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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

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Liaison - United Nations Conference On Trade and Development [UNCTAD] -
Correspondence - Volume 12

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Liaison

UNCTAD

XII

Mr. Wilmore	July 5	July 10, 1967
Mr. Penabaz	July 17	July 17
Mr. Williams	July 20	July 20
Mr. Balmanoff	July 26	July 26
Mr. Friedman	July 26	July 26
Mr. D. Davis	Aug 15/67	Aug 23/67

(May 1967 - June 30, 1967)

THIS FILE CLOSED AS OF JUNE 30, 1967.

FOR FURTHER REFERENCE PLEASE SEE VOL. XIII.

INCOMING CABLE

DATE AND TIME
OF CABLE:

JUNE 30, 1967

220PM

LOG NO.:

WU TELEX/30

TO:

INTBAFRAD

FROM:

PARIS

ROUTING

ACTION COPY: MR. KALMANOFF

INFORMATION

COPY: MR. STEVENSON

DECODED BY:

TEXT:

439 FOR KALMANOFF

REUR CABLE 512 FOR KARASZ JUST BEEN INFORMED TRADE COMMITTEE MEETING

SCHEDULED FOR JULY 6 NOW POSTPONED TO AUTUMN

ZIEGLER

IR

COMMUNICATIONS
GENERAL UNIT 2

JUN 30 10 10 AM 1967

USED

INCOMING CABLE

ROUTING

2800N

JUNE 30, 1967

DATE AND TIME
OF CABLE

ACTION COPY: MR. KALINOWSKI

WU 2800N/30

FOR NO:

INFORMATION
COPY: MR. STEVENSON

TO: INTERMAD

TO:

DELETED BY:

FROM: PARIS

FROM:

TEXT:

133 200 KALINOWSKI

REUR CABLES ARE FOR KALINOWSKI THAT BEEN INTERMAD TADA: CABLES: BEETING

RECORDED FOR JULY 6 1967 FORWARDED TO ACTION

2800N

JUN 30 10 16 AM 1967
GENERAL FILES
COMMUNICATIONS

TYPED

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

July 12/67

NAME

ROOM NO.

Mr. Perinbam

To Handle

Appropriate Disposition

Approval

Comment

Full Report

Information

Initial

Note and File

Note and Return

Prepare Reply

Per Our Conversation

Recommendation

Signature

Send On

REMARKS

We cannot be represented,
though, as usual, we're
interested in the documentation.

From

G. Kalmanoff

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP		Date 7/12/67	
NAME		ROOM NO.	
<i>Mr. Kalmanoff</i>			
	To Handle		Note and File
	Appropriate Disposition		Note and Return
	Approval		Prepare Reply
	Comment		Per Our Conversation
	Full Report		Recommendation
	Information		Signature
	Initial		Send On
REMARKS <i>I recommend we decline this invitation but ask for the documents and minutes of the meeting.</i>			
From <i>A J Maccone</i>			

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

July 10/67

NAME

ROOM NO.

~~Mr. Macene~~

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Presumably we should
pass this one up?

From

S. Kalmanoff

FORM NO. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

July 6/67

NAME

ROOM NO.

~~Mr. Stevenson~~

~~Mr. Kalmanoff~~

To Handle

Appropriate Disposition

Approval

Comment

Full Report

Information

Initial

Note and File

Note and Return

Prepare Reply

Per Our Conversation

Recommendation

Signature

Send On

REMARKS

Please advise whether or not
you wish to be represented &
if so, by whom.

From

Lewis Perinbam

ROUTING SLIP

Date

July 5, 1967

OFFICE OF THE PRESIDENT

Name

Room No.

Mr. Demuth

Mr. Pennington

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

Please handle.

G.D. Woods

G.D. Woods

Frr

JUL 5 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. N° : TDO 253 First Session

29 June 1967

Dear Mr. Woods,

..... I have pleasure in sending herewith the notification concerning the forthcoming first session of the Permanent Group on Synthetics and Substitutes. This notification is given in accordance with rules 6 and 63.4 of the rules of procedure of the Committee on Commodities.

Yours sincerely,

Raúl Prebisch
for Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433
USA

1001 700-2 UN 8:30

CONFIDENTIAL

Emc

acc July 13

8me

0208 8 July 13

COMMUNICATIONS

USV
 Washington, D.C. 20533 1967 JUL -5 PM 8:36
 1818 H Street, N.W.
 and Development
 International Bank for Reconstruction
 President
 Mr. C.D. Woods

Secretary-General
 for PAUL PERLACH
Jameson

Yours sincerely,

Commodities.

rules 6 and 63.4 of the rules of procedure of the Committee on
 and Substitutes. This notification is given in accordance with
 the forthcoming first session of the Permanent Group on Substitutes

..... I have pleasure in sending herewith the notification concerning

Dear Mr. Woods,

REF. No: LDO 523 First Session

20 June 1967

Telephone: 34 00 11 33 40 00 33 30 00 33 10 00

CH-1311 GENEVE 10

Telex: 33313 or 33344

Palais des Nations

Telegrams: UNATIONS GENEVE

DELEGATION
 CONFERENCE ON TRADE AND
 UNITED NATIONS



ET LE DELEGATION
 CONFERENCE SUR LE COMMERCE
 NATIONS UNIES

707 2860

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

TDO 253 First Session

NOTIFICATION

Permanent Group on Synthetics and Substitutes,
first session, Geneva, 8 August 1967

The Secretary-General of UNCTAD has the honour to state that, within the framework of the calendar of meetings approved by the Trade and Development Board at its second special session and in pursuance of the recommendation of the Committee on Commodities at its second session that a session of the Permanent Group on Synthetics and Substitutes should be convened at an early date, the first session of the Group will be held in Geneva between 8 and 16 August 1967. The session will open at the Palais des Nations at 11 a.m. on Tuesday, 8 August 1967.

The list of members of the Permanent Group, as constituted
..... at the first session of the Committee on Commodities, is enclosed.

It will be recalled that the Permanent Group has the following terms of reference: "The Permanent Group shall be guided generally in its work by the recommendations contained in Annex A.II.7 of the Final Act of the first session of the United Nations Conference on Trade and Development and by the recommendations of future Conferences on this subject and relevant recommendations of the Board and its subsidiary bodies. In particular it shall analyse with the assistance of the appropriate specialized agencies and inter-governmental bodies the facts of the competitive relationship between natural products and synthetic substitutes and substitute products on a commodity-by-commodity basis, with particular reference to primary products exported wholly or mainly from the developing countries, and in the light of these facts shall make recommendations designed to improve the position of the natural products."
(TD/B/21/Rev.1-TD/B/C.1/16/Rev.1, paragraph 98).

