## OFFICE MEMORANDUM

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

DATE: December 15, 1969

FROM: Eugene H. Rotberg

SUBJECT:

I asked P & B to prepare the attached data. I think it has some rather interesting information. Although our loan disbursements are falling behind our projections, we are now in a relatively better cash position, vis-a-vis our undisbursed loans, than we were a year ago. On the other hand, on the basis of current projections for June 1970, this ratio could fall to the June 1968 level. This alone would justify substantially increasing the level of the Bank's cash resources - if possible.

The interest rate computations on disbursements, repayments, funded debt and loan receivables are informative. We are now disbursing funds on which the Bank will receive interest at a rate of 6.15%. Stated another way, this is the incremental current debt servicing obligation assumed by our borrowers. Our borrowers are now repaying loans on which they were bearing an interest rate burden of 5.44%. Considering the substantial increase in interest rates throughout the world in the last 5 years, the gap between what might be called "debt substitution" (6.15 funds for 5.44 funds) seems minimal. The average cost of our funded debt is, of course, rising. It will average out to about 5.68% this year. On the other hand, all of our borrowers will owe us 6% on the mix of all their outstanding loans - our loans receivable. The cost of our funded debt is rising faster than the average return on our loan receivables -- a result of our negative spread. Substantial profit, of course, is still assured because of the earnings derived from the "free" capital. On the other hand, a fall off of our liquid reserves can quickly change that picture.

cc: Mr. Blaxall

Attachment

Gene Rotberg

IBRD: FINANCIAL DATA

|                             | Dec. 31<br>1966 | June 30<br>1967 | Dec. 31<br>1967 | June 30<br>1968 | Dec. 31<br>1968 | June 30<br>1969 | Dec. 31<br>1969 | June 30<br>1970 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Undisbursed Loans <u>a/</u> | 2520            | 2381            | 2305            | 2371            | 2545            | 3007            | 3090            | 3807            |
| Cash & Securities <u>b/</u> | 1283            | 1303            | 1209            | 1167            | 1536            | 1707            | 1905            | 1876            |
|                             | 51%             | 55%             | 52%             | 49%             | 60%             | 57%             | 62%             | 47%             |

Average Interest Rate on FY1970 Disbursements: 6.15%  
 Average Interest Rate on FY1970 Repayments: 5.44%  
 FY1970 Average Cost of Funded Debt: c/ 5.68%  
 FY1970 Average Return on Loans Receivable: c/ 6.0%

a/ Excludes non-effective loans.

b/ Includes Special Reserve Fund assets.

c/ Average cost and return figures are calculated as the expense or income in relation to the average balance of the asset or liability (e.g. interest on borrowings over average funded outstanding).



## OFFICE MEMORANDUM

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

DATE: December 12, 1969

FROM: Eugene H. Rotberg *EHR*SUBJECT: Public Bond Issue in GermanyCONFIDENTIAL**DECLASSIFIED**

Date: 10/19/2010 SMT

I received a call this morning from Dr. Guth of the Deutsche Bank. He stated that the German capital market was in very bad shape and that he proposed a postponement of our public issue. Guth said he discussed the matter with Dr. Hankel who is in full agreement. Hankel said that the next issue in Germany must be the Federal Railway which will be followed by the Kreditanstalt für Wiederaufbau (KfW) and if these are successfully placed the World Bank issue could follow. Guth said that, after talking to Hankel and considering the requirement that the two Federal issues be successfully placed, he could not expect us to market an issue earlier than the last 10 days of January. Guth said that there are considerable liquidity problems in Germany and that they are going through the same kind of credit tightness as the United States. He said that the situation has never been so bad in the post-war period. He is also afraid that the stock markets will be affected by the current lack of liquidity.

I told Guth I understood the situation, that it was not entirely unexpected, and that we would hope that the market would improve by the end of January.



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

December 12, 1969

Mr. Gordon L. Calvert  
Executive Director and  
General Counsel  
Investment Bankers Association  
of America  
425 Thirteenth Street, N.W.  
Washington, D.C. 20004

Dear Gordon:

Iris and I wish to thank you for  
the courtesy and hospitality you  
extended to us at the recent IBA  
Meetings. We both had a delightful  
time and look forward to seeing you  
soon.

Best regards,

  
Eugene H. Rotberg  
Treasurer





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

December 12, 1969

Mr. H. Lawrence Parker  
Morgan Stanley & Co.  
140 Broadway  
New York, N.Y. 10005

Dear Larry:

Iris and I wish to thank you for  
extending us an invitation to the IBA  
Meetings and the very elegant and  
delightful social functions. We both  
had a wonderful time. It was good  
seeing you and our other friends again.

Best regards,

  
Gene

OUTGOING WIRE

TO: INGOTISM  
LONDON, E.C.2

DATE: DECEMBER 4, 1969

CLASS OF  
SERVICE: TELEX

COUNTRY: (ENGLAND)

TEXT:  
Cable No.:

ATTENTION MR. GEORGE BLUNDEN

HAVE RECEIVED YOUR COMMUNICATION FROM MR. GUY HUNTRODS RE MARKET  
CONDITIONS IN U.K. GOVERNMENT STOCK STOP THANK YOU FOR INFORMATION  
STOP YOU ARE INSTRUCTED AS FOLLOWS:

DEBITING OUR "B" ACCOUNT PLEASE INVEST A TOTAL OF 6 MILLION POUNDS  
IN 6-3/4% EXCHEQUER STOCK 1973, DISCOUNTING TREASURY BILLS AS  
NECESSARY STOP PURCHASE MAY BE STARTED IMMEDIATELY AND SHOULD BE  
COMPLETED AS QUICKLY AS MARKET CONDITIONS PERMIT, BUT ACTUAL TIMING  
OF OPERATION IS LEFT TO DISCRETION OF YOURSELVES AND BROKERS IN  
LIGHT OF THOSE CONDITIONS STOP IF MARKET CONDITIONS DO NOT PERMIT  
AFORESAID EXECUTIONS PLEASE SO ADVISE STOP THANK YOU FOR YOUR  
COOPERATION *Test 420*

ROTBURG

INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

TREASURER'S

SIGNATURE \_\_\_\_\_  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

EHRotberg:bb

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

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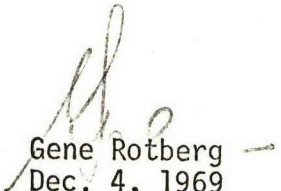
INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. Christoffersen

Leif:

Donaldson, Lufkin & Jenrette asked if Mr. McNamara would like to make a luncheon address to about 250 trustees and presidents of colleges, universities, etc. on the role of endowments and foundations. I told them I could not be optimistic but that I would be pleased to forward the invitation. It would be much appreciated if you could bring this matter to Mr. McNamara's attention.

  
Gene Rotberg  
Dec. 4, 1969

DONALDSON, LUFKIN & JENRETTE, INC.  
ASSET MANAGEMENT SERVICES

140 BROADWAY  
NEW YORK, N. Y.  
10005

CHARLES D. ELLIS  
VICE PRESIDENT

WHITEHALL 3-0300  
CABLE: PINESTOCK

December 1st, 1969.

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

Dear Gene,

Enclosed is the preliminary agenda for the upcoming  
Endowment Conference, and a copy of last year's proceedings.

The audience will be limited to 250 Trustees and Presidents  
of colleges, universities, hospitals, museums, churches, schools  
and foundations. The published proceedings have been sent, on  
request, to about 2,000 persons in similar positions.

We would like Mr. McNamara to make the luncheon  
address, taking as his theme the development of a general theory  
of endowment. As I mentioned on the telephone, he has an un-  
usually broad constituency and mission from which to draw perspective  
for those of us concerned with more specialized institutions. More-  
over, he has had unusual experience in the dynamic interaction of  
balance sheet assets (the way endowment capital is usually viewed  
by Trustees) and income and expense flows (the way endowment  
capital is used by institutional administrators).

A few details: the Conference will be held April first at  
the University Club in New York City; the talk should be approximately  
20 minutes in length; a transcription will be made; and an honorarium  
of \$1,000 will be tendered. Please call if you need any additional  
information.

As ever,

*Charley*  
Charles D. Ellis

CDE/psl  
Enclosures.



Endowment Conference

Preliminary Agenda

Morning

Endowments & Fund Raising

Robert Conway  
Chairman of the Board  
John Price Jones, Inc.

Defining Endowment Income

Leonard Spacek  
Senior Partner  
Arthur Andersen & Co.

Measuring Endowment Performance

Paul R. Judy  
President  
A.G. Becker & Co.

Institutional Costs and Endowment  
Returns

William G. Bowen  
Provost  
Princeton University

Fiscal Policy & Endowments

Wilbur Mills  
Chairman  
House Ways & Means Committee

Afternoon

Panel Discussion on Critical Endowment Issues:

Moderator: Charles Abbott, Dean, Graduate School of Business,  
University of Virginia.

Arthur Zeikel  
Chairman  
S & P/Intercapital

M. Colyer Crum  
Associate Professor  
Harvard Business School

Norton Simon  
Chairman  
Executive Committee  
Norton Simon, Inc.

Paul Miller  
Senior Partner  
Miller, Anderson & Sherrerd

Mr. Rotberg:

I received a call at 12:55 from Robert Froehlich who works with Bill Brachfeld at Salomon Brothers. He gave me the following information:

- (1) Re the \$12 million of Feb. 10, 1970 6.60% FNMA: SALE  
December 12 delivery - @ 99.22

|           |   |                     |
|-----------|---|---------------------|
| Principal | - | \$11,962,500        |
| Interest  | - | 268,400             |
| Total     |   | <u>\$12,230,900</u> |

- (2) Re the \$8 million of Nov. 10, 1971 6.85 FNMA: PURCHASE  
December 12 delivery - @ 96.23

|           |   |                        |
|-----------|---|------------------------|
| Principal | - | \$ 7,737,500.00        |
| Interest  | - | 48,711.11              |
|           |   | <u>\$ 7,786,211.11</u> |

- (3) Re the \$4 million of Jan. 19, 1972 5.20 FNMA PCs: PURCHASE  
December 12 delivery - @ 93-1/4

|           |   |                        |
|-----------|---|------------------------|
| Principal | - | \$ 3,730,000.00        |
| Interest  | - | 82,622.22              |
| Total     |   | <u>\$ 3,812,622.22</u> |

Kessie  
12/4/69  
1 p.m.

*frutshlick*  
*C*  
*Brode*

We have a second transaction as follows:

1. We have sold \$12 million of the February 10 1970 6.60% FNMA
2. We have purchased \$8 million of the November 10, 1971 6.85 FNMA and we have also purchased \$4 million of the January 19, 1972 5.20 FNMA PCs.

*12 22*  
*99 - 12*  
*11,962,500*  
*28*  
*268,400*  
*12,230,900*

We will get an 8.75 yield on our purchases.

Kessie will get a call - most likely from Salomon Bros who will tell her:

- (1) How much we have to pay them for the \$8 million and \$4 million (item 2)
- (2) How much they will have to pay us for the \$12 million (item 1)

Mr. Schielke should then prepare a teletype.

*93 1/4*  
*3,730,000*  
*82,622.22*  
*3,812,622.22*

*@ 96-23*

*7,737,500*

*5,48,711.11*

*7,786,211.11*



## OFFICE MEMORANDUM

TO: Mrs. Muriel Lee  
FROM: Edith M. Kesterton *emk*  
SUBJECT: Future Movements

DATE: December 2, 1969

Please amend my memorandum to you of December 1, on the above subject, to read as follows:

"This is to advise that Mr. Rotberg's tentative travel plans are as follows:

- (1) Mr. Rotberg will be in Ithaca, New York, on December 5 where he will conduct a class at Cornell University Law School on "Current Problems in the Securities Markets" and address the International Law Society".
- (2) He will attend the Investment Bankers Association meetings in Florida, December 7 to 10; and on December 11 will moderate a panel sponsored by the Practising Law Institute (New York) on the securities markets.
- (3) He will participate in a Seminar on Capital Markets of the Future in New York City on Saturday, January 17, 1970. This Seminar is being sponsored by Eastman Dillon, Union Securities & Co.
- (4) He will address the Harvard Business School Alumni of New York (luncheon) on January 22, 1970."

## OFFICE MEMORANDUM

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

DATE: December 2, 1969

FROM: Eugene H. Rotberg 

SUBJECT: UNDP Purchase of Portfolio

I had a telephone conversation today with Mr. John Olver, Director, Financial Management and Administrative Policy Division, UNDP. Mr. Olver reported that the UNDP investment committee had advised against the proposed purchase of \$10 million of our participations. Olver said that Eugene Black objected to the purchase on the grounds that it would simply be a low interest borrowing by the World Bank which would then be reinvested in short-term high-yielding securities at considerable profit to the Bank. Mr. Olver told me he wasn't sure whether Black realized that, although the nominal interest rate on the loans was quite low - some below 6% - we were prepared to discount the loans to yield 7% to the UNDP. I told Mr. Olver that I was disappointed with the recommendation of their investment committee and wanted to correct some apparent misconceptions.

First, the World Bank would not and could not convert, under its investment policies, the seven currencies which we receive from the UNDP. Therefore, the current high dollar yields were irrelevant to purchases in the DM, Guilders, Finnish markkaa, etc. I pointed out that in several of the countries, e.g. Germany, Finland, Norway, short term government obligations were below 7% and that if we invested these funds we would barely, if at all, cover our "cost".

Second, I pointed out that, in view of the fact that the \$10 million was divided into 7 currencies, in all likelihood we would simply disburse the funds within a matter of a week or so. I told him I would give a commitment to the fact that these funds (to the extent that it is feasible to designate specific funds) would be disbursed. I pointed out that if disbursed they would be disbursed on loans for the most part yielding 6-1/4 or 6-1/2% to the Bank.

Third, I noted that, even if Mr. Black's comments were partially accurate with respect to dollars (and even if we did invest them which we wouldn't), a substantial portion of the "profit" which might accrue to the Bank would go to IDA and thereby add to the resources of our soft loan affiliate.

Mr. Olver told me he agreed fully and Mr. Hoffman had been pressuring to increase, not only the operational relationship between the UNDP and the World Bank, but also the financial relationship. He said that he would recommend the purchase again to Mr. Hoffman and ask for reconsideration of the investment committee's initial decision. I told Mr. Olver that, while I could appreciate a difference of opinion on the employment of any investible funds, I felt that it was important to set forth the basic facts before any final decision was made.



## OFFICE MEMORANDUM

TO: Mr. Eugene H. Rotberg

DATE: December 1, 1969

FROM: Mrs. T. R. Seguin *T. R. Seguin*SUBJECT: U.N.D.P.

As you know, at the request of the U.N.D.P. I had prepared an offering list made of loans to developing countries, that we could sell to yield 7% in U.S. dollars, DMark, Guilders, Finnish Markkaa, Danish Kroner, Norwegian Kroner and Swedish Kronor.

I called Mr. Krishan Kapur, Financial Management and Administrative Policy Officer, at the U.N.D.P., and he told me that the proposed investment was reviewed by their Investment Committee\* and it was felt that the yield offered was not competitive with other rates of return.

Mr. Kapur is quite disappointed as he feels that 7% yield is not so inadequate, as they would obtain less than that if they would buy Treasury Bills of various countries or placed such currencies in time deposits.

These funds, which are contributed by various countries, are freely convertible to U.S. dollars. However, as a matter of policy, for reasons of balance of payment problems of those countries, etc. they do not convert the currencies, but they feel that they have a moral obligation to invest such funds for the greatest return.

I asked Mr. Kapur if it would help in any way to have Mr. McNamara talk to Mr. Hoffman. Mr. Kapur feels that it certainly would help. He called back to report that he mentioned that to Mr. John Olver, his Director, and it would be quite useful if you would call Mr. Olver (whom you know from the 2-year bond issue) and review the situation with him.

Mr. Kapur seems to think that the case is not closed. The decision of the Investment Committee is not binding, yet, they will not ignore it, and will go back to it if necessary or advisable.

Will you let me have your comments?

\*Investment Committee: Messrs. B.K. Nehru, Eugene R. Black,  
Geo. A. Murphy, Ch. Board of Irving Trust Co.,  
McAllistair Lloyd, Roger D. Comdolle.

cc: Mr. Deely/Sec.Div.Files

TRSeguin/aa





# Record Removal Notice

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| <b>File Title</b><br>Eugene H. Rotberg - Chronological Records - Volume 02 - June - December 1969 |                                | <b>Barcode No.</b><br><br>1858105                                                                                                                                                                                                                                                                                 |                                              |                              |
| <b>Document Date</b><br>01 December, 1969                                                         | <b>Document Type</b><br>Letter |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Correspondents / Participants</b><br>To: MARLAU<br>From: Eugene Rotberg                        |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Subject / Title</b><br>Account Payment                                                         |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Exception(s)</b><br>Personal Information<br>Financial Information iv                           |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Additional Comments</b>                                                                        |                                | <p>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.</p> <table border="1"><tr><td><b>Withdrawn by</b><br/>Tarsica Morgan-Taylor</td><td><b>Date</b><br/>July 17, 2024</td></tr></table> | <b>Withdrawn by</b><br>Tarsica Morgan-Taylor | <b>Date</b><br>July 17, 2024 |
| <b>Withdrawn by</b><br>Tarsica Morgan-Taylor                                                      | <b>Date</b><br>July 17, 2024   |                                                                                                                                                                                                                                                                                                                   |                                              |                              |



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| <b>File Title</b><br>Eugene H. Rotberg - Chronological Records - Volume 02 - June - December 1969 |                                | <b>Barcode No.</b><br><br>1858105                                                                                                                                                                                                                                                                                 |                                              |                              |
| <b>Document Date</b><br>01 December, 1969                                                         | <b>Document Type</b><br>Letter |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Correspondents / Participants</b><br>To: SEREIRA<br>From: Eugene Rotberg                       |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Subject / Title</b><br>Account Payment, etc.                                                   |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Exception(s)</b><br>Personal Information<br>Financial Information iv                           |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
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| <b>Withdrawn by</b><br>Tarsica Morgan-Taylor                                                      | <b>Date</b><br>July 17, 2024   |                                                                                                                                                                                                                                                                                                                   |                                              |                              |



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

CONFIDENTIAL

December 1, 1969

**DECLASSIFIED**

Date: 10/19/2010 SMT

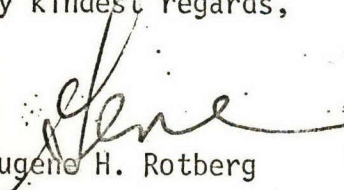
Mr. Arthur Karasz  
Director, European Office  
IBRD  
4, Avenue d'Iena  
Paris (16e), France

Dear Arthur:

I have given my comments concerning Robert de Lesseps to the Personnel Office. I have also reviewed your letter re Jean-Philippe Delcroix. My initial reaction is not optimistic. We have already taken on de Fontenay (French), Flachmann (German) and a young Dutch boy. We would have to, therefore, transfer a position from another Division in the Treasurer's Department for Delcroix. While I would not be reluctant to do this under special circumstances, I do not feel that Delcroix's background and experience would justify taking that step as he does seem quite young and apparently without much background in capital markets research.

Thank you again for your kindness and courtesy in sending the application to me.

My kindest regards,

  
Eugene H. Rotberg





# Record Removal Notice

|                                                                                                   |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
|---------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------|
| <b>File Title</b><br>Eugene H. Rotberg - Chronological Records - Volume 02 - June - December 1969 |                                | <b>Barcode No.</b><br><br>1858105                                                                                                                                                                                                                                                                                 |                                              |                              |
| <b>Document Date</b><br>26 November, 1969                                                         | <b>Document Type</b><br>Letter |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Correspondents / Participants</b><br>To: MARLAU<br>From: Eugene Rotberg                        |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Subject / Title</b><br>Account Payable                                                         |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Exception(s)</b><br>Personal Information<br>Financial Information iv                           |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
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| <b>Withdrawn by</b><br>Tarsica Morgan-Taylor                                                      | <b>Date</b><br>July 17, 2024   |                                                                                                                                                                                                                                                                                                                   |                                              |                              |



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

November 24, 1969

The Manager  
Mohonk Mountain House  
Lake Mohonk  
New Paltz, New York 12561

Gentlemen:

I regret to inform you that the reservation - January 1 to 4 - for the Rotberg family cannot be kept. As your record will show we had intended to go with the Lazaruses but circumstances will not make this possible. The Lazaruses, of course, will keep their reservations.

Sincerely,

  
Eugene H. Rotberg



LAKE MOHONK NEW PALTZ • NEW YORK 12561 • TELEPHONE [914] 255-1000

14 November 1969

Dr. & Mrs. Harold Lazarus  
225 Wellington Rd.  
Garden City, N.Y. - 11530

Re: Reservation  
Jan. 1 to 4

Dear Doctor and Mrs. Lazarus:

It was nice to hear from you and to learn that you are planning a visit to Mohonk.

For the period shown above we have set aside two suites, each with two twin-bedded rooms and a connecting bath, for you and the Rotberg family at the rate of \$22.00 daily per person. Sorry, but our holiday rates are in effect through January 4.

We trust this is agreeable with you and we will appreciate your deposit of \$120.00 as confirmation of your reservation.

Your visit is anticipated with much pleasure... please advise regarding your arrival plan when this is known.

Cordially,  
MOHONK MOUNTAIN HOUSE

*Virginia F. Donohue*  
Virginia F. Donohue  
Reservations Manager

VFD/bzm



## OFFICE MEMORANDUM

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

DATE: November 24, 1969

FROM: Eugene H. Rotberg *ER*

SUBJECT: Capital Markets: Revaluation and Eurodollars

This memorandum will summarize some conclusions that I have drawn from our recent trip to Germany and Switzerland. There appear to be two major factors which have an impact on Bank borrowing in Europe in the foreseeable future.

1. The DM revaluation.
2. The high interest rates in the Eurodollar market.

German Revaluation

The German revaluation is designed to have two primary effects: first, to raise the cost of German exports to foreign purchasers and second, to discourage speculative money from flowing into the country. Along with recent wage increases and the somewhat more aggressive role of labor unions, a balance of payment surplus while possible is likely to be of minimal proportions. This in turn would simply mean that the encouragement of capital export would no longer be necessary or even appropriate. It has become increasingly obvious that our ability to borrow in Germany was part of an overall plan to encourage the export of capital as a means of balancing the overall flow of funds out of and into the country. The tentative decision to permit capital export through bond offerings of only DM 4 billion through the end of calendar year 1970 (excluding World Bank issues) supports the conclusion that the revaluation and recent wage level increases of capital are expected to have the desired effect.

Assuming that we can borrow through calendar year 1970 DM 850 million - the minimum figure talked about by the Ministry of Economics - we should consider ourselves fortunate. It has been my opinion for some time that the German commercial banks are under, and will continue to be under, a severe liquidity squeeze. This is because they are the underwriters of capital export and, as non German nationals seek to sell their DM bonds and cash in on revaluation, either the bank or its customers will have to support the market by buying the foreign-held DM issues. This will create pressure on bank liquidity as funds will be allocated to that function. Further, the pressure of such sales (you will recall that we have heard estimates that up to 40% of our public issues were purchased by Swiss accounts alone), will have the effect of lowering prices and increasing rates. Both of these factors will make public issues more costly and difficult. The Bundesbank has already lost \$4 billion of



Mr. Robert S. McNamara  
Mr. S. Aldewereld

- 2 -

Nov. 24, 1969

reserves (they now hold \$7 billion) and this will in turn make their position somewhat less liquid. <sup>1/</sup> Secondly, the commercial banks in Germany might find that industry will have to draw more fully on lines of credit to finance their operations as retained earnings fall with decreased export - thereby making credit financing more necessary.

On the other hand, the savings banks, and the agricultural and industry cooperatives who do not finance heavy industry or hold foreign accounts, should continue to attract more savings - although the agricultural sector may be under some pressure. The government, however, will probably take steps to subsidize a portion of the agricultural sector to lessen the impact of the revaluation. I assume therefore that over the next year or two, most World Bank borrowing will be through savings or cooperative banks - and particularly the Genossenschaftskasse. In this connection, we must do everything we can so that our obligations can be held by the first line savings banks, i.e. those who attract direct public deposits since by doing so we remove the pressure on the top of the pyramid - the clearing bank.

Revaluation and the resultant "unwinding" also has had some effect on other European countries in terms of Bank borrowing. It should not be overstated however. For example, while a great deal of money - something like \$800 million equivalent has flowed back into Holland in guilders, the level of their reserves, I understand, is now only at the point they were in July 1969 before the speculative outflow. Further, the Dutch government, as the money flowed back in, immediately had a bond offering, in order to tap some of the excess liquidity. At the present time money is still tight in Holland, despite the flow back. Interest rates are now  $8 \frac{1}{2}$  -  $8 \frac{3}{4}$  for one year money in Holland. Further, local currency now held by residents of countries other than Germany (the proceeds of prior Deutsche Mark holdings) cannot be considered as sources for World Bank long term bank borrowing since the most part of these funds are controlled by investors who, by definition, are somewhat more speculative-minded and sophisticated in the management of their funds.

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<sup>1/</sup> The Bundesbank has been cautious re the roll over of our 4-5 year obligations. They indicated that they would hope to roll over the debt as it matures but could not give assurance at this time of a roll over.



Mr. Robert S. McNamara  
Mr. S. Aldewereld

- 3 -

Nov. 24, 1969

There is little evidence that funds have flowed into Italy as a result of the revaluation. Italy will probably export (capital) a total of \$4.5 billion equivalent this year; a good deal of it finds its way into short-term obligations in Eurodollar market about which more will be said later.

Switzerland, on the other hand, has received some funds from the revaluation. As Swiss investors or Swiss-advised accounts sold DM holdings, some funds found their way back into Swiss francs. This kind of activity, as noted above, has contributed pressure on the German banks. However, this unwinding of DM holdings has not really helped the Swiss banks by supplying them with available funds. Indeed recently, the Swiss banks have had to raise their interest offered on their own obligations to raise additional funds. On November 21, I received a cable from the Union Bank of Switzerland offering us a one month deposit at  $4\frac{1}{4}$ , 2 months at  $8\frac{1}{4}$ , 3 months at  $7\frac{3}{4}$ , 6 months at  $7\frac{7}{8}$ . This confirms our discussions in Switzerland and shows that Switzerland has available only very short term funds and is willing to make substantial interest rate concessions for longer term. The reason is obvious - the Eurodollar rate has pulled far more funds out of Switzerland than the revaluation has put in - and the Swiss are quite worried about the stability of the Banking system throughout Europe because of it.

#### The Eurodollar

Mr. Tungeler of the Deutsche Bundesbank estimates that fully 50 percent of the loss of German reserves since revaluation have found their way into the Eurodollar market. Dr. Schaefer notes that the dollars which went into European branches of U.S. banks after revaluation were bought back "ruthlessly" by U.S. commercial banks who are subject, as we know, to a severe liquidity squeeze. It is indeed a fact that the poor Italian farmer, the not so poor Swiss farmer and the French bourgeois are now supplying dollars to U.S. commercial banks to finance major industrial expansion in this country - a sort of development aid in reverse. The impact on the World Bank borrowing is quite direct. As long as U.S. commercial banks are willing to pay 11 percent for 3 or 6 month money to their European affiliates, there will be a distorted pull of savings from local currencies - guilders, francs, lire, deutsche mark, etc. into dollars. It is naive to assume that European nationals will be talked out of supplying these dollars on the grounds that they are taking a currency risk. Even if there were a 10 percent devaluation of the dollar the current yield is at least 20 percent higher (100% higher in Switzerland) over comparable domestic currency rates. So long as the Eurodollar



Mr. Robert S. McNamara  
Mr. S. Aldewereld

- 4 -

Nov. 24, 1969

remains high as an outgrowth of U.S. credit policy, local currency rates must remain high in sympathy. And, more important for the World Bank, if short term rates are high, there is a leakage effect for medium and long term rates in both dollars and local currency. One cannot expect an 11% rate in dollars for 6 months not to have an effect on local currency prime rate as funds are withdrawn for this competing investment medium and, as there is a given amount of savings for investment, on the capital market. The World Bank's own investment policies attest to the fact that it is quite difficult to turn down 10% plus yields for 1 year in favor of 8% for 4-5 years.

As a result of the foregoing factors we cannot borrow in Switzerland through June 1970 though apparently this is not a foreclosed issue. If we do borrow it will be in minimum amounts. All Swiss banks told us they are feeling the pressure of the Eurodollar. In this connection, you will recall that a Swiss citizen has a mortgage rate which is reset every 3 months, based upon the availability of funds in the commercial banks. That rate has gone from 3% to 5 1/2% in recent years. What better hedge for three months than to sell Swiss francs and take a 3-month Eurodollar deposit in order to cover (and increase your income) any increase in mortgage rates.

The high short-term Eurodollar rate of course, by pulling savings also creates a difficult situation for businesses who seek to borrow or roll over existing debt thereby making fewer funds available for capital export. We have been told that the medium term loan in Switzerland (3-5 years) is something like 8% in Swiss francs and in minimum amounts (\$5 million) as investors who desire investments for longer term than readily available in Eurodollars can find them in say, guilders at 8 1/2% - with a potential for revaluation. This in turn puts pressure on the Swiss franc to reach the same level. Normally, one would expect that as more funds went into the Eurodollar market that rates would go down in that market. That has not happened because, although the Eurodollars are substantial as a percentage of disposable savings in Europe and therefore are important to commercial banks in Europe if they represented funds derived from converted domestic currency, they are quickly absorbed by U.S. banks during times of severe credit stress. The amount of Eurodollar borrowing by U.S. commercial banks this year (\$15 billion) merely offsets their loss of time deposits caused by the limitations of Regulation Q. The recent rulings of the Federal Reserve Board in limiting the issuance of commercial paper by U.S. banks will over time, drawdown another 2-3 billion from their usable resources which will be replenished, apparently from the Eurodollar market. One of the Swiss bankers (Handleman, I believe) speculated that the U.S. banks would draw down another 5 billion to fill the demand for funds. This incremental amount creates very substantial pressure on the European



Banking system and simultaneously, the capital markets. Nor does the infusion of these funds in U.S. commercial banks make it possible for us to borrow more easily in the U.S. This is because these funds (which were available for capital investment when denominated in local currency in Europe), are allocated to quite a different purpose in the U.S., i.e. short term business loans and not for the capital market. The one exception is the Municipal bond market. U.S. commercial banks are the largest purchasers of Municipal bonds because of a 12-13 percent yield. As a result, the infusion of funds derived from Eurodollars simply permits U.S. banks to extend business lines of credit without liquidating Municipal bond holdings at substantial realized losses.

#### The Euro Bond Market

One might ask why the Bank cannot make a Eurodollar bond offering with all these funds flowing into the Eurodollar market. The problem is that just as the high short term rate pulls funds from local currencies it also has a rippling effect in the dollar-denominated longer term bond. These bonds are purchased mainly by Swiss, German and Italian citizens. One cannot expect an 11% yield on a 6-month note not to affect the yield for 10 - 15 year maturities. This is particularly true if long term local currency bonds are producing relatively high yields. Although there are some differences of opinion, it looks like a long term Eurodollar bond would cost 8 1/2% for the World Bank. Of equal importance, however, is the fact that even if we were to successfully place at say, 8 1/2% in dollars, I'm afraid that we might be duplicating Swiss or DM issues - although I am not sure. I understand that Swiss or Swiss-controlled accounts take 25% to 65% of Eurodollar offerings. However, we have no Swiss Franc market anyway. On the other hand, the Swiss controlled accounts do purchase our DM issues - and I suspect that is where most of the overlapping is likely to occur. Clearly the German investor who has purchased our DM issues would be concerned if he was solicited to buy a dollar issue by the Deutsche Bank at 8 1/2%; it could make public DM offerings more difficult in Germany. On the other hand, to the extent that we tap Italian funds, or perhaps Belgian funds (they do not seem to overlap the funds controlled by the Belgium savings banks), we might be drawing on new sources. I suspect, however, it will be a most expensive source. On balance, I am concerned that if we do a Eurobond offering, local investors throughout Europe could wait for the next one and the one after that - because of the extremely high yield we would have to offer in dollars and because they believe the dollar is a weak currency thereby assuming high yields in the foreseeable future. (This is just another reason why the Bank must have access to government controlled funds or the funds

Mr. Robert S. McNamara  
Mr. S. Aldewereld

- 6 -

Nov. 24, 1969

flowing into savings institutions rather than public offerings). One further point on the Euro bond issue. It is clear that the participation of the United Kingdom in Euro bonds is minimal. I doubt if it is as much as 3%. Most of the bankers have told us that the ranking of Euro bond participation is Switzerland, Germany, Italy, Belgium, Holland, France - in that order - with possible transposition of Holland and Belgium. Suffice to note that if the Bank were to do a Euro bond offering the management of the offering should be in the hands of the bank which places most of the bonds with its customers.



INTERNATIONAL BANK FOR  
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ASSOCIATION

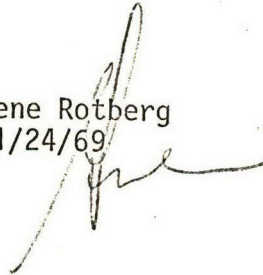
INTERNATIONAL FINANCE  
CORPORATION

Mr. Eigen

Peter:

Could you review this and let me know whether you have any problem. In view of your prior comments, we asked for a specific example of a Schuldschein. We arranged in Germany that we would make the necessary legal changes in the document as well as set up the procedures for payment of funds, etc. before we did any transaction.

Gene Rotberg  
11/24/69



INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

## OUTGOING WIRE

TO: PIERSON, HELDRING AND PIERSON  
THE HAGUE  
TELEX 31168

DATE: NOVEMBER 24, 1969

CLASS OF  
SERVICE: TELEX

COUNTRY: THE NETHERLANDS

TEXT:  
Cable No.: ATTENTION: MR. R. FUCHS

REFER YOUR TODAY'S TELEX TO MR. ASSER OFFERING 3-1/2% BONDS INTERNATIONAL  
BANK 1955 STOP WE ARE NOT BUYING THESE BONDS FOR OUR ACCOUNT HOWEVER  
ALGEMENE BANK IS BUYING THESE BONDS FOR OUR SINKING FUND REQUIREMENTS  
AND IF YOU ARE INTERESTED YOU MAY REFER YOUR BID TO THEM INSTEAD.

ROTBERG

TREASURER

### NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Eugene H. Rotberg

DEPT. Treasurer's

SIGNATURE  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

WMvanSaagsvelt/mt

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Rotberg ✓  
Asser  
Deely/SecDivFiles

For Use By Communications Section

Checked for Dispatch: \_\_\_\_\_



*Chen*

D R A F T  
EHRotberg:emk  
November 24, 1969

The Rt. Hon.  
The Earl of Cromer, M.B.E.  
Director and Managing Director  
Baring Brothers & Co., Limited  
8, Bishopsgate  
London, E.C.2, England

*Secret*

Dear Lord Cromer:

Thank you for your letter of November 6 concerning the possibility of an IBRD dollar bond issue in the Euro capital market. Your interest and advice are appreciated.

In view of the complex relationship between the Euro capital market and domestic capital markets in Europe, we have not yet made a decision in favor of going forward with a Euro bond issue. In particular, we are concerned as to the impact of such an offering on our ability to offer local currency obligations to the public. This question is compounded by the fact that the rates in the Euro capital market are doubtless affected by the quite high, short-term Euro dollar rates and United States credit policy. Thus, even if we would decide to go forward with a Euro bond offering, it would appear that it might be more prudent to do so at a time when there was less pressure on commercial banks throughout the world for liquid resources.

Further, you may be assured that after consideration of these and related matters, we will carefully consider the management of a syndicate should we decide to go forward, with a view to assuring an efficient and successful placement of the offering.

Permit me to thank you again for the courtesy and assistance you have offered to the Bank in this matter.

Sincerely,

Robert S. McNamara

11/19/69

Your messages are:

11/12/69:

I called Manuel Cohen's Secretary re the mixup in your luncheon date. She checked with Mr. Cohen and he apologized most profusely. He had it down for the 24th at 1 o'clock. I said this would be O.K. with you.

Mr. Morton Weiss called - no message.

11/13/69:

You have a date on Thursday the 20th for lunch with your wife and two others. I reserved a table for 4 in the Executive Dining Room.

11/14/69:

Mr. Ross Le Mesurier, Vice President & Director, Wood Gundy Securities Ltd., Toronto, called and would like you to call him back.

Eunice Deister wants to talk to you about an applicant for the portfolio and investment officer position. She has an applicant about 60 (so she is pretty sure you would not be interested). However, before telling the man we have nothing, she thinks you might like to look at his file. Also she may have some other points to discuss with you.

Mike Eisenberg called today and also 11/19.

11/17/69:

Eileen Shanahan called you. She asked for your wife's office number which I gave her.

Mr. Gaud called.

William Simon of Salomon would like a call.

P.T.O.



11/18/69:

Heidi Fiske called and would like you to call her.

Carl Cooke (Frist Boston) called and said he would call you on Thursday when you return.

11/19/69:

Ed Donovan came up today re the floor plans for the Deputy Treasurer's office etc. He wants to start down at the far end and has a couple of questions to ask you. Since we have waited this long I thought one more day would not make any difference. He wants to come up and see you for about 5 minutes tomorrow morning.

Mr. Chanmugam, IFC, called and will call again tomorrow. He is Deputy Director of the Investment Department for Europe.

Mr. William Clark wants a call. He won't be here Thursday. We might try him on Friday if you come in at all or else it can wait until Monday.

Reminder I have to put in a Travel Request for Friday.

Reminder that we have to finish the Performance Reports for the professionals. I am holding some and Arita is holding the rest which you will have to complete.

Reminder that you have to talk to Chin about the Japanese fellow.

*Kassie*  
11/19/69



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WASHINGTON, D.C. 20433, U.S.A.

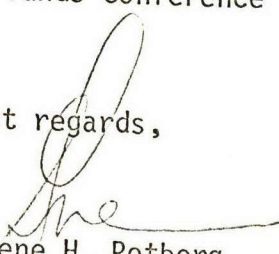
November 10, 1969

Professor Walter Werner  
Columbia University  
School of Law  
435 West 116th Street  
New York, N.Y. 10027

Dear Walter:

Attached is a draft outline (I hope  
it is intelligible) of remarks which I  
might make at the mutual funds conference  
in December.

Best regards,



Eugene H. Rotberg  
Treasurer

cc: Miss Mary J. Mule  
Practising Law Institute





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

November 10, 1969

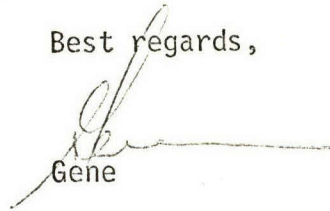
Mr. J. V. Holdam  
President  
Scantlin Electronics, Inc.  
5454 Beethoven Street  
Los Angeles, California 90066

Dear Vance:

Thank you for your letter. As usual,  
you are quite perceptive.

I am enclosing a copy of the Pearson  
Report. While I cannot lay claim to the  
title "Resident Philosopher", I would be  
most pleased to be your pen pal.