To assist the Permanent Group in preparing the work of the session, a draft provisional agenda and tentative time-table for the session will be circulated shortly. Other documentation for the session will be made available in due course. As noted at the second session of the Committee on Commodities (TD/B/120, paragraph 53), documentation for this session will be limited. In particular it is unlikely, in view of the lack of time, that it will be possible to arrange for translation of documents submitted by specialized agencies, study groups and commodity councils.

Governments of members of the Permanent Group are hereby requested, under rule 17 of the rules of procedure of the Committee on Commodities, to submit to the Secretary-General of UNCTAD, by 1 August 1967 if possible, the credentials of the representatives and the names of alternate representatives and advisers who will participate in the session.

Governments of members of the Conference not members of the Permanent Group wishing to attend the session are requested to inform the Secretary-General of UNCTAD, by 1 August 1967 if possible, of the names of representatives designated for that purpose. In this connexion, it will be recalled that the Committee on Commodities, at its first session, decided that any member of UNCTAD should be invited to participate in the work of the Permanent Group when commodities of particular concern to it came under discussion (TD/B/21/Rev.1-TD/B/C.1/16/Rev.1, paragraph 99). In pursuance of this decision, Governments of members of the Conference not members of the Permanent Group, if they consider that the commodities listed in the provisional agenda are of particular concern to them, are invited to indicate their interest, in order that rule 75 of the rules of procedure of the Committee on Commodities may be applied.

The executive heads of the specialized agencies, the International Atomic Energy Agency, and of the inter-governmental bodies wishing to participate in the session under rule 77 of the rules of procedure of the Committee on Commodities, are requested to inform the Secretary-General of UNCTAD, by 1 August 1967 if possible, of the names of their representatives designated to that effect. In this

connexion, it will be recalled that the Committee on Commodities, at its first session, agreed that the Food and Agriculture Organization of the United Nations should be invited to attend the meetings of the Permanent Group in a consultative capacity and that representatives of the international commodity councils and study groups should also be invited to participate when their particular commodities were under consideration (TD/B/21/Rev.1-TD/B/C.1/16/Rev.1, paragraph 99).

The executive heads of non-governmental organizations wishing to designate representatives to sit as observers at the session under rule 78 of the rules of procedure of the Committee on Commodities, are requested to inform the Secretary-General of UNCTAD, by 1 August 1967 if possible, of the names of such representatives.

29 June 1967



UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Membership of the Permanent Group
on Synthetics and Substitutes ^{1/}

Argentina
Brazil
Canada
Ceylon
Federal Republic of Germany
France
Malaysia
Netherlands
Nigeria
Poland
Republic of Viet-Nam
Senegal
Sudan
Uganda
Union of Soviet Socialist
Republics
United Kingdom of Great
Britain and Northern Ireland
United States of America

^{1/} As constituted by the Committee on Commodities at its first session (TD/B/21/Rev.1-TD/B/C.1/16/Rev.1, paragraph 97).

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

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ET LE DÉVELOPPEMENT

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Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. N° : TDO 253 First Session

29 June 1967

Dear Mr. Woods,

..... I have pleasure in sending herewith the notification concerning the forthcoming first session of the Permanent Group on Synthetics and Substitutes. This notification is given in accordance with rules 6 and 63.4 of the rules of procedure of the Committee on Commodities.

Yours sincerely,


for Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Finance Corporation
1818 H Street, N.W.
Washington 20433, D.C.
USA

CONF-2 13 0132

CONF-2 13 0132

Emc

COMMODITIES

1967 JUL -5 PM 8:36

NSA
Washington 20433, D.C.
1818 H Street, N.W.
International Finance Corporation
President
Mr. C.D. Moode

Secretary-General
for PAUL PERLACH

James G. Brown

Yours sincerely,

Commodities

rules 6 and 63.4 of the rules of procedure of the Committee on
and Subcommittees. This notification is given in accordance with
the forthcoming first session of the Permanent Group on Synthetic

..... I have pleasure in sending herewith the notification concerning
Dear Mr. Moode,

REF. No: LDO 523 First Session

50 June 1967

Telephone: 34 00 11 33 40 00 33 30 00 33 10 00

Telex: 33 313 or 33 344

Telegrams: UNATIONS, GENEVE

CH-1211 GENEVE 10

Palais des Nations

DELEGATION
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DELEGATION
CONFERENCE SUR LE COMMERCE

NATIONS UNIES

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

TDO 253 First Session

NOTIFICATION

Permanent Group on Synthetics and Substitutes,
first session, Geneva, 8 August 1967

The Secretary-General of UNCTAD has the honour to state that, within the framework of the calendar of meetings approved by the Trade and Development Board at its second special session and in pursuance of the recommendation of the Committee on Commodities at its second session that a session of the Permanent Group on Synthetics and Substitutes should be convened at an early date, the first session of the Group will be held in Geneva between 8 and 16 August 1967. The session will open at the Palais des Nations at 11 a.m. on Tuesday, 8 August 1967.

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(TD/B/21/Rev.1-TD/B/C.1/16/Rev.1, paragraph 98).

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The executive heads of the specialized agencies, the International Atomic Energy Agency, and of the inter-governmental bodies wishing to participate in the session under rule 77 of the rules of procedure of the Committee on Commodities, are requested to inform the Secretary-General of UNCTAD, by 1 August 1967 if possible, of the names of their representatives designated to that effect. In this

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The executive heads of non-governmental organizations wishing to designate representatives to sit as observers at the session under rule 78 of the rules of procedure of the Committee on Commodities, are requested to inform the Secretary-General of UNCTAD, by 1 August 1967 if possible, of the names of such representatives.

29 June 1967



UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Membership of the Permanent Group
on Synthetics and Substitutes ^{1/}

Argentina
Brazil
Canada
Ceylon
Federal Republic of Germany
France
Malaysia
Netherlands
Nigeria
Poland
Republic of Viet-Nam
Senegal
Sudan
Uganda
Union of Soviet Socialist
Republics
United Kingdom of Great
Britain and Northern Ireland
United States of America

^{1/} As constituted by the Committee on Commodities at its first session (TD/B/21/Rev.1-TD/B/C.1/16/Rev.1, paragraph 97).

UNITED NATIONS

CONFERENCE ON TRADE AND
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NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. N° : TDO 253 First Session

29 June 1967

Dear Mr. Woods,

..... I have pleasure in sending herewith the notification concerning the forthcoming first session of the Permanent Group on Synthetics and Substitutes. This notification is given in accordance with rules 6 and 63.4 of the rules of procedure of the Committee on Commodities.

Yours sincerely,


for Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
USA

Emc

NSV
Washington, D.C. 20533
1818 H Street, N.W.
International Development Association
President
Mr. C.D. Moore

Secretary-General
for PAUL HERTSCH

James G. Brown

Yours sincerely,

Commodities.

rules of and of the rules of procedure of the Committee on
and Subcommittees. This notification is given in accordance with
the forthcoming first session of the Permanent Group on Synthetic

..... I have pleasure in sending herewith the notification concerning
Dear Mr. Moore,

REF. No: LDO 523 First Session

Telephone: 34 00 11 33 40 00 33 30 00 33 10 00

Telex: 33 313 or 33 344

Telegrams: UNATIONS' GENERE

20 June 1964

CH-1311 GENERE 10

Palais des Nations

DELEGATION
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DELEGATION
CONFERENCE SUR LE COMMERCE

NATIONS UNIES

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

TDO 253 First Session

NOTIFICATION

Permanent Group on Synthetics and Substitutes,
first session, Geneva, 8 August 1967

The Secretary-General of UNCTAD has the honour to state that, within the framework of the calendar of meetings approved by the Trade and Development Board at its second special session and in pursuance of the recommendation of the Committee on Commodities at its second session that a session of the Permanent Group on Synthetics and Substitutes should be convened at an early date, the first session of the Group will be held in Geneva between 8 and 16 August 1967. The session will open at the Palais des Nations at 11 a.m. on Tuesday, 8 August 1967.

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(TD/B/21/Rev.1-TD/B/C.1/16/Rev.1, paragraph 98).

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The executive heads of non-governmental organizations wishing to designate representatives to sit as observers at the session under rule 78 of the rules of procedure of the Committee on Commodities, are requested to inform the Secretary-General of UNCTAD, by 1 August 1967 if possible, of the names of such representatives.

29 June 1967



UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Membership of the Permanent Group
on Synthetics and Substitutes ^{1/}

Argentina
Brazil
Canada
Ceylon
Federal Republic of Germany
France
Malaysia
Netherlands
Nigeria
Poland
Republic of Viet-Nam
Senegal
Sudan
Uganda
Union of Soviet Socialist
Republics
United Kingdom of Great
Britain and Northern Ireland
United States of America

^{1/} As constituted by the Committee on Commodities at its first session (TD/B/21/Rev.1-TD/B/C.1/16/Rev.1, paragraph 97).

ROUTING SLIP		Date June 30, 1967
OFFICE OF THE PRESIDENT		
Name		Room No.
Mr. Demuth		
<i>Mr. Penland</i>		
<i>Please prepare reply</i>		
<i>for my signature</i>		
<i>[Signature]</i>		
To Handle	Note and File	
Appropriate Disposition	Note and Return	
Approval	Prepare Reply	
Comment	Per Our Conversation	
Full Report	Recommendation	
Information	Signature	
Initial	Send On	
Remarks Please handle.  G.D. Woods		
Fr		

JUN 30 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 243 Fifth Session

27 June 1967

Dear Mr. Woods,

..... I have pleasure in transmitting herewith the notification concerning the forthcoming fifth session of the Trade and Development Board. This notification is given in accordance with rule 6 of the Board's rules of procedure.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Raúl Prebisch'.
for Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433
USA

Enc

acc July 5

8m
2 July 1967

USV
Washington, D.C. 20533
1818 H Street, N.W.
and Delegation
International Bank for Reconstruction
President
Mr. C.D. Moore

JUN 30 PM 3:28

Secretary-General
Paul Pieriacq
Paul Pieriacq

Yours sincerely,

With the of the Board's rules of procedure.

Delegation Board. This notification is given in accordance
concerning the forthcoming fifty session of the Trade and

..... I have pleasure in transmitting herewith the notification

Dear Mr. Moore,

REF. No: LDO 543 Fifty Session

27 June 1967

Telephone: 3400 11 33 40 00 33 50 00 33 10 00

Telex: 33 313 on 33 344

Telegrammes: DIVISIONS' GENÈVE

1211 GENÈVE 10

Palais des Nations

DELEGATION
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DÉLÉGOBLEMENT
CONFÉRENCE SUR LE COMMERCE

NATIONS UNIES

JUN 30 1967

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

TDO 243 Fifth Session

NOTIFICATION

Trade and Development Board,
fifth session, Geneva, 15 August 1967

The Secretary-General of UNCTAD has the honour to refer to decision 35 (S-II) of the Trade and Development Board on the calendar of UNCTAD meetings for 1967 adopted by the Board at its second special session on 21 December 1966 (TD/B/113, Annex). In accordance with this decision, the Board will hold its fifth session in Geneva from 15 August to 8 September 1967. The session will open at the Palais des Nations, Geneva, at 11 a.m. on Tuesday, 15 August 1967.

..... A list of members of the Board is enclosed herewith.

The provisional agenda for the fifth session was approved by the Board at its fourth session (A/6315/Rev.1, Part Two, paragraph 204). Annotations to the items contained in the provisional agenda as approved are contained in document TD/B/121.

The Governments of members of the Board are hereby requested, under rule 17 of the rules of procedure of the Board, to submit to the Secretary-General of UNCTAD, by 8 August if possible, the credentials of the representatives and the names of alternate representatives and advisers who will participate in the session.

The Governments of members of the Conference not members of the Board wishing to attend the session as observers are hereby requested to inform the Secretary-General of UNCTAD, by 8 August if possible, of the names of representatives designated for that purpose.

The executive heads of specialized agencies, the International Atomic Energy Agency, and of the intergovernmental bodies wishing to

participate in the session under rule 78 of the rules of procedure of the Board, are requested to inform the Secretary-General of UNCTAD, by 8 August if possible, of the names of their representatives designated to that effect.

The executive heads of non-governmental organizations wishing to designate representatives to sit as observers at the session under rule 79 of the rules of procedure of the Board, are requested to inform the Secretary-General of UNCTAD, by 8 August if possible, of the names of such representatives.

27 June 1967





Current membership of the
Trade and Development Board¹

Afghanistan	Iran
Argentina	Iraq
Australia	Italy
Austria	Japan
Belgium	Lebanon
Bolivia	Madagascar
Brazil	Mali
Bulgaria	Mexico
Cameroon	Morocco
Canada	Netherlands
Ceylon	New Zealand
Chile	Nigeria
Congo (Democratic Republic of)	Norway
Czechoslovakia	Pakistan
Dahomey	Philippines
Denmark	Poland
Ecuador	Romania
El Salvador	Spain
Ethiopia	Sweden
Federal Republic of Germany	Switzerland
France	Turkey
Ghana	Union of Soviet Socialist Republics
Guinea	United Arab Republic
Honduras	United Kingdom
Hungary	United Republic of Tanzania
India	United States of America
Indonesia	Uruguay
	Yugoslavia

JUN 30 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 243 Fifth Session

27 June 1967

Dear Mr. Woods,

..... I have pleasure in transmitting herewith the notification concerning the forthcoming fifth session of the Trade and Development Board. This notification is given in accordance with rule 6 of the Board's rules of procedure.