Best regards,

  
Gene

Encl.

SCANTLIN ELECTRONICS, INC.  
5454 BEETHOVEN STREET • LOS ANGELES, CALIFORNIA 90066

J. V. HOLDAM  
PRESIDENT

November 7, 1969

Dear Gene,

Is it possible to get a complete copy of the report of the Commission on International Development, headed by Lester Pearson, that was prepared for the World Bank? I read the summary in the October 2nd New York Times while flying home from New York. (It's the only time I get to read The Times thoroughly.) I tore the page out and marked up several areas where I intended to join issue. It occurs to me, however, that until one reads the whole report it is not reasonable to argue with part. Hence my request. I have enclosed my marked up copy for your amusement. As you can see from my scribbles, I don't agree with the approach.

I understand that the Bank doesn't necessarily concur with the suggestions outlined in the report, but it does seem to me that the Bank should consider commissioning a private-enterprise oriented economist to prepare a report.

Anyway, in my spare time I would like to read the complete report and comment on it. Since you're the only person I know in the World Bank, I'll probably direct my comments to you. However, if you have a Resident Philosopher, I'll address my remarks to him.

Cordially,



Mr. Eugene H. Rotberg, Treasurer  
The World Bank - International Bank for  
Reconstruction and Development  
1818 H. N.W.  
Washington, D. C.

*Chron*

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Eugene H. Rotberg *ER*

SUBJECT: Capital Markets/Investments

DATE: November 10, 1969

There are a few matters of interest which I would like to bring to your attention. As you know, Siem and I are leaving for Switzerland and Germany; I return on November 20 - Siem on the 21st.

1. I spoke to Mr. Palamenghi-Crispi, the Executive Director of the Fund for Italy. (I had met him before I came to the Bank and took the opportunity this week to renew my acquaintance.) He is knowledgeable and articulate.

Crispi said that recent projections show that Italy will have a favorable trade balance for 1969 of about \$2.6 billion. He said, however, that this trade balance is beginning to deteriorate. A more serious problem is their estimate of over \$4 billion in capital export for 1969 -- much of it through the commercial banking system into Euro-dollar investments. While the Government is taking steps to reduce this flow and is encouraging Italian borrowers to borrow outside of Italy, they probably will show a substantial overall deficit despite their current favorable trade position. Nonetheless, he felt that if the World Bank were to make an offering, say to the Bank of Italy, on a private basis, in lire with the understanding that the funds would remain in Italy for a reasonable time (so as not to aggravate their capital export problems) it could be an acceptable transaction. He emphasized, however, that the conditions were far better six months ago than they are today because of the flight of export capital in recent months. We also have some fence mending in Italy, arising out of the Bank's public reaction to the Colombo proposal. I will discuss this with you on my return from Europe.

Crispi emphasized that his Central Bank, as well as others, primarily are interested in maintaining liquid dollar holdings. They are not really preoccupied with the interest rate the World Bank offers. However, as he put it, no self-respecting Central Bank can purchase substantial amounts of World Bank bonds, unless there is a reasonable assurance of liquidity. Crispi emphasized that Central Banks do not require liquidity in order to capitalize on higher interest rates in competing markets. Indeed, Bank bonds would be the last instrument to be sold before gold. However, it just was not good policy to have an asset on your books which had



such a poor market in the event trade account or speculation required a sale of dollars by the Central Bank. I discussed very generally the possibility of the Bank at a future time either agreeing to buy back longer-term bonds or relending the funds to Central Banks in some proportion to their fall-off of their reserves if the Central Bank so requested.<sup>1/</sup> His reaction was favorable.

Crispi pointed out that each country should be left to devise its own techniques for increasing its contributions to development. He noted that some might find it easier to make IDA contributions; others would prefer tied credits for exports; others would buy long-term bonds; others would permit the Bank to tap their public and private capital markets. Crispi pointed out, referring back to the Colombo proposal, that the creation of SDRs would create the environment which would permit this kind of flexibility for each country.

2. The Euro-bond Market. The Euro-bond market has substantially improved. We now can make an offering in that market at a lower cost than in the United States. This is because much of the funds leaving Germany have gone back into dollars and a substantial portion still remains in Europe. As a result I think we can borrow at less than 8% through a Euro-dollar international offering. The predicted tight money in Germany has occurred. Short term rates in Germany in the first week of November were as high as 10%. This has occurred in part because non-German investors now are liquidating DM denominated Bonds. The Commercial Banks, as underwriters, provide the market and they use their available resources to support it. As a result they have less funds available for business loans; hence a liquidity squeeze. I do

<sup>1/</sup> I also have discussed this possibility with the Assistant General Counsel of Treasury for International Monetary Affairs, a personal friend, on an informal basis. The idea was to establish a revolving line of credit which would be made available from Central Banks of developed countries (including the U.S.) which would permit the Bank to draw on those dollar resources of Central Banks who are accumulating reserves, thereby enabling the Bank to meet its commitment to other Central Banks who wish to exercise their "put" to the Bank. This "recycling" would not involve the creation of a new reserve asset, but rather would only require that Central Banks agree to hold a part of their dollar reserves in Bank Bonds rather than U.S. Treasury Bills or Commercial Bank Certificates of Deposit. This kind of program is workable and I would like to talk to you further on this on return.



November 10, 1969

not yet know what has happened to the long-term bond market. The Bundesbank has taken certain steps to make funds available but has not yet changed the discount rate. Conversely, the funds flowing into Holland have produced a very happy situation there. Yields for Government bonds are below 8% and the Government has removed restrictions on foreign borrowers. Sterling continues to improve. The balance of payments position of England has improved but I do not think that they are at a point yet where we can borrow publicly there.

I am afraid we may be in a somewhat unstable situation in Europe for awhile, because the interest rates in Germany are still high while the funds are leaving that country but they have not yet found their way into the hands of buyers in other European countries who may wish to purchase long-term bonds. In this intermediate period Central Banks are in the strongest position to lend the Bank funds. I am sure that Siem and I will get a better feel of this on our trip.

3. The U.S. Capital Market. The U.S. capital market continues to deteriorate. I notice today, November 7, that a U.S. guaranteed issue at 6% (non-taxable), Federal Housing bonds, was a failure. These bonds are marketed at auction and there just weren't enough bidders to take the bonds. I point this out to emphasize that, even with a 12-13% taxable equivalent yield to institutional purchasers, the U.S. guarantee alone does not assure a successful offering. If there are competing credit instruments or if money is being utilized elsewhere in a manner which does not permit it being recycled quickly into the bond market, the existence of a guarantee is an irrelevancy.

4. Time Deposits. On a more optimistic note - time deposits. We have \$323 million of time deposits maturing in fiscal year 1970. The average weighted yield is 8.02. The balance of \$377 million of time deposits matures in fiscal year 1971. The average weighted yield of these funds is 9.88. Further, the Federal Reserve Bank of New York has on our behalf again approached a U.S. Government "agency" to obtain for the Bank substantial participations in their 3 to 5 year bond offerings. (You may recall that we failed to pick up more than about \$1 or 2 million of some recent ones; I instituted some negotiations with the Fed. and Treasury to see if we could either piggyback on some new offerings or obtain a substantial allotment.) They have succeeded in obtaining for us an 8% FNMA for 36 months and another \$50 million of the new offering of 5 year Federal Home Loan Bank. The yield on the latter should be 8% for 5 years. We will liquidate some Treasuries and agencies maturing



between now and June 30 to make payment. After these transactions are concluded we should have about \$125 - 150 million of agencies maturing between now and the end of the fiscal year.

5. Bank Profits. Our projected profits for fiscal 1970 are understated. First, we project a total cash position excluding delayed deliveries of \$1.733 billion. Our cash position should be considerably higher for two reasons. First, our disbursements are running slower than anticipated. During the first 4 months of the year we disbursed \$219 million. If we disburse \$75 million a month through the end of the fiscal year (we disbursed \$68 million in October) we will have disbursed \$819 million or \$280 million less than our projections. Second, we project \$90 million for loan sales. I expect we will meet that target not counting the Japanese repayment. That will put another \$120 million into our cash position, or a total of \$400 million over our projected cash position. Thus, even if we do not borrow \$400 million net but only borrow, say, \$300 million net (we already have \$112 million net this year), we could end up with a cash position of something like \$2 billion. This could result in an overall average cash position for the year of, say, \$1.85 billion invested at an average return of perhaps 7.9 or even 8% depending on what happens to the maturing CDs for the remainder of the year. We further add on the saving of interest costs by not borrowing \$400 million. I visualize a profit of something approaching \$240 million.

It might be noted that this is a somewhat misleading picture since, basically, the disbursements will "catch up" over a five-year period to our projections, which will reduce our average cash position over the five years to a figure which should meet our overall projection. Secondly, at some point, perhaps not this fiscal year, our incremental investments will be made at a lesser rate than our average investments. (That is one reason why we are trying to extend the length of our maturities. We cannot avoid the fact, however, that \$700 million of time deposits have relatively short maturities and are invested in a relatively volatile rate market. There are, however, some alternative U.S. guaranteed investments now yielding 8-5/8% - they are not easily marketable - which might be substituted for time deposits if that market begins to deteriorate rapidly.) The point is that, although our profits will be quite high this year, I would be reluctant to use them as support for our relatively low lending rate because, basically, they are generated by short-term investments while our interest costs - our primary expense - are long-term. In this connection, it might be appropriate to omit short-term borrowings (where we can match up the investment of those funds) from our calculations in setting Bank lending rates. I suspect that we will still



November 10, 1969

have a substantial negative rate and would avoid the argument that it is unfair to include such borrowings where we can cover our costs with short-term investments and at a profit. I will bring these matters to John Adler's attention when Siem and I get back.

6. Capital Market Studies. We have a revised and standardized format of our Country Capital Market studies. This draft is more simplified and permits comparability studies between countries. Our new professionals have discussed these revised formats with John Adler who is most helpful. We are trying to work up some projections for the next 5 years. I suspect that, while we will do this as carefully as we can, I would not want to rely on the results since there are unpredictable variables which affect even the basic categories of information. <sup>1/</sup> Nonetheless, we will see what we come up with.

7. I am enclosing a recent copy of "International Reports" (see page 705). It is this kind of publicity which is very troublesome, not only because it leaked out, but because of the predictable reaction to our seeking an increase in capital. I also received a call from the American Banker newspaper which asked for confirmation that the Bank was about to ask member countries for an increase in paid-in capital because it was finding it difficult to borrow and could not maintain its lending program solely through its borrowing program. I told them the Bank would end up with more funds at the end of the fiscal year than it had at the beginning and that the question of an increase in capital, as well as other methods to increase its overall resources, was always under continual review by the Bank staff.

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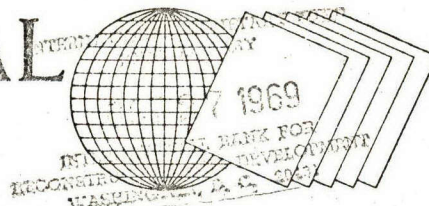
<sup>1/</sup> For example, the Federal Reserve Board tightening of money in the U.S. has artificially boosted the Euro-dollar rate as U.S. commercial banks seek to borrow from that source. The moment that happened, savings leave domestic economies and flow into the Euro-dollar market, thereby permitting U.S. businesses to expand operations. Indeed, the funds sometimes never appear in the countries' own analyses of their savings. Thus, when Italian Banks are receiving agents for Italian contractors on disbursements from the World Bank, we are directed to deposit lire in Swiss branches of Italian Banks. These are, we assume, quickly converted into the profitable Euro-dollar market. These kinds of factors and government reaction to them are quite unpredictable, thereby making long-term projections - even of gross savings - quite unreliable.



GUENTER REIMANN, EDITOR

# INTERNATIONAL REPORTS

Established 1947



Publisher:  
INTERNATIONAL REPORTS, INC.  
200 Park Avenue South  
New York, N.Y. 10003  
Telephone: 212/477-0003  
Cable: INTEREPFIN  
TELEX: 223139  
European Headquarters:  
ZURICH, SWITZERLAND

FINANCIAL MARKETS & INVESTMENTS ABROAD / FOREIGN TRADE FINANCING / MONETARY TRENDS / FOREIGN EXCHANGE

VOL. XXI, NO. 43

October 24, 1969

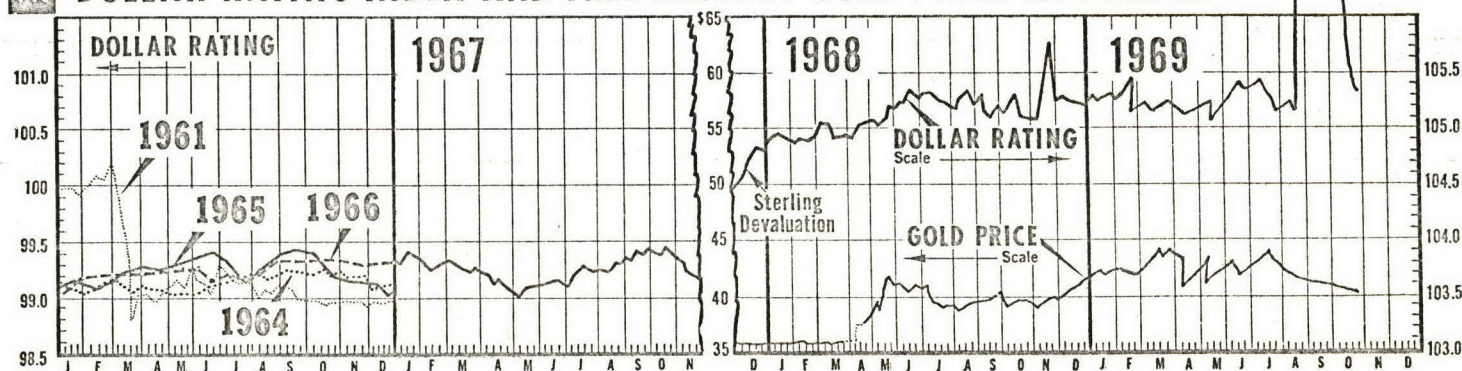
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|-----------------------------------------------------------|---------|
| YOU MAY ANTICIPATE .....                                  | 703/704 |
| THE COMING TREND IN U.S. INTEREST RATES .....             | 704     |
| A THIRD STAGE FOR EURO-DOLLAR INTEREST RATES .....        | 704     |
| ✓ McNAMARA'S REFINANCING PROBLEMS .....                   | 705     |
| GUIDANCE ON EURO-CURRENCIES .....                         | 706     |
| U.S. INTERNATIONAL LIQUIDITY .....                        | 710     |
| PREMIUM PRICES FOR FOREIGN SECURITIES .....               | 710     |
| HEDGING IN FOREIGN CURRENCIES .....                       | 711     |
| NEW TRENDS IN THE MARKET IN EXTERNAL CURRENCY FUNDS ..... | 712     |
| TRENDS AND PROSPECTS IN THE EURO-BOND MARKET .....        | 712/13  |
| MARKET PROSPECTS FOR HEDGE COMMODITIES .....              | 713     |
| INTERNATIONAL FINANCING OPPORTUNITIES .....               | 714/15  |
| STATISTICAL MARKET LETTER:                                |         |
| INTERNATIONAL MONEY AND CAPITAL MARKET RATES .....        | 716/17  |
| FOREIGN EXCHANGE FUTURES .....                            | 717     |
| FREE MARKET FOREIGN EXCHANGE RATES .....                  | 718/19  |

After German mark revaluation a new bloc of especially hard currencies is emerging. Austria will be a member, perhaps also Holland with a mini-mini revaluation. But the troubles of other currencies will continue. Watch for special "I. R." advice next week.

|                      |           |                     |        |                   |           |
|----------------------|-----------|---------------------|--------|-------------------|-----------|
| Argentina .....      | 709/11/14 | Dom. Rep. ....      | 714    | Mexico .....      | 708/11/15 |
| Belgium .....        | 711       | Ecuador .....       | 708/15 | Netherlands ..... | 711       |
| Bolivia .....        | 709       | France .....        | 707    | Norway .....      | 711       |
| Brazil .....         | 709/11/14 | Germany .....       | 707/11 | Peru .....        | 708       |
| Canada .....         | 705/11    | Guinea .....        | 706    | Philippines ..... | 711       |
| Chile .....          | 708       | India .....         | 707/11 | Spain .....       | 711       |
| China(Peking) ..     | 707       | Italy .....         | 711    | Sweden .....      | 711       |
| Colombia .....       | 711/15    | Japan .....         | 707/11 | Switzerland ..... | 706/11    |
| Denmark .....        | 711       | Malaysia .....      | 711    | Venezuela .....   | 711/15    |
| United Kingdom ..... | 706/11    | United States ..... | 710/11 |                   |           |

EXCLUSIVE (see below): The computed level of 105.36 for the US\$ in Europe is lower than a week ago (105.43). The "IR International Dollar Rating" is based on weighted computations of US\$ rates at European free foreign exchange markets. Basis of Index January 2, 1959. The free market gold price (London) of \$40.05 is lower than a week ago (\$40.53).

## IR DOLLAR RATING INDEX AND FREE MARKET GOLD PRICE IN LONDON



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WILL MC NAMARA (WORLD BANK) follow a line that conflicts with policies of President Nixon? This may become an issue if the expanding policies of the World Bank must rely on greatly increased government contributions, especially from the U.S.

The management of the World Bank, so we hear from reliable sources, will soon approach its member governments to substantially increase subscriptions to the IBRD. The last capital increase (from \$10 to \$21 billion, effective September 15, 1959) did no more than enlarge the Bank's guarantee capital, i.e. that part of the governments' subscriptions which are to be called upon only if the Bank is not able to cover debt service on its bonds and its other borrowings. This involved no cash payments of member governments to the Bank. This time, however, the governments shall be tapped for cash and/or other capital transfers.

Previously the Bank could -- and did -- boast that through its practically unlimited access to the world capital markets it could easily provide the resources for any amount of development projects worth financing. Projects, not money were its bottleneck. Now the order is reversed. There is serious doubt whether in the coming years the Bank will be able to keep its borrowing in line with the expanding financial needs of all the development projects which it considers of high priority. The year 1968/69 was a very special one as the German market supplied 45% (\$561 million) of the Bank's total borrowings. Germany will not continue to be an easy source of funds for the World Bank. The U.S. capital market could probably absorb more World Bank bonds than it was recently offered. But the Treasury, in view of its continuing -- and justified -- concern about the U.S. balance of payments, will not permit the Bank to utilize these chances in more than a relatively moderate degree.

The bank will have to rely more heavily on funds made available by governments as payments for their additional capital subscriptions. The requests to arrange this will be linked to the general quota increase in the IMF, the same as in 1959 when the increase of the Bank subscriptions was also hitched to the general quota increase in the IMF.

The original subscriptions to the Bank's capital (when the Bank was founded) provided for a cash payment of 2%, an 18% quota (which the developed countries were expected to "release" in due time to the Bank for its use in the financing of development projects) and an 80% quota (which was meant to serve as a guarantee basis for the Bank's own borrowing). The proposal which the Bank's management is considering to submit to the governments for the new capital increase will in all probability take recourse to this distinction. But it will hardly adopt all its features, particularly not in suggesting that the governments should have as much leeway in releasing their 18% quotas as they had been given in the Articles of Agreement.

Most industrial countries, which would have to pay the major share in the new capital requests, will be reluctant to support the new proposal in view of budgetary strains and balance of payments uncertainties. The potential conflict may lead to delays for Mc Namara's projections.

---

**CANADA:** INFLATIONARY PROBLEMS continue. Imports tend to increase. The effect on exports has not yet been felt. Rejection of the proposal of the Federal Prices and Incomes Commission for voluntary wage restraint reflects the depth of inflationary trends. The government may turn toward wage and price controls. This would detract from the investment climate. The immediate effect on the Can. dollar and domestic financial markets would be depressing.

Proposals of the Investment Companies Act discriminate against foreign investors and reflect the trend toward control of foreign investment. Companies having 25% of assets in loans to corporations, individual and installment sales contracts are affected. No more than 25% of capital stock may be held by non-residents, nor may any non-resident hold more than 10% of the shares. The legislation will affect each class of shares separately. Present holdings by non-residents in excess of 25% resp. 10% may continue to be held but holdings may not be increased. Companies presently with more than 50% of voting shares in the hands of non-residents will be exempt from the legislation as long as the conditions continue.



## OFFICE MEMORANDUM

TO: Mr. William C. Hauenstein

FROM: Eugene H. Rotberg

SUBJECT: Metroliner Tickets - Refund

DATE: November 6, 1969

I am attaching hereto two first-class Metroliner tickets to New York for October 27, which I cancelled due to change in my plans. I purchased two Metroliner coach tickets, for which I have requested reimbursement.

Attachments: 2

cc: Mr. Reamy

|                                                                                                                                                                |                                                                                                                 |  |                                                                                                                    |  |                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------|
| SUBJECT TO TARIFF REGULATIONS. SELLING CARRIER IS AGENT ONLY - NOT RESPONSIBLE BEYOND ITS LINE, EXCEPT AS LAW IMPOSES LIABILITY FOR BAGGAGE, NON-TRANSFERABLE. | SEAT AND 1 CL ON 1 YEAR<br>SEAT 24<br>TRAIN 100 CAR 001<br>TIME 07:30AM<br>DEPARTURE DATE OCT 27 69<br>CODE 761 |  | 2165DP 102769<br>WASHINGTON D.C.<br>AND<br>NEW YORK N.Y.<br>10/24/69<br>FARE \$18.50 ST/MET-CHG 3.15 TOTAL \$21.65 |  | PSGR S CHECK<br>ST 24 CR 001<br>WASHINGTON<br>AND<br>NEW YORK<br>OCT 27 1969<br>MET- SVC-CHG<br>TOTAL \$21.65 |
|                                                                                                                                                                | SEAT AND 1 CL ON 1 YEAR<br>SEAT 10<br>TRAIN 111 CAR 111<br>TIME 05:00PM<br>DEPARTURE DATE OCT 27 69<br>CODE 437 |  | 2165DP 102769<br>NEW YORK N.Y.<br>AND<br>WASHINGTON D.C.<br>10/24/69<br>FARE \$18.50 ST/MET-CHG 3.15 TOTAL \$21.65 |  | PSGR S CHECK<br>ST 10 CR 111<br>NEW YORK<br>AND<br>WASHINGTON<br>OCT 27 1969<br>MET- SVC-CHG<br>TOTAL \$21.65 |



Cancelled.

7974 H-38 1P 10/25  
(13)

N 13099

Cancelled H38

7974 1P 10/25  
(13)

N 13100

*Chrom*

OUTGOING WIRE

TO: INTBAFRAD  
PARIS

DATE: NOVEMBER 6, 1969

CLASS OF  
SERVICE: NLT

COUNTRY: (FRANCE)

TEXT:  
Cable No.: 1253

FOR ~~CHADENAY~~ CHATENAY

REUR TELEPHONE INQUIRY THIS MORNING WE WOULD PREFER PAYMENT  
IN DOLLARS FOR RENTAL REGARDS

ROTBERG

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

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

EHRotberg:emk

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc<sup>y</sup> Mr. Poore  
Mr. Prins

For Use By Communications Section

Checked for Dispatch: \_\_\_\_\_





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

November 5, 1969

Tan Sri Ismail bin Mhd. Ali, P.M.N.  
Governor and Chairman  
Bank Negara Malaysia  
Kuala Lumpur  
Malaysia

Dear Governor Ismail:

In accordance with Mr. Aldewereld's cable of November 4, 1969, I enclose for your consideration a sample Note of the proposed borrowing by the International Bank for Reconstruction and Development from Bank Negara Malaysia.

The remaining three Notes will be identical in form except for the number and the year of repayment.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

DRAFT SAMPLE

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

NOTE

New York, N. Y., November , 1969

No. 1

\$2,500,000

International Bank for Reconstruction and Development,  
Washington, D.C., for value received, hereby promises to pay to  
the order of Bank Negara Malaysia, Kuala Lumpur, on the  
day of June 1971, the principal sum of two million five hundred  
thousand dollars (\$2,500,000) in lawful money of the United States  
of America, with interest thereon in like money from the date  
hereof at the rate of eight per cent (8%) per annum payable on  
June , 1970 and semi-annually thereafter on December and  
June in each year; principal and interest to be paid at the  
Federal Reserve Bank of New York in Federal Reserve Bank of  
New York funds.

THIS NOTE IS NOT AN OBLIGATION OF ANY GOVERNMENT.

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By \_\_\_\_\_





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

November 5, 1969

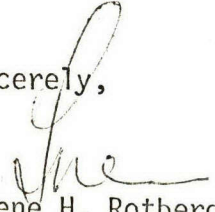
Mr. H. Lawrence Parker  
Morgan Stanley & Co.  
140 Broadway  
New York, N.Y. 10005

Dear Larry:

Iris and I look forward to seeing  
you at the Investment Bankers Association  
meeting. I am very pleased that I can  
attend. We are also delighted that we  
will be able to attend your dinner for  
the Andrew Meltons.

Best regards.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Personal



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

November 4, 1969

DECLASSIFIED

DEC 27 2024

WBG ARCHIVES

Hotel Piccadilly  
45th Street West of Broadway  
New York, N. Y. 10036

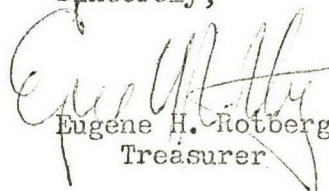
Attention: Reservation Manager

Dear Sir:

This refers to your letter of October 30th. I would like either two adjoining rooms, or a bedroom with a parlor where we could put in 2 cots for two small children, ages 5 and 9. I assume that a suite with 2 cots and a bedroom will be less expensive than 2 separate bedrooms. It will be most appreciated if you would arrange the necessary accommodations for Friday and Saturday, November 28 and 29.

Thank you for your courtesy.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Enclosure





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

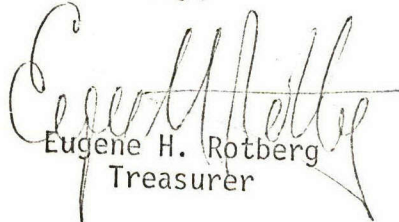
November 4, 1969

Investment Bankers Association  
of America  
425 Thirteenth Street, N.W.  
Washington, D.C. 20004

Dear Sirs:

I have recently received an invitation to  
the Investment Bankers Association meetings.  
My wife and I would very much appreciate  
accommodation in the Boca Raton Hotel.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Encl: Registration and Room  
Reservation Form



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

November 4, 1969

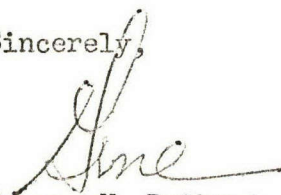
Mr. Edmund H. Worthy  
Morison, Murphy, Abrams and Haddock  
Suite 900  
1776 K Street, N.W.  
Washington, D. C. 20006

Dear Ed:

Let me offer my warmest congratulations  
on your new affiliation. Iris and I wish you  
the best success. I am sure you will be most  
happy and challenged in your new position.

Kindest personal regards.

Sincerely,



Eugene H. Rotbert  
Treasurer





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

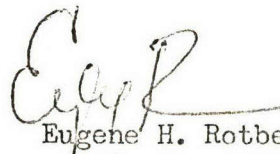
November 4, 1969

Mr. John T. Booth  
Eastman Dillon, Union Securities  
and Company  
One Chase Manhattan Plaza  
New York, N. Y. 10005

Dear John:

I look forward to being with you on  
January 17th. It is most kind of you to  
invite me again to participate.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

*Personal*

DECLASSIFIED

DEC 27 2024

WBG ARCHIVES

10822 Childs Court  
Silver Spring, Md.  
20901

November 4, 1969

Payroll Office  
George Washington University  
21st & H Streets, N.W.  
Washington, D.C.

Dear Sirs:

I would appreciate it if you would be kind enough to send me a statement of my gross earnings, and the amount of social security deductions, which I received in connection with the class I conducted during the 1969 Spring Semester (Law 405B - "Regulations of Securities Markets").

Thank you.

Sincerely,



(Prof.) Eugene H. Rotberg

676-6600

X-6875

Miss Lawson



OUTGOING WIRE

TO: CENTRAL BANK OF MALAYSIA  
BANK NEGARA MALAYSIA  
KUALA LUMPUR  
MALAYSIA

DATE: NOVEMBER 4, 1969

CLASS OF  
SERVICE: TELEX

COUNTRY:

TEXT: ATTENTION: GOVERNOR ISMAIL  
Cable No.:

REFERENCE YOUR LETTER OCTOBER 27 STOP IBRD IS PREPARED TO OFFER AT PAR  
SUBJECT TO FORMAL APPROVAL OF OUR EXECUTIVE DIRECTORS, NOTES IN PRINCIPAL  
AMOUNT OF US\$2.5 MILLION EACH MATURING JUNE 15, 1971, JUNE 15, 1972,  
JUNE 15, 1973, JUNE 15, 1974 RESPECTIVELY AT 8 PERCENT INTEREST, PAYABLE  
SEMI-ANNUALLY STOP FOR YOUR INFORMATION U.S. GOVERNMENT OBLIGATIONS  
MATURING MAY 15, 1971, MAY 15, 1972, MAY 15, 1973, MAY 15, 1974 YIELDED  
7.25, 7.31, 7.06, 7.37 RESPECTIVELY AS OF CLOSE OF BUSINESS NOVEMBER 3,  
1969 STOP IF TERMS ARE SATISFACTORY, PLEASE CABLE YOUR RESPONSE STOP  
UPON RECEIPT OF YOUR RESPONSE WE SHALL COMMUNICATE WITH YOU FURTHER  
CONCERNING PLACE FOR DEPOSIT OF FUNDS AND NOTES, PROPOSED DATE OF  
SETTLEMENT, PROCEDURE FOR EXECUTION OF NOTES AND PAYMENT DATE FOR  
SEMI-ANNUAL INTEREST PAYMENTS STOP AIRMAILING YOU FORMS OF THE NOTES  
TO BE DELIVERED STOP PERMIT ME TO EXTEND OUR APPRECIATION FOR YOUR  
CONSIDERATION OF THIS TRANSACTION STOP 900

ALDEWERELD  
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

*af*  
NAME S. Aldewereld

DEPT Office of the President

SIGNATURE \_\_\_\_\_  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

EHRotberg:LNurick:SAldewereld/lcv:bb

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

Checked for Dispatch: \_\_\_\_\_

*Chion.*  
*Sent Undated as per EHR's request*  
*(Nov. 4, 1969)*

Mr. Raphael Aliazar  
Alberto Hernandez Real Estate  
Maribel 1511  
San Turce, Puerto Rico

Dear Mr. Aliazar:

I am writing this letter on behalf of Dr. Samuel Comens who is now considering the purchase of a condominium apartment at an extension of Boulevard Street (in front of Racquet Club Hotel). As you can appreciate, this transaction involves a considerable outlay of funds and I am writing to you in order to obtain some clarification concerning this matter. It would be most appreciated if you could supply the following information, after which I am sure you will hear from Dr. Comens shortly.

First, it is unclear whether the payments that you will receive from those who purchase the apartments will cover the entire cost of construction. If not, would you please advise as to the financing arrangements made by the builder and the amount of any mortgage or other incumbrances which will remain after construction is completed.

Second, we would appreciate being advised the amount of any carrying charges or other payments including taxes, debt service, if any (other than the purchaser's own cost of financing), maintenance or other charges which the owners of the apartments will have to bear.

Third, we would appreciate being advised whether the apartments may be sublet and if so how much prior notice is generally required for such subleasing.

Finally, I note the purchase contract refers to the fact that the initial payments shall be escrowed and not be used for operating expenses. It is unclear what are these operating expenses, when they arise, to whom they are owed, and who bears such obligation.



- 2 -

I hope you can appreciate that, because of the amount of investment required in this transaction, Dr. Comens wishes to be satisfied as to these details. Both he and his wife tell me that you have been most courteous and kind to them and they look forward to being able to purchase one of the apartments.

Sincerely,

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

Eugene H. Rotberg

10822 Childs Court  
Silver Spring, Md. 20901



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

November 3, 1969

Mr. and Mrs. Morton Weiss  
Troster, Singer & Co.  
74 Trinity Place  
New York, N. Y. 10006

Dear Sally and Morty:

We all had a delightful time at the NSTA Convention. Thank you again for your warm hospitality; it is always good to see old friends.

Please let me know when you expect to be in Washington so we can get together.

Best regards,

  
Gene





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

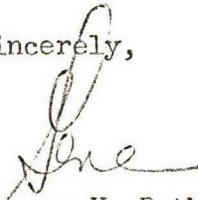
November 3, 1969

Mr. and Mrs. Joseph E. Hutton  
Equitable Securities,  
Morton & Co.  
332 Union Street  
Nashville, Tenn. 37201

Dear Ann and Joe:

I wish to thank you again for your kindness and hospitality at the recent NSTA Convention. Iris and I both had a delightful time (as did the children) and we certainly appreciate your thoughtfulness in sending us an invitation.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

IBA or chiron



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

October 31, 1969

Mr. H. Lawrence Parker  
Morgan Stanley & Co.  
140 Broadway  
New York, N.Y. 10005

Dear Larry:

Thank you very much for your kind invitation to dinner and to attend the IBA Convention. I will let you know within the next few days whether I will be able to attend. I am going to Europe next week and I don't know if the results of that trip will require that I stay in Washington in early December.

I am also enclosing for your information an informal speech which I recently gave at the Institutional Traders Conference. I am afraid I am becoming a "prophet without honor" in predicting the implications of public ownership and institutional membership -- at least if yesterday morning's papers reflect the position of the Justice Department and the S.E.C.

I will write to you soon.

Best regards,

  
Gene

Encl.



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

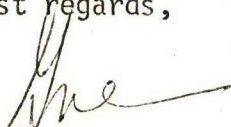
October 31, 1969

Chairman Hamer H. Budge  
Securities and Exchange Commission  
500 North Capitol Street  
Washington, D.C. 20549

Dear Hamer:

You may remember that last week I mentioned to you that I had given an informal talk at one of the conferences sponsored by the Institutional Investor magazine. I am enclosing a transcript of my remarks which you may find interesting. There is a lot of material on public ownership, institutional membership, etc. and the impact on the different kinds of firms in the securities industry.

Best regards,

  
Gene

Encl.





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

October 31, 1969

Mr. Leon Levy  
Oppenheimer and Company  
Five Hanover Square  
New York, N.Y. 10004

Dear Leon:

The enclosed remarks seem somewhat topical in view of yesterday morning's announcement by the Commission and the Justice Department. I do not know whether I am becoming a "prophet without honors" or onerous without profit.

Best regards,

  
Gene

Encl.



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

October 31, 1969

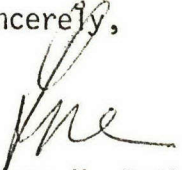
Mr. John B. Young  
Vice President  
Bankers Trust Company  
280 Park Avenue  
New York, N.Y. 10015

Dear Jack:

Thank you for sending me the 1970  
calendar pad. It was most thoughtful  
of you to remember me.

Best regards.

Sincerely,



Eugene H. Rotberg  
Treasurer

*Chron*

## OFFICE MEMORANDUM

TO: Mrs. Muriel Lee  
FROM: Edith M. Kesterton *Emk*  
SUBJECT: Future Movements

DATE: October 31, 1969

This is to advise that Mr. Rotberg's tentative travel plans are as follows:

- (1) He will be in Germany and Switzerland for the period November 12 through November 19;
- (2) He will be in New York on November 21 where he will participate in a seminar sponsored by the American Management Association on International Capital Markets;
- (3) He will be in Ithaca, New York, on December 5 where he will conduct a class at Cornell University Law School on "Current Problems in the Securities Markets" and participate in a luncheon meeting sponsored by the International Law Society;
- (4) He will attend the Investment Bankers Association meetings in Florida, December 7 to 10; and
- (5) He will speak to the Harvard Business School Alumni of New York on January 15.





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

October 30, 1969

Mr. David Novick  
Research Council  
The Rand Corporation  
1700 Main Street  
Santa Monica, California 90406

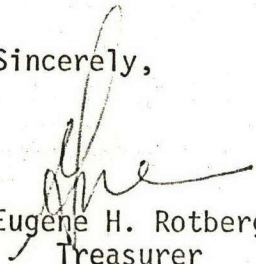
Dear Dave:

Thank you for your letter of October 22.

I would be pleased to receive your group in Washington during the last week of November or, preferably, after the 15th of December.

I expect to be in California the second week of February and it may be that I can make arrangements to see you and your colleagues at that time.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

*The* RAND Corporation

DAVID NOVICK  
RESEARCH COUNCIL

1700 MAIN STREET  
SANTA MONICA, CALIFORNIA 90406

22 October 1969  
L-19978

Mr. Eugene H. Rotberg  
Treasurer of the World Bank  
1809 G Street, N.W.  
Washington, D. C. 20006

Dear Gene:

It was indeed a pleasure to meet you and to have an opportunity for such a full and useful discussion. You may be sure that I will take full use of your generous offer to assist us insofar as your own commitments permit.

Let me throw out two possibilities to get your reaction. Since you are not available for an immediate visit with us here in Santa Monica, I would like to explore the possibility of members of the Securities Transactions Study group visiting with you on a single occasion in Washington, let's say in November or December. Also, I still think it would be useful for the full group to have the benefit of exchange of ideas with you. I don't know when you can schedule this, but as soon as your calendar settles down I would appreciate your letting me know whether this can be done in January or February.

Sincerely yours,



DN:my



INTERNATIONAL FINANCE CORPORATION

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

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

REGISTERED  
AIR MAIL

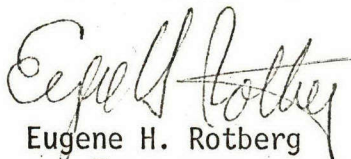
October 30, 1969

Ministry of Finance  
P.O. Box 443  
Mbabane, Swaziland

Gentlemen:

Enclosed please find Capital Stock Certificate Number 104 certifying that The Kingdom of Swaziland is the owner of 35 fully paid shares of the capital stock of the International Finance Corporation.

Very truly yours,

  
Eugene H. Rotberg  
Treasurer

Enclosure: 1





INTERNATIONAL FINANCE CORPORATION

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

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

*Cham*

REGISTERED  
AIR MAIL

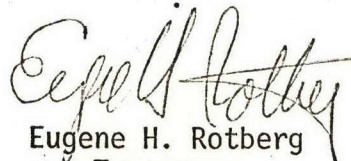
October 30, 1969

Ministry of Finance  
P.O. Box 443  
Mbabane, Swaziland

Gentlemen:

Enclosed please find Capital Stock Certificate Number 104 certifying that The Kingdom of Swaziland is the owner of 35 fully paid shares of the capital stock of the International Finance Corporation.