Yours sincerely,


for Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Finance Corporation
1818 H Street, N.W.
Washington 20433, D.C.
USA

See

gmr

COMMUNICATIONS

NSA

Washington 20733, D.C. 1957 JUN 30 PM 3:28

1818 H Street, N.W.

International Finance Corporation

President

Mr. G.D. Mooga

Secretary-General

for Raul Prebisch

Raul Prebisch

Yours sincerely,

with rule 6 of the Board's rules of procedure.

Development Board. This notification is given in accordance
concerning the forthcoming fifth session of the Trade and

..... I have pleasure in transmitting herewith the notification

Dear Mr. Mooga,

REF No: LDO 573 fifth session

22 June 1957

Telephone: 3400 11 33 40 00 33 50 00 33 10 00

Telex: 33313 or 33344

Telegrams: UNATIONS GENEVE

1211 GENEVE 10

Palais des Nations

DELEGATION
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DELEGATION
CONFERENCE SUR LE COMMERCE

NATIONS UNIES

200 30 REC.D



TDO 243 Fifth Session

NOTIFICATION

Trade and Development Board,
fifth session, Geneva, 15 August 1967

The Secretary-General of UNCTAD has the honour to refer to decision 35 (S-II) of the Trade and Development Board on the calendar of UNCTAD meetings for 1967 adopted by the Board at its second special session on 21 December 1966 (TD/B/113, Annex). In accordance with this decision, the Board will hold its fifth session in Geneva from 15 August to 8 September 1967. The session will open at the Palais des Nations, Geneva, at 11 a.m. on Tuesday, 15 August 1967.

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27 June 1967





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Trade and Development Board¹

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Argentina	Iraq
Australia	Italy
Austria	Japan
Belgium	Lebanon
Bolivia	Madagascar
Brazil	Mali
Bulgaria	Mexico
Cameroon	Morocco
Canada	Netherlands
Ceylon	New Zealand
Chile	Nigeria
Congo (Democratic Republic of)	Norway
Czechoslovakia	Pakistan
Dahomey	Philippines
Denmark	Poland
Ecuador	Romania
El Salvador	Spain
Ethiopia	Sweden
Federal Republic of Germany	Switzerland
France	Turkey
Ghana	Union of Soviet Socialist Republics
Guinea	United Arab Republic
Honduras	United Kingdom
Hungary	United Republic of Tanzania
India	United States of America
Indonesia	Uruguay
	Yugoslavia

FORM No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

NAME

ROOM NO.

Mr. Raschussen

231

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

From

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



CONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. No.: TDR 330

26 June 1967

Dear Mr. Rasmussen,

I would be very much interested in receiving as soon as possible 6 copies (English) of a new 13-page booklet put out by IFC. The title is :

IFC's General Principles.

I should be grateful if you kindly send one copy by air mail. The rush is due to the fact that the booklet was reviewed in the daily bulletin of "Agence Europe", on 15 June.

For your information, Dr. Leslie Palmier of UNRISD sent me back last week the Bank Report on Mexico that you asked me to lend him.

Many thanks for your helpful assistance.

With kindest regards.

Sincerely yours,

A handwritten signature in blue ink, reading "Micheline H. Parmentier".

(Miss) Micheline H. Parmentier
Chief, ECE/UNCTAD Reference Service

Mr. S. Hartz Rasmussen
Archivist
International Bank for
Reconstruction and Development
I.B.R.D.
1818 H Street, N.W.
Washington, D.C. 20433

Miss. E. Croas on
P.L. send as requested
& return this letter to me
SHJ
29 June 67

sent 6/30/67

acc. July 6

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(Mrs) Michelle H. Barmenster
 (Mrs) Michelle H. Barmenster
 Michelle H. Barmenster
 Michelle H. Barmenster

Many thanks for your helpful assistance.

THE 2 GENERAL PRINCIPLES

DESL. ML. BUSHN226N

59 1996 1000

CH - 1511 GENELE 10

Países de las Américas

ON TRADE AND DEVELOPMENT
UNITED NATIONS CONFERENCE



SUR LE COMMERCE ET LE DÉVELOPPEMENT
CONFÉRENCE DES NATIONS UNIES

June 26, 1967.

Dr. Raúl Prebisch
Secretary-General
United Nations Conference on
Trade and Development
United Nations
NEW YORK

Dear Dr. Prebisch:

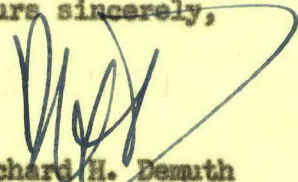
Mr. Woods has asked me to acknowledge your letter of June 2, 1967, and enclosures, concerning Section C of the Agreed Statement of the Problems of Development contained in Annex II of the Report of the Committee on Invisibles and Financing related to Trade on its second session, which calls for further study of difficulties of aid administration, following upon the preliminary study which was contained in document TD/B/C.3/45.

We note that you are interested in the Bank's procedures and requirements with respect to project aid and, in response to your request, we are sending herewith copies of the following:

Project Preparation Outline
Check List - Information on Credit Mechanism
Brief Guide to the Preparation of Education Projects for
Presentation to IBRD/IDA
Summary of Information Needed for Power Project Appraisals
Summary of Information Needed for Telecommunication
Project Appraisals
Questionnaire for Water Works Projects
Data Required as a Preliminary to the Appraisal of a
Highway Project
Port Projects - Information Required in Connection with Appraisal
Standard Terms of Reference for Railway Consultants

I trust this will be helpful to you and if we can be of any further assistance in this regard please let me know.

Yours sincerely,



Richard H. Demuth
Director

Development Services Department

ack guly 7

LP:nc

Encl.

Cleared with and cc: Messrs. Chadenet/Agnew
cc: Messrs. Raj
Consolo

940742
June 26, 1967

Dear Mr. Stikker:

Thank you so much for your letter of June 21, 1967 and for the arrangements which you have made.

I have checked with Alitalia and I am told that the morning flight to Geneva on Sunday now leaves at 9:55 a.m. (this must be because of "summer time"). The afternoon plane is also one hour later and therefore we are obliged to take the early plane. However, we would prefer to spend Saturday night at the Hotel Victoria and I would be most grateful if you could arrange for a rented car to take us to the airport Sunday morning.

I shall be looking for John Blair at the airport and hope to see you in the afternoon. We gladly accept your invitation for dinner on Friday.

Sincerely yours,

(Signed) A. Broches

A. Broches
General Counsel

Mr. D. U. Stikker
Villa Belfaggio
Menaggio-Loveno
Lago di Como, Italy

ABroches:cml

UNCOR

INCOMING CABLE

DATE AND TIME
OF CABLE:

JUNE 24, 1967

1250

LOG NO.:

RC 14/26

TO:

BROCHES INTBAFRAD

FROM:

LUGANO

ROUTING

ACTION COPY:

MR. BROCHES

INFORMATION
COPY:

DECODED BY:

TEXT:

HAVE BOOKED HOTEL VIKTORIA MENAGGIO REGARDS

STIKKER

IR

COMMUNICATIONS
GENERAL FILES
JUN 28 2 13 PM 1967

TYPED

JUN 26 9 17 AM 1967

GENERAL FILES
COMMUNICATIONS

CLERK

REAR BOOKED ROLET AIRBORNE WINGWIDE RECTOR

TEXT

FROM:

THREE

TO:

REAR BOOKED ROLET AIRBORNE WINGWIDE RECTOR

FOR NO:

NO 17/20

OF CYBER

UNIT 50 1967

TS20

DATE AND TIME

RECORDED BY:

CLERK

INFORMATION

ACTION COPY:

RE RECORDED

BOOKING

INCOMING CYBER

RECEIVED

INFORMATION DEPARTMENT

RECOMMENDATION AND REACTION

INFORMATION DEPARTMENT

RECEIVED

INFORMATION DEPARTMENT

INCOMING CABLE

DATE AND TIME
OF CABLE:

JUNE 22, 1967 1756

LOG NO.:

RC 23/23

TO:

BROCHES INTBAFRAD

FROM:

LUGANO

TEXT:

ROUTING

ACTION COPY: MR. BROCHES

INFORMATION
COPY:

DECODED BY:

THANKS YOURS CAR WILL MEET YOU MILAN AIRPORT FRIDAY 7 JULY
AZ213 12.50 PM. BLAIR ARRIVING FROM LONDON SAME DAY BEL20
12.25 PM AND WILL JOIN YOU FOR TRIP TO MENAGGIO

STIKKER

COMMUNICATIONS
GENEVA LIFE2
JUN 53 8 33 AM 1967

JUN 23 8 37 AM 1967
GENERAL FILES
COMMUNICATIONS

GENERAL FILES
COMMUNICATIONS

OUTGOING WIRE

TO:

STIKKER
VILLA BELFAGGIO
MENAGGIO-LOVENO
(COMO)

DATE: JUNE 22, 1967

CLASS OF
SERVICE: LT

2 1 1

COUNTRY:

ITALY

TEXT:

Cable No.:

FORGOT TO ASK YOU WHETHER YOU CAN ARRANGE HOTEL OR WHETHER WE
SHOULD DO IT FROM HERE. REGARDS

BROCHES
INTBAFRAD

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME

A. Broches
Legal

DEPT.

SIGNATURE

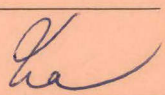
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

For Use by Archives Division

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: 

OUTGOING WIRE

DATE: JUNE 22, 1967

CLASS OF SERVICE: IT

STIKKER
VILLA BELLAGGIO
MENAGGIO-LOVENO
(COMO)

COUNTRY: ITALY

TEXT: Cable Mail

FORGOT TO ASK YOU WHETHER YOU CAN ARRANGE HOTEL OR WHETHER WE SHOULD DO IT FROM HERE. REGARDS

BROCHES
INTERRAD

NOT TO BE TRANSMITTED

CLEARANCES AND COPY DISTRIBUTION:

MESSAGE AUTHORIZED BY:

NAME

A. Broches
Legal

JUN 22 12 06 PM 1967

JUN 22 12 01 PM 1967

SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE

For Use by Archives Division

ORIGINAL (File Copy)

(IMPORTANT: See Secretariat Guide for preparing form)

Checked for Dispatch

June 21, 1967

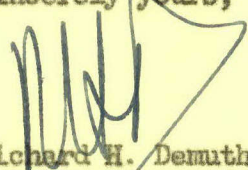
Mr. George C. Wishart
Assistant Special Representative
- Liaison
European Office
International Bank for Recon-
struction and Development
4, Avenue d'Iena
Paris 16^e, France

Dear George:

In Arthur's absence on vacation, I am writing to you in response to his letter of June 15 concerning two forthcoming UNCTAD meetings in Geneva, i.e., the meeting of the Group on Preferences and the meeting of the Committee on Manufactures. I find that we have already informed Dr. Prebisch that the Bank Group does not expect to be represented at these meetings. Unless there is some special reason for somebody from the European Office to go, I think we might as well skip these particular sessions.

With best regards,

Sincerely yours,


Richard W. Demuth
Director

Development Services Department

RHD:tf

cc: Mr. Perinbam

June 21, 1967

Mr. George C. Whelan
Assistant Special Representative
- Liaison
European Office
International Bank for Recon-
struction and Development
1, Avenue d'Iena
Paris 16e, France

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in response to his letter of June 15 concerning two forth-
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Dr. Friedrich that the Bank Group does not expect to be rep-
resented at these meetings. Unless there is some special
reason for somebody from the European Office to go, I think
we might as well skip these particular sessions.

With best regards,

Sincerely yours,

Richard H. Denton
Director

Development Services Department

RED:tl

cc: Mr. Perlinham

RECEIVED JUN 22 1967

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: STIKKER
VILLA BELFAGGIO
MENAGGIO-LOVENO
(COMO)

DATE: JUNE 21, 1967

CLASS OF
SERVICE: LT

COUNTRY: ITALY

2 - 1 - 1

TEXT:
Cable No.:

THANKS YURCAB STOP ARRIVING MILAN 7 JULY AZ 213 12:50 PM
LEAVING MILAN 9 JULY 9:55 AM FOR GENEVA. REGARDS

BROCHES

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME

A. Broches
Legal

DEPT.

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

For Use by Archives Division

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

ka

ORIGINAL (1st copy)

Checked for Discrepancy

For Use by Liaison Division

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

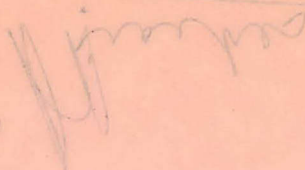
SIGNATURE

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NAME

MESSAGE AUTHORIZED BY

Regent
A. Blocher



DISPATCHED
GENERAL FILES
COMMUNICATIONS

JUN 21 5 30 PM 1967

STEVENS AND CO. DISTRIBUTION

NOT TO BE REINVESTED

BLOCHES

REVALING MITHI 8 JUNE 8:22 AM FOR GENERAL. RECEIVED

THANKS FORCAB 8:05 AM REVALING MITHI 1 JUNE 12:20 PM

Copy No:

TEXT

COPYING:

ILVTA

(COMO)

MEMORANDUM-TOLENO

ALIVY BRYAGGIO

SLIKKEE

TO:

SERVICE: PL
CLASS OF

DATE: JUNE 21, 1967

OUTGOING MIBE

ASSOCIATION

INTERNATIONAL DELEGATION

(S-01)

Form No. 72

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

Mr. Irving S. Friedman (through Mr. Kamarek)

June 21, 1967

G. Kalmanoff

Brazilian Action Group for UNCTAD

With reference to your enquiry of June 14 on the subject, attached is a full explanation by Mr. Dubey.