Very truly yours,

  
Eugene H. Rotberg  
Treasurer

Enclosure: 1

cc: Embassy of Swaziland  
2233 Wisconsin Avenue, N.W.  
Washington, D.C.

cc: Mr. Gaud  
Mr. Richards  
Mr. von Hoffmann  
Mr. El Emary  
Mr. Mendels  
Mr. Cirillo  
IFC Circulation (2)

cc: Mr. Rotberg  
Mr. Poore  
Mr. Y.L. Chang  
Mr. Prins  
Mr. Rutland  
Mrs. Manion





104

--- 35 ---

# INTERNATIONAL FINANCE CORPORATION

This is to Certify that --- THE KINGDOM OF SWAZILAND ---  
a member of the International Finance Corporation (hereinafter called the Corporation), is the  
owner of --- THIRTY FIVE --- fully paid shares  
of the capital stock of the Corporation each of the par value of one thousand United States dollars.

*This certificate is transferable only to the Corporation.*

*This certificate is subject to all the provisions of the Articles of Agreement of  
the Corporation as from time to time amended.*

*Washington, D.C., U.S.A.*

Attest:

*M. M. Munderls*

SECRETARY

*International Finance Corporation*

By: *E. J. S. Foster*

TREASURER





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

October 30, 1969

Mr. John H. Page  
Vice President  
International Nickel Company, Inc.  
Solar Building  
1000 - 16th Street, N.W.  
Washington, D.C. 20036

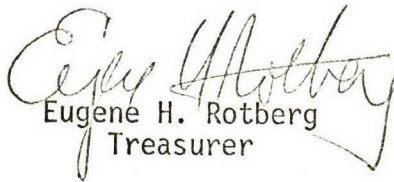
Dear Mr. Page:

Thank you for your letter of October 22 with which you sent me a copy of the current issue of INTERNATIONAL NICKEL Magazine, which I found to be most interesting.

I would appreciate your adding my name to your regular mailing list and would prefer to receive this publication at my home address, which is as follows:

10822 Childs Court  
Silver Spring, Md. 20901

Sincerely,

  
Eugene H. Rotberg  
Treasurer





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

October 30, 1969

Mr. David Novick  
Research Council  
The Rand Corporation  
1700 Main Street  
Santa Monica, California 90406

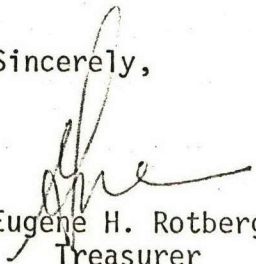
Dear Dave:

Thank you for your letter of October 22.

I would be pleased to receive your group in Washington during the last week of November or, preferably, after the 15th of December.

I expect to be in California the second week of February and it may be that I can make arrangements to see you and your colleagues at that time.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

*The* RAND *Corporation*

DAVID NOVICK  
RESEARCH COUNCIL

1700 MAIN STREET  
SANTA MONICA, CALIFORNIA 90406

22 October 1969  
L-19978

Mr. Eugene H. Rotberg  
Treasurer of the World Bank  
1809 G Street, N.W.  
Washington, D. C. 20006

Dear Gene:

It was indeed a pleasure to meet you and to have an opportunity for such a full and useful discussion. You may be sure that I will take full use of your generous offer to assist us insofar as your own commitments permit.

Let me throw out two possibilities to get your reaction. Since you are not available for an immediate visit with us here in Santa Monica, I would like to explore the possibility of members of the Securities Transactions Study group visiting with you on a single occasion in Washington, let's say in November or December. Also, I still think it would be useful for the full group to have the benefit of exchange of ideas with you. I don't know when you can schedule this, but as soon as your calendar settles down I would appreciate your letting me know whether this can be done in January or February.

Sincerely yours,



DN:my

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. McNamara  
Mr. Aldewereld

Attached is a new study of the sources and uses of funds published by Francis I. duPont & Co. (August 1969). The Chief Economist at duPont uses the same source material as the Bankers Trust study and the Salomon Brothers & Hutzler studies. Note the reference to the use of convertibles in the bond market, the very substantial increase in the use of commercial paper in recent years and a rather steady increase of state and local retirement funds as a source of funds. These tables, of course, do not show where the funds are coming from within each identifiable source. For example, while the savings and loan associations appear to be supplying a relatively stable amount of funds to the credit markets, the fact is that their deposits are down and their funds are derived in increasing amounts from borrowings from government agencies who show up as major borrowers of funds. The savings and loan associations are of course, along with commercial banks, the substantial supporters of the mortgage market -- the largest single user of credit in the United States.

Gene Rotberg  
October 30, 1969





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

October 29, 1969

Fitrite Fashions Inc.  
K.P.O. Box 6417  
Kowloon, Hong Kong, B.C.C.

Attention: Mr. U.K. Mirpuri  
Export Department

Gentlemen:

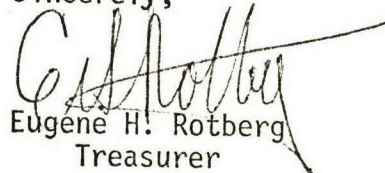
Thank you for your letter of October 15.

I look forward to seeing Mr. Andy when he next visits Washington. At that time I will ask him for his suggestions as to whether or not the coat can be altered satisfactorily or whether it should be returned to you.

You are correct in stating that I only received six suits and one sports jacket.

Upon Mr. Andy's arrival in Washington I look forward to purchasing more clothes.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Please communicate  
to home address:  
10822 Childs Court  
Silver Spring, Md.  
20901



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

AIR MAIL  
SPECIAL DELIVERY

October 29, 1969

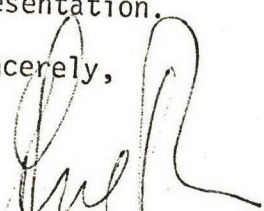
Mr. William F. Brock  
A. G. Becker & Co.  
60 Broad Street  
New York, N.Y. 10004

Dear Mr. Brock:

I am returning your portfolio comparison  
book. I will get in touch with you next week.

Thank you for your presentation.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Enclosure



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

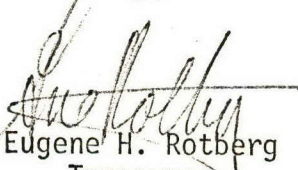
October 29, 1969

Mr. Leo J. Ryan, Jr.  
Vice President & Mgr.  
Union Bank  
Fifth & Figueroa Streets  
Los Angeles, California 90054

Dear Mr. Ryan:

Thank you for sending me the very  
useful Executive Yearbook. It was most  
thoughtful of you to remember me.

Sincerely,

  
Eugene H. Rotberg  
Treasurer





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

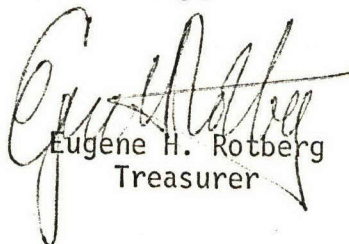
October 29, 1969

Mr. G. Zoccoli  
Istituto Mobiliare Italiano  
1113 16th Street, N.W.  
Washington, D.C. 20036

Dear Mr. Zoccoli:

I wish to thank you for sending me  
a copy of the English edition of IMI's  
Annual Report for the year ended March 31,  
1969. It was very thoughtful of you to  
remember me.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

*sent to  
@ Mr. Seely  
@ Gen. Sales*



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

October 29, 1969

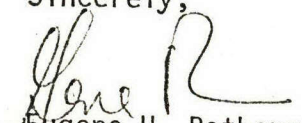
Mr. Piers Dixon  
Sheppards and Chase  
Clements House  
Gresham Street  
London E.C. 2, England

Dear Mr. Dixon:

Thank you for your letter of October 24. I would be pleased to see your friend, Mr. Hardie, when he visits Washington. I would like to mention, however, that I will be in Europe from November 12 through November 20. Perhaps when you know the exact date of Mr. Hardie's visit to Washington, we can then set up a definite appointment.

It was a pleasure meeting you and Lord Terrington in May and I hope that we will have the opportunity to get together again in the not too distant future.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

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| L. CHRISTIANSON           | H. R. D. TENNANT |
| L. A. MACKAY              | J. A. LETCHFORD  |
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| G. KEANE                  | C. G. H. ALLEN   |
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| P. G. B. WILLS            | P. A. CHAPPELL   |
| M. SWINBURNE              |                  |

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| G. M. HAMES   | C. A. BETHELL |
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CLEMENTS HOUSE  
GRESHAM STREET  
LONDON E.C.2.

## TELEPHONE

01-606 8099

TELEX 22576

## CABLES

SHEPPELLY LONDON E.C.2.

OR

CHENNANT LONDON E.C.2.

PD/DJM

24th October, 1969.

Gene Rotberg, Esq.,  
International Bank for Reconstruction  
and Development,  
1818, H Street N.W.,  
Washington, D. C. 20422,  
U. S. A.

*Dear Mr. Rotberg.*

You will remember Lord Terrington and I came to see you in May and we hope very much to keep in touch with you. A friend of ours, Harry Hardie, will shortly be in Washington, and we thought that it would be profitable for both of you to meet each other. Hardy was until recently the finance director of Turner & Newall, our equivalent of Johns-Manville, which is one of the largest British companies with major international interests. He is a youngish man who is now one of the senior directors of the company, and may, I gather, end up as head of the company.

*Yours sincerely,*

*Piers Dixon.*

*Re-handled to -  
Will. well be under the  
on 12/11/69*



## OFFICE MEMORANDUM

TO: Mr. S. Aldewereld  
Mr. Hugh B. Ripman

FROM: Eugene H. Rotberg

SUBJECT: Attendance at National Security Traders Convention

DATE: October 29, 1969

As I recently advised you, the National Security Traders Association extended an invitation to me and my wife to attend their meetings earlier this month. I also advised you that the Association offered to reimburse me for all expenses incurred by my wife since I was asked to address one of their working sessions. I have decided however that I will not accept any reimbursement from the Association for my wife's expenses. Nor will I request or accept reimbursement for such expenses by the Bank.

I have also attached for your information a brief schedule of the expenses incurred by Mr. and Mrs. Cavanaugh, which were borne by the Bank in connection with Bob's attendance and his wife's at six BAFT meetings since 1960. Two recent ones were cancelled on short notice because of Mrs. Cavanaugh's illness. (Kessie's records with respect to the May 1962, May 1963 and May 1964 meetings merely reflect the Bank's reimbursement of all transportation and hotel expenditures without identification of the exact cost of transportation.) I bring these reimbursements to your attention only because the matter has been of considerable embarrassment to me and because I wish you to know the facts which formed the basis for my original request.

Attachment

B A F T

(Mr. & Mrs.)

Note: "Other" very often covers "Representation".

April 30 to May 6, 1960  
French Lick, Indiana

Special BAFT Train  
Cost of two 1st cls  
Rail & Pullman  
tickets (round  
trip)..... \$232.14\*

Hotel..... 297.91

Other..... 97.50

\$ 627.55

May 13 to May 21, 1961  
Colorado Springs, Colorado

Special BAFT Train  
Cost of two round-  
trip Rail & Pull-  
man tickets  
(Philadelphia/  
Colorado Springs) \$469.52\*

Cost of two round-  
trip Rail tickets  
& Pullman seats  
(D.C./Philadel-  
phia)..... \*\*

Hotel..... 225.00

Other..... 309.00 1,003.52

April 27 to May 3, 1962  
Boca Raton, Florida

Cost of two round-  
trip rail tickets  
& bedroom suite  
each way (on  
Atlantic Coast  
Line "Champion")

Hotel.....

Other.....

---

\* - This figure included tax which the Bank would probably recover from American Express Co.

\*\* - I did not know this figure as the Bank was requested by memo to purchase this portion of the trip & I do not have a copy of the itinerary.

May 26 to May 31, 1963  
Bedford Springs, Pennsylvania

Passengers in Mr.  
Knapp's car....

\$ -

Hotel.....

Other.....

May 24 to May 28, 1964  
Quebec City, Canada

Cost of two round-  
trip, 1st cls  
air tickets....

\$

Hotel.....

230

Other.....

109

[ May 15 to May 21, 1965  
French Lick, Indiana

Special BAFT Train  
Cost of round-trip  
Rail & Pullman  
tickets).....

\$

(Mrs. was scheduled to  
attend but had to  
cancel due to illness  
- it had been intended  
that the Bank would pay  
for her trip)

Hotel.....

87

Other.....

174

Mr.  
Only

]

April 24 to April 27, 1966  
Boca Raton, Florida

(Both Mr. & Mrs. had made  
arrangements to attend  
but due to business reasons  
at the office and illness  
of Mrs. - it was necessary  
to cancel the trip)

April 22 to April 30, 1967  
Palm Springs, California

Cost of two round-  
trip air tickets  
- first-class  
Cost of Hertz car

\$ 487.65

140.00

Hotel(s).....

271.00

Other.....

206.00

\$1,104.65





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

October 28, 1969

Mr. Peter Zimmerman  
Senior Planning Associate  
Corporate Planning Department  
Merrill Lynch, Pierce,  
Fenner & Smith, Inc.  
70 Pine Street  
New York, N.Y. 10005

Dear Pete:

As requested by your secretary on the telephone yesterday, I am enclosing herewith a brief biographical sketch and a photograph of myself which you may wish to use in connection with my speaking engagement before the Harvard Business School Club of New York on January 15.

Best regards.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Enclosures: 2



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

October 28, 1969

Professor Walter Werner  
Columbia University  
School of Law  
435 West 116th Street  
New York, N.Y. 10027

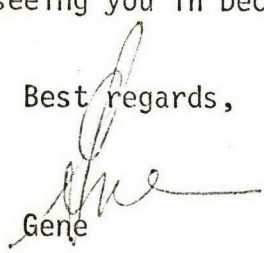
Dear Walter:

Thank you for your letter. I look forward to seeing you and Bob and participating in the panel.

Since it looks like I am the last speaker prior to the panel discussion, I have assumed (I hope correctly) that I could sort of wind up and summarize points made by my colleagues. Therefore, I have assumed also that I don't have to prepare an outline!

I look forward to seeing you in December.

Best regards,

  
Gene

Columbia University in the City of New York | New York, N.Y. 10027

SCHOOL OF LAW

435 West 116th Street

October 22, 1969

Eugene H. Rotberg, Esq.  
Treasurer, World Bank  
Washington, D.C.

Dear Gene:

Bob Mundheim and I are delighted that you are going to grace a panel at the mutual funds conference in December. You have already received the overall outline of the program. There's not much that I can add.

You will be summarizing, tying together, evaluating developments that will have been discussed by your colleagues on the panel and, if I know you, sketching some directions for the future. As the thirty-minute time allotment indicates, we appreciate the difficulty of your assignment and are giving you the maximum allowable.

The complete outline shows how we expect the discussion to unfold. I believe you know the other participants -- probably better than I!

To coordinate the discussion, it will be useful to have an outline of your talk by November 6. We plan to circulate the outline among the other members of the panel and to arrange for us all to get together in advance of the session itself.

Please let me know if there are any questions or if I can be helpful in any way.

Sincerely,

Walt

Walter Werner

WW:k

Hi, Gene -  
This is a routine  
follow-up (as you can tell).  
Just to let you know  
I'm in the job.  
Best  
W.



# **PRACTISING LAW INSTITUTE**

*Calender*

October 9, 1969

MOD-3.2.0.

OCT 13 1969

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1133 Avenue of the Americas  
New York 10036 212-765-5700

To The Faculty:

Re: Mutual Funds-December 11 and 12  
Essex House, New York City  
Chairman: Prof. Robert H. Mundheim  
Co-Chairman: Prof. Walter Werner

Gentlemen:

On behalf of the Practising Law Institute, may I now welcome the entire faculty of the aforementioned program. We are most grateful to you for accepting our invitation to participate.

Certain ground rules and organizational procedures are necessary for the successful presentation of any program. With your cooperation, the following information should facilitate the preliminaries for all participants.

### Topical Assignments

A draft of the program including the names of each speaker and the allocated time is enclosed so that you may comprehend the entire program. This represents the best thinking at the moment, but is subject to changes as may be required. A copy of the brochure will be forwarded as soon as same is received from the printer.

### Handbooks

As you know, the Institute now prepares for distribution at the program a printed bound handbook containing outlines, forms and other reference material which may be useful to the registrants.

In order to expedite our processing of the Handbook, will you please have your secretary type your outline within



October 9, 1969

the boundaries of 5 1/4" (width) x 8 3/4" (depth). This is the net area (edge-to-edge) for typing and, therefore, there should be no allowance for top, bottom or side margins within this gauge. Also note, we can only reproduce outlines from the ribbon copy, not from a carbon, xerox or other photocopy. For your convenience I am enclosing a sample grid.

Enclosed please find a sample outline which should serve as a guide to you in the preparation of your outline. It was prepared for distribution at our First Annual SEC Institute.

If you are furnishing us with forms or other printed matter, in addition to original outlines, will you send 2 copies. It may be necessary to experiment with one copy in determining how to reproduce the form and we would not feel safe without an extra copy to fall back on.

N.B. Time is of the essence. Therefore, all materials intended for distribution must be at the Institute's office no later than Thursday, November 6.

Will you please bear in mind that your outline should be as comprehensive as possible and that your oral direct presentation should highlight the most interesting, provocative or controversial aspects of the subject. If you have any questions pertaining to same I suggest you communicate with either of the chairmen: Prof. Robert H. Mundheim, University of Pennsylvania Law School, 3400 Chestnut Street, Philadelphia, Pennsylvania 19104, Prof. Walter Werner, Columbia University School of Law, 435 W. 116 St.: New York, N. Y. 10027.

#### Organizational Meeting

In all probability there will be an organizational dinner meeting the night preceding the forum - December 10. Will you keep this date in mind - further details will be forwarded to you.

#### Hotel and Travel Accommodations

At a future date our Conference Department will communicate with those of you coming from out of town re your travel arrangements and hotel accommodations.

Mutual Funds

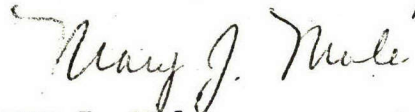
- 3 -

October 9, 1969

My apologies for the length and detail of this letter and the time schedules imposed, but same are necessary if we are to have a properly coordinated program which will be of maximum benefit.

If you have any questions please do not hesitate to communicate with me. I look forward to hearing from each of you as soon as possible.

Sincerely,



Mary J. Mule  
Staff Attorney in  
Charge of Program

RECD-S.E.C.

OCT 13 1969

MJM:s  
encls.



*Chron*

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. McNamara  
Mr. Aldewereld

Attached is the October 17 statement of our portfolio holdings. Since that date we invested the proceeds of the October 27 maturity of 6-5/8% FHLB Notes in 8% plus yields of longer term agencies. I have today been advised, in accordance with prior discussions with the Federal Reserve Bank of New York, that they have been able to purchase for us \$50 million FNMA maturing in December 1972. The price will not be set until October 29 and I expect it will be somewhere between 7.95 and 8.05. We have not yet decided whether we will liquidate Treasury Bills or maturing agencies or a combination thereof for settlement on November 10. These transactions should raise our yield for our total portfolio to above 8%.

The time deposit rate is beginning to deteriorate; the rate is somewhere between 8-1/2 and 9. This would mean that incremental funds invested in CD's might yield somewhat less than our current average CD rate - a not unexpected development.

  
Gene Rotberg  
October 28, 1969

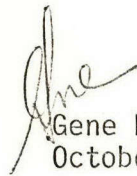
Attachment

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

Mr. Aldewereld

Siem:

I would prefer not to comment on this draft in respect of matters dealing with the Bank's lending policy. There are a number of policies articulated here which are either over-simplifications or are inaccurate. I would suggest, however, that you might assign someone (perhaps John Adler or Chadenet) to make the necessary changes. In the meantime, I will have the figures checked out and will make other comments on the financial policy representations noted in the paper.

  
Gene Rotberg  
October 28, 1969

Attachment

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. Adler:

John:

Could you assign someone to look these over with a view to developing a consistent format for the presentation of the data. As we discussed, I am concerned that we identify the sources of funds of the major financial intermediaries and their uses in the credit markets.

Thank you for your assistance.



Gene Rotberg  
October 28, 1969



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

TRIP TO NEW YORK - MONDAY - OCTOBER 27, 1969

Lv. D.C. (Metroliner) - 7:30 A.M. 8:30  
Arr. N.Y.C. - 10:00 A.M. 11:29

Lunch - 12:30 P.M.  
Wall Street Club  
1 Chase Manhattan Plaza

w/ Mr. Anthony Zoller  
Manager, Foreign Department  
Standard & Poor's Corporation  
345 Hudson Street

Meeting - 2:30 P.M.  
w/ Mr. Albert C. Esokait  
Vice President  
Moody's Investors Service  
99 Church Street

Lv. N.Y.C. (Metroliner) - 5:00 P.M.  
Arr. D.C. - 7:30 P.M.

---

Mr. Diamond

Bill:

Siem suggested that I  
review this application. He  
seems somewhat over-qualified  
for what might be available  
here. In view of his back-  
ground, do you have any  
interest in the applicant?

Gene Rotberg  
Oct. 17, 1969

## OFFICE MEMORANDUM

TO: Mr. William C. Hauenstein

FROM: Eugene H. Rotberg

SUBJECT: Eastern Air Lines Fare Adjustment Coupon

DATE: October 17, 1969

I am attaching hereto Eastern Air Lines Fare Adjustment Coupon No. 306613, representing the difference between a first-class ticket and a shuttle ticket in connection with my trip to New York on October 14. I am also attaching AAL ticket jacket No. 851 578 834.

Attachments: 2

cc: Mr. Reamy [together with xerox copies of attachments sent to Mr. Hauenstein]



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Sir Denis:

The Controller's Department prepared and cleared these letters with me. While I am in agreement with the letter, I have had some second thoughts about the last sentence in the first paragraph. Do you think that it may undercut our third replenishment negotiations or otherwise leave a somewhat bad taste in connection with our previous negotiations, inasmuch as the funds will not be disbursed for 5 to 6 years? Or is this something which is clearly known to the donor countries?

May I have your views as to whether we should leave that sentence in these letters.



Gene Rotberg  
October 16, 1969

*Chen*

## OFFICE MEMORANDUM

TO: Mr. Erik L. Karlsson *Emk*  
FROM: E. Kesterton, Secretary to Mr. Rotberg  
SUBJECT: Source of Supply - The World Bank and IDA

DATE: October 14, 1969

In the absence of Mr. Rotberg, who is out of town, I am forwarding to you the information which you requested in your memorandum of October 9.

Attachments

| (Mill. dollars) | Fiscal<br>year<br>1967-68 | Total as<br>per June 30<br>1968 | Fiscal<br>year<br>1968-69 | Total as<br>per June 30<br>1969 |
|-----------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
| Country         |                           |                                 |                           |                                 |
| Belgium         | 4.5                       | 158.0                           | 6.2                       | 164.2                           |
| Canada          | 11.8                      | 188.6                           | 5.9                       | 194.5                           |
| Denmark         | 3.3                       | 23.4                            | 2.1                       | 25.5                            |
| Finland         | .3                        | 4.3                             | .5                        | 4.8                             |
| France          | 30.6                      | 331.8                           | 39.0                      | 370.8                           |
| Italy           | 54.3                      | 359.7                           | 68.5                      | 428.2                           |
| Japan           | 56.6                      | 323.7                           | 79.3                      | 403.0                           |
| Netherlands     | 3.3                       | 73.5                            | 3.9                       | 77.4                            |
| Norway          | .3                        | 10.8                            | 3.8                       | 14.6                            |
| Sweden          | 27.2                      | 168.8                           | 20.1                      | 188.9                           |
| Switzerland     | 18.8                      | 185.3                           | 18.5                      | 203.8                           |
| United Kingdom  | 70.2                      | 986.3                           | 64.8                      | 1,051.1                         |
| USA             | 123.5                     | 2,432.5                         | 107.7                     | 2,540.2                         |
| (West) Germany  | 63.2                      | 730.0                           | 82.3                      | 812.3                           |
| Other Countries | 34.9                      | 277.3                           | 42.5                      | 319.8                           |
| Not specified   | 269.1                     | 2,566.9                         | 217.1                     | 2,784.0                         |



Source of Supply - IDA

| (Mill. dollars) | Fiscal<br>year<br>1967-68 | Total as<br>per June 30<br>1968 | Fiscal<br>year<br>1968-69 | Total as<br>per June 30<br>1969 |
|-----------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
| <u>Country</u>  |                           |                                 |                           |                                 |
| Belgium         | 6.6                       | 33.3                            | 2.7                       | 36.0                            |
| Canada          | 17.8                      | 39.6                            | 10.3                      | 49.9                            |
| Denmark         | 0.5                       | 3.3                             | .2                        | 3.5                             |
| Finland         | 0.1                       | 3.3                             | --                        | 3.3                             |
| France          | 12.6                      | 43.2                            | 13.2                      | 56.4                            |
| Italy           | 11.2                      | 40.1                            | 11.0                      | 51.1                            |
| Japan           | 25.5                      | 133.2                           | 15.1                      | 148.3                           |
| Netherlands     | 3.4                       | 14.3                            | 1.5                       | 15.8                            |
| Norway          | 0.5                       | 1.0                             | 1.1                       | 2.1                             |
| Sweden          | 7.4                       | 23.0                            | 7.5                       | 30.5                            |
| Switzerland     | 4.7                       | 20.2                            | 4.7                       | 24.9                            |
| United Kingdom  | 58.8                      | 268.1                           | 46.4                      | 314.5                           |
| U.S.A.          | 44.0                      | 226.8                           | 30.4                      | 257.2                           |
| (West) Germany  | 48.1                      | 169.1                           | 34.8                      | 203.9                           |
| Other countries | 45.0                      | 93.5                            | 44.4                      | 137.9                           |
| Not specified   | 32.6                      | 230.5                           | 32.5                      | 263.0                           |

## OFFICE MEMORANDUM

TO: Mr. Marcel F. Verheyen

FROM: Eugene H. Rotberg 

SUBJECT: Source of Supply - The World Bank and IDA

DATE: October 10, 1969

Would you please prepare the necessary data per  
Mr. Karlsson's request. As you will see, he has suggested  
the format for the information.

Attachment

## OFFICE MEMORANDUM

TO: Treasurer's Department

DATE: October 9, 1969

FROM: Erik L. Karlsson *E*SUBJECT: Source of Supply - The World Bank and IDA.

For the need of the Norwegian Government this office requests information regarding purchases of goods and services in the fiscal year 1968-69 for the World Bank. The same information was asked for the previous years, and for your convenience, last year's figures are quotes attached with empty space in two columns for you to insert.

We need the same information for IDA, and I enclose a sheet for IDA's figures of last year.





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

*Treas.  
black  
bindes*

October 13, 1969

Mr. Scott Hodes  
Arvey, Hodes & Mantynband  
One North La Salle Street  
Chicago, Illinois 60602

Dear Scott:

I would be pleased to participate  
as a moderator in the 1970 Mutual Funds  
Conference. I look forward to seeing  
you and my other friends at that time.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

LAW OFFICES

ARVEY, HODES & MANTYNBAND

ONE NORTH LA SALLE STREET

CHICAGO 60602

CENTRAL 6-9760

WASHINGTON, D. C. OFFICE

1200 SEVENTEENTH STREET, N.W.

CABLE: "ARHOMA"

October 3, 1969

JACOB M. ARVEY  
BARNET HODES  
LUIS M. MANTYNBAND  
GEORGE L. SIEGEL  
WILLIAM J. COSTELLO  
SIDNEY R. ZATZ  
HOWARD ARVEY  
J. HERZL SEGAL  
IRWIN I. ZATZ  
SCOTT HODES  
MARSHALL L. BURMAN  
WILLIAM G. CLARK  
JOHN F. BOLTON, JR.  
RALPH A. MANTYNBAND  
MAURICE P. WOLK  
ALLEN H. DROPKIN  
MERVIN N. BACHMAN  
EDWIN A. WAHLEN  
G. GALE ROBERSON  
HERMAN SMITH

LEROY R. KREIN  
JACK H. OPPENHEIM  
WALTER V. LESAK  
DANIEL A. DON  
SIDNEY SOSIN  
JOHN J. ENRIGHT  
WILLIAM G. SEILS  
JOEL S. SIEGEL  
MURRAY L. SIMPSON  
EUGENE L. GRIFFIN  
CORNELIUS F. DORE  
JEROME T. BURKE  
MALCOLM S. KAMIN  
RUSSELL L. DAVIS  
SHERMAN D. FOGEL  
STUART C. NATHAN  
ROGER G. FEIN  
WILLMORE C. HASTINGS  
DAVID L. PASSMAN  
CHARLES L. MERVIS

Mr. Gene Rotberg  
Treasurer  
World Bank  
Washington, D. C.

Re: 1970 Mutual Funds Conference

Dear Gene:

With further reference to our brief discussions in Miami Beach at the Federal Bar Association convention, I would like to formally invite you to participate as a moderator in the 1970 Mutual Funds Conference, co-sponsored by the Federal Bar Association and Commerce Clearing House.

The Conference will be held in San Diego, California at the Del Coronado Beach Hotel from February 10 through February 14, 1970.

We are planning a panel which will discuss "Best Price and Execution", and the following individuals have consented to participate:

- a. Jack Dudley of Sullivan and Worcester in Washington, who will discuss "Section 17 of the Investment Company Act as it relates to transactions between affiliated persons and the problems which may arise involving institutional access after public ownership".
- b. Robert Mnuchin of Goldman, Sachs and Company in New York, who will discuss "Block trading and problems which may result from institutional access to the marketplace."
- c. Bob Loeffler of Investors Diversified Services in Minneapolis, who will discuss "Institutional access of investment companies, both before and after public ownership".

ARVEY, HODES & MANTYNBAND

Mr. Gene Rotberg  
October 3, 1969  
Page Two

- d. Jack Bogle of the Wellington Management Company  
(final acceptance still open).
- e. Robert Birnbaum of the American Stock Exchange in New York,  
who will discuss "Institutional access from the viewpoint  
of the Stock Exchange."

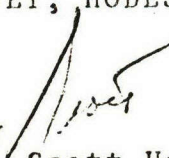
This particular panel will be held on Saturday, February 14,  
1970, at 9:30 A. M.

We would appreciate receiving word from you as to whether you  
would like to participate in this discussion. Naturally,  
Allan Mostoff was quite insistent in stating that with you as  
moderator the panel would jump!

Warmest personal regards.

Cordially,

ARVEY, HODES & MANTYNBAND

By 

Scott Hodes

SH:mj

cc: Allan Mostoff



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
REQUEST FOR SHIPMENT AND MAILING OF PACKAGES

*Chron*

|                                                                                                                                                 |                                     |                                                   |                      |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------|----------------------|------------------------------|
| Department<br><b>Treasurer's</b>                                                                                                                |                                     | Division<br><b>Office of the Treasurer</b>        |                      | Date<br><b>Oct. 13, 1969</b> |
| <b>MATERIAL TO BE DISPATCHED</b>                                                                                                                |                                     |                                                   |                      |                              |
| Quantity                                                                                                                                        | Description                         |                                                   |                      |                              |
| 1                                                                                                                                               | <u><b>World Currency Charts</b></u> |                                                   |                      |                              |
| Send To<br><br><b>Mr. George D. Woods<br/>The First Boston Corporation<br/>277 Park Avenue (Chemical Bank Office)<br/>New York, N. Y. 10017</b> |                                     |                                                   | Special Instructions |                              |
| Date Wanted at Destination                                                                                                                      | Valuation of Contents               | Authorized Signature<br><i>Edith M. Kesterton</i> |                      |                              |
| <b>RECORD OF DISPATCH</b>                                                                                                                       |                                     |                                                   |                      |                              |
| No. of Packages                                                                                                                                 | Weights                             | Measurements                                      | Insurance No.        | Cost                         |
| Shipment Marked                                                                                                                                 |                                     | Shipment Via                                      |                      |                              |
| Date of Dispatch                                                                                                                                |                                     | Signature of Dispatcher                           |                      |                              |

Chron

## OFFICE MEMORANDUM

TO: Mr. Lester Nurick

DATE: October 13, 1969

FROM: Eugene H. Rotberg SUBJECT: PORTFOLIO INVESTMENT: Eximbank "Certificate of Interest"

I recently received a visit from John C. Clark, recently appointed Director of the Export-Import Bank. He suggested an interesting proposition which I think we might consider and concerning which I would like your views. The Eximbank, although it can borrow substantial amounts from the U.S. Treasury, has relatively limited resources because its disbursements are strictly controlled by the U.S. Budget. Apparently, they can only disburse an amount equal to their loan repayments and, I believe, the proceeds from their portfolio sales. They cannot, therefore, issue bonds and use the proceeds for disbursement. As a result, they need sources other than borrowing to replenish their usable resources. Further, they are no longer permitted to sell participation certificates as a means of replenishing their resources. Clark, therefore, suggested that the World Bank might wish to purchase for its portfolio a "certificate of interest" in one of their loans. The loan would be guaranteed by the Eximbank, both as to principal, interest and maturity. As you know, the Eximbank obligations are direct obligations of the U.S. Government. The loan in which we would have a "certificate of interest" would be discounted down to a price which would make it competitive with the going rate and we would choose a maturity anywhere from 2 to 10 years. Clark, in response to my inquiry, said that the interest payments would be made by the Eximbank to our account at the Federal Reserve Bank of New York and that we would look to them for payment, i.e. our account would be credited irrespective of whether the Eximbank borrower, whose loan we held, put the funds in or not. Clark also said that the Eximbank would be prepared to provide us with some kind of "put back" if we required it. I had explained to him that while we had no intention of liquidating our portfolio investments in order to maximize our profits, it was necessary for us to hold an instrument which we could liquidate in the event that we needed cash for disbursements. Clark explained that the Eximbank had "put back" arrangements with other large institutions. We did not go into any detail as to whether there would be a penalty for a "put back", or the length of time that we would be required to hold the "certificate of interest", prior to any put back, etc.

I feel this would be a useful investment for us. First, we are currently experiencing difficulties in purchasing U.S. Government agencies since they are in great demand. Second, the Eximbank obligation would be a U.S. Government obligation. Third, we could tailor our investment as to a particular maturity. Fourth, it



would begin to establish some kind of a financial relationship between the U.S. Government and the Bank.

I suggested to Clark that he should check with his lawyers re how far the Eximbank could go in making payments to our account, agreeing to take back the instrument, guaranteeing payment even if Eximbank rescheduled the debt (Clark explained that even if there was a debt rescheduling they would be prepared to substitute another "certificate of interest" of a different borrower so that we would take no risk or experience delay, etc.) so as to assure that the Eximbank could engage in this kind of an operation, obtain the necessary resources without running afoul of U.S. restrictions on the use of their funds. Obviously, the closer they get to something that looks like a borrowing from us the greater the chance the whole exercise would be futile since the whole point is to increase their resources, which cannot be done by a borrowing.

Clark explained that his suggestions were very tentative and that he would, of course, have to get official approval from the U.S. Treasury before any specific transaction. I told him I would check it out with our Legal Department. Do you see any legal problems? Also, Lester, do you think that there are any policy implications to our investing in a "certificate of interest" which is identified on Eximbank <sup>books</sup> as being attached to a specific loan?



U.S. Balance of Payments

Cooperation with U.S. Balance of Payments Program

In connection with the Bank's public bond issue in the United States in June 1966, the Bank assured the U.S. Treasury that in order to cooperate with the U.S. Balance of Payments Program, the Bank intended to invest the proceeds of such bond issue and the prior issue of June 1965 in such manner as to eliminate any adverse effects on the U.S. Balance of Payments for a specified period. Thereafter, in connection with all public issues in the United States (with one exception - the refunding of \$150 million in 1967) the Bank gave similar assurances to the U.S. Treasury. The periods for which proceeds of the bond issues were to be so held were extended from time to time in connection with each new bond issue.

In connection with the Bank's most recent issue (September, 1968) the Bank reaffirmed its intention to hold the proceeds of the prior issues "for as long as practicable, at least through Fiscal Year 1970." At that time, the Bank also stated that it planned to hold other dollar assets then held in maturities over one year (\$160 million) "as long as practicable."

The bond issues for which these assurances were given and the amounts and periods covered thereby are set forth in Annex 1. The investments held by the Bank at specified dates which satisfied these assurances are set forth in Annex 2.

October 13, 1969  
Treasurer's Department

COOPERATION WITH UNITED STATES BALANCE OF PAYMENTS PROGRAM  
(As of September 16, 1969)

| <u>Bond Issue</u><br>(in millions) | <u>Original Period</u><br><u>Covered by Assurance</u><br><u>Date of issue to:</u> | <u>Net Amount to be Held at</u><br><u>Least Through 6/30/70 <sup>1/</sup></u> | <u>Bonds Not Yet Delivered</u> | <u>Amount to be Held at</u><br><u>9/16/69</u> |
|------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------|
| \$200 (Jan. 1965)                  | December 31, 1967                                                                 | 180                                                                           | -                              | 180                                           |
| \$175 (June 1966)                  | December 31, 1967                                                                 | 108                                                                           | -                              | 108                                           |
| \$250 (March 1967)                 | January 15, 1969                                                                  | 237                                                                           | -                              | 237                                           |
| \$150 (March 1968)                 | January 15, 1970                                                                  | 140                                                                           | 38                             | 102                                           |
| \$250 (Sept. 1968)                 | June 30, 1970                                                                     | <u>218</u>                                                                    | 6                              | <u>212</u>                                    |
| Other dollar assets <sup>2/</sup>  |                                                                                   | 160 <sup>2/</sup>                                                             | -                              | 160                                           |
|                                    |                                                                                   | <u>1,043</u>                                                                  | <u>44</u>                      | <u>999</u>                                    |

<sup>1/</sup> The difference between the principal amount of the issue and the net amount covered by the assurance arises from discount and costs, and the effect of delayed delivery arrangements and in some cases sales to non-U.S. investors. The original period covered by the assurance was extended from time to time in connection with succeeding bond issues. The assurances now outstanding are reflected in this column.

<sup>2/</sup> In connection with the September, 1968 issue the Bank also included in its assurance these other dollar assets to be held as long as practicable. No specific date for the retention of these assets was specified.

TYPE OF US DOLLAR INVESTMENTS<sup>1/</sup> HELD WHICH SATISFIED ASSURANCE

June 30, 1965 to September 19, 1969  
(in millions)

|                    | Amount<br>Covered<br>by<br>Assurance<br>(Col. 1) | Total<br>Time<br>Deposits<br>(Col. 2) | Total U.S.<br>Government<br>Agency<br>Obligations<br>(Col. 3) | Holdings in<br>Excess of<br>Assurance<br>(Cols. 2+3<br>less Col. 1) |
|--------------------|--------------------------------------------------|---------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------|
| June 30, 1965      | 162                                              | 200                                   | -                                                             | 38                                                                  |
| December 31, 1965  | 180                                              | 240                                   | -                                                             | 60                                                                  |
| June 30, 1966      | 180                                              | 322                                   | 178                                                           | 320                                                                 |
| December 31, 1966  | 254                                              | 379                                   | 203                                                           | 328                                                                 |
| June 30, 1967      | 352                                              | 439                                   | 273                                                           | 360                                                                 |
| December 31, 1967  | 415                                              | 441                                   | 319                                                           | 345                                                                 |
| June 30, 1968      | 498                                              | 450                                   | 230                                                           | 182                                                                 |
| December 31, 1968  | 875                                              | 500                                   | 420                                                           | 45                                                                  |
| June 30, 1969      | 975                                              | 500                                   | 584                                                           | 109                                                                 |
| September 16, 1969 | 999                                              | 500                                   | 602                                                           | 103                                                                 |

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<sup>1/</sup> Holdings over one year original maturity





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

October 10, 1969

Mr. and Mrs. Charles Muller  
5636 Western Avenue  
Chevy Chase, Md. 20015

Dear Mr. and Mrs. Muller:

Permit me to thank you on behalf of  
my wife and myself for inviting us to  
your delightful reception in honor of  
Mr. and Mrs. Robert Lempen. We both had  
a most pleasant time and appreciate your  
thoughtfulness in including us.

Sincerely,

A handwritten signature in dark ink, appearing to read "Eugene H. Rotberg".  
Eugene H. Rotberg  
Treasurer

To meet the Financial Counselor of the Embassy  
and Mrs. Robert Lepper

The Chargé d'affaires a. i. of Switzerland  
and Madame Charles Miller

request the honor of the company of

Mrs. and Mr. Eugene Zetberg

at a reception

on Monday, September 22nd

at 6.30 to 8.30 p.m.

G. S. G.

860-2-1811

5047-Sewell Street, N.Y.  
5636 Water Avenue  
betw. Gray Chase Circle +  
41st Str.



# Record Removal Notice

|                                                                                                   |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
|---------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------|
| <b>File Title</b><br>Eugene H. Rotberg - Chronological Records - Volume 02 - June - December 1969 |                                | <b>Barcode No.</b><br><br>1858105                                                                                                                                                                                                                                                                                 |                                              |                              |
| <b>Document Date</b><br>10 October, 1969                                                          | <b>Document Type</b><br>Letter |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Correspondents / Participants</b><br>Eugene Rotberg                                            |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Subject / Title</b><br>Personal Check                                                          |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Exception(s)</b><br>Personal Information<br>Financial Information iv                           |                                |                                                                                                                                                                                                                                                                                                                   |                                              |                              |
| <b>Additional Comments</b>                                                                        |                                | <p>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.</p> <table border="1"><tr><td><b>Withdrawn by</b><br/>Tarsica Morgan-Taylor</td><td><b>Date</b><br/>July 17, 2024</td></tr></table> | <b>Withdrawn by</b><br>Tarsica Morgan-Taylor | <b>Date</b><br>July 17, 2024 |
| <b>Withdrawn by</b><br>Tarsica Morgan-Taylor                                                      | <b>Date</b><br>July 17, 2024   |                                                                                                                                                                                                                                                                                                                   |                                              |                              |



October 10, 1969

Miss Heidi Fiske  
Senior Editor  
The Institutional Investor  
140 Cedar Street  
New York, N.Y. 10006

Dear Heidi:

Do you know this man?

Love,

Gene

*American Banker*

*9/26/69*



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

October 10, 1969

Miss Gretta J. Powers  
Division of Trading and Markets  
Securities and Exchange Commission  
500 North Capitol Street  
Washington, D.C. 20549

Dear Gretta:

Do you know this man?

Love,

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

Gene

*American Banker*  
9/26/69



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

October 7, 1969

Mr. Robert Frothingham  
Program Director  
International Management Division  
American Management Association, Inc.  
135 West 50th Street  
New York, N.Y. 10020

Dear Mr. Frothingham:

I am returning, in accordance with your request, the biographical information sheet.

Please note that I have also changed the title of my remarks to:

The World Bank's Financing  
Activity in International  
Capital Markets

I will send you a short outline of my remarks within the next week.

Sincerely,

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

Enclosures



BIOGRAPHICAL DATA  
Form No. 74-174-1M-9-67

|                   |                     |                        |            |              |       |
|-------------------|---------------------|------------------------|------------|--------------|-------|
| A. M. A. Division |                     | Seminar No.            |            | Today's Date |       |
| Name              | EUGENE H. ROTBERG   | Title TREASURER        |            |              |       |
| Company           | WORLD BANK          | Division or Subsidiary |            |              |       |
| Address           | 1818 H STREET, N.W. | City                   | WASHINGTON | Zone         | State |
|                   |                     |                        |            | 20433        | D.C.  |

COMPANY INFORMATION (OR DIVISION WHERE APPLICABLE)

Year of Founding 1946 Gross Sales \_\_\_\_\_ No. of Employees (Company) 2,000  
Principal Products ~~XXXXXXXX~~ \_\_\_\_\_ No. of Employees (Division) \_\_\_\_\_  
WORLD DEVELOPMENT

Education (Schools, degrees, dates):

B.S. Temple University, 1951  
L.L.B., University of Pennsylvania, 1954

Occupational History Prior to Present Company (Give positions, companies, dates;

U.S. Securities and Exchange Commission: highlights of activities):

1957-1961 - Division of Corporation Finance  
1961-1963 - Member of the Special Study of the U.S. Securities Markets, SEC  
1963-1966 - Chief Counsel, Office of Policy Research, SEC  
1966-1968 - Associate Director (Markets & Regulation), SEC; Responsibility: Regulation  
& surveillance of operations of U.S. Securities Markets & Stock Exchanges

Professorial Lecturer in Law: George Washington University Law School (1965-1969)

Guest Lecturer: Columbia Univ. Law School; Harvard Univ. Law School; Univ. of Pennsylvania  
Law School; Harvard Univ. Graduate School of Business Administration.

Experience with Present Company (All positions, with dates; responsibilities;  
please include company activities that bear on the subject of your talk):

Present Position: Treasurer, The World Bank Group (International Bank for  
(Jan. 1, 1969 to Reconstruction and Development; International  
present) Development Association; International Finance  
Corporation.)

Publications (Published articles, pamphlets, books - authored or edited):

Michigan Law Review; Federal Bar Journal; the Business  
Lawyer - on matters dealing with the distribution and  
trading of securities and securities market regulation.

Other Data (Member or officer - associations and organizations; significant honors;  
civic associations, etc.):

1968 - Securities and Exchange Commission Distinguished Service Award  
1969 - Temple University: Alumni Award for 1969

## OFFICE MEMORANDUM

TO: Mr. Raymond L. Worthington

FROM: Eugene H. Rotberg *EHR*

SUBJECT: Audit of Cash Transactions

DATE: October 7, 1969

~~CONFIDENTIAL~~ **DECLASSIFIED**

Date: 10/19/2010 SMT

I have received your memorandum of October 1, 1969, and have carefully reviewed your comments and particularly those which refer to the practice whereby Mr. Prins and Mr. De Boeck are given authority to sign certain checks and issue cables or other instructions to Bank depositories. In order to facilitate my consideration of this matter, and prior to any special review of this subject situation, I would appreciate your preparing for me a careful analysis of the procedures, checks, controls, reports, etc. which exist within the Bank at the present time which provide for internal control over the problem to which your memorandum is addressed. In this connection, the memorandum of Price Waterhouse, attached to yours of October 1, refers to various controls which existed in 1959 and I would like you to advise me whether these are still in existence and if any other controls or checks, direct or indirect, exist in the Accounting Division or any other Division in the Bank which might reasonably be considered as appropriate internal control re the subject matter.

cc: Mr. Aldewereld  
Mr. Poore





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

October 7, 1969

Zentralkassen-Vereinigung  
Neue Rabenstrasse 6-12  
Hamburg 36  
Federal Republic of Germany

Attention: Mr. Petzold

Gentlemen:

This refers to your letter dated September 19, 1969. As you may know, the World Bank on July 1, 1969 consummated a loan of DM 150 million from the Deutsche Genossenschaftskasse. It is our expectation that the Deutsche Genossenschaftskasse would make such purchase for their own account and/or for others in the Genossenschaftskasse system.

I understand from your letters that you wish to discuss the possibility of a direct placement with the Zentralkassen-Vereinigung. While I cannot be too optimistic for such a transaction, in view of our established and continuing relationship with the Deutsche Genossenschaftskasse, I would be most pleased to meet with you during your forthcoming visit to the United States in late October.

Sincerely,

(signed) Eugene H. Rotberg

Eugene H. Rotberg  
Treasurer



*Carl + Gold + then  
Chiron*

10822 Childs Court  
Silver Spring, Md.  
20901

October 2, 1969

MARLAU  
Rey Francisco, 8  
MADRID, Spain

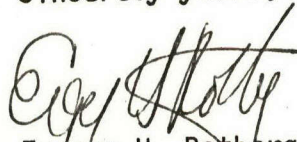
Gentlemen:

This refers to our order placed on 13th August, 1969, for bedroom furniture and assorted other pieces. At that time you indicated that you would send to us for our approval a headboard in a design similar to the one we saw in your establishment but containing some of the shapes incorporated in our pieces.

We have not yet received your suggestions for that re-designed headboard. On reflection, my wife and I have decided that it would be perfectly satisfactory to us if you would go ahead and prepare the king-size headboard exactly like the one that we saw and which is referred to on our receipt (\$175). This will probably facilitate your production and permit us to receive the entire set as soon as possible.

Can you advise us when we can look forward to receiving our order. Thank you very much for your courtesy.

Sincerely yours,

  
Eugene H. Rotberg

Dr. Zulu:

Attached is a suggested letter  
to be sent to the Federal Reserve  
Bank of New York. One other authorized  
signature in addition to yours is  
required. You may also wish to state  
the date of settlement of the trans-  
action and the source of funds for  
payment.

Eugene H. Rotberg  
Treasurer

9/30/69

*Chiron*

Suggested Letter of Authorization to be sent by the Bank of Zambia

[Please note that the letter must be signed by one other person in addition to Dr. Zulu]

Federal Reserve Bank of New York  
33 Liberty Street  
New York, N.Y. 10045

Attention: Foreign Department

Dear Sirs:

This will authorize you to purchase on our behalf  
\$2,000,000 of 6-3/4% coupon, March 15, 1971 maturity, Inter-  
national Bank for Reconstruction and Development Bonds to  
yield us not less than 8.40%.

Very truly yours,

J. B. Zulu  
Governor

---



DRAFT CABLE

EHRotberg:emk  
September 30, 1969

FEDERAL RESERVE BANK OF NEW YORK  
33 LIBERTY STREET  
NEW YORK, N.Y.

ATTENTION FOREIGN DEPARTMENT

THIS WILL AUTHORIZE YOU TO PURCHASE ON OUR BEHALF TWO MILLION  
DOLLARS OF SIX AND THREEQUARTERS PERCENT COUPON MARCH 15, 1971  
MATURITY INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
BONDS TO YIELD US NOT LESS THAN EIGHT POINT FOUR ZERO PERCENT  
STOP CONFIRMING LETTER WILL FOLLOW

J. B. ZULU  
GOVERNOR  
BANK OF ZAMBIA

## OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

FROM: Eugene H. Rotberg

SUBJECT: Annual Meeting - Buffet Dinner - October 1

DATE: September 27, 1969

The following have been invited to the McNamara/Schweitzer dinner:

David M. Kennedy  
Nathaniel Samuels  
Charles E. Walker  
Paul A. Volcker  
J. W. Fulbright  
George D. Aiken  
Henry S. Reuss  
Robert B. Anderson  
William Mc. Martin

I suggest we extend invitations to the buffet to only Volcker of the foregoing group. In addition, I suggest we extend invitations to the following (and their wives):

John R. Petty  
Assistant Secretary of the  
Treasury for International Affairs

Joseph W. Barr  
Former Secretary of the Treasury

Charles A. Coombs  
Senior Vice President  
Federal Reserve Bank of New York

J. Dewey Daane  
Member, Board of Governors  
Federal Reserve System

Kenneth N. Davis, Jr.  
Assistant Secretary for  
Domestic and International  
Business, Department of Commerce

Douglas Dillon  
Former Secretary of the Treasury

Alfred Hayes  
President, Federal Reserve Bank of New York

Paul W. McCracken  
Chairman of the Council of Economic Advisers

*Chron*

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

*Sept. 26/69*

Mr. Leeming:

Re: Organization Bulletin

I have looked over these comments  
of my staff and I think the suggestions  
are good ones. I will talk to  
Y.L. Chang since I am not sure para. 9  
(new para. 10) is completely accurate.

*EHR*

Eugene H. Rotberg



September 26, 1969

Gene

I have looked over the draft of the Organization Bulletin for the Treasurer's Department and, if I may, would like to make the following comments about the paragraphs as numbered:

- (1) With regard to IFC, does this still prevail in view of Mr. Rosen's departure? *Lawrence*
- (2) Insert "the structure of and" after the words "report on". ✓
- (3) This should read "Bank Group's liquid funds". ✓
- (6) I would suggest that this be worded as follows: ✓

"To maintain, on behalf of the Corporation, records of investments available for sale and of outstanding offers for such sales; to arrange settlement of sale transactions and to administer the necessary servicing of investments sold." *OK*

- (7) Delete ", investment" as this seems to be taken care of in another paragraph.

This paragraph applies principally to Ben Prins' office and it seems to me that one of his important operations is the exchange transactions which he undertakes. Consequently, I'd suggest entering another paragraph reading somewhat as follows:

"To undertake currency ~~conversion~~ transactions as required in connection with disbursements of Bank Group funds."

- (9) The last part about the preparation of reports should be deleted, of course, and perhaps you should speak to Y.L. about the first part of this sentence. I do not know who is responsible for receiving and holding the assets of the Staff Retirement Plan.

One last comment is that I think the Bulletin could be reorganized for in its present form it rather skips hither and yon over our operations. And, as a final suggestion, I have taken the liberty to redraft the Bulletin as attached. My idea here was to start with an overall statement of our responsibilities, then in paragraphs (2) through (4) to cover the gathering of funds, followed by paragraphs (5) to (7) regarding what we do with the funds and finally some paragraphs about general responsibilities.

*for*

TREASURER'S DEPARTMENT

The principal responsibilities of the Treasurer's Department are:

- (1) To advise the President, or the Executive Vice President in the case of the Corporation, on financial policies for the World Bank Group;
- (2) To study and report on the structure of and developments in world capital markets relevant to determining borrowing and related financial policies of the Bank;
- (3) To negotiate and arrange for the issuance and service of Bank securities or direct obligations of the Corporation;
- (4) To plan and administer a program for the sale of Bank loans;
- (5) To schedule cash requirements and to arrange for the collection, custody and disbursement of Bank Group funds and other funds which the Bank administers as a trustee, custodian or paying agent;
- (6) To invest the Bank Group's liquid funds;
- (7) To undertake currency conversion transactions as required in connection with disbursements of Bank Group funds;
- (8) To maintain, on behalf of the Corporation, records of investments available for sale and of outstanding offers for such sales; to arrange settlement of sale transactions and to administer the necessary servicing of investments sold;
- (9) To maintain relations with depositories and fiscal agents;  
invest
- (10) To receive, hold, and reinvest all assets of the Retirement Fund and make payments therefrom;
- (11) To direct the activities of the New York Office.



## OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

FROM: Eugene H. Rotberg *EHR*

SUBJECT: Portfolio Investments

DATE: September 25, 1969

I asked the Controller's Department to prepare the attached table. As you will observe, approximately \$300 million of our holdings, which carry relatively low interest rates, mature by the end of this Fiscal Year. It might be possible to sell these securities prior to their maturity, perhaps in a relatively short period of time, and switch into longer-term 8.25% yielding instruments. The wisdom of such a switch depends on the validity of the assumption that over the next 9 months we will not be able to invest, on the average, at these yields, if we wait until the present holdings mature. This last assumption is a matter of investment judgment and quite debatable. I am reasonably confident that we can make purchases at 8.25 plus yields. Recently, we purchased U.S. agencies in the open market of 5-year maturity to yield 8.45.

The attached chart is designed to determine how much we will lose or gain until the date of maturity of present holdings on a purchase of securities yielding 8.25 as compared to (a) the income from the present yield plus (b) the loss which will be incurred from the sale of our present holdings. As you will observe, we can make the entire switch at a loss of about \$200,000 although, as you recognize, in the month of the actual switch our profits will be down \$2.7 million although they will be fully recovered by the end of the Fiscal Year because of increase in interest income. In fact, we can cut down our "loss" by omitting to sell certain issues in which the compensating yields (8.25) do not come close to covering the substantial discount. (The reason for this aberration is probably due to the fact that the coupon, the amount outstanding, or some other market factors have artificially depressed the price out of line with similar maturing instruments.) In short, it comes down to whether we are willing to gamble to \$100,00 to \$200,000 as a hedge in the market over the next 9 months to assure income at, say, 8.25 for \$300 million in the next 3 years. Quite apart from our decision to switch now, I am inclined to shift into 2-4 year maturities, if available, in the open market or preferably new issues with the proceeds of maturing issues. What do you think?

Attachment



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ASSUMED SWITCH OF U.S. AGENCY INVESTMENTS MATURING THROUGH JUNE 30, 1970

As of September 17, 1969

| Issue                               | 1                              | 2             | 3                                    | 4                                | 5                                                  | 6                               | 7                                                             | 8        | 9                      | 10                                       | 11                                                                | 12                                                         |
|-------------------------------------|--------------------------------|---------------|--------------------------------------|----------------------------------|----------------------------------------------------|---------------------------------|---------------------------------------------------------------|----------|------------------------|------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|
|                                     | Face Value<br>(In<br>Millions) | Book<br>Value | Present<br>Market<br>Price<br>(32nd) | Principal<br>Proceeds<br>on Sale | Days to<br>Maturity<br>of<br>(Present<br>Holdings) | Yield on<br>Present<br>Holdings | Income to Maturity<br>(Present Holdings)<br>Interest Discount |          | Total<br>Col.<br>7 & 8 | Loss<br>on Sale<br>(Present<br>Holdings) | Income<br>@8.25% to<br>Maturity<br>Date of<br>Present<br>Holdings | Net<br>(Loss)<br>or Gain<br>Col. 9 &<br>10 less<br>Col. 11 |
| Oct. 27, 1969 6-5/8% F.H.L.B. Notes | 21.0                           | 20,998        | 99.27                                | 20,967                           | 40                                                 | 6.70                            | 154,600                                                       | 2,000    | 156,600                | 31,000                                   | 192,500                                                           | 4,900                                                      |
| Dec. 1, 1969 6.70% F.I.C.B. Deb.    | 22.0                           | 21,999        | 99.23                                | 21,938                           | 74                                                 | 6.73                            | 303,000                                                       | 1,000    | 304,000                | 61,000                                   | 373,100                                                           | 8,100                                                      |
| Dec. 12, 1969 6.00% F.N.M.A. Deb.   | 3.0                            | 2,995         | 99.14                                | 2,983                            | 85                                                 | 6.55                            | 42,500                                                        | 5,000    | 47,500                 | 12,000                                   | 58,400                                                            | (1,100)                                                    |
| Jan. 5, 1970 6.85% F.I.C.B. Deb.    | 14.0                           | 14,002        | 99.21                                | 13,952                           | 108                                                | 6.80                            | 287,700                                                       | (2,000)  | 285,700                | 50,000                                   | 346,500                                                           | 10,800                                                     |
| Jan. 26, 1970 6.75% F.H.L.B. Notes  | 15.0                           | 14,997        | 99.16                                | 14,925                           | 129                                                | 6.80                            | 362,800                                                       | 3,000    | 365,800                | 72,000                                   | 443,400                                                           | 5,600                                                      |
| Feb. 2, 1970 6.90% F.I.C.B. Deb.    | 10.0                           | 10,003        | 99.17                                | 9,953                            | 135                                                | 6.83                            | 258,700                                                       | (3,000)  | 255,700                | 50,000                                   | 309,400                                                           | 3,700                                                      |
| Feb. 10, 1970 6.60% F.N.M.A. Deb.   | 18.8                           | 18,797        | 99.8                                 | 18,659                           | 143                                                | 6.64                            | 492,900                                                       | 3,000    | 495,900                | 138,000                                  | 616,100                                                           | (17,800)                                                   |
| Feb. 11, 1970 6.35% F.N.M.A. Cert.  | 28.0                           | 28,037        | 98.28                                | 27,685                           | 144                                                | 6.04                            | 711,200                                                       | (37,000) | 674,200                | 352,000                                  | 924,000                                                           | (102,200)                                                  |
| Feb. 20, 1970 6.30 F.L.B. Bonds     | 5.0                            | 4,995         | 98.28                                | 4,944                            | 153                                                | 6.52                            | 133,900                                                       | 5,000    | 138,900                | 51,000                                   | 175,300                                                           | (14,600)                                                   |
| Mar. 2, 1970 7.10% F.I.C.B. Deb.    | 10.0                           | 9,993         | 99.17                                | 9,953                            | 165                                                | 7.23                            | 325,400                                                       | 7,000    | 332,400                | 40,000                                   | 378,100                                                           | 5,700                                                      |
| Mar. 25, 1970 6.00% F.H.L.B. Notes  | 6.0                            | 5,985         | 98.28                                | 5,933                            | 188                                                | 6.45                            | 188,000                                                       | 15,000   | 203,000                | 52,000                                   | 258,500                                                           | 3,500                                                      |
| Mar. 25, 1970 6.85% F.H.L.B. Notes  | 3.0                            | 3,001         | 99.13                                | 2,982                            | 188                                                | 6.81                            | 107,300                                                       | (1,000)  | 106,300                | 19,000                                   | 129,300                                                           | 4,000                                                      |
| Apr. 27, 1970 6.00% F.H.L.B. Notes  | 34.0                           | 34,009        | 98.22                                | 33,554                           | 220                                                | 5.96                            | 1,246,700                                                     | (9,000)  | 1,237,700              | 455,000                                  | 1,714,200                                                         | 21,500                                                     |
| May 4, 1970 4.80% E.I.B. Cert.      | 12.0                           | 11,861        | 97.16                                | 11,700                           | 227                                                | 6.59                            | 363,200                                                       | 139,000  | 502,200                | 161,000                                  | 624,300                                                           | (38,900)                                                   |
| May 25, 1970 5.80% F.H.L.B. Notes   | 27.0                           | 26,977        | 98.10                                | 26,544                           | 248                                                | 5.92                            | 1,078,800                                                     | 23,000   | 1,101,800              | 433,000                                  | 1,534,500                                                         | ( 300)                                                     |
| Jun. 10, 1970 6.60% F.N.M.A. Deb.   | 14.0                           | 13,991        | 98.20                                | 13,808                           | 263                                                | 6.68                            | 675,000                                                       | 9,000    | 684,000                | 183,000                                  | 843,800                                                           | (23,200)                                                   |
| Jun. 22, 1970 6.70% F.L.B. Bonds    | 11.0                           | 11,008        | 98.20                                | 10,849                           | 275                                                | 6.61                            | 563,000                                                       | (8,000)  | 555,000                | 159,000                                  | 693,200                                                           | (20,800)                                                   |
| Jun. 22, 1970 6.75% F.L.B. Bonds    | 28.0                           | 28,000        | 98.20                                | 27,615                           | 275                                                | 6.75                            | 1,443,800                                                     | -        | 1,443,800              | 385,000                                  | 1,764,600                                                         | (64,200)                                                   |
| Jun. 26, 1970 8.00% F.H.L.B. Notes  | 20.0                           | 20,000        | 99.26                                | 19,963                           | 279                                                | 8.00                            | 1,240,000                                                     | -        | 1,240,000              | 37,000                                   | 1,278,700                                                         | 1,700                                                      |
|                                     | 301.8                          | 301,648       |                                      | 298,907                          |                                                    | 6.59                            | 9,978,500                                                     | 152,000  | 10,130,500             | 2,741,000                                | 12,657,900                                                        | (213,600)                                                  |

Controller's Department  
Accounting Division  
September 25, 1969

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

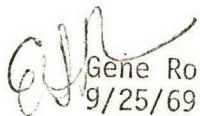
INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. Aldewereld  
Mr. Broches

I am attaching a draft, which incorporates all of my comments, on our commitments to the U.S. Treasury. I have also attached for your information and not for submission to the Board the letter to the U.S. Treasury from Mr. McNamara.

Inasmuch as the recent understandings were worked out by Irving Friedman, I am also sending him a copy of this draft for his comments.

  
Gene Rotberg  
9/25/69

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

Mr. Friedman

Irving:

May I have your comments  
on the attached draft please.

Gene Rotberg  
9/25/69







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

September 25, 1969

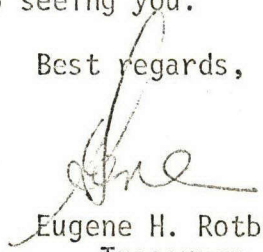
Dear Joe:

Thank you for your kind letter. I expect to arrive on Saturday. It will be most appreciated if you could reserve a suite for me and my wife. I may, although I am not certain, bring my two young children.

I am coming as an official representative of the World Bank and therefore, even though you were kind enough to invite me, the Bank will take care of all of my expenses. Now don't give me any arguments Joe -- that's the way it is.

I look forward to seeing you.

Best regards,

  
Eugene H. Rotberg  
Treasurer

Mr. Joe E. Hutton  
President NSTA  
c/o Equitable Securities,  
Morton & Co.  
322 Union Street  
Nashville, Tenn. 37201

*Card T. Chron*



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

September 24, 1969

Mr. Peter Zimmerman  
Senior Planning Associate  
Corporate Planning Department  
Merrill Lynch, Pierce,  
Fenner & Smith Inc.  
70 Pine Street  
New York, N.Y. 10005

Dear Pete:

Thank you for your letter. Thursday,  
January 15, will be fine and I look forward  
to seeing you. Please let me know the  
exact address.

Best regards,

A handwritten signature in cursive script, appearing to read "Ene", is positioned above the typed name.

Eugene H. Rotberg  
Treasurer

**MERRILL LYNCH, PIERCE, FENNER & SMITH INC**

September 18, 1969

Mr. Eugene Rotberg, Treasurer  
National Bank for Reconstruction & Development  
1818 "H" Street, N.W. -- Room A700  
Washington, D. C. 20433

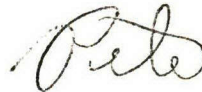
Dear Gene:

It would be helpful at this point in time if we could select a specific date for your January speaking engagement before the Harvard Business School Club of New York. Any Tuesday, Wednesday or Thursday during that month would be satisfactory -- may we suggest January 13th or 15th. The luncheon will start at noon and be over at about 2:00 p.m.

Given the nature and degree of changes currently being contemplated by the financial community and various government agencies, we feel that the timing for your talk will be just right.

I am looking forward to hearing from you on your choice of a specific date.

Regards,



Peter Zimmerman  
Senior Planning Associate  
Corporate Planning Department

PZ:lb



*chron*

## OFFICE MEMORANDUM

TO: Mr. R. A. Clarke

FROM: Eugene H. Rotberg *EHR*

SUBJECT: Mr. Masaru FUKUDA

DATE: September 24, 1969

We do need someone in the Capital Markets Division, particularly if he is familiar with the capital markets in Japan. However, I need someone who is research oriented and can identify and quantify the savings trends in a country. I have some doubts about Mr. Fukuda on that account. I am also concerned about his "position" or title in the Treasurer's Department. He would operate on the same level as Flackmann and/or de Fontenay who are much younger than he is and he would, in effect, have to integrate his ideas and thoughts and procedures for research with them. He would not, of course, have a staff as an independent researcher, nor would he have supervisory responsibilities; basically he would have to develop his own analyses through interchange of ideas with de Fontenay and Flackmann. I don't feel, Reg., that Mr. Fukuda, considering his background and past responsibilities, would be completely happy in that kind of situation.

*Chen*

## OFFICE MEMORANDUM

TO: Mr. E. Rotberg

DATE: September 23, 1969

FROM: R. A. Clarke *RA*SUBJECT: Mr. Masaru Fukuda

Although initially Mr. Cargill's reaction to Fukuda as a potential staff member was negative, this was primarily in relation to the normal gamut of posts in the Area or Projects Departments. In any event, I was concerned at this evaluation since it did not square with the high posts which Fukuda has held in Japanese Government service and the Japanese, although very seniority conscious, do not put danderheads into their key overseas posts. As you will see from my note, Atkeson, the General Counsel from the Asian Development Bank, thinks very highly of him and this is based upon almost three years of close working relationship.

2. In subsequent conversations with Mr. Diamond, Mr. Cargill suggested that Fukuda might be of interest to you if you were looking for a man with knowledge of and particularly contacts in the financial circles of Japan. Would you have any such interest?

# ENGAGEMENTS - ANNUAL MEETING

|                     |                      |                             |                                                                                                                                                                                    |
|---------------------|----------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sunday<br>Sept. 28  | 5:00 to<br>7:00 P.M. | - AT HOME                   | - Mr. & Mrs. Luis Corea, Sr. V.P. Riggs<br>National Bank - to visit with some<br>members of BAFT - 301 West at<br>4201 Cathedral Avenue, N.W.                                      |
| Sunday<br>Sept. 28  | 6:00 to<br>8:00 P.M. | - RECEPTION                 | - Chairmen's Reception<br>The Cotillion Room, Sheraton-Park Hotel                                                                                                                  |
| Sunday<br>Sept. 28  | 8:00 P.M.            | - BUFFET<br>DINNER          | - The Pattbergs and Overbys (First Boston<br>Corporation)<br>Suite #I-640, Sheraton Park Hotel                                                                                     |
| Monday<br>Sept. 29  | 4:00 to<br>5:30 P.M. | - TEA<br>(Ladies)           | - Mrs. McNamara and Mrs. Schweitzer<br>Bank/Fund Courtyard, 19th St. at H St., N.W.                                                                                                |
| Monday<br>Sept. 29  | 5:00 to<br>7:30 P.M. | - COCKTAILS                 | - Mr. and Mrs. Andrew Overby (First Boston<br>Corporation)<br>Suite #I-640, Sheraton Park Hotel                                                                                    |
| Monday<br>Sept. 29  | 8:00 P.M.            | - DINNER                    | - Aldewerelds & Rotbergs<br>Mount Vernon Room, Madison Hotel for<br>Bank's leading underwriters                                                                                    |
| Tuesday<br>Sept. 30 | 6:00 P.M.            | - RECEPTION<br>(Stag)       | - Directors, African Departments<br>South Cotillion Room, Sheraton Park Hotel                                                                                                      |
| Tuesday<br>Sept. 30 | 6:00 to<br>8:00 P.M. | - RECEPTION<br>(Mr. & Mrs.) | - Mr. & Mrs. Stefano Siglienti, Chairman<br>of the Board, Istituto Mobilaire Italiano<br>Federal City Club, The Sheraton-Carlton                                                   |
| Wednesday<br>Oct. 1 | 6:00 P.M.            | - COCKTAILS                 | - The Financial Counselor to the French<br>Embassy and Madame Georges Plescoff<br>(to meet Mr. Valery Giscard d'Estaing,<br>Minister of Finance)<br>3077 Cleveland Avenue, N.W.    |
| Wednesday<br>Oct. 1 | 6:00 to<br>8:00 P.M. | - RECEPTION<br>(Informal)   | - Secretary of the Treasury & Mrs. Kennedy<br>Flag Hall, Museum of History & Technology<br>Mall Entrance, Madison Avenue, N.W.<br>(between 12th & 14th)<br>[Smithsonian Institute] |
| Wednesday<br>Oct. 1 | 8:00 P.M.            | - BUFFET<br>DINNER          | - Aldewerelds & Rotbergs<br>Ambassador Room of the Shoreham Hotel                                                                                                                  |
| Thursday<br>Oct. 2  | 12:30 P.M.           | - RECEPTION<br>& LUNCHEON   | - Messrs. Rosen and Gaud (Stag)<br>Blue Room, Shoreham Hotel                                                                                                                       |
| Thursday<br>Oct. 2  | 8:00 P.M.            | - DINNER                    | - Messrs. McNamara and Schweitzer<br>Dolley Madison Ballroom, The Madison                                                                                                          |



## OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

FROM: Eugene H. Rotberg

SUBJECT: Annual Meeting - Buffet Dinner - October 1

DATE: September 27, 1969

The following have been invited to the McNamara/Schweitzer dinner:

David M. Kennedy  
Nathaniel Samuels  
Charles E. Walker  
Paul A. Volcker  
J. W. Fulbright  
George D. Aiken  
Henry S. Reuss  
Robert B. Anderson  
William Mc. Martin

I suggest we extend invitations to the buffet to only Volcker of the foregoing group. In addition, I suggest we extend invitations to the following (and their wives):

✓ John R. Petty  
Assistant Secretary of the  
Treasury for International Affairs

✓ Joseph W. Barr  
Former Secretary of the Treasury

✓ Charles A. Coombs  
Senior Vice President  
Federal Reserve Bank of New York

J. Dewey Daane  
Member, Board of Governors  
Federal Reserve System

✓ Kenneth N. Davis, Jr.  
Assistant Secretary for  
Domestic and International  
Business, Department of Commerce

Douglas Dillon  
Former Secretary of the Treasury

Alfred Hayes  
President, Federal Reserve Bank of New York

Paul W. McCracken  
Chairman of the Council of Economic Advisers

Mr. Aldewereld

Siem:

Attached are letters to Germany, Austria, Denmark, France, Italy, Belgium, Canada and Norway. The letters are "boiler plate" and have been used in the other letters already sent out by Mr. McNamara. I would have preferred the first paragraph to read I was very glad to learn from your cable of August 22 of your subscription of.... etc. but apparently the letters have gone out as written. Note the letter to Blessing and the slight change in the letter to France. Do you think we should strike the words "a very valuable" on the letter to France. After all, the real significance for France is the fact that it is a demonstrable support rather than a "very valuable support." On the other hand, we have used the expression "very valuable" for some small contributions from other countries.

Also note the change in the letter to Canada. I don't want to make it appear that this was some new decision on their part and of which McNamara had just been informed. The Canadian letter is being sent to Benson because the cable, although sent by the Central Bank, stated they had subscribed as fiscal agent for the Government.

Please return all letters to me after you have made any comments.

Gene Rotberg  
9/24/69





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

September 24, 1969

Mr. Stephen Barnaky  
American International  
Investment Corporation  
400 Montgomery Street  
San Francisco 4, California

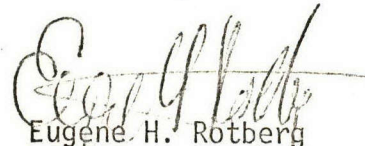
Dear Mr. Barnaky:

Reference is made to your letter of  
September 12 in reply to my letter of  
September 8 addressed to Mr. Alvino. For  
your information, Mr. Woods' present  
address is as follows:

Mr. George D. Woods  
The First Boston Corporation  
277 Park Avenue  
(Chemical Bank Office)  
New York, N.Y. 10017

Mr. Woods' successor is Mr. Robert S.  
McNamara and his title and address are as  
shown in Mr. Alvino's letter to him of  
June 25.

Sincerely,

  
Eugene H. Rotberg  
Treasurer



AMERICAN INTERNATIONAL INVESTMENT CORPORATION  
400 MONTGOMERY ST. SAN FRANCISCO 4, CALIF. YU 1-8462

September 12, 1969

• Dear Mr. Rotberg,

This is to thank you for your letter of September 8, 1969 addressed to Mr. Riccardo Alvino, our President, who is traveling abroad.

With regard to the copy of our "World Currency Charts", 4th edition, sent to Mr. George Woods, who, as we understand, is no longer affiliated with your Bank, we would appreciate your forwarding the book to Mr. Woods' successor in the Bank, advising us - if we may ask you the favor - of his name and rank for our files. We would also be thankful for Mr. George Woods' present position and address.

Thanking you for your attention, we remain, with best regards,

Sincerely yours,

  
Stephen Barnaky

SB/dbb

Mr. Eugene H. Rotberg  
Treasurer  
International Bank for  
Reconstruction and Development  
Washington D.C. 20433



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

September 8, 1969

Mr. Ricardo Alvino  
President  
American International Invest-  
ment Corporation  
400 Montgomery Street  
San Francisco 4, California

Dear Mr. Alvino:

On behalf of Mr. McNamara, permit me to thank you for a copy of the 4th Edition of your publication "World Currency Charts". Your courtesy is very much appreciated in transmitting this material to us. As you may know, Mr. George Woods is no longer affiliated with this Bank. If you so advise, I shall be pleased to forward the "World Currency Charts" to him.

Sincerely,

  
Eugene H. Rotberg  
Treasurer



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AMERICAN INTERNATIONAL INVESTMENT CORPORATION  
400 MONTGOMERY ST. SAN FRANCISCO 4, CALIF. YU 1-8462

September 12, 1969

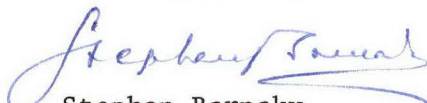
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Stephen Barnaky

SB/dbb

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Treasurer  
International Bank for  
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Washington D.C. 20433





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RECONSTRUCTION AND DEVELOPMENT  
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Sincerely,

  
Eugene H. Rotberg  
Treasurer



# ENGAGEMENTS

|                     |                      |   |                                                                                                                                                                                                                              |
|---------------------|----------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Monday<br>Sept. 22  | 6:00 P.M.            | - | COCKTAILS - The Crown Agents' Representative<br>Mr. Kenneth A. Goldsmith to meet<br>Mr. Claude Hayes, Chairman, Crown<br>Agents Board and Mrs. Hayes<br>Statler Hilton Hotel, Pan American<br>Room - 16th & K Sts. N.W.      |
| Monday<br>Sept. 22  | 6:30 to<br>8:30 P.M. | - | RECEPTION - The Charge d'affaires of Switzerland<br>and Mrs. Charles Muller to meet the<br>Financial Counselor of the Embassy<br>and Mrs. Robert Lempen<br>5636 Western Avenue (between Chevy<br>Chase Circle & 41st Street) |
| Sunday<br>Sept. 28  | 5:00 to<br>7:00 P.M. | - | AT HOME - Mr. and Mrs. Luis Corea, Sr. V.P.<br>Riggs National Bank - to visit with<br>some members of BAFT<br>4201 Cathedral Avenue, N.W.                                                                                    |
| Sunday<br>Sept. 28  | 6:00 P.M.            | - | RECEPTION - Chairmen's Reception<br>Sheraton Park Hotel                                                                                                                                                                      |
| Sunday<br>Sept. 28  | 8:00 P.M.            | - | BUFFET<br>DINNER - The Pattbergs and Overbys (First<br>Boston Corporation)<br>Suite #I-640, Sheraton Park Hotel                                                                                                              |
| Monday<br>Sept. 29  | 5:00 to<br>7:30 P.M. | - | COCKTAILS - Mr. and Mrs. Andrew Overby (First<br>Boston Corporation)<br>Suite (I-640), Sheraton Park Hotel                                                                                                                   |
| Monday<br>Sept. 29  | 8:00 P.M.            | - | DINNER Aldewerelds & Rotbergs<br>Mount Vernon Room, Madison Hotel<br>for Bank's leading underwriters                                                                                                                         |
| Tuesday<br>Sept. 30 | 6:00 to<br>8:00 P.M. | - | RECEPTION - Mr. Stefano Siglienti, Chairman of<br>the Board, Istituto Mobilaire<br>Italiano and Mrs. Siglienti<br>Federal City Club, The Sheraton-Carlton                                                                    |
| Wednesday<br>Oct. 1 | 8:00 P.M.            | - | BUFFET<br>DINNER - Aldewerelds & Rotbergs<br>Ambassador Room of the Shoreham<br>Hotel                                                                                                                                        |
| Thursday<br>Oct. 2  | 12:30 P.M.           | - | RECEPTION<br>& LUNCHEON Messrs. Gaud & Rosen<br>Blue Room, Shoreham Hotel                                                                                                                                                    |



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

September 23, 1969

Mr. Arthur F. Mathews  
Deputy Associate Director  
Division of Trading and Markets  
Securities and Exchange Commission  
Washington, D. C. 20549

Dear Art:

Thank you for your recent letter. It was my pleasure to sponsor you for the Younger Federal Lawyer Award. I wish you the best of success which you fully deserve and I am sure will be forthcoming in your future career.