You will note that the "action group" called for consists of an inter-governmental group of experts to study and report to UNCTAD II on virtually all aspects of international development finance. The draft resolution, which was not adopted by the UNCTAD Finance Committee, is attached. It is being referred for decision to the forthcoming August 15 meeting of the Trade and Development Board.

Encl.

cc: Messrs. Kamarek, Dubey

OKalmanoff:vib

J.S.K.

ROUTING SLIP

Date

June 26, 1967

OFFICE OF THE PRESIDENT

Name

Room No.

~~1. Mr. Broches~~

~~2. Mr. Demuth~~

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

XX Information

Signature

Initial

Send On

Remarks

G.D. Woods

From

UNCTAD

JUN 26 REC'D

D. U. STIKKER
TEL. 2361 MENAGGIO

VILLA BELFAGGIO
MENAGGIO - LOVENO
LAGO DI COMO

20 June 1967.

Mr. George D. Woods,
President,
International Bank for
Reconstruction and Development,
WASHINGTON, D.C. 20433, U.S.A.

Dear Mr. Woods,

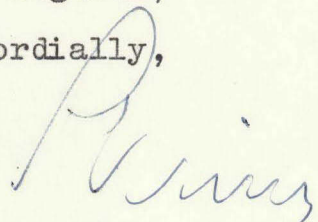
Thank you very much for your letter of 13 June. I should very much like to have some time with you but, unfortunately, am unlikely to come to the USA during the next few months. I therefore hope we could get together over here, and should appreciate your letting me know with as much advance notice as possible, when you might be available.

I happened to meet Mr. Broches in Amsterdam a few days ago and we had an interesting exchange of views; I understand he may be in Europe again during 4-9 July, when I hope he and I could get together for further discussions.

Hope to see you soon.

With warm personal regards,

Cordially,


D.U. Stikker

^{June 19}
P.S. I have just had a cable from Mr. Broches suggesting a meeting here on 7-8 July, which would suit me fine, and I am now making arrangements accordingly.

INCOMING CABLE

DATE AND TIME
OF CABLE:

JUNE 20, 1967 1914

LOG NO.:

RC 11/21

TO:

BROCHES INTBAFRAD

FROM:

LUGANO

ROUTING

ACTION COPY: MR. BROCHES

INFORMATION
COPY:

DECODED BY:

TEXT:

ARRIVAL MILAN FRIDAY 7 JULY FINE PRESUME YOU COME FROM GENEVA BY
AZ 213 ARRIVING MILAN 1250 PM BUT PLEASE CONFIRM. WRITING

STIKKER

MT

June 20, 1967

Mr. Sidney Dell
Director, New York Office
United Nations Conference on Trade
and Development
United Nations, New York

Dear Sidney:

This is in reply to the request you made on the telephone June 6. I am enclosing a memorandum on this. In brief, my people say that trying to comply with your request would take a tremendous amount of work and at the end there would be no major change in the conclusions that you people have already reached. When you consider that the external debt of one country alone may consist of over 800 separate debts and that forecasts of this type can be handled just as easily with a simple model, it is difficult to justify doing them in a more complicated labor-consuming way.

✓ June 13 In any case, I think you will find Mr. Kalmanoff's detailed memorandum on this quite clear. I am sorry not to be able to meet your request exactly in the form that you wished but we just do not have the personnel to use in this way.

Sincerely yours,

Andrew M. Kamarck
Director
Economics Department

cc: Mr. Prebisch
Mr. Kalmanoff

AMK/vhw

ack July 14

OFFICE MEMORANDUM

TO: Mr. Andrew M. Kamarck

DATE: June 13, 1967

FROM: G. Kalmanoff

SUBJECT: UNCTAD External Debt Request

Mr. Dell's request to you made over the telephone on June 6, 1967 in effect involves the same difficulties as the request previously made by him, to which you addressed yourself in your June 7 letter of reply on the matter. The fact is that the Bank can comply with this request, but only with a limited degree of accuracy, at a significant cost in manpower, and even more importantly, there is a serious question as to whether the work is worth while.

I am attaching for your background information a copy of the UNCTAD Secretariat paper to which Mr. Dell referred (The Outlook for Debt Service, TD/B/C.3/36, February 21, 1967). As you can see, what they did was to project the future effect on the net flow of capital to developing countries of maintenance of the existing gross flow, and the effect on the gross flow of maintenance of the existing net flow, assuming present average terms of lending for calculation of the service on future borrowing. It is the question of these present average terms to which Mr. Dell's request is addressed. The UNCTAD Secretariat broke lending down into five categories (officially guaranteed export credit, unguaranteed export credit, official bilateral lending by DAC countries, loans from the socialist economies, and loans from multilateral sources), assumed a certain proportion of each type, and average terms for each type (see Table 1, page 9, footnote b/). The Secretariat made a series of calculations on this basis and then disaggregated the terms still more. Instead of a single set of average terms for official bilateral lending by DAC countries, it used four sets of terms; and instead of a single set of terms for loans from multilateral sources, it broke that down into two sets of terms (see Table 4, page 13, footnote a/). The effect of the additional disaggregation is to raise the gross inflow projections from \$13.9 million to \$14.2 million in 1970 and from \$16.1 million to \$16.8 million in 1975. It seems to me that these fairly minor differences are suggestive of the kinds of results that might be expected from the refinement-by-disaggregation exercise that is being called for. It already is crystal clear from the existing UNCTAD Secretariat paper that present terms must be eased substantially unless the developed countries, in order to maintain the existing net flow, are prepared to increase the gross flow to an extent which is significantly greater than would be the case on softer terms.

In any case, as was pointed out in our earlier analysis of this request, we have data on the terms of loans for a recent period for only some 45 to 48 countries, and not for the 96 countries that constitute the universe of developing countries as used in the UNCTAD Secretariat report (see Mrs. Paulson's memorandum to Files of May 24, 1967 on UNCTAD Request for Debt Data and Computations). We do not know how representative of the universe of 96 is this sample of 48. In attempting to disaggregate terms

for all of the 96 countries, we would have to make quite arbitrary assumptions concerning terms for the countries outside of our sample. This would mean even more work than we had previously envisaged in evaluating Mr. Dell's original request, and would yield a result which is still some distance from being really accurate on the subject of the present terms of lending to developing countries as a whole.

Furthermore, even if we were to disaggregate the terms for the 45 to 48 individual countries for which we have data, you will recall that we previously estimated that this would not be feasible on a completely disaggregated loan-by-loan basis because of the cost involved (see Mrs. Angel's memorandum to Files of May 24, 1967 on Processing of Debt Information for UNCTAD). We did feel that it would be feasible to do the work at a somewhat lesser degree of disaggregation, namely, by using average terms for each of the several categories that we use in our standard debt tables (e.g., suppliers' credits, loans from individual bilateral sources, loans from multilateral agencies, etc.). However, I see no reason for believing that this procedure would yield results any different from those produced by the disaggregation of terms which has already been used by the UNCTAD Secretariat.