Kindest personal regards.

Sincerely,

Eugene H. Rotberg  
Treasurer



DIVISION OF  
TRADING AND MARKETS

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SEP 9 1969

Mr. Eugene H. Rotberg, Treasurer  
World Bank  
1809 "K" Street, N. W.  
Room # 827  
Washington, D. C.

Dear Gene:

I want to express my heartfelt thanks to you for appearing as my sponsor in Miami Beach in connection with the Younger Federal Lawyer Award. The fact that I had as my sponsor a devoted public servant whom I admire and respect as much as you made this award one of the truly most important events in my legal career.

Thanks once again for adding that extra touch of professional dignity to the award ceremony.

Sincerely yours,

*Arthur F. Mathews*

Arthur F. Mathews  
Deputy Associate Director



## OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

DATE: September 23, 1969

FROM: Eugene H. Rotberg *EHR*SUBJECT: Interest Rate: Portfolio Sales and Participation

Attached is a draft information memorandum to the Executive Directors concerning our new loan sale interest rate.

In the past we have advised the Board of certain operating matters relative to our loan sales, specifically the identification of developed countries on whose loans the Bank can profit if the interest rates are favorable. We also have referred to the practice of arranging the sale of loans so as to reflect a mixture of higher and lower rates for particular borrowers. My feeling is that we should not get into these matters in this information memorandum (see attachment). I am not at all confident that the procedures outlined in the attachment are either self-explanatory or without controversy or completely appropriate.

I therefore suggest that we drop the last sentence, in brackets, of the covering memorandum and do not forward the attached "operating" memorandum.

Attachment

D R A F T  
REDeely:EHRotberg:emk  
September 22, 1969

TO: The Executive Directors

FROM: The President

LOAN SALES

Since October 1968 we have been offering our loans for sale on a graduated scale from 6 % to 6<sup>1</sup>/<sub>2</sub> % depending upon the maturity of the purchase. Since interest rates generally have risen substantially and in view of the increase in our standard loan rate to 7%, I wish to advise you that, effective immediately, we will offer participations in loans and sales from portfolio at 7%. No maturity of less than two years will be offered. There does not appear to be any compelling reason to maintain different rates for various maturities at the present time. [For your information, there is attached a memorandum setting forth the operating decisions which will govern such sales until further notice.]

Attachment

D R A F T

REDeely:ls  
Sept 19, 1969

LOAN SALES

1. Any borrower or guarantor or government agency of the borrowing country may purchase any portion of its loans held by the Bank at the interest rate or rates specified in such loan agreement or agreements. To the extent practicable, such purchases will be arranged on the basis of a fair division between loans carrying varying interest rates, i.e., a mixture of higher and lower rates.
2. When the purchaser is not one of those referred to in paragraph 1, loans will be offered for sale on the following terms and conditions:
  - (a) no maturity under two years will be offered;
  - (b) the yield to the purchaser will be 7%.
  - (c) loans to countries classified as developed countries for interest equalization tax purposes will not be offered nor sold to a "United States person" (this does not include loans to less-developed territories guaranteed by such developed countries).
3. Whenever, in the sale of a loan to or guaranteed by

|             |          |                   |
|-------------|----------|-------------------|
| Australia ✓ | France ✓ | Luxembourg ✓      |
| Austria ✓   | Iceland  | New Zealand       |
| Belgium ✓   | Israel   | Norway ✓          |
| Denmark ✓   | Italy ✓  | South Africa or ✓ |
| Finland ✓   | Japan ✓  | United Kingdom, ✓ |

the yield to the purchaser is below the interest rate on the loan, the Bank will retain such difference. In sales of all other loans, such difference will be waived in favor of the borrowers.



Chion

D R A F T  
REDeely:EHRotberg:emk  
September 22, 1969

TO: The Executive Directors

FROM: The President

LOAN SALES

Since October 1968 we have been offering our loans for sale on a graduated scale from \_\_\_\_\_% to \_\_\_\_\_% depending upon the maturity of the purchase. Since interest rates generally have risen substantially and in view of the increase in our standard loan rate to 7%, I wish to advise you that, effective immediately, we will offer participations in loans and sales from portfolio at 7%. No maturity of less than two years will be offered. There does not appear to be any compelling reason to maintain different rates for various maturities at the present time. [For your information, there is attached a memorandum setting forth the operating decisions which will govern such sales until further notice.]

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| Australia ✓ | France ✓ | Luxembourg ✓      |
| Austria ✓   | Iceland  | New Zealand       |
| Belgium ✓   | Israel   | Norway ✓          |
| Denmark ✓   | Italy ✓  | South Africa or ✓ |
| Finland ✓   | Japan ✓  | United Kingdom, ✓ |

the yield to the purchaser is below the interest rate on the loan, the Bank will retain such difference. In sales of all other loans, such differences will be waived in favor of the borrowers.

DRAFT  
REDEELY:ls  
Sept 19, '69

FROM: Mr. McNamara to the Executive Directors

LOAN SALES

Since October 1968 we have been offering our loans for sale on a graduated scale <sup>from 7 to 7%</sup> depending upon the maturity of the purchase ~~to a maximum~~ of ~~6-1/2%~~. <sup>since</sup> In view of the fact that interest rates generally have advanced <sup>recently substantially</sup> since ~~that~~ then and <sup>in view of the increase in</sup> ~~that~~ our standard loan rate has been raised to 7% from

~~6-1/2%~~. I wish to advise you that, effective immediately, we will offer

<sup>participation in</sup> ~~portions of loans~~ <sup>and sales per portfolio at 7%</sup> for sale at 7%. ~~This rate is still lower than current~~

~~level. There is no reason to believe that the current~~ available investments for financial institutions and there does not ~~seem~~

appear to be any compelling reason to maintain different rates for various maturities at the present time. [ For your information, there is attached a memorandum setting forth the operating decisions which will govern such sales until further notice. ]

*Nonmaturing less than two years  
will be offered.*

Attachment



## OFFICE MEMORANDUM

*Chron*  
CONFIDENTIAL

TO: Mr. Robert S. McNamara  
Mr. S. Aldewereld  
FROM: Eugene H. Rotberg *EHR*  
SUBJECT: Bank's Portfolio Investment Yield

DATE: September 18, 1969

**DECLASSIFIED**

Date: 10/19/2010

Our preliminary figures as of September 17 show that the Bank's liquid investments are now approximately \$1.8 billion equivalent. This increase is due to the receipt of a delayed delivery from our most recent DM issue, a \$75 million increase in resources from our Sept. 15 Central Bank issue and a somewhat slow rate of disbursement for August and September. Our preliminary calculations for September 17 show that the entire portfolio is now invested at a weighted average rate of 7.62 percent, or 33 basis points over August 31 and 47 basis points higher than August 15. The increased yield is a result of an investment of new funds (\$75 million) and reinvestment of maturing funds (\$159 million) in time deposits at an average rate of about 10-1/4 percent for approximately one year maturity. These investments were made within the last 22 days. The reason for the rather substantial investment within a short period is because of the Central Bank issue and the investment in March 1969 of a substantial block of a 6-month time deposit.

There matures another \$85 million in time deposits by November 6. These now yield about 6 percent. We assume that these funds will be invested at a considerably higher rate in time deposits. Further, there matures, between now and January 5, another \$91 million of U.S. Agencies which, assuming continuation of present market conditions, might be reinvested at 150 basis points higher yield. Further, we now have available \$50 million in DM (now yielding 4-7/8 percent) which will be disbursed in the next few months. Based upon the foregoing, I expect that the current 7.62 yield will rise over the next few months; it will not likely go too much over, say, 7.75 because our incremental investments in agencies, particularly if we stretch out the maturities to the 3-4 year area, will not be substantially different from our average investment for the whole portfolio. While we might commit more in time deposits by asking the Board for another resolution, I would not recommend such action because of the rather short maturities (1 year) available.

If we assume a 7.50 average yield through June 30 (which takes into account the somewhat lower yield the first few months of this FY and a fall-off in time deposit rates for maturing obligations the latter part of this FY), we should have an investment income of about \$125 million for this FY. This assumes that we cannot maintain our present \$1.8 billion position and that it will deteriorate by about \$200 million because of failure to borrow net more than about \$400 million. The high incremental income from the investment of new borrowing is one of the reasons for borrowing short or medium-term and, by investing proceeds, covering our risk and generating Bank income.

Mr. Robert S. McNamara  
Mr. S. Aldewereld

- 2 -

September 18, 1969

One further note: the weighted average yields which are reported to you are only weighted percentage yields and do not take into account the "capital" losses which might be incurred in the management of the portfolio. If the Bank were to liquidate a security yielding, say, 6 percent in order to purchase a security yielding 8 percent, though we would calculate in our reports the new yield (8 percent), there will obviously be a discount in liquidation which will cut into our overall income. These "losses", however, have been de minimus because we have done very little switching and the aggregate amount of "capital" loss is not significant. In fact, capital losses or gains are not separately identified in our earnings statements, but are netted against overall income. If, however, we decide not to wait for the maturity of certain low-yielding instruments but rather sell in the open market, take the capital loss and reinvest in higher yielding instruments, I will report this as a supplementary note to our bi-weekly investment reports.



OUTGOING WIRE

TO: NOTENBANK  
FRANKFURTMAIN

DATE: SEPTEMBER 17, 1969

CLASS OF  
SERVICE: FULL-RATE

*Telex.*

COUNTRY: (FEDERAL REPUBLIC OF GERMANY)

TEXT:  
Cable No.:

ATTENTION MR. TUENGELER  
RE OCTOBER 1 ROLLOVER STOP U.S. TREASURY HAS JUST ANNOUNCED  
REFUNDING OF U.S. TREASURY OBLIGATIONS STOP RATES ARE AS  
FOLLOWS: EIGHT PERCENT AT PAR FOR NINETEEN AND ONEHALF MONTH  
MATURITY; SEVEN AND THREEQUARTERS PERCENT AT PAR FOR  
FORTYTHREE AND ONEHALFMONTH MONTH MATURITY; SIX YEAR TEN AND  
ONEHALF MONTH MATURITY DISCOUNTED TO YIELD SEVEN POINT FIVE NINE  
STOP IT APPEARS THAT THE CORRESPONDING INTEREST RATE FOR FOUR  
YEARS FOUR MONTHS WOULD BE APPROXIMATELY SEVEN POINT SEVEN ZERO  
STOP IN VIEW OF THIS DEVELOPMENT TODAY I AM PREPARED TO RECOMMEND  
RATE OF SEVEN AND SEVEN-EIGHTHS INSTEAD OF SEVEN POINT SEVEN FIVE  
PERCENT AS WE DISCUSSED THIS MORNING FOR OUR OCTOBER 1 ROLLOVER  
STOP PLEASE ADVISE IF UNDER CIRCUMSTANCES YOU CONSIDER SUCH RATE  
APPROPRIATE REGARDS ROTBERG  
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

PT.

SIGNATURE  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:



Siem -

Attached is a tentative "outside" guest list for the dinner and buffet. I think we should keep in mind that at least 3 out of 4 dinner invitations extended last year to persons outside of the U.S. and Canada, were returned "with regrets". As a result, we apparently doubled up on the Canadian firms such as Ames, Dominion Securities, etc. Further, we cannot tell at this point which of the guests will bring their wives. It may be that we should extend dinner invitations to representatives of certain governments, central banks or quasi-government savings institutions if we see that we are getting too many "regrets."

I have substantially changed the list of the 1968 buffet list by omitting the U.S. insurance companies, many of the U.S. and Canadian banks and persons who were also invited to the dinner. This gives us about 80 new openings. I have substituted instead certain Alternate Governors, representatives of central banks, particularly those who are major buyers of our bonds, economists, directors of quasi-government savings institutions in developed countries, top U.S. bond firms and securities dealers, representatives of foundations, international financial leaders, etc.

OUTSIDE GUEST LIST - DINNER

|         |                                                                                             |                  |
|---------|---------------------------------------------------------------------------------------------|------------------|
| Austria | Mr. Eduard Schmidt, Director<br>Oesterreichischen Kontrollbank, A.G.<br>Vienna 1, Austria   | - or Karlik      |
| Belgium | Mr. and Mrs. Paul E. Janssen, Director<br>Societe Generale de Banque<br>Brussels 1, Belgium |                  |
| Canada  | Mr. and Mrs. J. O. Hughes, Chairman<br>A.E. Ames & Co. Ltd.<br>Toronto,<br>Canada           |                  |
| Canada  | Mr. D. H. Ward, President<br>The Dominion Securities Corporation Ltd.<br>Canada             |                  |
| Canada  | Mr. W. P. Wilder, President<br>Wood Gundy Securities Ltd<br>Canada                          | - or Frank Logan |
| Germany | Dr. Wilfried Guth, Director<br>Deutsche Bank A.G.<br>Frankfurt-Main, Germany                |                  |
| Germany | Dr. Paul Krebs, Asst. Gen. Manager<br>Deutsche Bank. A.G.<br>Frankfurt-Main, Germany        |                  |
| Germany | Mr. Helmut Haeusgen, Managing Director<br>Dresdner Bank A.G.<br>Frankfurt Main 1, Germany   |                  |
| Germany | Mr. Ludwig Poullain, Gen. Manager<br>Landesbank fuer Westfalen Girozentrale<br>Germany      |                  |

|             |                                                                                                                                                |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Germany     | Deutsche Gen <del>oss</del> enschaftskasse -                                                                                                   |
| Germany     | Deutsche Girozentrale - Dr. J. A. Muhl                                                                                                         |
| Germany     | Prof. Dr. Helmut Lipfert, Manager<br>Rheinische Girozentrale und Provinzialbank<br>Dusseldorf 4, Germany                                       |
| Kuwait      | Mr. and Mrs. Abdlatif Al-Hamad, Managing Director<br>Kuwait Investment Co.<br>Kuwait                                                           |
| Netherlands | A. F. J. Dijkgraaf, Managing Director<br>Algemene Bank Nederland N.V.<br>Amsterdam-C, The Netherlands                                          |
| Sweden      | Mr. Sven G. Malmberg, Senior Vice President<br>Skandinaviska Banken<br>Stockholm 16, Sweden                      - or Mr. & Mrs. Alf Akerman   |
| Sweden      | Mr. Marc Wallenberg, Jr. President<br>Stockholms Enskilda Bank<br>Stockholm 16, Sweden                                                         |
| Switzerland | Dr. F. Schulthess, Chairman<br>Credit Suisse<br>Zurich, Switzerland                                                                            |
| Switzerland | Dr. Samuel Sch <sup>w</sup> eizer, Chairman<br>Swiss Bank Corporation<br>Basle, Switzerland                      - or Dr. & Mrs. Edgar Paltzer |



|             |   |                                                                                                             |
|-------------|---|-------------------------------------------------------------------------------------------------------------|
| U.K.        |   | The Rt. Hon. (The Earl of Cromer), Partner<br>Baring Bros. & Co. Ltd.<br>London E.C. 2, England             |
| U.S.        |   | Mr. and Mrs. Emil J. Pattberg, Jr., Chairman<br>The First Boston Corporation<br>New York, N.Y. 10005        |
| U.S.        |   | Mr. and Mrs. Andrew N. Overby, Vice Chairman<br>The First Boston Corporation<br>New York, N. Y.             |
| U.S.        |   | Mr. and Mrs. Walter W. Wilson<br>Morgan Stanley & Co.<br>New York, N.Y.                                     |
| U.S.        |   | Mr. and Mrs. John M. Young<br>Morgan Stanley & Co.<br>New York, N. Y.                                       |
| Italy       | ? | Donati, Chairman<br>Banque D'Lavoro                                                                         |
| Switzerland |   | Stopper<br>President, Swiss National Bank                                                                   |
| Belgium     |   | Mr. and Mrs. Roger Alloo<br>Head, International Division<br>Societe Generale de Banque<br>Brussels, Belgium |
| Canada      | X | Mr. and Mrs. W. B. MacDonald<br>President, A.E. Ames & Co. Ltd.<br>Toronto, Ontario<br>Canada               |

|             |   |                                                                                                                        |
|-------------|---|------------------------------------------------------------------------------------------------------------------------|
| Canada      | X | Mr. and Mrs. K. G. Murton<br>President, A. E. Ames & Co., Inc.<br>New York, N. Y.                                      |
| Netherlands |   | Dr. A. Batenburg<br>Managing Director, Algemene Bank Nederland N.V.<br>Amsterdam, The Netherlands                      |
| U.S.        |   | Mr. Edward Townsend<br>Senior Vice Pres., The First Boston Corp.<br>New York, N. Y.                                    |
| U.S.        |   | Mr. and Mrs. H. Lawrence Parker<br>Morgan Stanley & Co.<br>New York, N. Y.                                             |
| Austria     |   | Dr. and Mrs. Ernst Rott<br>Creditanstalt-Bankverein<br>N. Y., N. Y.                      or Mr. Erich Miksh            |
| Switzerland |   | Mr. F. E. Aschinger<br>Economic Adviser, Swiss Bank Corp.<br>Basle, Switzerland                                        |
| U.K.        |   | Mr. John Duncan Miller<br>c/o Baring Bros. & Co. Ltd.<br>London, England                                               |
| Switzerland |   | Dr. Alfred Schaefer<br>Chairman, Union Bank of Switzerland<br>Zurich, Switzerland                      or G. Hanselman |
| Switzerland |   | Rheinhardt<br>Credit Suisse                                                                                            |

# B U F F E T

| <u>COUNTRY</u>        | <u>GOVERNMENT OR CENTRAL BANK</u>                                                                             | <u>PRIVATE</u>                                                                                                                                                                                   |
|-----------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Austria</u>        | Neudoerfer or Kartel<br>Kloss<br>Schmitz                                                                      | Teufenstein (Investionkredit)<br>Taus (Girozentrale)<br>Ockermuller or Ohler (Landerbank)?<br>(Diener)                                                                                           |
| <u>Australia</u>      | Sir Roland Wilson (Alt. B)<br>Brand or Low                                                                    |                                                                                                                                                                                                  |
| <u>Belgium</u>        | Arts (Caisse D'Epargne)<br>Stryker (Central Bank and Pres.<br>of Assn. of Savings Banks)<br>Guchteneere (CDE) | Camu or Smets (Banque du Bruxelles)<br>Lambert (Banque Lambert)<br>Naessens (Paris et Pay de B)                                                                                                  |
| <u>Canada</u>         | Alternate Governor                                                                                            |                                                                                                                                                                                                  |
| <u>Denmark</u>        | Muller - Atl. Governor (M. of Commerce)                                                                       |                                                                                                                                                                                                  |
| <u>France</u>         | Larre<br>Perouse<br>Theron - Banque de France                                                                 | Calvet or Ledoux (B.N.de Paris)<br>Margerie or Rayre (B.deP. et PaysB)<br>Bloch-Laine (Credit. Lyonnais)<br>Schlogel (Credit Lyonnais)<br>Faure (Societe Generale)<br>Richard (Societe Generale) |
| <u>German</u>         | Emminger<br>Hankel ?<br>Hartig                                                                                | Zahn (Trinkhaus)<br>Dohm or Markx (Commerzbank)<br>Hanesgan or Smidt Weyland (Dresdner)<br>Schmidt (R. Giro)<br>? (R. Genoss)<br>? (R. Giro)                                                     |
| <u>Italy</u>          | Ossola (B. of Italy)<br>Vernucci (U.I. dei C.)                                                                | Donati (B. de Lavoro)<br>Vicinelli (B. de Lavoro)<br>Bombieri (BCI)                                                                                                                              |
| <u>Kuwait</u>         |                                                                                                               | El Guneein                                                                                                                                                                                       |
| <u>Netherlands</u>    | Vanden Bosch                                                                                                  | Gelder or Lievense (ABN)<br>Roesler (AR)<br>Gildemond (M & H)                                                                                                                                    |
| <u>Switzerland</u>    | Stopper and BIS                                                                                               |                                                                                                                                                                                                  |
| <u>United Kingdom</u> | Morse<br>Kirbyshire, etc.                                                                                     | Bevan and Lee or Thomson (Barclays)<br>Pullen (Chartered)<br>Forbes, etc. (Midland)<br>Roll (Warburg)<br>Harcourt (Morgan Grenfell)                                                              |



| <u>COUNTRY</u>       | <u>GOVERNMENT OR CENTRAL BANK</u>                                                                       |
|----------------------|---------------------------------------------------------------------------------------------------------|
| <u>United States</u> | Bradfield - Asst. Gen. Counsel<br>U.S. Treasury<br>Wallich - Special Consultant<br>Sec. of the Treasury |

PRIVATE  
Fitch; Moodys; A. Langston

Banks:  
Chase Manhattan  
Bankers Trust  
Bank of America  
Chemical Bank  
Continental Illinois  
Fidelity  
Irving Trust  
Manufacturers Hanover  
Philadelphia National  
American Security

Brokers:  
Jacobs or John Leslie <sup>chairman</sup> (Bache & Co)  
Donald Reagan or James Thomson  
(Merrill Lynch)  
Van Dine (Morgan)  
Taylor (First Boston)  
G. Levy and/or Henry Fowler (Goldman)  
Wm. E. Simon and/or J. Gutfreund <sup>senior</sup>  
Salomon Bros)  
Robert Haack (Pres. NYSE)  
Robert Powers (ExecVP Smith Barney  
and 1970 Pres. Bond Club)  
George Ball (Lehman Bros)?  
Robert Roosa (Bros. Bros) ?  
Howard Buhse (Pres. Hornblower &  
Weeks and 1969 Pres. Bond Club)  
Arthur Wadsworth (Dillon Reed)  
Jack Dreyfus (Dreyfus Fund)  
Jos. H. King or Fred Barton (Eastman  
Dillon, Union Securities Co)  
John Loeb or Armand G. Erpf or  
Clifford W. Michel (Loeb  
Rhoades & Co). <sup>+ Jennette</sup>  
Wm. Donaldson (Donaldson Lufkin)  
Leon Levy (Oppenheimer Co. and  
Oppenheimer Fund)

Foundations:  
Brookings Institution  
Rockefeller Foundation  
Ford Foundation

Miscellaneous:

Wojenlower - Economist (First Boston)  
K. Kinney, Pres. BAFT  
Claire Hoffman  
McCloy ?

OTHER

|                |                         |
|----------------|-------------------------|
| <u>Vatican</u> | Gremelion<br>Maillardoz |
|----------------|-------------------------|

*Card*

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

3:00 P.M. - September 12

Mr. Riggs Parker  
Drexel Harriman Ripley Inc.  
1500 Walnut Street  
Philadelphia

(6th Floor)

Phone: KI 5-4100

DECLASSIFIED

Date: 10/19/2010

MEMO TO:

Personal

DATE:

"Hal" Berry - Chairman

"Bert" Coleman - Chmn. Exec Com.

Paul Miller - President

Gene Cheston - V-P - Marketing

"Jay" Sherrerd - Head of Research

John Bayer - Phila. Underwriting

Morris Lloyd - Senior V.P.  
Advisory Dept.

Tony Buford - V.P. - Secy. of  
Planning Comm.

Roger Parker - V.P. - Administration

THE WINCHELL COMPANY

FINANCIAL AND LEGAL PRINTING

1315 CHERRY STREET ■ PHILADELPHIA, PA. 19107 ■ 568-1770





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

September 12, 1969

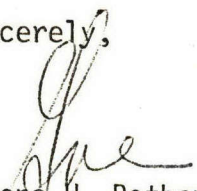
Mr. Andrew N. Overby  
Vice Chairman of the Board  
The First Boston Corporation  
20 Exchange Place  
New York, N.Y. 10005

Dear Mr. Overby:

Thank you for your letter of September 9.  
Mrs. Rotberg and I will be delighted to join you  
for cocktails on Monday evening, September 29.  
It was most kind of you to include us and we  
look forward to seeing you at that time.

Best regards.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

*Chron*

## OFFICE MEMORANDUM

TO: Mr. M. M. Mendels

FROM: Eugene H. Rotberg *ERH*

SUBJECT: Invitation to the Annual Meeting

DATE: September 11, 1969

I received a 'phone call today from Richard G. Bardsley, Senior Vice President of the National Bank of North America, New York City. He, too, apparently is upset about not receiving an invitation to the Annual Meetings and is personally embarrassed. He understands that one of the reasons his Bank did not get invited this year was because of the fact that they only held \$2-1/2 million of participations. He pointed out that he was offered very few this year and it just couldn't be expected that there would be any major participations this year in World Bank loans by U.S. commercial banks. He said that money was so tight that it was not possible for his Bank or others to continue to take participations. He pointed out that the proof of this was the fact that only yesterday he agreed to pay this Bank 10-1/4% on a time deposit for funds. He noted, somewhat resignedly, that that rate alone might justify his being retained on the list and, of course, provided the rationale for his not having had any participations.

Mort - I cannot promise that this will be my last request. Could you see your way clear to suggest that we have the National Bank of North America, New York, as an invitee to the Annual Meetings. Mr. Bardsley explained that as long as the firm gets an invitation he is almost willing to promise he won't show up since the matter, as you know, is one of international prestige - particularly since they have been on our list in the past.

P.S. When I resign from the Bank I am sure that I will be well-qualified as the First Lady's Social Secretary!

*Chiron*



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

September 9, 1969

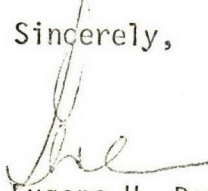
Mr. Emil J. Pattberg, Jr.  
Chairman of the Board  
The First Boston Corporation  
20 Exchange Place  
New York, N.Y. 10005

Dear Pat:

Thank you for your letter of August 29.  
Iris and I will be delighted to join you on  
Sunday evening, September 28. It was most  
kind of you to include us and we look forward  
to seeing you at that time.

Best personal regards.

Sincerely,

  
Eugene H. Rotberg  
Treasurer





## THE FIRST BOSTON CORPORATION

EMIL J. PATTBERG, JR.  
CHAIRMAN OF THE BOARD

20 EXCHANGE PLACE  
NEW YORK, N.Y. 10005  
CABLE: FIRSTCORP, N.Y.

August 29, 1969

Dear Gene:

The Overbys and the Pattbergs are arranging a small buffet dinner party on Sunday evening, September 28th in Suite #I-640 at the Sheraton Park Hotel in Washington, D. C. We plan to meet there shortly after 8:00 p. m., following the reception given by the Chairman of the World Bank-IMF Meeting.

We hope that you and Mrs. Rotberg can join us.

Sincerely,

*Pat*

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

*7/10/69*

*Chron.*



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

September 9, 1969

Zentralkassen-Vereinigung  
Hamburg 36, Den  
Neue Rabenstrasse 6-12  
Federal Republic of Germany

Gentlemen:

This refers to your letter of August 28 signed by Mr. Petzold. I understand from your letter that you propose that the International Bank for Reconstruction and Development borrow DM 100 million from your group.

We appreciate your interest and your desire to support this Bank. Before we could consider negotiating a loan from you, however, we would appreciate being advised concerning your organization, the functions it performs and its financial status. I would be grateful if you could provide me with such information.

Sincerely yours,

*Eugene H. Rotberg*  
Eugene H. Rotberg  
Treasurer

ZENTRAKKASSEN-VEREINIGUNG

August 28, 1969  
HAMBURG 36, DEN  
NEUE RABENSTRASSE 6-12  
POSTFACH: HAMBURG 1 649  
FERNRUF: 44 12 12  
FERNSCHREIBER: 02/11330

VORSITZER

International Bank for  
Reconstruction and Development  
1818 H. Street, N.W.

Washington D.C. 20433  
U.S.A.

Gentlemen:

Re: Negotiation of a Loan of the International Bank for  
Reconstruction and Development

---

Six Centralbanks of the Co-operative Banks in the Federal Republic of Germany who are associated to our Zentralkassen-Vereinigung and who disposed of a total balance sum of about 6 billion DM at the end of 1968, being in close union with more than 700 Co-operative Banks with a total balance sum of about 25 billion DM, intend to negotiate a loan of the International Bank for Reconstruction and Development of 100 million DM with a currency of ca. 12 years at the end of this year.

We would be very much obliged to you, if you could communicate, whether you agree on a negotiation of such a loan of your good institute by the Centralbanks of the Co-operative Banks and with which conditions this loan will be provided by you.

Looking forward to your esteemed response we finally would kindly note that the signatory will probably stay in Washington at the end of October. Mr. Petzold could arrange to visit you on this occasion for the purpose of a final conclusion of the conditions of the loan.

Very truly yours,  
ZENTRAKKASSEN-VEREINIGUNG

( Petzold )



*Chen.*

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. Diamond

Bill:

I know all of the Lecturers quite well - (with the exception of Tom Clark). They are the U.S. experts in market regulation. The program is being funded by AID and sponsored and organized by the Practising Law Institute.

Although I was asked to participate, I declined - unless Bank business would otherwise bring me to Brazil.

  
Gene Rotberg  
September 9, 1969



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

September 9, 1969

Zentralkassen-Vereinigung  
Hamburg 36, Den  
Neue Rabenstrasse 6-12  
Federal Republic of Germany

Gentlemen:

This refers to your letter of August 28 signed by Mr. Petzold. I understand from your letter that you propose that the International Bank for Reconstruction and Development borrow DM 100 million from your group.

We appreciate your interest and your desire to support this Bank. Before we could consider negotiating a loan from you, however, we would appreciate being advised concerning your organization, the functions it performs and its financial status. I would be grateful if you could provide me with such information.

Sincerely yours,

  
Eugene H. Rotberg  
Treasurer

ZENTRAKKASSEN-VEREINIGUNG

August 28, 1969  
HAMBURG 36, DEN  
- NEUE RABENSTRASSE 6-12  
POSTFACH: HAMBURG 1 649  
FERNRUF: 44 12 12  
FERNSCHREIBER: 02/11330

VORSITZER

International Bank for  
Reconstruction and Development  
1818 H. Street, N.W.

Washington D.C. 20433  
U.S.A.

Gentlemen:

Re: Negotiation of a Loan of the International Bank for  
Reconstruction and Development

---

Six Centralbanks of the Co-operative Banks in the Federal Republic of Germany who are associated to our Zentralkassen-Vereinigung and who disposed of a total balance sum of about 6 billion DM at the end of 1968, being in close union with more than 700 Co-operative Banks with a total balance sum of about 25 billion DM, intend to negotiate a loan of the International Bank for Reconstruction and Development of 100 million DM with a currency of ca. 12 years at the end of this year.

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Looking forward to your esteemed response we finally would kindly note that the signatory will probably stay in Washington at the end of October. Mr. Petzold could arrange to visit you on this occasion for the purpose of a final conclusion of the conditions of the loan.

Very truly yours,  
ZENTRAKKASSEN-VEREINIGUNG

( Petzold )



OUTGOING WIRE

TO: DEUTSCHE BUNDESBANK  
FRANKFURT (MAIN)

DATE: SEPTEMBER 9, 1969

CLASS OF  
SERVICE: TELEX

COUNTRY: FEDERAL REPUBLIC OF GERMANY

TEXT:  
Cable No.:

FOR ATTENTION MR. TUENGELER

ON OCTOBER ONE \$8,000,000 AND DM 32,000,000 5-1/8% NOTES ISSUED BY  
THIS BANK TO DEUTSCHE BUNDESBANK WILL MATURE STOP WE WOULD APPRECIATE  
IF YOU WOULD AGREE TO ROLL OVER MATURING NOTES AS IN THE PAST STOP  
WE ASSUME THAT YOU PREFER TO ROLL OVER ONLY IN DEUTSCHE MARK STOP  
IF YOU AGREE I SUGGEST MATURITY DATE FEBRUARY 1, 1974 TO REDUCE  
NUMBER OF MATURITIES FALLING DUE IN ONE YEAR STOP I WILL CALL YOU  
THURSDAY SEPTEMBER ELEVEN TO DISCUSS THIS MATTER AND INTEREST RATE  
STOP KIND REGARDS

ROTBERG  
TREASURER  
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Aldewereld  
Mr. Rotberg  
Mr. Eigen  
Mr. Deely/Sec. Div. Files  
Mr. van Saagsvelt

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

Chron

Form No. 58

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

## OFFICE MEMORANDUM

TO: Messrs. Broches/Nurick

DATE: September 8, 1969

FROM: Eugene H. Rotberg *ER*

SUBJECT: U.S. Time Deposits

Would you please review this request to increase our authority for investments in U.S. Time Deposits. I am also attaching the most recent request forwarded to the Board in March 1969.

If you have any questions, please let me know; if not, please forward to Siem so that he may discuss with Mr. McNamara.

Attachment

**DECLASSIFIED**CONFIDENTIAL

Date: 10/19/2010

R69-49

FROM: The President

March 11, 1969

TIME DEPOSITS

1. This memorandum requests the approval of the Executive Directors to increase the authority to invest U.S. dollar funds of the Bank in time deposit accounts with U.S. commercial banks from the present authorization of \$500 million to \$600 million (see Annex A).
2. The Bank's present free cash funds and investments in U.S. Government securities amount to approximately \$200 million. As the Executive Directors know, the interest rate for dollar deposits is now at a historical high, and as the Bank is not subject to restriction under Regulation Q of the Federal Reserve Bank which is applicable to time deposits, we would be able to obtain a yield from such deposits better than that of U.S. Government securities. The yield on 6-month U.S. Treasury obligations is approximately 6.50. The yield on 6-month certificates of deposit is now about 7-1/2% and the Bank has recently received definite offers at this rate.
3. The funds which would be so invested, for the most part, are those recently raised from the Bank's two-year Central Bank offering. It is intended that, whenever circumstances permit, the \$100 million new authority would be invested in short term deposits (less than one year) both for liquidity reasons, and because, under present market conditions, the shorter term deposits yield better returns.
4. In the absence of objection (to be notified to the Secretary or the Deputy Secretary by 4:00 p.m. on Friday, March 14, 1969), the foregoing will be deemed approved, to be so recorded in the minutes of an early meeting of the Executive Directors.

Robert S. McNamara

Distribution:

Executive Directors and Alternates  
President  
President's Council  
Executive Vice President, IFC  
Vice President, IFC  
Department Heads, Bank and IFC



D R A F T

YLChang/EHRotberg:ara

September 3, 1969

FROM: The President

TIME DEPOSITS

1. This memorandum requests the approval of the Executive Directors to increase the authority to invest U.S. dollar funds of the Bank in time deposit accounts with U.S. commercial banks from the present authorization of \$600 million to \$700 million (See Annex A).
2. The funds which would be so invested, for the most part, are those recently raised from the Bank's Two-year Central Bank offering. In recent months the yields on commercial bank time deposits have risen to record highs reflecting the tightness of funds in the commercial bank sector. It is intended that whenever circumstances permit, the \$100 million new authority would be invested in deposits ranging from 6 to 18 months.
3. In the absence of objection (to be notified to the Secretary or the Deputy Secretary by <sup>p.m.</sup> 5:00 on September 15, 1969), the foregoing will be deemed approved, to be so recorded in the minutes of an early meeting of the Executive Directors.

Previous Approvals by the Board

|                               |               |
|-------------------------------|---------------|
| February 10, 1958             | \$150 million |
| April 30, 1958 increased to   | \$200 million |
| March 28, 1961 increased to   | \$250 million |
| January 26, 1962 increased to | \$300 million |
| January 19, 1965 increased to | \$500 million |
| March 14, 1969 increased to   | \$600 million |

Treasurer's Department

*Chron.*

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

CONFIDENTIAL

**DECLASSIFIED**

Date: 10/19/2010 SMT

Mr. Nurick:

Lester -

Perhaps you could give me  
your comments.

Gene Rotberg  
September 9, 1969

*attachment: - 25-year projection  
Memo.*

---



Chron

## OFFICE MEMORANDUM

TO: Mr. Thomas M. Clyde

FROM: Eugene H. Rotberg

SUBJECT: Investment of Bank Funds in U.S. Govt. Agency Securities

DATE: September 8, 1969

I have no problem with the suggested changes. As you know, in an earlier draft we included a more extensive footnote on time deposits. I have attached it for your reconsideration.

I would also suggest that we add a reference to the longer maturities available in Federal Agencies.

I suggest the following:

"Although the Bank occasionally can place time deposits for 15 or 18 months, the great majority of our deposits are for less than 13 months since commercial banks are reluctant to commit themselves to paying a high rate of interest for long periods. Indeed, the highest rate for time deposits is in the 3 to 6 month maturity. Agencies securities, however, are often issued with 2 - 3 year maturities. The most recent FNMA issued offered a 5-year maturity. It is more prudent policy to invest a portion of our funds in liquid instruments with a somewhat lower rate for a longer period than in time deposits of short maturities which must be reinvested at the time of their maturity. The wide variations in the availability of resources in commercial banks over a relevantly short period of time (time deposits have gone from 7 percent to 10 percent in 6 months) dictates therefore a balanced and flexible investment program in which a substantial portion of the bank's resources are invested for longer periods than are available in time deposits."

---

1/ The Bank now holds \$600 million in time deposits in the United States. Of this amount \$500 million is placed in deposits of over one year original maturity. Annex A shows the original maturities of these deposits, their due dates and the banks holding the deposits. The maturities are staggered over an 18 month period so that the Bank has available about \$50 million each month for disbursement or reinvestment. Further, the Bank has always made provision for accelerated maturity at a slight sacrifice of interest should it require funds.

The deposits are held by 46 different banks, the largest of which is the Bank of America with \$ \_\_\_\_\_ on deposit; the second largest holder is the Chase Manhattan Bank with \$ \_\_\_\_\_ on deposit. A constant review of the Bank's position is maintained so as to determine the relationship of Bank deposits to the capital, surplus and total deposits of each individual bank, and care is taken not to invest substantial sums in smaller banks - irrespective of their need for funds and interest offered.

*Chen*

August 26, 1969

Mr. Walter P. Stern  
Burnham and Company  
60 Broad Street  
New York, N. Y. 10004

Dear Wally:

It was good hearing from you.  
My morning is relatively open. How  
about 10:30? I have moved offices  
into a new section of the Bank complex  
of buildings - 1809 "G" St., Room 832.

Best,

Gene

*\* Sept. 10*

*(See incoming letter filed under "Personal.")*



Chrom

## OFFICE MEMORANDUM

TO: Mr. M. M. Mendels

DATE: August 26, 1969

FROM: Eugene H. Rotberg *ER*SUBJECT: Invitation to the Annual Meeting

This memorandum is to request that an invitation be extended to Mr. Stephen M. Kellen, President of Arnhold and S. Bleichroeder, Inc. Morgan Stanley who arranged for Mr. Kellen to see me, also requested that we give consideration to extending his firm an invitation. Bleichroeder has been invited on several occasions to our annual meetings. The firm was an old line German banking firm founded in 1803 and during the 19th and early 20th century was one of the leading German underwriters. Assets were confiscated in 1935 and the firm since that time has operated only in the United States.

Mr. Kellen showed me the "tombstone advertisements" for the syndicates in which the firm participated in recent years. It is clear that the firm is a major underwriter of Euro-dollar issues. Mr. Kellen explained that there was no major Euro-dollar offering without his firm's participation. The firm is a managing underwriter of Siemens offerings and Mr. Kellen serves on the Board of Siemens International. The firm also is an important underwriter of DM issues in which U.S. broker dealer may participate. The firm has an important research department for foreign issues and is an active market maker. Its business is primarily with other dealers and foreign institutions. The firm is probably the largest U.S. broker-dealer participant in dollar underwritings outside the U.S. other than the major 4-5 (Lazard; Kuhn, Loeb; Smith Barney, etc.).

Further, Mr. Kellen, the President of the firm, is the Chairman of the Investment Bankers' Association Foreign Investment Committee. The four prior chairman were representatives of Smith Barney; Kuhn, Loeb (Nat Samuels), First Boston (Overby); and Morgan Stanley - all of whom are regularly invited to our annual meetings. Mr. Kellen pointed out that it is a source of some embarrassment that he is not extended an invitation. He notes that last year other firms (Mödel Roland; Carl Marks, etc.) have been extended invitations and that these U.S. firms are not comparable to his firm in non-U.S. investment banking circles.

In view of his firm's importance as an international underwriter, his role as Chairman of the IBA Committee on Foreign Investment, the excellent reputation of the firm (concerning which I am familiar), I hope that an invitation can be extended to Mr. Kellen as a representative of his firm.



*Chen*

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TO: Mr. M. M. Mendels

DATE: August 26, 1969

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

August 21, 1969

Mr. R. A. Peterson  
President  
Bank of America National Trust  
and Savings Association  
300 Montgomery Street  
San Francisco, California 94120

Dear Mr. Peterson:

Thank you for your most kind invitation to dinner on Wednesday, October 1. It is with regret that I cannot accept your invitation since on that date I must host a dinner with the Vice President of the Bank.

I look forward, however, to seeing you and your wife and your colleagues during the Annual Meetings.

Kindest personal regards.

Sincerely,

  
Eugene H. Rotberg  
Treasurer





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

August 6, 1969

Mr. R. A. Peterson  
President  
Bank of America National Trust  
and Savings Association  
300 Montgomery Street  
San Francisco, California 94120

Dear Mr. Peterson:

I wish to acknowledge receipt of and thank  
you for your letter of July 29 in which you invite  
Mr. and Mrs. Rotberg to cocktails and dinner on  
October 1.

Mr. and Mrs. Rotberg are presently out of the  
country and immediately upon their return I will  
bring your letter to Mr. Rotberg's attention.

Sincerely yours,

*Edith M. Kesterton*  
(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg

cc: Bank of America N.T. and S.A.  
Washington, D.C.

Bank of America  
NATIONAL TRUST AND SAVINGS ASSOCIATION  
SAN FRANCISCO

R. A. PETERSON  
PRESIDENT

July 29, 1969

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

Dear Mr. Rotberg:

The 1969 meetings in Washington of the International Bank for Reconstruction and Development and the International Monetary Fund will soon again afford us the opportunity to see many of our friends.

We should be delighted if you and Mrs. Rotberg would join Roland Pierotti, Tom Coughran, Robert James, and me, and our wives, for cocktails and dinner at the 1925 F Street Club in Washington at 8:00 P.M. on Wednesday evening, October 1. Dress will be black tie.

We anticipate the pleasure of your company.

Sincerely,



R. A. Peterson

R.S.V.P.



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

Chron  
August 21, 1969

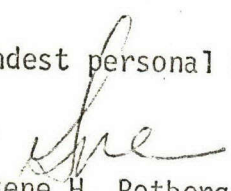
Mr. James E. Thomson  
Vice Chairman  
Merrill Lynch, Pierce,  
Fenner & Smith Inc.  
70 Pine Street  
New York, N.Y.

Dear Jim:

I have just returned from Europe and wish to thank you, quite belatedly, for the very nice reception that you showed to me and Mr. Aldewereld. The meeting was quite helpful to us in determining our overall financial policy. I will get in touch with you again soon.

Please give my best to your colleagues and to Don.

Kindest personal regards,

  
Eugene H. Rotberg  
Treasurer





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

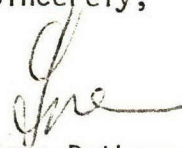
August 21, 1969

Dear Ray:

I have just returned from Europe  
and wish to thank you for sending me the  
publication "High Interest Rates and  
Tight Money.

Best regards.

Sincerely,

  
Gene Rotberg

Mr. Raymond E. Barnett  
International Bank for Reconstruction  
and Development  
20 Exchange Place  
New York, N.Y. 10005

Chron.



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

August 21, 1969

Mr. Robert H. Mundheim  
University of Pennsylvania  
The Law School  
3400 Chestnut Street  
Philadelphia, Pennsylvania 19104

Dear Bob:

I have just returned from a European trip and I received your letter. I would look forward to talking to your students about the World Bank -- perhaps some time during the end of the semester. Please keep in touch.

Best regards.

Gene

A handwritten signature in cursive script, appearing to read "Gene", written over the printed name "Gene".

UNIVERSITY of PENNSYLVANIA

PHILADELPHIA 19104

*bind me to  
replied*

*The Law School*  
3400 Chestnut Street

August 15, 1969

Mr. Eugene H. Rotberg, Treasurer  
International Bank  
for Reconstruction and Development  
Washington, D. C.

Dear Gene:

Thank you for sending me a copy of your address to the annual meeting of the Municipal Finance Officers Association of the United States and Canada.

I suspect that some of our students would be very interested in knowing more about the work of the World Bank and perhaps we can arrange to have you come up one afternoon and talk to our student body about the challenges which the World Bank faces. I know I would enjoy that - and the opportunity to see you again - and I hope that you might also be interested in doing this.

With all best wishes,

Sincerely,

*Bob*  
Robert H. Mundheim

RHM:AMP



*chron*

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

MARBLE TABLES

Basilio F. Ciocchi  
Marble International Inc.  
549 11th Street S.E.  
Washington, D.C.

Phone: 543-5929

Bon Marche Inc.  
3221 M Street, N.W.

Phone: 338-4730

Door Store  
3140 M Street, N.W.

Phone: FE3-7737

Reilly the Wrecker  
4557 Tanglewood Drive  
Bladensburg, Md.  
and

Phone: AP7-4444

Kenelworth Ave. & Windom Rd.  
Bladensburg, Md.

Phone: AP7-4444

Abe Stern Equipment Co.  
1920 Bladensburg Rd., N.E.

Phone: LA6-6600

Chron



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

August 21, 1969

Mr. R. A. Peterson  
President  
Bank of America National Trust  
and Savings Association  
300 Montgomery Street  
San Francisco, California 94120

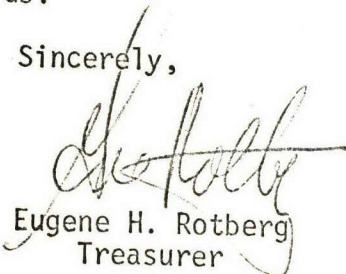
Dear Mr. Peterson:

Thank you for your most kind invitation to  
dinner on Wednesday, October 1. It is with  
regret that I cannot accept your invitation since  
on that date I must host a dinner with the  
Vice President of the Bank.

I look forward, however, to seeing you and  
your wife and your colleagues during the Annual  
Meetings.

Kindest personal regards.

Sincerely,

  
Eugene H. Rotberg  
Treasurer



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

August 21, 1969

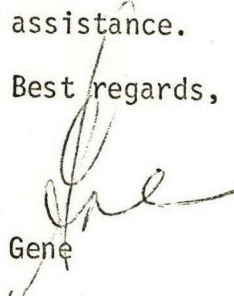
Mr. John A. Wing  
Vice President &  
General Counsel  
A.G. Becker & Co. Inc.  
120 South La Salle Street  
Chicago, Illinois 60603

Dear Jack:

I have just returned from Europe and received your very helpful letter. As you know, the Bank has its financial policies under continual review and the meeting that we had with you was most helpful. I will get in touch with you again as soon as we decide whether it is appropriate at this time, considering our substantial cash position, to go into the short term money market.

Thanks again for your assistance.

Best regards,

  
Gene



# A.G. Becker & Co.

INCORPORATED  
ESTABLISHED 1893

Chicago • New York • San Francisco • Boston

MEMBERS  
NEW YORK STOCK EXCHANGE  
AMERICAN STOCK EXCHANGE  
MIDWEST STOCK EXCHANGE  
PACIFIC COAST STOCK EXCHANGE

*Revised me to ✓  
revised 8/21/69*

120 South La Salle Street  
Chicago, Illinois 60603  
Telephone 312 / 786-5000

August 13, 1969

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

Dear Gene:

In somewhat belated satisfaction of my undertaking to advise you of the potential status of short-term discount notes issued by your organization under various state pension and general fund legal investment laws, I wish to advise you as follows:

## State Pension and Welfare Funds

In attempting to determine, on a preliminary basis, the status of such securities under the laws and regulations applicable to state pension and welfare funds I made the following assumptions: (a) that securities issued by the Bank would be rated "prime" by the NCO, (b) that the Bank would not be construed to be a corporation organized under the laws of the United States, and (c) that such securities would be eligible for investment under a "prudent man rule". There are 53 state pension and welfare funds - four states have two funds and Delaware has none. On the basis of the foregoing assumptions, it would appear the short-term discount securities issued by your organization would be eligible for investment by 30 funds with aggregate assets of \$16,993,000,000 and would not be eligible for 23 funds with aggregate assets of \$4,453,000,000.00.

## State General Funds

I did not analyze all fifty state general fund laws since a number of the states are not significant factors in the short term markets. The states with which we do the largest business are Ohio, Illinois, California, Maryland

Mr. Eugene H. Rotberg  
Page Two

August 13, 1969

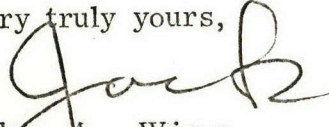
and Washington. As of December 31, 1968 these five state funds held over \$787,000,000.00 in FNMA short-term notes. FNMA notes are permitted in Ohio, Illinois, California as a result of specific statutory amendments which we helped to secure. While Ohio and California can buy prime commercial paper issued by any United States corporation, Illinois is otherwise restricted to direct obligations of the U.S. Maryland permits investment in debt securities guaranteed by the United States as to interest and principal. Washington law expressly permits investment in obligations issued by both FNMA or your organization. Thus, notes issued by your organization would be eligible in only one of the five state funds which are major buyers of FNMA notes. A similar situation exists with respect to Los Angeles County which, as of December 31, 1968, held \$580,000,000 in FNMA notes. FNMA notes are, as a result of our legislative activity, expressly permitted in addition to direct obligation of the United States. I think this limited review indicates that considerable legislative work would be required to open up the state general funds for short-term discount notes issued by your organization.

Banks and Insurance Companies

It appears that the laws of the several states governing legal investment by bank and insurance companies generally provide that such organizations may, as a result of express statutory language, purchase debt obligations issued by your organization.

While the foregoing obviously does not purport to be an exhaustive study of the legal restrictions on the potential market for short term obligations issued by your organization, I think it fairly leads to several conclusions. One, under current regulations, it would be possible for us to distribute meaningful dollar amount of short-term notes for you. Two, the realization of the ultimate market potential would require legislative activity in numerous states. I hope the foregoing conclusions serve to increase your interest in the potential of short term market as a supplemental capital source. We hope we can be helpful to you in your consideration of this potential and would enjoy the opportunity to discuss it with you at any time.

Very truly yours,

  
John A. Wing  
Vice President &  
General Counsel



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. R:

You will remember that Mr. McNamara met with the Bank of America people on February 20. They wrote him again on July 8 and asked if he could see them on July 25. Polly said Mr. McNamara's schedule was very tight until after the meeting and she asked if we could arrange for Coughran, etc. to meet with you, Mr. Christoffersen and [if he was available] with Mr. Aldewereld. I called Mr. James' secretary and she said she would contact Mr. Coughran and see what could be arranged. I heard nothing more from her.

---

Mr. Coughran has again written Mr. McNamara to see if they can see him AFTER the Annual Meeting. Mr. McNamara's office still wants you to discourage this -- as he just does not have the time. Do you think you should call Mr. Coughran or what? This last letter will have to be replied to - and I think Mr. McNamara's office prefers that you handle it.

Kessie





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

August 21, 1969

Mr. Tom B. Coughran  
Executive Vice President  
Bank of America  
41 Broad Street  
New York, N.Y.

Dear Mr. Coughran:

In Mr. McNamara's absence, this will  
acknowledge receipt of your letter of  
August 12.

I look forward to meeting again with  
you in October and I will make arrangements  
for you to discuss some of your ideas with  
those members of the Bank staff who are  
directly concerned with various Bank and  
IFC projects.

Best regards.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

cc: Mr. Christoffersen

*Law*  
*"Guarantee"*  
*"Bank of America"*

## OFFICE MEMORANDUM

TO: Mr. S. Aldewereld  
FROM: Eugene H. Rotberg *ER*  
SUBJECT: Switch of U.K. Investments

DATE: August 21, 1969

This is to report on the switch of \$160.8 million (67 million pounds) of U.K. Treasury Bills for three different issues of U.K. Treasury Stock (Bonds).

The average maturity of the Treasury Bills was 3 months. The average maturity of the Stock is 2 years and 4 months. The average yield on the Bills sold was 8.00%; the average yield on the Stock is 9.92%.

Assuming that the proceeds of Treasury Bills would have been reinvested at their maturity at 8%, the net increase in yield results in an increase in investment income of approximately \$3.1 million equivalent per annum.

The Bank now retains about \$25.6 million (10.7 million pounds) of U.K. Treasury Bills.



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

August 21, 1969

Mr. David L. Ratner  
Professor of Law  
The Cornell Law School  
Myron Taylor Hall  
Ithaca, N.Y. 14850

Dear Dave:

Thanks for your letter of July 30. I would very much enjoy talking to your class on Current Problems in the Securities Markets. However, my schedule is very bad in October since I will probably be out of the country some time during October and also preoccupied with the World Bank Annual Meeting. Is it possible to set up a date in November, or even in December? That would give me much more breathing space. I also will be very happy to talk to the International Law Society about the World Bank. If this is convenient to you please let me know.

The work here is quite complex but, like anything else, the real trick is to break the mental sets and, when necessary, use some new techniques and procedures - in our case for borrowing money.

Kindest regards.

Gene



THE CORNELL LAW SCHOOL

DAVID L. RATNER  
PROFESSOR OF LAW

MYRON TAYLOR HALL  
ITHACA, N. Y. 14850

   
July 30, 1969

Mr. Eugene H. Rotberg  
International Bank for  
Reconstruction and Development  
Washington, D.C.

Dear Gene,

Many thanks for the copy of your speech. It was nicely done.

I was looking forward to seeing you last Friday at the meeting of participants in the Brazil program, but I gather you have had to withdraw.

This fall I am giving a new course on Current Problems in the Securities Markets. It will focus on various ramifications of the institutionalization of the equity markets, and I was wondering whether you would be able to come up and do your "thing" on the economics of the securities business. It would undoubtedly be the high point of the course.

The class will meet from 3:30 to 5:30 on Wednesday afternoons, and the best date for your appearance would be October 8 or 15, although another date could be arranged. If you can make it, I would also like to set up a lunch with our International Law Society and have you tell them something about the World Bank.

Mohawk Airlines is currently featuring a flight from Washington at 10:20 a.m., which gets into Ithaca at 12:03, and a return flight which will get you back to Washington at 8:58 p.m. I assume there will be something comparable in October.

I hope you will be able to make it, but in any event will look forward to getting together with you some time soon.

Kindest regards,



David L. Ratner

DLR/rrt



# Record Removal Notice



|                                                                                                   |                                |                                                                                                                                                                                                                                                                                                             |                                        |                              |
|---------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------|
| <b>File Title</b><br>Eugene H. Rotberg - Chronological Records - Volume 02 - June - December 1969 |                                | <b>Barcode No.</b><br><br>1858105                                                                                                                                                                                                                                                                           |                                        |                              |
| <b>Document Date</b><br>Aug. 21, 1969                                                             | <b>Document Type</b><br>Letter |                                                                                                                                                                                                                                                                                                             |                                        |                              |
| <b>Correspondents / Participants</b><br>Eugene Rotberg to Floyd H. Buck                           |                                |                                                                                                                                                                                                                                                                                                             |                                        |                              |
| <b>Subject / Title</b><br>Account payment                                                         |                                |                                                                                                                                                                                                                                                                                                             |                                        |                              |
| <b>Exception(s)</b><br>Personal Information<br>Financial Information iv                           |                                |                                                                                                                                                                                                                                                                                                             |                                        |                              |
| <b>Additional Comments</b>                                                                        |                                | <p>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.</p> <table border="1"><tr><td><b>Withdrawn by</b><br/>K. Brenner-Delp</td><td><b>Date</b><br/>June 26, 2025</td></tr></table> | <b>Withdrawn by</b><br>K. Brenner-Delp | <b>Date</b><br>June 26, 2025 |
| <b>Withdrawn by</b><br>K. Brenner-Delp                                                            | <b>Date</b><br>June 26, 2025   |                                                                                                                                                                                                                                                                                                             |                                        |                              |



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

*Chron*

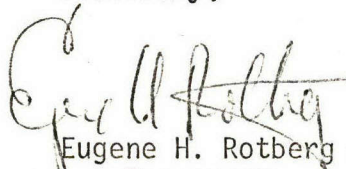
August 21, 1969

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

Dear Mr. Coombs:

I am sending you herewith Document R69-170  
which was approved by our Executive Directors in  
connection with our proposed issue of Two-Year Bonds  
of 1969, due September 15, 1971.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Enclosure: 1



INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

## OUTGOING WIRE

TO: ESTITHMAR  
AL KUWAIT

DATE: AUGUST <sup>19</sup>~~18~~, 1969

CLASS OF  
SERVICE: NLT

COUNTRY: (KUWAIT)

TEXT:  
Cable No.:

ATTENTION MR. ABDLATIF ALHAMAD

WORLD BANK WILL SEND FORMAL OFFERING CABLE ON AUGUST 21 RE OUR DOLLAR  
DENOMINATED CENTRAL BANK ISSUE STOP YOU SUGGESTED THAT I NOTIFY YOU  
PRIOR TO SUCH DATE STOP ON BASIS OF CURRENT MARKET CONDITIONS WE EXPECT  
THAT APPROPRIATE AUTHORITIES  
TO OFFER RATE OF APPROXIMATELY EIGHT PERCENT STOP WE HOPE ~~YOU~~ CAN MAKE  
A GENEROUS SUBSCRIPTION REGARDS

ROTBERG  
INTBAFRAD

### NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

PT. TREASURER-LS

SIGNATURE   
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

EHRotberg:bb

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Van Saag *g.v. alt*

For Use By Communications Section

ORIGINAL (File Copy)

OUTGOING WIRE

TO: ESTITHMAR  
AL KUWAIT

DATE: AUGUST 18<sup>19</sup>, 1969

CLASS OF  
SERVICE: NLT

COUNTRY: (KUWAIT)

TEXT:  
Cable No.:

ATTENTION MR. ABDLATIF ALHAMAD

I HAVE TODAY RETURNED TO THE BANK AND NOTE YOUR LETTER JULY 29  
MY CABLE JULY 29 CONFIRMS OUR AGREEMENT TO ACCEPT YOUR TIME DEPOSIT  
OFFER OF KD AT FOUR AND SEVEN EIGHTHS PERCENT AND YOUR SALE OF KD AT  
PAR AGAINST STERLING STOP YOU MAY RECALL THAT THESE STERLING ARE  
PROVIDED TO US BY BORROWERS WHO APPOINT US AS THEIR AGENT TO PURCHASE  
LOAN CHARGES DUE STOP WE THEREFORE DO NOT CONTEMPLATE SELLING DOLLARS  
TO COVER THE REQUIRED STERLING STOP I UNDERSTAND INITIAL TRANSACTIONS  
HAVE BEEN ALREADY CONSUMMATED STOP THANK YOU FOR YOUR COOPERATION

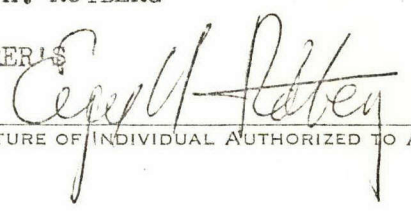
ROTBERG  
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE   
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

EHRotberg:bb

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Parris

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: \_\_\_\_\_



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

August 19, 1969

Fitrite Fashions, Inc.  
K.P.O. Box 6417  
Kowloon, Hong Kong, B.C.C.

Attention: Mr. U. K. Mirpuri  
Export Department

Re: Order No. FB-782

Gentlemen:

I received the Raw Silk Jacket and  
Navy Blue Hopsack Suit which you sent to me by  
air-mail on July 26 under Postal Receipt No.  
8047-A. The clothes are beautiful and they  
fit perfectly.

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 19, 1969

Mr. Leon Levy  
President  
Oppenheimer and Company  
Five Hanover Square  
New York, New York  
10004

Dear Leon:

How's this for a captive sales force?

  
Gene

## OFFICE MEMORANDUM

TO: Files

DATE: August 19, 1969

FROM: Eugene H. Rotberg SUBJECT: Central Bank Issue - September 15, 1969

I spoke to Morgan Stanley on August 18 concerning the bond markets in the U.S. Larry Parker told me that the markets were stronger now than they had been in some time and that this strength was probably the result of the current monetary measures being taken by the Government.

I also called First Boston this morning and spoke to Mr. Schumacher, who is now responsible for agency trading. He said that agencies on August 18 were firm, although they had not improved on that day as much as the rest of the Government market. He said that the 1971 Home Loans are just about trading at par with an 8% coupon and that a recent 8.20 Federal Home Loan was now yielding about 8.10 - an improvement over its offering price. He also pointed out that the 18-month recent 7.82 U.S. Treasury was now selling at a premium to yield 7.48.

On review of the morning newspapers I note that none of the Bellweathers, which we have chosen for our pricing sheet, are yielding above 8%, with the exception of the aforementioned FHLB.

cc: Mr. Aldewereld

EHRotberg:emk

D U 8-5344  
South

- ✓ Federal Land Bank — Informer Rm. 5833, Agriculture Bld. Wash. D.C. 386-3157 205-78
- ✓ Federal Home Loan Bank ~~System~~ — Board 101 Ind. Ave. N.W. ~~783-5280~~ ~~783-5200~~ 243-5200
- ✓ Federal Intermediate Cooperative Bank — N.S.A.T. DU 8-4402
- 755-5910 ✓ Federal National Mortgage Association — ~~755-4000~~ 451-7th St S.W. ~~755-5824~~
- ✓ Export Import Bank — Re 7-7890 811 Vermont Ave N.W. Wash DC 20591

Production Credit  
Associates

Federal Intermediate Credit Banks —

Call — annual report — latest —

8/19/69

806



Fed. Home Loan Bank Sys. Inc.

101 2nd Av NW.

Chron

Mr. Aldewereld

Siem:

1. Morgan Stanley called today (August 18) about setting up a meeting regarding a bond offering this year. Apparently the long-term bond market is fairly strong now.
2. You may be interested in the attached communication from Bache & Co. Bache, as you know, is the second largest retail distributing firm in the U.S. They make the same point as Merrill Lynch. I would like to talk to you about:
  - (a) arranging for the two of us to visit Bache; and
  - (b) how we might raise the question of both Merrill Lynch and Bache obtaining a more preferential position in our underwriting syndicate.
3. I also want to talk to you about the scope of invitations to our Annual Meeting. I think we should invite some securities brokers, particularly those who have been helpful to us in providing information recently.

Gene Rotberg  
August 18, 1969



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

August 18, 1969

Miss Carol Loomis  
Editor  
Fortune Magazine  
Time & Life Building  
Rockefeller Center  
New York, N.Y. 10020

Dear Carol:

I have just finished reading your excellent article on "Wall Street". As usual, it is beautifully written, to the point, and quite perceptive. It is required reading for "Wall Street" and Washington.

I particularly enjoyed re-reading your article in the January 1967 Fortune.

Best,

Gene

A handwritten signature in dark ink, appearing to be "Gene", written over the printed name "Gene".



*Chiron*

Mr. Aldewereld

Siem:

1. Morgan Stanley called today (August 18) about setting up a meeting regarding a bond offering this year. Apparently the long-term bond market is fairly strong now.
2. You may be interested in the attached communication from Bache & Co. Bache, as you know, is the second largest retail distributing firm in the U.S. They make the same point as Merrill Lynch. I would like to talk to you about:
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  - (b) how we might raise the question of both Merrill Lynch and Bache obtaining a more preferential position in our underwriting syndicate.
3. I also want to talk to you about the scope of invitations to our Annual Meeting. I think we should invite some securities brokers, particularly those who have been helpful to us in providing information recently.

Gene Rotberg  
August 18, 1969

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. Rosen:

Marty:

Thank you very much for the application. We are looking for someone who has technical expertise in the Government money markets as a trader of Government bonds or agencies, or perhaps as a fiscal agent for these securities.

Further, I don't think we could offer a salary high enough to attract someone with as broad a background and experience as Mr. Kerekes. I would, of course, be delighted to meet with him and talk with him about the Bank and our program if you thought that would be appropriate. I have not responded to his application.

Thank you again.

Gene Rotberg  
August 18, 1969

*Chron.*

August 11, 1969

Chemical Bank New York  
Trust Company  
20 Pine Street  
New York, N.Y. 10015

Gentlemen:

As agreed we are sending you herewith two conformed  
of the following documents issued in connection with our  
Loan No. 581 made to the Societe Nationale d'Exploitation  
et de Distribution des Eaux on January 16, 1969:

- (1) Loan Agreement
- (2) Guarantee Agreement
- (3) Administration Letter
- (4) Development Credit Agreement  
between Kingdom of Sweden and  
Republic of Tunisia

Very truly yours,

Y. L. Chang, Adviser  
Treasurer's Department

Enclosures: 8

EMK/



## OUTGOING WIRE

TO: EUGENE ROTBERG  
PALACE HOTEL  
MADRID

DATE: AUGUST 7, 1969

CLASS OF  
SERVICE: LT

COUNTRY: (SPAIN)

*Ree*

TEXT:

Cable No.: FOUR

CABLE THREE SENT YOU IN GRINDEWALD AS FOLLOWS QUOTE ROTA ADVISES  
NAVARRO RUBIO GOVERNOR BANCO DE ESPANA WILL BE OUT OF TOWN WHILE  
YOU ARE THERE STOP YOU SHOULD NOW CONTACT HERRERO FONTANA  
ALTERNATE GOVERNOR WHO IS AWARE OF YOUR VISIT AND WILL BE WAITING  
TO SEE YOU STOP FONTANAS TELEPHONE NUMBER IS TWO THREE ONE FOUR  
ZERO TWO NINE STOP BANK OF SPAINS ADDRESS IS CALLE ALCALA 50  
UNQUOTE REGARDS

~~KESE~~ KESTERTON

## NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Y.L. CHANG

DEPT. TREASURER'S

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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Checked for Dispatch: *Key*

OUTGOING WIRE

TO: EUGENE ROTBERG  
REGINAGRAN  
GRINDEWALD

DATE: AUGUST 7, 1969

CLASS OF  
SERVICE: LT

COUNTRY: (SWITZERLAND)

TEXT:  
Cable No.: THREE

ROTA ADVISES NAVARRO RUBIO GOVERNOR ~~OF~~ BANCO DE ESPANA WILL BE  
OUT OF TOWN WHILE YOU ARE THERE STOP YOU SHOULD NOW CONTACT  
HERRERO FONTANA ~~THE~~ ALTERNATE GOVERNOR WHO IS AWARE OF YOUR VISIT  
AND WILL BE WAITING TO SEE YOU STOP FONTANAS TELEPHONE NUMBER  
IS TWO THREE ONE FOUR ZERO TWO NINE STOP BANK OF SPAINS  
ADDRESS IS CALLE ALCALA 50 STOP REGARDS

KESTERTON

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Y.L. CHANG

DEPT. TREASURER'S

SIGNATURE  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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KESSIE,

MR. ROTA'S OFFICE CALLED AND LEFT THE FOLLOWING MESSAGE REGARDING  
MR ROTBERG'S VISIT TO MADRID

THE GOVERNOR OF THE BANK OF SPAIN WILL BE OUT OF TOWN  
WHEN MR. RTOGERG ARRIVES AND HE SHOULD NOW CONTACT THE ALTERNATE  
GOVERNOR, MR. HERRERO FONTANA, WHO IS AWARE OF HIS VISIT AND WILL  
BE WAITING TO SEE HIM. MR. FONTANA'S TELEPHONE NUMBER IS: 2314029.

A.



EUGENE ROTBERG  
HOTEL D'ANGLETERRE  
COPENHAGEN

AUGUST 4, 1969

LT

(DENMARK)

YOU ARE CONFIRMED AT HOSTELLIERIE RIGI THURSDAY NIGHT AUGUST 7  
STOP PINTO BARBOSA UNABLE SEE YOU AUGUST 14 DUE TO ABSENCE FROM  
LISBON ON THAT DATE STOP STILL NO WORD FROM SPAIN STOP FAMILY  
IS WELL STOP LOOK FOR LETTER AT DOLDER GRAND FROM COMENS REGARDS

KESTERTON

Y.L. CHANG  
TREASURER'S

EMK/



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

August 6, 1969

Mr. R. A. Peterson  
President  
Bank of America National Trust  
and Savings Association  
300 Montgomery Street  
San Francisco, California 94120

Dear Mr. Peterson:

I wish to acknowledge receipt of and thank  
you for your letter of July 29 in which you invite  
Mr. and Mrs. Rotberg to cocktails and dinner on  
October 1.

Mr. and Mrs. Rotberg are presently out of the  
country and immediately upon their return I will  
bring your letter to Mr. Rotberg's attention.

Sincerely yours,

*Edith M. Kesterton*

(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg



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

*Emk.  
Card &  
chron*

August 4, 1969

Dear Joe:

It is with great sadness that Iris and I learned of your loss. I know that these events are always unexpected and that makes it even harder to take. Frida was always most kind and warm to us and we, too, shall miss her. Please accept our personal sympathy. We look forward to seeing you and hearing from you soon.

Love,

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

Gene and Iris

Mr. Joseph Dainow  
1956 Glendale Avenue  
Baton Rouge  
Louisiana



*Chm*

## OFFICE MEMORANDUM

TO: Mr. Raymond E. Deely *EDH*

FROM: Eugene H. Rotberg

SUBJECT: LIBYAN BOND ISSUE - OPTIONAL REDEMPTION

DATE: July 31, 1969

I have spoken to Mr. Shoaib on the redemption proviso. The point is that we should not insist on a redemption provision but simply state that one exists in the Kuwait issue, and we would be pleased to oblige them with the same provision if they so wished. If, on the other hand, they prefer not to have this kind of provision, we should not press the point. I simply do not want them to think that we have neglected to offer the same provision as the Kuwaiti bond.

cc: Mr. Nurick  
Mr. Dajany  
Mr. El-Fishawy  
Mr. Y. L. Chang

EHRotberg:bb

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

*Chen*  
INTERNATIONAL FINANCE  
CORPORATION

## OUTGOING WIRE

TO: ALDEWERELD

DATE: JULY 31, 1969

AMIGO HOTEL

CLASS OF  
SERVICE: FULL RATE

BRUSSELS

COUNTRY: (BELGIUM)

TEXT:  
Cable No.: TWO

U.S. TREASURY REFUNDING CARRIES SEVEN POINT SEVEN FIVE COUPON STOP  
NOTE WILL BE DISCONTINUED TO YIELD SEVEN POINT EIGHT TWO REGARDS

ROTBERG

### NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME: EUGENE H. ROTBERG

EPT. TREASURER'S

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

EHRotberg:bb

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INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

*Chson*  
INTERNATIONAL FINANCE  
CORPORATION

OUTGOING WIRE

TO: ALDEWERELD  
AMIGO HOTEL  
BRUSSELS

DATE: JULY 21, 1969  
CLASS OF  
SERVICE: FULL RATE

COUNTRY: (BELGIUM)

TEXT:  
Cable No.:

U.S. TREASURY OFFERED SEVEN POINT SEVEN FIVE FOR EIGHTEEN  
MONTH NOTES TO REFUND MATURING DEBT REGARDS

ROTBERG

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

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

EHRotberg:emk

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TS  
Mr. Alden  
July 1969

Chron

One implication of our long-term projections to which I would like to draw your attention is that a disparity is once again growing between the size of the Bank's present capital base and the size of the contribution that the Bank can make to solving the international development problem.

It was envisaged at Bretton Woods, a quarter of a century ago, that the Bank would have an equity base of some \$10 billion, of which 20% would be paid up and the remainder available at call to cover the Bank's obligations.

Our capital base is now somewhat more than twice this amount, yet I need not remind you that price inflation over the intervening years has been such as virtually to nullify this increase. Over the same period world income, in real terms, has considerably more than doubled and the ability of the developing countries to absorb finance has increased even more. Hence we are faced with a situation where needs -- in the developing countries -- and resources -- in the wealthier countries -- have both increased to such an extent that I believe we need to start a fundamental reconsideration of the size of our effort, a reconsideration as fundamental as that which is leading to the creation of Special Drawing Right in our sister institution.

Twice before the resources of the Bank have been found inadequate to the role that they were called upon to play. First there was the reconstruction part of the Bank's assignment which, after some \$500 million of loans had been made, was largely handed over to Marshall Aid. Second, in 1959, when the Bank's outstanding debt had reached some \$2 billion, it was seen that that part of the subscribed capital available at call to cover the Bank's obligations had to be substantially increased to permit sufficient funds to be raised in the market to meet available investment opportunities. The Governors agreed unanimously to double the subscribed capital of the Bank. Since that time our outstanding debt has increased to about \$4 billion, and the cumulative total of our lending has reached some \$12.5 billion.

Circumstances were such in the 1950s that, when the Bank turned its full attention to the development part of its assignment, it found that only modest numbers of sound projects could be found. In recent years, as concern with economic development has deepened and spread wider over the world, the situation has totally changed. The task is still far from easy, but that it is possible to generate large numbers of sound development

projects is indicated most immediately by the large increases in Bank lending, achieved last year and planned this year, to which I referred earlier. These loans are for projects yielding high rates of return and located in countries which can bear the burden of additional debt on World Bank terms. Our analyses indicate that we will be able to find increasing numbers of such projects, and that in order to provide the requisite financing we will need to double our outstanding debt in very considerably less than the ten years taken to reach the present figure of \$4 billion mentioned above.

You will agree with me that it is important to provide financing for all the sound and high-priority projects that can be found in the developing world if the worldwide desire for development is not to be frustrated and if energies now focussed on development are not to be diverted to less constructive channels.

The principal obstacle that I now see standing in the way of our meeting these needs is what I would call our anachronistic capital structure. It is worth remembering that even at Bretton Woods some were



farsighted enough to suggest that the Bank should be given from the start the capability to channel some \$20-30 billion to the twin tasks of reconstruction and development. Such was not to be the case, but I believe that if we were given the capability, within less than ten years from now we could have channeled into development a cumulative total at the top of this range in terms of dollars of current value; and before 1990 we could have done the same in terms of dollars of the real value that obtained at the time of the Bretton Woods discussions. If our capacity to respond to development opportunities is not to be stunted by the capital-structure established a quarter century ago but shaped rather in accordance with the spirit of those deliberations I believe we must find a means to permit the Bank to direct to development substantially larger amounts of capital than presently possible.



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

July 31, 1969

Dear Fanny:

I have been traveling so much to Europe that I have neglected writing to you. I promised to send you some pictures and they are enclosed.

Iris, the children and I are fine and we are having a very pleasant summer. In fact, Iris and I are off to Europe Thursday night in connection with Bank business that I have to attend to.

I hope you and your family are healthy and all is well. I think it is very likely that I will be in South America within the next six months and I look forward to seeing you.

My very best wishes.

Love,

A handwritten signature in cursive script, appearing to read "Gene", is written over the word "Love".

Gene

Mrs. M. Ligeti  
Rua Itapitanguí 56  
San Paulo 4, Brazil

P.S. Vivian just told me you fractured your ankle and will be in a cast for a while. Rest and take it easy. I hope you are better soon.

ALDEWERELD  
AMIGO HOTEL  
BRUSSELS

*Chron*  
JULY 31, 1969

FULL RATE

(BELGIUM)

*Trav*

U.S. TREASURY OFFERED SEVEN POINT SEVEN FIVE FOR EIGHTEEN  
MONTH NOTES TO REFUND MATURING DEBT    REGARDS

ROTBURG

EUGENE H. ROTBERG  
TREASURER'S

EHRotberg:enk



Chris

July 30, 1969

Mr. Aldewereld

Siem:

As you know, I have been asked to make a number of speeches and participate in various seminars. Some seem quite worthwhile since they establish, or continue relationships, between the Bank and the financial community. Also, it keeps me in touch with the New York brokers and institutions without the necessity to set up meetings and conferences with specific firms. Certain invitations, of course, are of doubtful importance. I have tentatively accepted and rejected certain invitations. I would appreciate the benefit of your views.

1. The Practicing Law Institute (a national association of the financial and securities bar) is organizing a team of specialists to visit Brazil over a period of a month to six weeks, to advise the Brazilians as to the operations of U.S. trading and capital markets. I have been asked to participate for one or two days in October or November. Among the participants will be the two most recent chairman of the SEC, Cohen and Professor Cary, now of Columbia School; law professors at Harvard and Pennsylvania, representatives of the U.S. stock exchanges, etc. The project is being funded by A.I.D. Although I think I can make a contribution, I have rejected the invitation.

2. I have been asked to speak to the Board of Governors of the Investment Company Institute, an association representing all of U.S. mutual funds and their managements. These funds are potential buyers of World Bank bonds - though they are equity-oriented they now hold about \$8 billion in "cash" (commercial paper and Treasury Bills) and, of course, do hold some long-term bonds in their portfolios. However, the speaking engagement comes up during the week of the Annual Meetings, and I have accordingly had to turn down the invitation.

3. I have been asked to speak in late October to the San Francisco Securities Analysts. They want me to talk on the current changes in securities markets and the potential impact of these changes on the financial condition of the brokerage firms and the investment banking community in general. Although they represent the investment banking community in the far west, I don't think I can go out to California at that time. Accordingly, I have turned down the invitation.

4. In late October, there is a National Securities Traders convention in Florida. This is a convention attended by perhaps 1,000 market specialists from securities firms and financial institutions in the United States. The convention is managed and organized by Salomon Bros. & Hutzler (Arthur Solomon) and provides an excellent way to keep in touch with the major market developments as seen by the traders on the desks of the institutions and securities dealers. I have attended this convention before and I have been asked to speak again. Although it is a three day convention, I think I should attend, unless there is a bond offering in Europe.