(It might be worth mentioning that the delegate at the Committee meeting whose comments apparently initiated the request has since indicated to one of our staff members that he did not intend to start such a major piece of work.)

To recapitulate, we can judge Mr. Dell's telephone request of June 6 on the basis of the two criteria mentioned in the penultimate paragraph of your letter to him on June 7: can our data support the analysis requested by him? and is the analysis requested of sufficient importance for us to undertake to prepare it? With respect to the first criterion, we have data for only some 45 to 48 countries and would have to make arbitrary assumptions concerning the remaining countries outside of this sample; furthermore, the degree of disaggregation that we consider to be feasible in relation to expenditure of resources, is most unlikely to yield results which are significantly different from those already produced by the UNCTAD Secretariat. With respect to the second criterion, it seems to me that the work that has already been done by the Secretariat is quite sufficient to illustrate the need for a substantial easing of terms in the provision of resources to developing countries.

2 22N CT 42

June 19, 1967

Dr. Raul Prebisch
Secretary-General
UN Conference on Trade and Development
United Nations
New York, N.Y.

Dear Raul:

✓ This is to reply to your letter to Mr. Woods of June 2, 1967 concerning the paper prepared by the Bank staff on rescheduling or consolidation of external debt, which you circulated to your Committee on Invisibles and Financing related to Trade as Document TD/B/C.3/37, January 30, 1967.

Since the date of that paper, to the best of our knowledge no such additional operations have occurred. If they do by the date suggested by you of September 1, 1967, we shall be happy to comply with your request to send to Mr. Sidney Dell, Director of your New York Office, any information on the subject which we are in a position to supply.

Yours sincerely,

Irving S. Friedman
The Economic Adviser to the President

cc: Messrs. Kamarok, Demuth, Kalmanoff, Dubey

GKalmanoff:vlb

gs.k.

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: STIKKER
VILLA BELFAGGIO
MENAGGIO-LOVENO
(COMO)

DATE: June 19, 1967

CLASS OF
SERVICE: LT

COUNTRY: ITALY

TEXT:
Cable No.:

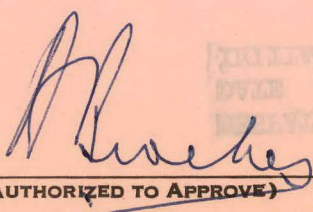
IF ACCEPTABLE TO YOU I WOULD ARRIVE MILAN FRIDAY JULY 7 AROUND
1300 HOURS RETURNING TO GENEVA EARLY SUNDAY MORNING STOP MY
WIFE WILL ACCOMPANY ME STOP PLEASE CONFIRM OR SUGGEST ALTERNATIVE
WHEREUPON I WILL MAKE TRAVEL RESERVATIONS AND INFORM YOU.

BROCHES
INTBAFRAD

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME A. Broches
DEPT. Legal

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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ORIGINAL (File Copy)

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Form No. 100

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SIGNATURE

DEPT

TEST

NAME

V. Blocher

DESPATCHED AFTER HOURS

DATE

6/19

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MESSAGE AUTHORIZED BY

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INTERVIEWED
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WHEREABOUT I MUST MAKE TRAVEL RESERVATIONS AND INFORM LONG-
MILE MUST ACCOMPLISH ME STOP PLEASE COME IN ON SUGGEST ALTERNATIVE
1300 HOURS RELATING TO GENERAL EVENT SUNDAY MORNING STOP MY
IT ACCEPTABLE TO YOU I WOULD VISUAL WITHIN FIVE DAYS THAT I WOULD

Copy No:

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(COMO)

MEMORANDUM-TO-LEAD

UNIT VETERANS

SLICKER

SERVICE
CLASS OF

PL

DATE June 19, 1961

OUTGOING MESSAGE

ASSOCIATION

INTERNATIONAL DEPARTMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

CORPORATION

INTERNATIONAL FINANCE

(1-21)

Form No. 100

Op files

June 16, 1967

Dr. Raul Prebisch
Secretary-General
United Nations Conference on
Trade & Development
United Nations
Palais des Nations
1211 Geneve 10
Switzerland

Dear Dr. Prebisch:

I am writing in reply to your letter of May 1 to Mr. Woods (TDO 321) in which you request certain information to assist your Secretariat in preparing a second annual report on "Implementation of the recommendations of the first session of the United Nations Conference on Trade and Development".

As you request, we are providing new or additional information to supplement that already made available by the Bank group for the preparation of the first annual report. The information now being sent to you must therefore be read in consultation with last year's submission (as contained in Mr. Friedman's letter of April 28, 1966) to give a complete picture of the Bank's position vis-à-vis the fields relevant to it in the UNCTAD Report.

First of all, I am attaching some supplementary notes related to certain recommendations of the Geneva Conference.

In addition, I am attaching tables on the volume of assistance provided by the three agencies of the World Bank Group during the calendar year 1966. As you will note, these tables include a country and regional breakdown of that assistance. The information on the World Bank relates to its loans only to developing countries, and includes commitments, disbursements and repayments. The table on IDA, which gives commitments and disbursements, covers all credits since IDA provides them only to developing countries. There have been no repayments on IDA credits, since IDA has been operating for only about six years, and its credits have uniformly provided for an initial period of grace of ten years. The information on the IFC, like that for the World Bank, relates only to IFC operations in developing countries.

With respect to the terms of assistance, in February 1966, the World Bank raised its standard interest rate on new loans to developing countries from $5\frac{1}{2}$ per cent per annum to 6 per cent per annum. This reflected the higher price which the Bank itself had to pay for its borrowings in the capital markets. The weighted average of the grace periods, i.e., the period between the date of contract and the date of the first principal repayment, has risen slightly to

Dr. Raul Prebisch

- 2 -

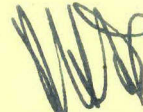
June 16, 1967

4.7 years for 1966 commitments. The weighted average of maturities, i.e., the period between the date of contract and the date of last principal repayment, remained at 21.8 years for 1966 commitments. The terms for IDA credits and IFC investments remain as explained in Mr. Friedman's letter of April 28, 1966.

The latest comprehensive data which are now available on the foreign debts of developing countries are those that appear in the Annual Report of the World Bank and IDA for 1965-66. These statistics are included in the section of the report on "External Indebtedness of Developing Countries and Terms of Aid", pages 33-37.

I trust this information will be useful to you in connection with the preparation of your report for the Trade and Development Board.