5. The American Bar Association has asked me to speak one day - September 4 - in Miami on a panel discussion of the structure of U.S. capital and U.S. trading markets and the legal implications of that structure. I accepted the invitation as I am most reluctant to turn down the ABA. Although most of those in attendance are lawyers, they represent the financial institutions and brokers in New York with whom we do business.

Gene 

*Chron*

INGOTISM  
LONDON E.C.2

JULY 29, 1969

NLT

(ENGLAND)

ATTENTION MR. PAGE

REURCAB 397 LOOK FORWARD TO SEEING YOU 12:30 P.M. TEST 819

ROTBERG  
INTBAFRAD

EUGENE H. ROTBERG  
TREASURER'S

cc: Mr. Prins

EHRotberg:enk



Chron

July 29, 1969

Mr. Jonathan L. Auerbach  
Bache & Co., Incorporated  
36 Wall Street  
New York, N. Y.

Dear Mr. Auerbach:

Thank you very much for the distribution report of the recent Southern Bell Telephone and Telegraph Company offering. It was interesting and very much appreciated.

I am leaving for Europe in the next few days. When I return, I will arrange to see you and Mr. Jacobs, at your convenience, concerning the recent shift in investor interest.

Sincerely yours,

Eugene H. Rotberg  
Treasurer

*Chron*

DR. EDWIN STOPPER  
DIRECTIONAL  
ZURICH

JULY 29, 1969

LT

(SWITZERLAND)

IN CONNECTION WITH FORTHCOMING VISIT TO SWITZERLAND I SHOULD LIKE  
TO INTRODUCE MYSELF AND DISCUSS WITH YOU CURRENT WORLD BANK  
FINANCIAL MATTERS STOP WOULD IT BE CONVENIENT TO SEE YOU  
THURSDAY MORNING AUGUST 7 KINDEST REGARDS

EUGENE ROTBERG  
TREASURER  
INTBAFRAD

EUGENE H. ROTBERG  
TREASURER'S

EHRotberg:enk

*Chron*

ESTITHMAR  
AL KUWAIT

JULY 29, 1969

NLT

(KUWAIT)

ATTENTION MR. ABDLATIF ALHAMAD

- (1) REURCAB JULY 27 APPRECIATE YOUR WILLINGNESS TO BUY STERLING  
FROM US AGAINST KD AT PAR
- (2) WILL COMMUNICATE WITH YOU SHORTLY WITH SPECIFIC INSTRUCTIONS  
FOR PURCHASE AS OUR BORROWERS REQUEST US TO ACT AS THEIR  
AGENT STOP KINDEST PERSONAL REGARDS

ROTBERG  
INTBAFRAD

EUGENE H. ROTBERG  
TREASURER'S

cc: Mr. Prins

BLPrins/EHRotberg:emk



## OFFICE MEMORANDUM

TO: Mr. Lester Nurick

FROM: Eugene H. Rotberg *EHR*

SUBJECT: Bank Investment Policy

DATE: July 28, 1969

This refers to our discussions concerning the investments of the Bank's liquid assets. Shortly after I came to the Bank I asked for a statement concerning the applicable procedures for investing the Bank's funds and for the authority to make such investments. On February 13, 1969 I received a memorandum which states in part:

"Investments in government instrumentalities have been interpreted as being investments in government obligations, and at December 31, 1968 securities of the following were held in the form of debentures, notes or certificates.

United States - Federal National Mortgage  
Association (FNMA)  
- Federal Land Banks (FLB)  
- Federal Home Loan Banks  
(FHLB)  
- Export-Import Bank of  
Washington  
Finland - Mortgage Bank of Finland"

I have reviewed Bob Cavanaugh's files and note that the Mortgage Bank of Finland is a wholly-owned subsidiary of the Finnish Central Bank.

Our first purchases of U.S. Government agencies commenced in March 1966. By September 1966 we held \$203 million of U.S. Government agencies. In part, this was occasioned by our \$175 million bond offering in the United States in the summer of 1966. I am attaching a statement by Mr. Woods made to the Executive Directors on June 9, 1966, which states that the funds from the bond issue "will be invested in such a manner that the new borrowing will not affect the balance of payments of the United States until after December 31, 1967." He also states in that memorandum:

"I intend similarly to invest the proceeds raised in the United States from our January 1965 bond issue."

He concludes on this point:

"The only effect this investment policy would have on the Bank is a purely technical one--namely that we would be holding our dollar investments in one form rather than another....."



July 28, 1969

Clearly, however, he does not state that our "obligation" to the U.S. Treasury can only be met by investing in obligations other than those guaranteed by the U.S. Government, i.e. Treasury Bills and Notes. I have also attached a draft comment for a press statement by Woods on the occasion of the bond issue. Here he (or Cavanaugh) states:

"When we invest the bond issue proceeds in time accounts of more than one year or in certain U.S. agency issues, this constitutes an inflow of funds and, to the extent that such investments are equal to the bond issue proceeds, there is no net effect on the U.S. balance of payments until such investments are liquidated and the funds disbursed outside the United States. In connection with this new issue we are now discussing, I have advised the Secretary of the Treasury that it is my intention that our funds will be invested in such a manner that the new borrowing will not affect the balance of payments of the United States before December 31, 1967."

I also draw your attention to the article of January 24, 1969, in the Bond Buyer which says:

"Most of the agency debt, whether indirectly guaranteed or whether not guaranteed at all, depends for its rating in the eyes of investors on what has been called an 'inferential' guarantee, based largely upon a succession of opinions from the Attorney General of the United States. The argument generally runs that an agency is authorized to borrow from the Treasury to make good on any paper it sells, that the Treasury stands ready to lend, and therefore the investor has something that is tangible, at least inferentially. In a classic statement while he was in office, Treasury Secretary Henry H. Fowler argued for retention of the existing system of Government agency finance, declaring that it was generally understood that 'the Government stands in back of these issues.' If he had not been a lawyer, Mr. Fowler might have left out that word 'in'."

There is little doubt that the rating of the bonds is due in large part to Mr. Fowler's statement.

I agree with you that as a legal matter the bonds are not guaranteed by the United States any more than our bonds are guaranteed by the United States - and probably less so. In any event, I agree the Board should be notified per our discussion.

cc: Mr. McNamara

*Chross*

INGOTISM

JULY 28, 1969

LONDON, E.C.2

TELEX

(ENGLAND)

ATTENTION MR. GEORGE BLUNDEN

REFERENCE YOUR LETTERS OF JULY 18 AND 21 STOP ON BEHALF OF BANK

PERMIT ME TO EXPRESS OUR APPRECIATION FOR THE EFFICIENT AND

EXCELLENT HANDLING OF OUR RECENT PORTFOLIO TRANSACTIONS

YOUR COOPERATION AND ASSISTANCE HAS BEEN INVALUABLE STOP

I LOOK FORWARD TO SEEING MR. PAGE 10 AM, AUGUST 4 IF THAT IS

CONVENIENT BEST REGARDS

ROTBERG

INTBAFRAD

EUGENE H. ROTBERG

TREASURER'S

EHRotberg:bb



July 28, 1969

Mr. John A. Olver  
Director  
Financial Management and  
Administrative Policy Division  
United Nations' Development  
Programme  
United Nations  
New York, N. Y. 10017

Dear Mr. Olver:

In accordance with our telephone conversation of last week, the purpose of this letter is to advise you of our forthcoming offering of two-year World Bank Bonds. As you know, these bonds are offered only to Central Banks and certain other government or international institutions. The Bank intends to offer these bonds in a principal amount not to exceed \$175 million with the possibility of an increase of \$200 million in order to refund a maturing issue and raise additional funds.

This Bank will cable you on August 21, 1969, formally offering these bonds for sale and will specify the rate of interest. You may be assured, of course, that the bonds will carry an interest rate competitive with United States Government and other high grade debt obligations of two-year maturity. The subscription period will end at the close of business, Washington, D. C., August 28, 1969.

We are most appreciative of your most recent purchase of these two-year bonds and express the hope when you receive the offering cable on August 21 that you will find it possible to subscribe in the same generous way as in the past.

If you have any questions with respect to this offering, please do not hesitate to call me.

With kindest personal regards,

Sincerely,

Eugene H. Rotberg  
Treasurer





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

Chron

AIR MAIL  
SPECIAL DELIVERY

July 26, 1969

Dr. Wilfried Guth  
Director  
Deutsche Bank AG  
Junghofstrasse 5-11  
Frankfurt (Main), Germany

Dear Dr. Guth:

Thank you for your letter of June 30 relating to my address concerning the World Bank's recent activities. I ask that you excuse this delay in my replying but shortly after your letter was received I left on vacation. It was most kind and thoughtful of you to write.

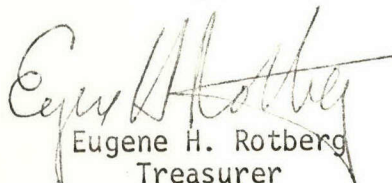
As you know, the Bank recently has made two private placements of DM 150 million each with the Deutsche Girozentrale and the Deutsche Genossenschaftskasse.

The private placement with the Deutsche Girozentrale consisted of three maturities of DM 50 million each, maturing in approximately two, three and four years. The private placement with the Deutsche Genossenschaftskasse consisted of four maturities of approximately DM 37,500,000 each, maturing in three, six, nine and twelve years.

Each of these institutions requested that the Bank not disclose the effective interest rate. I am sure that you understand that I must, therefore, hold in confidence the specific rate in accordance with their wishes. I can tell you, however, Wilfried, that the cost to the Bank for each of these placements was below 7%.

My kindest regards.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

*Chron*

July 25, 1969

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

Dear Mr. Coombs:

In the absence of Mr. Rotberg, who is presently on vacation, I am sending you herewith Document No. R69-160 which was approved by our Executive Directors in connection with our proposed borrowing from the Deutsche Bundesbank.

Very truly yours,

(Miss) Edith M. Kesterton  
Secretary to  
Mr. Rotberg

Enclosure





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

Chron.  
July 22, 1969

First National Bank of Memphis  
P.O. Box 84  
Memphis, Tennessee 38101

Attention: Mr. Joe H. Davis

Gentlemen:

Thank you for your kind invitation  
to a reception on Saturday evening,  
September 27, at the Royal Hawaiian Hotel.  
Unfortunately, due to a previous engagement,  
I very much regret that I will be unable to  
be present. I appreciate your thoughtfulness  
in inviting me.

Sincerely,

(signed) Eugene H. Rotberg

Eugene H. Rotberg  
Treasurer

*Chron*

DRAFT LETTER CONCERNING TWO-YEAR BONDS TO BE ISSUED BY THE BANK,  
SEPTEMBER 15, 1969

---

The International Bank for Reconstruction and Development (Bank) in September 1967 sold \$100,000,000 of 5-3/4% Bonds which mature on September 15, 1969. These Bonds were offered to Central Banks and other government institutions. The Bank intends to offer a new issue of two-year bonds, to mature September 15, 1971, in a principal amount not to exceed \$175,000,000, with the possibility of an increase to \$200,000,000, to refund the maturing issue and raise additional funds. As you know, there is a trading market for these two-year bonds maintained, at prevailing market rates, by securities dealers in New York. Should any holder find it necessary to dispose of these securities prior to their maturity they may use the facilities of their New York correspondent bank who will act on their behalf for their disposition or purchase in the market.

In view of the necessity for central banks and other government agencies to bring this matter to the attention of their constituted governing authorities, I am taking this opportunity to apprise you of its intentions to make this offering.

The Bank will cable you on August 21, 1969 formally offering these bonds for sale and specifying the rate of interest. You may be assured, of course, that the bonds will carry an interest rate competitive with United States Government and other high grade debt obligations of two-year maturity. The subscription period will end at the close of business, Washington, D. C., August 28.

*This was*

*amended*

As you know, the bonds issued by the Bank are not only among the strongest investments in the world, but also provide an opportunity to support the operations of the Bank and the economic development of member nations. I hope that when you receive the offering cable on August 21 you will find it possible to subscribe generously.



## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

## PURCHASERS OF LAST FOUR TWO-YEAR ISSUES OFFERED BY IBRD TO CENTRAL BANKS AND OTHER GOVERNMENTAL AGENCIES

(Expressed in millions of United States dollars)

|                                                                                    | 5-3/4% of 1967<br>due<br>Sept. 15, 1969 | 6-1/8% of 1968<br>due<br>March 15, 1970 | 5.80% of 1968<br>due<br>Sept. 15, 1970 | 6-3/4% of 1969<br>due<br>March 15, 1971 | Total      |
|------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------|-----------------------------------------|------------|
| Argentina                                                                          | \$ 4.000                                | \$ 5.000                                | \$ 2.000                               | \$ 10.000                               | \$ 21.000  |
| Australia                                                                          | 5.000                                   | 2.000                                   | 2.000                                  | 10.000                                  | 19.000     |
| Austria                                                                            | 1.500                                   | 2.000                                   | 4.000                                  | 2.000                                   | 9.500      |
| Belgium                                                                            | 5.000                                   | 5.000                                   | 5.000                                  | 10.000                                  | 25.000     |
| Bolivia                                                                            | .500                                    | .500                                    | .500                                   | .500                                    | 2.000      |
| Brazil                                                                             | -                                       | -                                       | 7.000                                  | 7.000                                   | 14.000     |
| Brunei                                                                             | -                                       | 1.000                                   | -                                      | -                                       | 1.000      |
| Burma                                                                              | -                                       | -                                       | 1.000                                  | 1.000                                   | 2.000      |
| Canada                                                                             | -                                       | -                                       | 10.000                                 | 12.500                                  | 22.500     |
| China                                                                              | 2.000                                   | 1.000                                   | 1.000                                  | 2.000                                   | 6.000      |
| Colombia                                                                           | -                                       | -                                       | -                                      | 1.000                                   | 1.000      |
| Congo, Democratic Republic of the                                                  | -                                       | -                                       | 5.000                                  | -                                       | 5.000      |
| Cyprus                                                                             | .250                                    | .500                                    | .250                                   | 1.000                                   | 2.000      |
| Denmark                                                                            | 2.000                                   | 5.000                                   | 2.000                                  | 2.000                                   | 11.000     |
| El Salvador                                                                        | .500                                    | -                                       | -                                      | -                                       | .500       |
| Ethiopia                                                                           | 1.000                                   | 2.000                                   | 1.000                                  | 2.000                                   | 6.000      |
| Finland                                                                            | .200                                    | 2.000                                   | 5.000                                  | 5.000                                   | 12.200     |
| France                                                                             | 2.000                                   | 1.000                                   | -                                      | -                                       | 3.000      |
| Germany                                                                            | 5.000                                   | -                                       | -                                      | -                                       | 5.000      |
| Ghana                                                                              | -                                       | .100                                    | .100                                   | .100                                    | .300       |
| Greece                                                                             | 1.000                                   | 1.000                                   | 1.000                                  | 1.000                                   | 4.000      |
| Guatemala                                                                          | -                                       | -                                       | .250                                   | -                                       | .250       |
| Guyana                                                                             | -                                       | -                                       | .750                                   | 1.000                                   | 1.750      |
| Honduras                                                                           | -                                       | .250                                    | .250                                   | -                                       | .500       |
| Iceland                                                                            | 1.000                                   | -                                       | -                                      | 2.000                                   | 3.000      |
| India                                                                              | 1.000                                   | 2.000                                   | 2.000                                  | 2.500                                   | 7.500      |
| Iran                                                                               | 4.000                                   | 4.000                                   | -                                      | 2.000                                   | 10.000     |
| Ireland                                                                            | -                                       | 1.000                                   | 1.000                                  | -                                       | 2.000      |
| Israel                                                                             | 2.000                                   | 4.000                                   | 5.000                                  | 3.000                                   | 14.000     |
| Italy                                                                              | 5.000                                   | 12.500                                  | 10.000                                 | 10.000                                  | 37.500     |
| Ivory Coast                                                                        | -                                       | -                                       | .500                                   | 1.000                                   | 1.500      |
| Japan                                                                              | 5.000                                   | -                                       | 5.000                                  | 5.000                                   | 15.000     |
| Jordan                                                                             | 2.000                                   | 1.000                                   | 2.000                                  | 2.000                                   | 7.000      |
| Kenya                                                                              | 1.000                                   | 2.000                                   | -                                      | 1.000                                   | 4.000      |
| Korea                                                                              | -                                       | -                                       | -                                      | 1.000                                   | 1.000      |
| Kuwait                                                                             | .500                                    | 1.500                                   | 1.000                                  | -                                       | 3.000      |
| Libya                                                                              | -                                       | 2.000                                   | 5.000                                  | 6.000                                   | 13.000     |
| Luxembourg                                                                         | -                                       | .200                                    | .100                                   | .200                                    | .500       |
| Malagasy                                                                           | -                                       | 2.000                                   | -                                      | -                                       | 2.000      |
| Malaysia                                                                           | 4.000                                   | 4.000                                   | 5.000                                  | 3.000                                   | 16.000     |
| Mexico                                                                             | -                                       | 5.000                                   | -                                      | 10.000                                  | 15.000     |
| Morocco                                                                            | -                                       | -                                       | .200                                   | -                                       | .200       |
| Nepal                                                                              | -                                       | 1.000                                   | 1.000                                  | -                                       | 2.000      |
| Netherlands                                                                        | 2.000                                   | -                                       | -                                      | 2.000                                   | 4.000      |
| New Zealand                                                                        | -                                       | -                                       | -                                      | 2.000                                   | 2.000      |
| Nigeria                                                                            | -                                       | -                                       | 5.000                                  | -                                       | 5.000      |
| Norway                                                                             | 4.000                                   | 8.000                                   | 10.000                                 | 8.000                                   | 30.000     |
| Pakistan                                                                           | 2.000                                   | 2.000                                   | -                                      | 2.000                                   | 6.000      |
| Saudi Arabia                                                                       | 10.000                                  | 12.500                                  | 10.000                                 | 5.000                                   | 37.500     |
| Singapore                                                                          | 3.550                                   | 7.850                                   | -                                      | 6.000                                   | 17.400     |
| South Africa                                                                       | 1.000                                   | 1.000                                   | 3.000                                  | 1.000                                   | 6.000      |
| Spain                                                                              | 4.000                                   | -                                       | 4.000                                  | 2.000                                   | 10.000     |
| Sudan                                                                              | .500                                    | -                                       | -                                      | -                                       | .500       |
| Tanzania                                                                           | 2.000                                   | 3.000                                   | 2.000                                  | -                                       | 7.000      |
| Thailand                                                                           | 10.000                                  | 10.000                                  | 15.000                                 | 15.000                                  | 50.000     |
| Trinidad & Tobago                                                                  | -                                       | -                                       | -                                      | .500                                    | .500       |
| Uganda                                                                             | -                                       | -                                       | -                                      | 1.000                                   | 1.000      |
| Venezuela                                                                          | -                                       | 2.000                                   | 2.000                                  | 10.000                                  | 14.000     |
| Viet-Nam                                                                           | -                                       | 1.000                                   | 1.000                                  | 4.000                                   | 6.000      |
| Yugoslavia                                                                         | .500                                    | 1.000                                   | 1.500                                  | 2.000                                   | 5.000      |
| Zambia                                                                             | 1.000                                   | 2.000                                   | 2.000                                  | 2.000                                   | 7.000      |
| Banque Centrale des Etats<br>de l'Afrique de l'Ouest <sup>1/</sup>                 | 2.000                                   | 2.000                                   | 2.000                                  | 1.700                                   | 7.700      |
| Banque Centrale des Etats de l'Afrique<br>Equatoriale et du Cameroun <sup>2/</sup> | -                                       | -                                       | -                                      | .500                                    | .500       |
| International Organizations                                                        | 2.000                                   | 2.100                                   | 1.100                                  | 11.150                                  | 16.350     |
| Totals                                                                             | \$ 100.000                              | \$ 125.000                              | \$ 144.500                             | \$ 192.650                              | \$ 562.150 |

<sup>1/</sup> Central Bank for: Dahomey, Ivory Coast, Mauritania, Niger, Senegal, Togo and Upper Volta.<sup>2/</sup> Central Bank for: Cameroon, Central African Republic, Chad, Congo (Brazzaville) & Gabon.

## OFFICE MEMORANDUM

TO: The Files

DATE: July 18, 1969

FROM: Eugene H. Rotberg

SUBJECT: Bundesbank Roll-over of August 1, 1969

Mr. Aldewereld and I called Mr. Tungeler of the Bundesbank this morning, Friday, July 18, concerning the interest rate for our proposed roll-over. I advised Mr. Tungeler that U.S. Government obligations maturing in 1974 were yielding about 6.80 and that U.S. "agencies" of similar maturities were yielding higher. (They are yielding 7.25 to 7.30). I asked Mr. Tungeler the market in DM for 4-5 year maturity. He said 7% or "a bit more". In view of (a) the opinion I received from First Boston yesterday that yields in this range were likely to rise in the U.S. in the near future, (b) the market for DM obligations and (c) for U.S. Government and agency obligations of similar maturities, I told Mr. Tungeler that we thought it would be appropriate to offer him 7-1/8%. He said this was quite satisfactory. He agreed on behalf of the Deutsche Bundesbank to accept a 7-1/8% rate. I told him that we expected Board approval on Tuesday, June 22 and that we would cable him as soon as we get this approval.

Mr. Tungeler and Mr. Aldewereld exchanged felicitations. Mr. Tungeler stated that 7-1/8 was a fair price for both parties and he seemed pleased with the outcome of the discussions.



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

*Chron*

July 18, 1969

Mr. Thomas Rouland  
Executive Director  
Federal Bar Association  
1815 H Street, N.W.  
Washington, D.C. 20006

Dear Mr. Rouland:

With reference to Mr. Reycraft's  
letter of July 14, I am enclosing here-  
with a photograph of myself which you  
may wish to include in the Federal Bar  
brochure.

Sincerely yours,

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

Eugene H. Rotberg  
Treasurer

Encl.



PROOF for - - -

Chrm.

Please Return Promptly To—  
345 HUDSON ST.  
NEW YORK, N. Y. 10014

## POOR'S REGISTER of CORPORATIONS, DIRECTORS and EXECUTIVES

Kindly examine the attached proof from the current POOR'S REGISTER of CORPORATIONS, DIRECTORS and EXECUTIVES and revise it, if necessary, to bring your listing up to date in the forthcoming edition.

There is no charge for inclusion of your listing in the REGISTER.

**IMPORTANT—Even if proof is correct, please return it with your O.K.**

### SAMPLE LISTING

JONES, JOHN JOSEPH (b. 1903 Springfield, Ill.  
—Univ. of Illinois 1924—F&AM; BPOE)—  
Pres, Treas & Dir, Jones Mfg. Co., 184  
Beaver St., Akron, Ohio 44304—Res: 753  
Grant St., Akron 44311.  
American Safe Co., Chrm  
Pensacola (Fla.) Desk Co., Secy & Treas  
Natl. Globe Mfg. Corp., Dir

CAVANAUGH, ROBERT W. (b. 1914 Oil City,  
Pa.—Univ. of Notre Dame 1936)—Treas, Intl.  
Bank for Reconstruction & Devel., 1818 H St.,  
N. W., Washington, D. C. 20433—Res: 5215  
Norway Dr., Chevy Chase, Md. 20015  
Intl. Finance Corp., Treas  
Intl. Development Assn., Treas

X no longer  
Treas, World  
Bank etc.

See new  
listing attached

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

ROTBURG, Eugene H.

(b. 1930 Philadelphia, Pa.--

Temple Univ. 1951; Univ. of Penna.

Law School 1954); Treas., Intl.

Bank for Reconstruction & Devel.,

1818 H St., N.W., Washington, D.C.

20433--Res: 10822 Childs Court,

Silver Spring, Md. 20901

Intl. Finance Corp., Treas.

Intl. Development Assn., Treas.

the REGISTER

TORS and EXECUTIVES

an Business Leaders"

USHERS

EdR

*Chron.*

July 18, 1969

Dear Nick:

I am back in the office now after a trip to Europe (business) and I am most distressed to learn of your back problems, which I heard about right before I left. I know it must be discouraging, particularly since your European trip will have to be delayed. For the last few years, I have had several low back pains, particularly after any exercise and it always seems to have a dull ache. I try to block it out.

I will try to get over to see you as soon as I get back from my next jaunt. I have just arrived back in the city and I am leaving immediately with the children for a week at the beach, after which I am off to Europe with Iris.

My best to Judy and the children. I hope you are better by the time I return.

Sincerely,

Gene Rotberg

Mr. Nicholas K. Wolfson  
10012 Branchview Court  
Silver Spring, Md.

*Chron.*

MR. ROTBERG'S SCHEDULE -- JULY 1969

Wednesday, July 9 - New York City

3:30 - 6:30 P.M. -- Investment Bankers Association  
Long Range Seminar

Thursday, July 10 - New York City

9:30 A.M. -- Joseph Coyle  
Federal Reserve Bank of New York

11:00 A.M. -- First Boston Corporation  
(with Mr. Aldewereld)

LUNCH -- First Boston Corporation  
(with Mr. Aldewereld)

2:45 P.M. -- Merrill Lynch, Pierce, Fenner  
& Smith, Inc.  
(with Mr. Aldewereld)

July 21 thru July 25 -- Bethany Beach, Delaware



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

*File "Chson"*  
INTERNATIONAL FINANCE  
CORPORATION

Mrs. Mary Lighthipe  
Real Estate Broker  
Bethany, Delaware

Area Code 302  
539-7059

Crow's Nest House - name doesn't appear on the  
Middlesex Beach house

Mailing Address: General Delivery  
Bethany Beach, Delaware  
19930

---

Your house is on Dune Road.

Turn in Bridge Road.

Turn left on Dune (Dune is between Bayberry  
and Short).

Your place the next to the last house on the  
left -- a gray house with turquoise trim.

---

No phone but Mrs. Lighthipe said they could  
take a message to you -- it might take a  
little while depending on how busy they  
were at the moment. I asked her approximately  
how long and she said "oh, 10 minutes or so  
unless there was no one in the office to  
cover the 'phones at that moment".

Mr. Aldewereld

Siem:

Since I am leaving on Friday, July 18, for a short vacation (I won't be back until Friday evening July 25), I want to tell you the status of some pending matters:

Central Bank Issue

- (1) Van Saagsvelt is preparing the pricing sheet for our two year Central Bank issue.
  - (2) I have spoken to Shoaib and Rickett re the letters which they will send to the Governors of Central Banks or Finance Ministers.
  - (3) The Area Departments are coordinating their efforts with the Executive Directors (van Saagsvelt will send to you a master list showing who is taking what action for each country).
  - (4) Van Saagsvelt has been instructed to prepare the material for submission to the Board on our Central Bank issue on August 12. We will determine the appropriate interest rate were the offering to be made on that date and ask the Board for authority to go up to 1/2% more than such rate should the market change before the cable is sent.
- . . .

Deutsche Bundesbank Roll-over

- (1) The Board papers are being prepared today and we will distribute them tomorrow with the recommended interest rate after we talk to Tungeler.
- (2) Deely is taking care of the necessary documentation of the Bundesbank loan, i.e. notice to the Federal Reserve Bank, etc.
- (3) I have decided to sell the low yielding long term obligations, some of which were originally purchased with 3-4 year maturity in 1968, or, if necessary, the low yielding short term maturities and reinvest in high yielding Treasury Bills in order to pay the \$32 million to the Bundesbank. What we are trying to do is, in effect,

Mr. Aldewereld

- 2 -

sell those securities with a loss in them and make up the loss by the increased income that we will receive from the purchase of new securities from new funds that are coming in. If this is not possible, we will of course sell those securities with minimal loss so that we do not have to find high yielding securities to invest in to cut our loss. (Although the funds are not needed until August 1 and we probably will not actually make the sale until perhaps a week or so from now, I have told Joe Coyle to keep alert as to which securities might be in great demand because of tax or short covering factors).

. . .

I can be reached next week through Friday morning, July 25 (Kessie knows how to reach me). Further, I will call in each day or so.

On the weekend of July 26 and 27 I will be at home (phone 593-4134). I will be in the office Monday, July 28, through Thursday night, July 31.

Late Thursday night I go to Europe and Kessie will have my schedule. I am currently scheduled to return from Europe on Sunday, August 17. If, however, I can only see the Central Bank of Portugal on Monday morning and if I can get a reservation on a noon or 1 o'clock 'plane from Lisbon, I will return to New York at 3:55 PM New York time, at which time I will call Pattberg and Salomon Bros. & Hutzler to get the latest information re our Central Bank issue and I will communicate with you immediately.

. . .

Y.L. Chang (X-2211), Bill van Saagsvelt (X-2837) and Francis Poore (X-2477) all will be here through August 18. Ray Deely (X-2435) will be here through August 1.

Gene Rotberg  
July 17, 1969



## OFFICE MEMORANDUM

TO: Mr. Mohamed Shoaib ✓  
Mr. Omar Dajany

FROM: Eugene H. Rotberg *EHR*

SUBJECT: Proposed Borrowing from Libya

DATE: July 17, 1969

In connection with the proposed borrowing from Libya,  
Mr. Saad El-Fishawy will represent the Legal Department.  
Mr. Raymond Deely will represent the Treasurer's Department  
in this matter during my absence from the office until  
Monday, July 28.

*Chron*

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INCOMING CABLE

DATE AND TIME  
OF CABLE:

JULY 17, 1969

532PM

LOG NO.:

RCA TELEX / 17

TO:

INTBAFRAD

FROM:

LONDON

ROUTING

ACTION COPY:

MR. ROTBERG

INFORMATION  
COPY:

DECODED BY:

TEXT:

377 FROM BLUNDEN FOR THE ATTENTION OF MR. ROTBERG

YOUR NO. 255 THANK YOU FOR INSTRUCTIONS WHICH WE NOTED. MARKET

CONDITIONS ARE NOT SUITABLE FOR US TO COMMENCE PURCHASES TODAY.

WE WILL CABLE AS SOON AS WE START TO BUY. REGARDS 1358

INGOTISM

UR

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

OUTGOING WIRE

TO: INGOTISM  
LONDON E.C.2

DATE: JULY 17, 1969

CLASS OF  
SERVICE: NLT

COUNTRY: (ENGLAND)

TEXT:  
Cable No.:

ATTENTION MR. GEORGE BLUNDEN

REOURLET JULY 15 PLEASE CORRECT DATES ON LINES ONE AND SEVEN

TO READ JULY 11 AND JULY 16 RESPECTIVELY BEST REGARDS

ROTBERG  
INTBAFRAD

755

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE   
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

EHRotberg:emk

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:



*Chron.*

D R A F T

July 17, 1969

Mr. David Horowitz  
Governor  
Bank of Israel  
Jerusalem, Israel

Dear Governor Horowitz:

The purpose of this letter is to advise you of our forthcoming offering of Two-Year World Bank Bonds.

In September, 1967, the Bank sold \$100,000,000 of 5-3/4% bonds which will mature on September 15, 1969. The Bank intends to offer a new issue of Two-Year Bonds, to mature September 15, 1971, in a principal amount not to exceed \$175,000,000, with the possibility of an increase to \$200,000,000, in order to refund the maturing issue and raise additional funds. As you may know, these Two-Year Bonds are marketable in New York and should any holder find it necessary to dispose of these securities prior to their maturity they may use the facilities of their New York correspondent bank, who will act on their behalf for their disposition at prevailing market rates.

This Bank will cable you on August 21, 1969 formally offering these bonds for sale and will specify the rate of interest. You may be assured, of course, that the bonds will carry an interest rate competitive with United States Government and other high grade debt obligations of two-year maturity. The subscription period will end at the close of business, Washington, D.C., August 28, 1969.

Mr. David Horowitz  
Governor

- 2 -

In the past the Central Bank of Israel has subscribed generously to our two year issues and I express the hope that when you receive the offering cable on August 21 you will find it possible to subscribe in the same generous way as in the past.

If you have any questions with respect to this offering, please do not hesitate to call me.

With kindest personal regards,

Sincerely yours,

S. Aldewereld  
Vice President

OUTGOING WIRE

TO: INGOTISM

DATE: JULY 16, 1969

LONDON, E.C.2

CLASS OF  
SERVICE: TELEX

COUNTRY: (ENGLAND)

TEXT:

Cable No.:

ATTENTION MR. GEORGE BLUNDEN

RE YOUR LETTER OF JULY 11, 1969 CONCERNING OUR PROPOSAL TO SWITCH  
APPROXIMATELY 60 MILLION POUNDS FROM TREASURY BILLS INTO BRITISH  
GOVERNMENT SECURITIES YOU ARE INSTRUCTED AS FOLLOWS:

DEBITING OUR "B" ACCOUNT COMMA PLEASE INVEST A TOTAL OF 60 MILLION  
POUNDS IN THE UNDERMENTIONED STOCKS COMMA DISCOUNTING TREASURY BILLS  
AS NECESSARY:-

- (a) 6% EXCHEQUER STOCK 1970 AND/OR 6-1/2% TREASURY STOCK 1971
- (b) 5% CONVERSION STOCK 1971 AND/OR 6-3/4% EXCHEQUER STOCK 1971
- (c) 6% CONVERSION STOCK 1972 AND/OR 6-1/4% EXCHEQUER STOCK 1972

ALLOCATION OF PURCHASES AS BETWEEN EACH STOCK IN ANY ONE PAIR  
IS AT YOUR DISCRETION BUT THE TOTAL AMOUNT INVESTED IN EACH PAIR  
SHOULD BE APPROXIMATELY 20 MILLION POUNDS STOP THE PURCHASES MAY  
BE STARTED IMMEDIATELY AND SHOULD BE COMPLETED AS QUICKLY AS  
MARKET CONDITIONS PERMIT COMMA BUT THE ACTUAL TIMING OF THE  
OPERATIONS IS LEFT TO THE DISCRETION OF YOURSELVES AND THE BROKERS

NOT TO BE TRANSMITTED

(CONTINUED ON PAGE 2...)

MESSAGE AUTHORIZED BY:

NAME

DEPT.

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: \_\_\_\_\_



OUTGOING WIRE

TO: INGOTISM  
LONDON, E.C. 2

DATE: JULY 16, 1969

CLASS OF  
SERVICE:

COUNTRY: (ENGLAND)

TEXT:  
Cable No.:

- PAGE 2 -

IN THE LIGHT OF THOSE CONDITIONS.  
PLEASE HOLD STOCKS IN THE NAME OF BANK'S NOMINEES ON OUR BEHALF STOP  
LETTER TO FOLLOW BEST REGARDS 803

ROTBURG  
INTBAFRAD

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

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

CLEARANCES AND COPY DISTRIBUTION:

Cleared with and copy to  
Mr. Nurick

For Use By General Files and Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

Talk to Mr. Aldewereld about:

- (1) Requirement that we go back to the Board if the interest rate exceeds the ceiling on our Central Bank issue.
- (2) Also Joe Coyle.
- (3) Also C. J. Devine making markets on our bonds.
- (4) Also loaning our agency securities.
- (5) Also Gamerdinger.

EHR  
July 16, 1969



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

AIR MAIL  
SPECIAL DELIVERY

July 15, 1969

Mr. George Blunden  
Deputy Chief Cashier  
Bank of England  
Threadneedle Street  
London, E.C.2, England

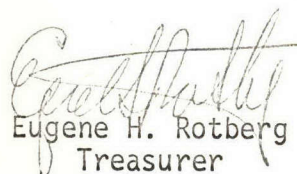
Dear Mr. Blunden:

This refers to your letter of <sup>July</sup> ~~August~~ 11, 1969 concerning our proposed sale of Treasury Bills and purchase of longer term British Government securities. Permit me to express my appreciation for your excellent advice and assistance in this matter. I am confident that the procedure agreed upon, as outlined in your letter and our cable of ~~August 15~~, is an efficient one.

I plan to be in Europe shortly. Would it be convenient for me to call on you or your colleagues on either Friday, August 1, or Monday, August 4.

My best regards.

Sincerely,

  
Eugene H. Rotberg  
Treasurer



Chron



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

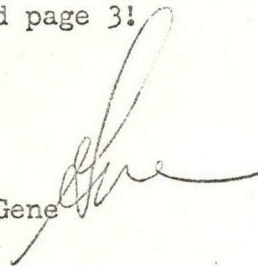
July 14, 1969

Mr. Walter P. Stern  
Director of Research  
Burnham and Company  
60 Broad Street  
New York, N. Y.  
10004

Dear Wally:

Thank you for sending me The Investment Environment--June, 1969. It was most interesting. The only thing I disagree with is the stuff on the bottom of page 2 and page 3!

Best regards.

Gene 



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

*Chron*

July 14, 1969

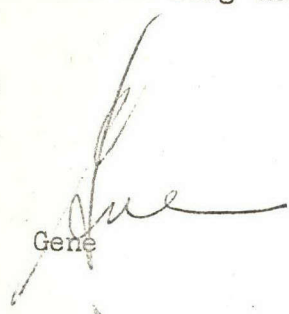
Dr. and Mrs. Harold Lazarus  
225 Wellington Road  
Garden City, N. Y.  
11530

Dear Carol and Hal:

We are so flattered by your nice letters that our ego is now replenished for many, many months to come. I am sure that you both know that the feeling is mutual and that it is only our basic insecurity which makes us from saying so more often.

Iris and I are going to the beach on Friday and then probably go to Europe for about two weeks in connection with some business I have there. It will be another hectic summer. Don't see "The Heart is a Lonely Hunter" (it has more cliches than "Jacques Brel"). We tried to see "If" but the lines were so long there were no seats left.

Love to you all.

  
Gene

## OFFICE MEMORANDUM

TO: Files

DATE: July 14, 1969

FROM: Eugene H. Rotberg *EH*CONFIDENTIALSUBJECT: Telephone Conversation between Dr. Tungeler (Germany)  
and Messrs. S. Aldewereld and Eugene Rotberg  
re August 1, 1969 Maturity**DECLASSIFIED**

Date: 10/19/2010 SMT

Mr. Aldewereld and I spoke to Dr. Tungeler of the Deutsche Bundesbank this morning in connection with the August 1, 1969 maturity of our borrowing from them. I explained to Dr. Tungeler that U.S. Government obligations of 4 - 5 year maturities in the month of June averaged about 6.56; in July the high for selected 4 - 5 maturities was 6.95 with a low around 6.60 to 6.65. The present yield this morning, July 14, was 6.70.

I advised Dr. Tungeler these were direct obligations of the U.S. Government and should be distinguished from the so-called U.S. Agency obligations - which are not U.S. Government obligations but are government controlled or regulated institutions who issue their paper direct to the public. I pointed out that these obligations were now yielding in the 7.20's for 4 - 5 year maturities. In this connection, I told Dr. Tungeler that we usually use U.S. agency obligations as the basis for our two-year Central Bank offering. The yields for 2 year agency paper, we explained, were substantially higher than the longer term obligations.

On the basis of the yields for U.S. Government paper of 4 - 5 year maturity, I said that if we were to price the issue today, a 7% rate, which was about 30 basis points above the current market and higher than the high for the month, would seem appropriate. He responded affirmatively and said that a rate of 7% would be most satisfactory and compared to the Deutsche Mark 4 - 5 year Treasury obligations of the Federal Republic - now yielding about 6.95 - 7%. Tungeler asked whether we would like to split the difference between the 6.70 and the higher yield (apparently, he meant the Deutsche Mark yield, or perhaps the U.S. agency yield). Mr. Aldewereld explained that in view of our long relationship with the Federal Republic and the somewhat volatile state of the markets, that we would be pleased to have as a tentative rate the 7% rate if they thought this was satisfactory. Dr. Tungeler replied that it was and that, in any case, a difference of 5 - 10 basis points was not a significant factor for the Bundesbank. I understood him to mean that he recognized that a 7% rate was a fair and liberal offer on our part.



We explained to Dr. Tungeler that our Board of Executive Directors was required to approve the transaction, and that they would act on July 22; we advised Tungeler that we did not expect any problems. We said that in view of the volatility of the markets we would call him back later in the week, on Wednesday and on Friday to establish whether there have been significant development that might cause both parties to reconsider the tentative understanding reached. Dr. Tungeler said he was prepared to agree to the transaction now at 7% but that he understood the advisability of checking this week.

He repeated, in response to Mr. Aldewereld's inquiry that he was pleased with the proposed transaction.

cc: Mr. Aldewereld



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

Chin  
July 14, 1969

Fitrite Fashions Inc.  
K.P.O. Box 6417  
Kowloon, Hong Kong, B.C.C.

Attention: Mr. U.K. Mirpuri

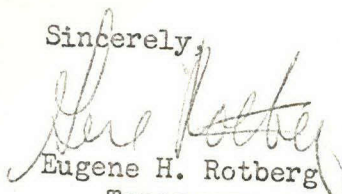
Re: Order No. FB-782

Dear Sir:

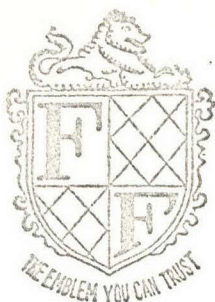
I am in receipt of your letter of July 8, 1969. As you may know the blazer and hopsack suit you dispatched still has not been received. I would like you to remake these items and ship them by air mail as soon as possible. You should use the measurements already taken.

The reason for this request is because I expect to be out of the country commencing August 2, 1969; I may not be able to see Mr. Andy. If I can arrange to see him, I will purchase several additional suits for myself, but I am not sure that I can arrange to see him. Do be so kind as to write by return mail as to where I may reach Mr. Andy so that I can perhaps arrange to see him a day before my departure for an overcoat and other clothing. I look forward to being able to receive the hopsack suit and blazer as soon as possible.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

10822 Childs Court  
Silver Spring, Md. 20901  
U.S.A.



# FITRITE Fashions Inc.

CABLE: "FITRITE"  
PHONE: K-675510

K. P. O Box 6417 KOWLOON, HONG KONG, B.C.C.

---

Quality Custom Made Clothes By Mail  
(Registered Mail Order House)

---

8th July, '69

Mr. Eugene H. Rotberg,  
10822 Childs Court,  
Silver Spring, Md. 20901,  
U. S. A.

Dear Mr. Rotberg,

Re: Order No. FB-782

We are in receipt of your letter of 3-7-69 and sorry to note that still you have not received Air-mail parcel containing one Hopsock suit and one Raw Silk blazer, which was sent on 25th April '69.

We have already put tracer, but still we have not heard from postal authorities.

Further we <sup>are</sup> pleased to note that you have received two Doeskin suit and those fit you perfectly.

We have to inform you that our representative Mr. M. Andy is again visiting to your area from 2nd to 4th August and staying at Holiday Inn Downtown Washington D. C.

Kindly visit our display along with your friends and Mr. Andy will remeasure you against that amount of \$120.00. This time he has new range of samples, after receiving your order, we will take precautions to get parcel insured and send you by air mail.

We again like to apologise for the trouble, we have caused you. Thanking you for your kind co-operation at all the times.

P. T. O.

---

BANKERS:

FIRST NATIONAL CITY BANK  
HONG KONG

AMERICAN EXPRESS CO. INC.  
NEW YORK

B. N. P.  
HONGKONG

ASSOCIATES:

ANDY'S CUSTOM TAILORS HONG KONG



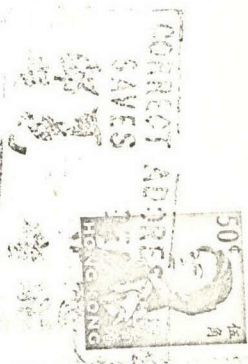
Further we be thankful to you, if you give us names of  
your relatives and friends, who are interested in garments.

in the meantime please let <sup>US</sup> FITRITE FASHIONS know, when you  
receive the parcel.

Yours very truly,  
FITRITE FASHIONS INC.

.....  
U. K. MIRPURI (Export Dept.)

UKM/mc



Mr. Eugene H. Rotberg,  
10822 Childs Court,

Silver Spring, Md., 20901,

U. S. A.

Sender's name and address:

*Fitrite Fashions Inc.*

K. P. O. BOX 6417

KOWLOON, HONG KONG

AN AIR LETTER SHOULD NOT CONTAIN ANY  
ENCLOSURE: IF IT DOES IT WILL BE SURCHARGED  
OR SENT BY ORDINARY MAIL.



TRADE MARK  
Form Approved by Postmaster General, Hong Kong  
No. 40

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

OUTGOING WIRE

TO: NOTENBANK  
FRANKFURTMAIN

DATE: JULY 11, 1969

CLASS OF  
SERVICE: TELEX

COUNTRY: (GERMANY)

TEXT:  
Cable No.:

ATTENTION DR. EMMINGER/TUNGELER

THIS REFERS TO AUGUST 1 MATURITIES OF \$32 MILLION AND  
DM130 MILLION WORLD BANK OBLIGATIONS HELD BY BUNDESBANK STOP  
WE UNDERSTAND ON BASIS OF PRIOR DISCUSSIONS WITH ALDEWERELD  
THAT BUNDESBANK IS PREPARED TO ROLL OVER MATURING OBLIGATIONS  
IN DM EXCLUSIVELY STOP WOULD BE APPRECIATIVE OF YOUR WISHES  
ON DATE OF MATURITY FOR NEW BORROWING STOP YOU MAY WISH TO  
CONSIDER AUGUST 1, 1974 IF THIS IS SATISFACTORY STOP WE  
WOULD ALSO APPRECIATE YOUR SUGGESTED INTEREST RATE FOR SUCH  
ROLLOVER FOR SUBMISSION TO OUR BOARD OF EXECUTIVE DIRECTORS  
STOP WE AWAIT YOUR RESPONSE AT YOUR EARLIEST CONVENIENCE  
STOP BEST REGARDS TEST 805

ROTBURG  
INTBAFRAD

(signed) Eugene H. Rotberg

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

EHRotberg:emk

CLEARANCES AND COPY DISTRIBUTION:

Cleared with and copy to:

Mr. Aldewereld  
Mr. Eigen  
Mr. Deely

Mr. Prins

For Use By General Files and Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

76 Siem-

7/11/69

Here are some suggested alternatives  
for the letter to the Central Bank.  
Gene.

EHRotberg  
7/11/69

Alternative No. 1

As you know, there is a secondary market for these 2-year bonds maintained, at prevailing <sup>market</sup> interest rates, by securities dealers in New York and, should any holder find it necessary to dispose of these securities prior to maturity, they may do so through the facilities of the Federal Reserve Bank of New York.

Alternative No. 2

As you know, these 2-year bonds are marketable in New York through the facilities of the Federal Reserve Bank of New York. Should any holder find it necessary to dispose of them prior to maturity, a secondary market is maintained, at prevailing market rates, by several securities dealers in New York.

Alternative No. 3:

As you know, there is a secondary market for 2-year bonds maintained, at prevailing <sup>market</sup> interest rates, by securities dealers in New York. Should any holder find it necessary to dispose of these securities prior to maturity, they may use the facilities of the Federal Reserve Bank of New York who will act on their behalf for the disposition or purchase of these securities in the secondary market.





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

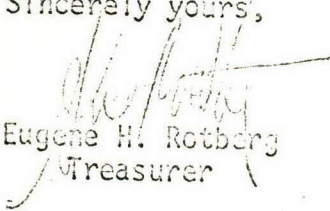
July 11, 1969

Mr. William H. Moore  
Chairman of the Board  
Bankers Trust Company  
280 Park Avenue  
New York, N.Y.

Dear Mr. Moore:

Thank you for your letter of June 30 in which you invite me to your annual dinner-dance on October 4, 1969. I appreciate your thoughtfulness in inviting me and I will, of course, make every effort to attend. However, due to the fact that this will be the week of our Annual Meetings, I cannot be assured at this time that I will be able to accept your kind invitation. Will you please reconfirm this matter with me at a later date.

Sincerely yours,

  
Eugene H. Rotberg  
Treasurer



# BANKERS TRUST COMPANY

280 PARK AVENUE, NEW YORK

WILLIAM H. MOORE, CHAIRMAN OF THE BOARD  
TELEPHONE 212 692-4554

MAILING ADDRESS  
POST OFFICE BOX 318  
CHURCH STREET STATION  
NEW YORK, NEW YORK 10015

June 30, 1969

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

Dear Mr. Rotberg,

Our annual dinner-dance will be held this year on Saturday, October 4, 1969 at the Essex House, 160 Central Park South, New York, on the occasion of the International Monetary Fund and International Bank for Reconstruction and Development annual meetings.

Traditionally it has been our pleasure to entertain a number of our good friends who attend these meetings and we are contacting you at this stage to request of you or your office some indication as to the probability of your being able to join us. Because we understand that your plans may be at best tentative, any reply will be subject to confirmation at a later date.

The invitations will be mailed during the month of August and will be addressed to those who, in response to this letter, have indicated that they may be able to attend. Naturally, if you indicate first that you cannot attend but later determine that it will be possible after all, you are cordially invited to contact us and we will be delighted to extend an invitation to you at that time.

Looking forward to the prospect of hearing from you at your earliest possible convenience and seeing you on October 4, I remain

Sincerely,

*William H. Moore*



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

July 9, 1969

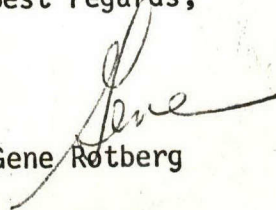
Dear Bill:

My folks tell me that you are at home and, good news, recuperating from your recent illness. I understand you are feeling much better and I am glad you are comfortable.

It was good seeing you in Philadelphia a few months ago. I keep in touch and hear about you and Eve from my parents.

Eve, my daughters are anxiously awaiting the sweaters. You are most kind.

Best regards,

  
Gene Rotberg

Mr. William Bender  
5177 Penway Street  
Philadelphia, Penna.



Chron

MR. ROTBERG'S SCHEDULE -- JULY 1969

Wednesday, July 9 - New York City

3:30 - 6:30 P.M.

-- Investment Bankers Association  
Long Range Seminar

[Limousine picking you up  
at Laguardia and also  
delivering you to the Waldorf]

[Conducted by James O. Rice Associates -  
E.B. Reynolds, V.P.  
Harrison House, Glen Cove, Long Island]

Thursday, July 10 - New York City

9:30 A.M.

-- Joseph Coyle, Securities Trading Officer  
Federal Reserve Bank of New York  
33 Liberty Street (Room 835)

Phone:  
REctor 2-5700

11:00 A.M.

-- First Boston Corporation - Emil J. Pattberg  
(with Mr. Aldewereld)  
20 Exchange Place

Phone:  
DIgby 4-1515

LUNCH

-- First Boston Corporation  
(with Mr. Aldewereld)

2:45 P.M.

-- <sup>~</sup>Merill Lynch, Pierce, Fenner  
& Smith, Inc. -- James E. Thomson, Vice Chairman  
(with Mr. Aldewereld)  
70 Pine Street

Phone:  
WHitehall 4-1212

July 21 thru July 25

-- Bethany Beach, Delaware



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

July 8, 1969

Miss Carol Loomis  
Editor  
Fortune Magazine  
Time & Life Building  
Rockefeller Center  
New York, N.Y. 10020

Dear Carol:

Here is a rough edit of the remarks I  
made at the National Institutional Trader  
Conference. You will remember that I did  
not speak from a prepared text or from notes.  
These comments should not be circulated, of  
course, until they are made public by the  
Institutional Investor.

It was good seeing you.

Love,

Gene

Encl.

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

Mr. Aldewereld

Siem:

May I have your comments on  
this draft letter. I would recommend  
that we send it perhaps on Friday,  
the 11th, of this week or early next  
week; say, the 14th or 15th.

Gene R.  
7/7/69



*Chron.*

D R A F T  
EHRotberg:emk  
July 7, 1969

Dr. Karl Blessing  
President  
Deutsche Bundesbank  
Taunusanlage 4-6  
Frankfurt am Main  
Federal Republic of Germany

Dear Dr. Blessing:

This letter refers to the August 1, 1969 maturities of World Bank obligations held by the Deutsche Bundesbank. As you know, on that date there mature obligations of this Bank in the amount of \$32 million and DM130 million. These maturing obligations represent borrowings in 1960, 1964 and 1965. It is my understanding that you would be prepared to "roll over" this debt and would prefer that it is denominated in Deutsche Marks.

I would be most grateful to you for the expression of your wishes relating to the date or dates on which a new borrowing might mature. I would like to suggest for your consideration a maturity of August 1, 1974.

We also would be grateful if you would suggest the appropriate interest rate of such obligation, denominated in Deutsche Mark. Although the final acceptance of the terms and conditions rests, for the Bank, with our Board of Executive Directors, I am confident that they will be guided by your suggested terms and conditions. Inasmuch as we contemplate that our Board will act upon this matter on July 29, your response prior to that date is appreciated.

Let me again express my appreciation for the many courtesies and advice you have offered to us in the conduct of our activities.

Sincerely,

Eugene H. Rotberg  
Treasurer

*Not sent.  
Telex " instead*



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

July 3, 1969

Mr. & Mrs. Albert Sacks  
921 E. Sedgewick St.  
Philadelphia  
Pennsylvania

Dear Charlotte and Albert:

It must be very exciting to have someone who is not only bright but has the grades to prove it. The rest of us pretend that we are bright, and perhaps have the external veneer, but Marc has proven it in a very straightforward and traditional manner. It was quite exciting and both of you should feel quite happy.

Love, from your cousin

Gene

A handwritten signature in cursive script, appearing to be "Gene", is written over the printed name "Gene". The signature is fluid and extends to the right.



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

July 7, 1969

Dear Dick:

Here is a rough edit of my remarks.

You will remember that I did not speak  
from a prepared text or from notes.

Please retain these remarks within the  
Commission until they are made public by  
the Institutional Investor.

Best regards,

Gene

A handwritten signature, likely of Gene, is written over the word "Gene". The signature is in cursive and appears to be "Gene" followed by a long horizontal stroke.

Commissioner Richard B. Smith  
Securities and Exchange Commission  
500 North Capitol Street  
Washington, D.C. 20549





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

July 3, 1969

Dear Manny:

Here is a rough edit of my speech.  
As you can appreciate, my remarks were  
not from a prepared text or from notes.  
These comments should not be circulated,  
of course, until they are made public by  
the Institutional Investor.

It was good seeing you.

Best regards,

  
Gene

Mr. Manuel F. Cohen  
Wilmer, Cutler & Pickering  
900 - 17th Street, N.W.  
Washington, D.C.



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

July 3, 1969

Dear Pearl:

I thought you might be interested in the attached speech which I gave recently.

I have been traveling back and forth to Europe like a yo-yo on a string. Washington is terribly hot so far this summer. Iris and the children are fine and we think about you often. I will write you a longer and more civilized letter when I get a chance.

Love,

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

Gene

Mrs. Allan Goldfarb  
796 Duncardine Way  
Sunnyvale, California  
94087



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

July 3, 1969

Mr. Marc Rothberg  
921 E. Sedgwick St.  
Philadelphia  
Pennsylvania

Dear Marc:

Iris and I were most excited and happy to learn of your honors. I hope that the excitement and pleasure felt by your mother, father, sister and other sundry relatives were transmitted to you. Everyone is quite proud, and deservedly so.

I note that the history prize you won was presented by the Daughters of the American Revolution. It is a wonder that Andi did not make you turn it down. Please keep in touch with us and let us know what you are doing. Don't believe everything they tell you at Penn in matters of political science and foreign affairs. Just keep asking questions.

Kindest affection,

Your cousin,

*Gene*  
Gene





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

July 3, 1969

Fitrite Fashions, Inc.  
K.P.O. Box 6417  
Kowloon, Hong Kong, B.C.C.

Attention: Mr. U.K. Mirpuri  
Export Department

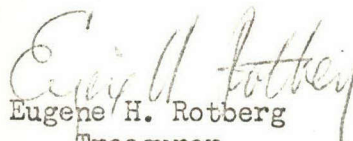
Re: Order No. FB-782

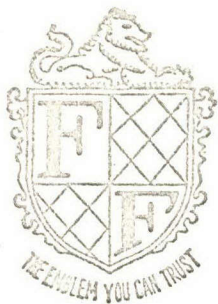
Gentlemen:

This refers to your letter of June 2, 1969, concerning my air mail parcel in which you indicated you would place a tracer. I have not yet received the parcel (one N. Blue Hopsack suit and one Natural Raw Silk Blazer), nor have I heard from you in connection with this matter. Inasmuch as the parcel was to be shipped by air mail several months ago, it clearly is lost. It would be most appreciated if you would, in accordance with your letter of June 2, send new garments as quickly as possible (I received, yesterday, the sea mail parcel). The clothes are beautiful and fit perfectly.

I look forward to receiving the suit and blazer so that I may enjoy them this summer.

Sincerely,

  
Eugene H. Rotberg  
Treasurer



# FITRITE Fashions Inc.

CABLE: "FITRITE"

PHONE: K-675510

K. P. O Box 6417 KOWLOON, HONG KONG, B.C.C.

---

Quality Custom Made Clothes By Mail

---

(Registered Mail Order House)

2nd June, 1969.

Mr. Eugene H. Rotberg,  
10882 Childs Court,  
Silver Spring, Md., 20901,  
U. S. A.

Re: Orddr No. FB-782

Dear Mr. Rotberg,

We regret to note that you have not received the parcel sent by Air Mail.

We have put tracer for the same and you will be informed its delivery as soon as we hear from our local postal authorities.

In case it is lost we will send you new garments.

Further more, the sea mail parcel will reach you in 2nd week of June.

Thanking you for your co-operation. In the meantime, we are,

Yours very truly,  
FITRITE FASHIONS INC.,

.....  
U.K. Mirpuri (Export Dept.)

---

BANKERS:

FIRST NATIONAL CITY BANK  
HONG KONG

AMERICAN EXPRESS CO. INC.  
NEW YORK

B. N. P.  
HONGKONG

ANDY'S CUSTOM TAILORS HONG KONG



## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara  
Mr. S. Aldewereld  
FROM: Eugene H. Rotberg *EHR*  
SUBJECT: Demand and Supply for Credit

DATE: July 2, 1969

You might be interested in the attached summary of supply and demand for credit for 1969 of Salomon Brothers & Hutzler. These yearly reports are supplemented during the year as shifts in the availability or demand for funds take place. These reports are compiled from over 350 separate statistics used to measure demand and supply for credit.

Within a year there can be major shifts in the availability of funds in a particular sector which have implications for certain borrowers. For example, the tight money policy of the Federal Reserve Board directly affects commercial banks. This in turn has the most direct impact on credit available for business loans and for municipal bond financing, since banks are the major purchasers of municipal bonds because of their tax-exempt status. Similarly, a drop in deposits for savings and loan associations (who are restricted in the interest they can pay) has its primary impact on the home mortgage market. However, if a federal agency, such as the Home Loan Bank Board, itself borrows in the market and relends these funds to the savings banks, a fall-off in deposits might not be transmitted to the home buyer. Other developments, such as changes in State laws concerning the debt/equity percentages of State and Municipal retirement systems (the largest buyers of World Bank bonds) will affect, not the amount of funds they have available but their allocation between debt and equity markets. In this connection, a recent study by A. G. Becker & Co. shows that 60% of a recent short-term financing by FNMA was purchased by State and local governments, a dramatic increase from prior holdings. Becker expects this trend, which is also evident in pension fund portfolios, to become an "ever increasing source of funds."

Clearly, interest rates offered by various borrowers will attract funds from among suppliers who seek profitable investments. It cannot be expected, therefore, that a long-term corporate borrower can readily attract funds from banks, who have as options high-yielding commercial loans, tax-exempt municipal bonds yielding equivalent 10-11% + or highly marketable and rediscountable paper, such as Treasury Bills. Pension funds, once the largest purchasers of long-term corporates have shifted, from long-term debt to equity markets, and, as noted above, to shorter term maturities for their debt holdings.



Recently, because of the shifts of supply of funds for the long-term bond market, there has been more equity financing and short maturity financing as borrowers seek to tap those markets which are still relatively liquid and strong. While at first blush it may seem anomolous that during present periods of tight money there exists a liquid and deep short-term market for corporate financing, this reflects the result of a selective tightening of credit which affects, most directly, the commercial banking system. Therefore, although banks may not have funds readily available, state retirement systems and state and local governments, pension funds and mutual funds have very substantial inflows of cash and it is these funds which are being tapped by borrowers. Indeed, the banks are now in the position of having to borrow themselves from this market. The monetary theorists assume, however, that as bank financing becomes more difficult, the costs of borrowing in competing markets will become quite expensive - as it has - thereby cutting profits and availability of equity financing in the stock markets. Further, as business expansion is curtailed, employment falls and, therefore, savings begin to run down and are unavailable for recirculation. Query, however, whether this monetary policy can slow down the cash flow into pension funds, state and local governments and mutual funds.

I do not think it is meaningful to talk about the "size" of "capital" markets. It is more productive to follow the pools of accumulated savings, which now appear to be in the short and intermediate-term market, and project where those pools are likely to shift in the event of changes in tax or monetary policy.

A few further points: There is a difference between the unavailability of funds and the availability of funds at a price. At the present time funds are available - they may not be in 2-3 months - in both the long and short-term market but at a price. In 1966 they were not available. One of the reasons why funds are now available, at a price, in the long-term bond market is because certain institutional buyers who might ordinarily be expected to buy long-term bonds have not purchased heavily in that market but instead have remained liquid by purchasing short-term obligations which are readily marketable and convertible into longer term investments. This accounts, in part, for the relatively low yields on U.S. Treasuries compared to other debt instruments. (During periods when the resources of non-bank financed intermediaries are invested in home mortgages or other non-liquid long-term investments, there is no market for additional long-term financing). Other institutional buyers, such as mutual funds, now hold substantial reserves in the short-term market (commercial paper and Treasury bills) pending later investment in the equity markets.

Mr. Robert S. McNamara  
Mr. S. Aldewereld

- 3 -

July 2, 1969

One reason why certain corporate issuers have been able to tap the long-term bond market, as well as the short, is because, even without substantial institutional buying, there has been a distinct shift in the so-called "residual" category suppliers of credit - individuals - who recently have been buying long-term, high-yielding, bonds. This is typical during periods of stock market deterioration and, while usually temporary, it does provide a source of financing for those debt issuers who come to the market at the right time. In this connection, I note that Moody's has recently recommended a shift from equities to bonds because of the deterioration of stock market prices and I have, this morning, been advised by the President of Bache & Co. that his firm, which is not a major bond underwriting firm, has order tickets "piled to the ceiling" reflecting purchases in the long-term bond markets. This source of funds, of course, is temporary, and generally can only be tapped by obligations with the highest yields.



## SUMMARY OF SUPPLY AND DEMAND FOR CREDIT

| NET DEMAND FOR FUNDS                          |  | (\$ Billions) |             |             |             |             |
|-----------------------------------------------|--|---------------|-------------|-------------|-------------|-------------|
| (Net Increases Amounts Outstanding):          |  | 1965          | 1966        | 1967        | 1968*       | 1969*       |
| Mortgages, Publicly Held .....                |  | 24.7          | 17.9        | 20.3        | 23.7        | 21.7        |
| Corporate Bonds .....                         |  | 8.1           | 11.1        | 16.0        | 13.0        | 13.2        |
| State and Local Securities .....              |  | 7.1           | 5.6         | 9.4         | 10.2        | 9.0         |
| Foreign Bonds .....                           |  | 1.2           | 0.9         | 1.2         | 1.3         | 1.4         |
| Subtotal: Long Term .....                     |  | 41.1          | 35.5        | 46.9        | 48.2        | 45.3        |
| Other Bank Loans (ex. Mtge.) .....            |  | 20.3          | 12.5        | 11.9        | 20.9        | 15.3        |
| Open Market Paper .....                       |  | 0.7           | 4.4         | 3.9         | 4.2         | 3.8         |
| Treasury and Agency Debt, Publicly Held ..... |  | 0.5           | 2.9         | 7.1         | 11.0        | 3.5         |
| Total Satisfied Demands .....                 |  | <u>62.6</u>   | <u>55.3</u> | <u>69.8</u> | <u>84.3</u> | <u>67.9</u> |
| NET SUPPLY OF FUNDS                           |  |               |             |             |             |             |
| (Net Increase in Ownership of Above):         |  |               |             |             |             |             |
| Mutual Savings Banks .....                    |  | 3.6           | 2.5         | 5.0         | 4.2         | 3.6         |
| Savings and Loan Associations .....           |  | 9.3           | 4.6         | 8.9         | 9.2         | 8.2         |
| Life Insurance Companies .....                |  | 6.7           | 6.3         | 6.4         | 6.0         | 6.6         |
| Fire and Casualty Companies .....             |  | 1.0           | 1.5         | 1.3         | 1.7         | 1.8         |
| Private Non-Insured Pension Funds .....       |  | 2.1           | 1.9         | 0.8         | 1.4         | 1.3         |
| State and Local Retirement Funds .....        |  | 2.9           | 2.7         | 3.4         | 4.3         | 4.4         |
| Open End Mutual Funds .....                   |  | 0.4           | 1.0         | — 0.3       | 1.0         | 0.7         |
| Subtotal: Financial Intermediaries .....      |  | 26.0          | 20.5        | 25.5        | 27.8        | 26.6        |
| Commercial Banks .....                        |  | 27.9          | 17.2        | 36.6        | 38.8        | 25.0        |
| Business Corporations .....                   |  | — 0.6         | 1.9         | — 1.1       | 4.7         | 1.5         |
| State and Local Governments .....             |  | 2.0           | 1.4         | 1.8         | 3.0         | 1.1         |
| Foreigners .....                              |  | 0.3           | — 0.9       | 1.7         | 1.8         | 2.4         |
| Subtotal .....                                |  | 55.6          | 40.1        | 64.5        | 76.1        | 56.6        |
| Residual: Individuals and Miscellaneous ..... |  | 7.0           | 15.2        | 5.3         | 8.2         | 11.3        |
| Total Utilized Supply .....                   |  | <u>62.6</u>   | <u>55.3</u> | <u>69.8</u> | <u>84.3</u> | <u>67.9</u> |

Note: The above summary is a condensation by Salomon Brothers & Hutzler of the over 350 separate statistics used to measure the demand and supply for credit in the United States each year.

\* Estimated.



DRAFT "THEME"

EHRotberg

7/2/69

*Original draft to  
Mr. Al...*

The long-term projections of the World Bank show a dramatic increase in the Bank's lending program. Bank lending for the next five years will approximate all of the Bank's lending in the period since its beginnings through FY 1968. Our analyses indicate that there is a need for development assistance for high priority projects and that developing countries will be able, efficiently and productively, to absorb the assistance which we might offer to them.

The World Bank must have available the necessary resources to meet the demand for development assistance. This is not to say, however, that the Bank must borrow over the next five years an amount equal to its lending commitments or disbursements in order to support an accelerated development program. The substantial flow of loan repayments and earnings provide the World Bank with a substantial base of funds to conduct its operations. Nonetheless, we must borrow - and in substantial amounts, or find other sources of funds to meet the demand that exists. As the World Bank increases its lending commitments, both in aggregate terms and relative to the bilateral or other multilateral development assistance programs, it is necessary and, indeed logical, that the Bank have reasonable access to the accumulated savings of developed countries. Throughout the world, various pools of savings are accumulated under government or quasi-government jurisdiction and control. These savings represent a tangible measure of productive economies. The accumulated resources of a productive society might be found within a postal savings deposit

system, or in cooperative banks which finance small businesses, or in agricultural development banks, or in savings banks, mortgage banks, special credit institutions, government controlled pension or insurance funds, or similar institutions. The shift toward institutional funds under government or quasi-government control seems inexorable. It would be naive, of course, to assume that these funds are readily available in unlimited amounts for the World Bank. It must be recognized they exist, for the most part, to provide for internal development, as cities, farms and government rely on these liquid resources to finance their needs and provide for the necessary social services which cannot readily be provided by the private sector. Nonetheless, it is not unrealistic to assume that the World Bank might have access, on commercial terms, to a portion of these substantial reserves of capital. It is appropriate that the World Bank make use of these resources to assist in world development which, in a very real sense, will redound to the benefit, not only to less developed, but also developed countries as their goods and services are used and sought after by a developing world. In short, it is logical and appropriate that government or quasi-public institutions should be a source of financing for the World Bank as it becomes a major non-political force in increasing development aid.

Development assistance should not be funded only in the "traditional" manner. None of us can afford to recognize the shifts in the control of savings by different institutions and different instrumentalities - compared to but a decade ago. As the World Bank



changes qualitatively and quantitatively as a lending institution, so too, member countries must realize that the sources of funds and the control of such resources have also changed and that the traditional resources available to the Bank can no longer prudently be expected to provide the necessary underpinning of our financial structure. The World Bank, of course, could merely lend that which it can borrow through traditional sources, using traditional techniques, and only tap, thereby, a shrinking source of individual savings in individuals' hands. We think that would be a mistake for world development. If savings were not available for use in high priority development projects that would be one thing, and something, unhappily, we all would have to live with. But if they are available in a somewhat different place, controlled in a somewhat different manner than in the past, it is logical and appropriate that we participate in their allocation and use.

Quite apart from the sources of Bank financing, it is not too soon to think of other sources of funds which might properly be available to the World Bank. It has been 23 years since the World Bank received from its members, capital which it could use in its operations. The \$2 billion of capital which has been used and reused has been steadily eroded by inflation. Clearly the gold protection clause applicable to such capital has not functioned to provide the Bank with the increased resources which inflationary pressures have eroded. Nor could it be expected to do so.

If the original capital of the World Bank was appropriate in 1947, in the context of the Bank's projected lending program at that time, can it be said that it is still appropriate today, in



terms either of a lending program of the magnitude we are now talking about, or relative to its contemplated outstanding debt. In this connection, it might be pointed out that the World Bank by 1974 will have transferred to IDA alone, out of its earnings, an amount equal to almost 50% of the entire capital contribution given to the Bank by member countries. Our capacity to respond to development opportunities should not be stunted by ~~either~~ a capital structure established a quarter of a century ago - and one which is no longer relevant to the need or opportunity.

*Chen*

## OFFICE MEMORANDUM

TO: Mr. R. W. Van Wagenen

FROM: Eugene H. Rotberg *EHR*

SUBJECT: Report-Writing Course

DATE: July 1, 1969

With reference to your memorandum of June 25, this is to advise that the following professional staff members in the Treasurer's Department wish to be included in the Report-Writing Course which will run from July 14 - August 7:

Mr. Chinh The Vu  
Mr. Jocelyn Radifera  
Miss Barbara Charalambous

I agree that they should be permitted to participate in this program.

## OFFICE MEMORANDUM

*K. 412 - 45 June 27, 1969*  
*Chen L. Hsu*  
*for*

TO: Mr. Eugene H. Rotberg  
FROM: Raymond E. Deely  
SUBJECT: Report-Writing Course

DATE: June 27, 1969

With regard to Mr. Van Wagenen's memorandum of June 25, the following professionals of this Division would like to be included in this course:

Mr. Chinh The Vu

Mr. Jocelyn Radifera

Miss Barbara Charalambous

REDeely:ls



## OFFICE MEMORANDUM

TO: Mr. Eugene Rotberg

FROM: R. W. Van Wagenen *RW*

SUBJECT: Report-Writing Course

DATE: June 25, 1969

*Pay: attached Van?*  
*for*

Another in the series of small Report-Writing courses (formerly called Writing Improvement courses) will run from July 14 - August 7. Mr. Perlmutter can handle both supervisors and other professional staff members together, but it is to the Bank's interest to include as many supervisors as possible.

As before, the course requires Monday and Thursday evenings from 6:00 to 8:00 for four weeks, with one hour added for each participant on one of the four Saturday mornings. There is little outside work required.

Would you please let me have the names of those professional staff members in your department who would be available throughout that period and who would benefit the most from such an exercise? Names will be needed as soon as convenient, but not later than July 2, so that those admitted can be notified and writing samples obtained.

RWW:bp



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

*Chen*

July 1, 1969

Mr. George Blunden  
Deputy Chief Cashier  
Bank of England  
Threadneedle Street  
London, E.C.2, England

Dear Mr. Blunden:

This letter relates to our discussions on Tuesday, June 24, concerning the holdings of the International Bank for Reconstruction and Development of Treasury Bills of the United Kingdom. As of June 25 we held 76,940,000 pounds sterling, face value, Treasury Bills maturing from June 30 to September 23. In accordance with our discussions, it would appear appropriate for us to maintain a portion of our pounds sterling holdings in longer-term United Kingdom Government obligations. I propose that the World Bank hold approximately 60 million pounds sterling of our present holdings in United Kingdom obligations, allocated approximately equally among one, two and three year maturities and retain the balance in short-term Treasury Bills. Additional pounds sterling, as available, might be held, consistent with present practice, in interest-bearing deposit accounts for subsequent investment in one, two or three year obligations.

There appear to be several alternative methods for consummating this change in our holdings and I would appreciate the benefit of your views and suggestions:

- (1) we might authorize the liquidation of 60 million pounds sterling in Treasury Bills prior to their maturity, the proceeds of which would be used to purchase the one, two and three year obligations; or
- (2) we might await the maturity of each Treasury Bill and invest all of the proceeds from each maturing Bill (up to 60,000,000 pounds sterling) in one, two and three year obligations; or
- (3) we might await the maturity of each Treasury Bill; "roll over" a small percentage of such obligations and invest the balance in one, two and three year maturities.

Mr. George Blunden

- 2 -

July 1, 1969

We do not have a particular preference among these three alternatives. I assume that the appropriateness of the first method depends upon the absorptive capacity of the market for Treasury Bills, and the corresponding availability of one, two or three year maturities at the time of such liquidation. If, in your judgment, it would be best to invest the proceeds of the maturing Treasury Bills, at their maturity rather than to liquidate prior to maturity, we would follow such procedure.

Further, we are prepared to permit the Bank of England and/or any persons acting on its behalf to purchase the required maturities as available in the market rather than be bound by any particular pro rata procedure for the purchase of the various maturities. It is quite satisfactory that the Bank of England exercise its discretion on our behalf and choose from the following issues, or similar United Kingdom obligations, those which can be purchased readily and efficiently in the market:

Exchequer 6% 1970  
Treasury 6-1/2% 1971  
Conversion 5% 1971  
Exchequer 6-3/4% 1971  
Conversion 6% 1972  
Exchequer 6-1/4% 1972

I would very much appreciate your views on these matters, after which I shall communicate with you further and provide specific authorization.

Permit me again to thank you for the kindnesses and courtesy which you extended on my recent visit.

Sincerely yours,

Eugene H. Rotberg  
Treasurer





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

*N.S.T.A. mfg.*

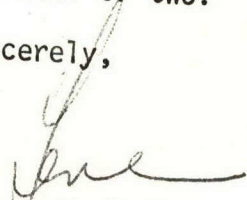
July 1, 1969

Mr. Joe E. Hutton  
President  
Equitable Securities,  
Morton & Co.  
322 Union Street  
Nashville, Tenn. 37201

Dear Joe:

It is with great pleasure that my wife  
and I accept your kind invitation to attend  
the NSTA Convention. We both look forward  
to seeing you. I look forward to making  
some short remarks -- say, an hour or two.

Sincerely,

  
Eugene H. Rotberg  
Treasurer



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

*Chron.*

July 1, 1969

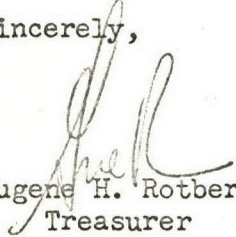
Mr. Newton B. Dicks  
Executive Secretary  
Tennessee Valley Authority  
Retirement System  
Knoxville, Tennessee 37902

Dear Mr. Dicks:

Thank you for sending me the registration list for the MFOA. It was most kind of you to designate persons who might be interested in my remarks. I am returning you the registration list in accordance with your request.

Best regards.

Sincerely,

  
Eugene H. Rotberg  
Treasurer

Enclosure

*See "Speeches" File for  
List.*



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

*Chron*

July 1, 1969

Mr. Milton H. Cohen  
231 South La Salle Street  
Chicago, Illinois 60604

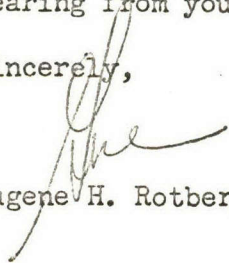
Dear Milt:

Thank you for your kind letter. It was good hearing from you. My remarks at the Institutional Traders' Conference had not been committed to writing; I spoke from some very sketchy notes. However, I have just finished reviewing the transcript, and made some editorial changes. I understand that this transcript will be available by August 1. Much of the material, I am sure, will be "old hat" to you. I was reasonably careful (for me) not to answer any questions but merely to pose them.

I am most anxious to see you and hope that you will call next time you will come to Washington. I am somewhat distressed by some of the things I have been hearing about the institutional study. Apparently they are not yet focusing on important issues or answerable questions.

I look forward to hearing from you.

Sincerely,

  
Eugene H. Rotberg



MILTON H. COHEN

231 SOUTH LA SALLE STREET  
CHICAGO, ILLINOIS 60604

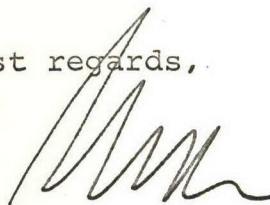
June 26, 1969

Dear Gene:

Thank you very much for sending me a copy of your May 28 talk. I hope you will keep me on your mailing list and broaden my education. In an area where I am already supposed to be educated, but never quite enough, I understand that you had some very interesting things to say at the Institutional Investors Conference recently. If your thoughts were committed to writing and if I am entitled to have a copy (in my capacity as an advisor to the Institutional Investor Study or otherwise), I would appreciate very much receiving one.

It has been a long time since we have had a visit and I hope that we can remedy that one of these days. I assume that I get to Washington oftener than you get to Chicago so I will call you on one of my visits and see if we can have lunch or dinner together. Meantime,

Best regards,



Mr. Eugene H. Rotberg  
Treasurer  
International Bank for  
Reconstruction and Development  
Washington, D. C.