Sincerely yours,



Richard H. Demuth
Director
Development Services Department

Enclosures

cc: (with all enclosures): Messrs. Steckhan
Consolo
Kamarck
Kalmanoff
Sidney Dell, Director, New York Office,
UNCTAD

 Seceles:mo

International Development Association Credit Commitments
and Disbursements, by Region and Country, 1966
(million U. S. dollars)

	<u>Commitments</u>	<u>Disbursements</u>
<u>GRAND TOTAL</u>	<u>456.9</u>	<u>272.7</u>
<u>WESTERN HEMISPHERE</u>	<u>7.5</u>	<u>20.7</u>
Bolivia	-	6.2
Chile	-	4.8
Colombia	-	2.5
Costa Rica	-	0.6
Ecuador	-	0.1
El Salvador	-	2.0
Honduras	-	1.4
Nicaragua	-	0.2
Paraguay	7.5	2.9
<u>AFRICA</u>	<u>66.0</u>	<u>17.7</u>
Botswana	-	1.5
Burundi	1.1	0.1
Ethiopia	7.2	2.8
Kenya	7.0	2.8
Lesotho	4.1	0.8
Malagasy	10.0	-
Malawi	0.5	0.1
Mali	9.1	-
Niger	-	3.2
Nigeria	-	-
Senegal	9.0	-
Sudan	-	1.6
Tanzania	5.0	3.4
Tunisia	13.0	1.3
<u>ASIA</u>	<u>368.6</u>	<u>216.5</u>
India	305.5	154.2
Pakistan	63.2	62.1
China ^{1/}	(0.1)	0.2
<u>EUROPE</u>		
Turkey	14.8	16.9
<u>MIDDLE EAST</u>		<u>0.9</u>
Jordan	-	0.8
Syria	-	0.1

^{1/} The figure within brackets indicates a negative commitment resulting from cancellation.

Note: The commitment figures are net of the following cancellations: China, \$118,668.63; India \$530,000.00; Korea, \$7,076.13; Nicaragua \$2,557.31; Pakistan, \$20,000,000.00; Turkey, \$146,016.42.

International Finance Corporation
Investment Commitments and Disbursements
By Region and Country
(Million U.S.\$)

	<u>Net Commitments^{1/}</u>	<u>Net Disbursements^{2/}</u>	<u>Repayments^{3/}</u>
<u>GRAND TOTAL</u>	<u>54.0</u>	<u>25.0</u>	<u>4.5</u>
<u>WESTERN HEMISPHERE</u>	<u>26.0</u>	<u>6.1</u>	<u>3.3</u>
Argentina	-	(0.6)	0.6
Brazil	16.8	2.1	0.5
Chile	-	(0.9)	0.9
Colombia	2.5	1.3	0.5
Costa Rica	-	(0.1)	0.1
Ecuador	-	2.0	-
Jamaica	-	(0.1)	0.1
Mexico	6.2	2.4	0.1
Peru	-	(0.5)	0.5
Venezuela	0.5	0.5	-
<u>AFRICA</u>	<u>8.4</u>	<u>4.3</u>	<u>0.3</u>
Ethiopia	-	1.1	-
Kenya	2.9	-	-
Morocco	1.4	1.1	-
Senegal	3.5	0.8	-
Tunisia	0.6	0.3	0.3
Uganda	-	1.0	-
<u>ASIA</u>	<u>14.5</u>	<u>9.7</u>	<u>0.6</u>
India	0.9	1.6	0.1
Pakistan	-	2.0	0.5
Malaysia	1.6	1.9	-
Philippines	12.0	4.2	-
<u>EUROPE</u>	<u>5.1</u>	<u>4.9</u>	<u>0.3</u>
Greece	3.5	4.3	-
Spain	0.2	(0.3)	0.3
Turkey	1.4	0.9	-

^{1/} Commitments net of cancellations.

^{2/} Disbursement net of repayments.

^{3/} Repayments to IFC and to participants for which IFC is acting as paying agent.

Note: The figures in brackets indicate negative net disbursement because of repayments.

International Bank for Reconstruction and Development;
Loan Operations in Developing Countries, by
Region and Country. 1966
(in million U.S. dollars)

	<u>Commitments</u>	<u>Cancellations</u>	<u>Repayments</u>	<u>Disbursements</u>
<u>GRAND TOTAL</u>	<u>603.2</u>	<u>9.6</u>	<u>205.0</u>	<u>564.1</u>
<u>WESTERN HEMISPHERE</u>	<u>353.4</u>	<u>2.5</u>	<u>73.7</u>	<u>230.8</u>
Argentina	-	-	4.2	3.1
Brazil	149.6	*	12.8	3.7
Chile	60.0	-	5.2	13.6
Colombia	41.7	-	10.2	31.8
Costa Rica	-	0.1	1.1	5.2
Ecuador	-	-	1.6	1.6
El Salvador	-	-	2.9	4.7
Guatemala	-	-	1.6	-
Guyana	1.7	-	0.2	-
Haiti	-	-	0.2	-
Honduras	4.8	-	0.6	*
Jamaica	31.5	-	-	2.7
Mexico	19.0	0.1	20.5	85.5
Nicaragua	2.6	2.3	1.1	1.6
Panama	-	-	0.5	2.0
Paraguay	2.1	-	-	0.1
Peru	19.1	-	4.5	18.4
Trinidad and Tobago	-	-	0.9	1.3
Uruguay	-	-	3.9	8.8
Venezuela	21.3	-	1.7	46.7
<u>ASIA</u>	<u>155.3</u>	<u>3.6</u>	<u>77.5</u>	<u>140.1</u>
Ceylon	-	-	1.4	1.3
India	28.7	1.3	48.3	36.4
Pakistan	(0.7)	0.7	14.9	18.8
Burma	-	-	2.0	0.2
China	(0.3)	0.3	0.3	17.7
Malaysia	37.0	-	1.1	20.9
Philippines	23.9	1.1	2.7	11.1
Singapore	25.0	-	0.3	12.6
Thailand	41.7	0.2	6.5	21.1
<u>EUROPE</u>	<u>10.0</u>	<u>-</u>	<u>7.8</u>	<u>67.0</u>
Malta	-	-	0.3	1.3
Spain	-	-	-	42.7
Turkey	10.0	-	3.2	-
Yugoslavia	-	-	4.3	23.0

	<u>Commitments</u>	<u>Cancellations</u>	<u>Repayments</u>	<u>Disbursements</u>
<u>MIDDLE EAST</u>	<u>44.5</u>	<u>3.5</u>	<u>11.5</u>	<u>40.7</u>
Cyprus	(3.4)	3.4	-	3.5
Iran	24.9	0.1	5.1	16.0
Iraq	23.0	-	-	1.9
Israel	-	-	1.6	19.3
Lebanon	-	-	0.8	-
U.A.R.	-	-	4.0	-
<u>AFRICA</u>	<u>40.0</u>	<u>-</u>	<u>34.5</u>	<u>85.0</u>
Algeria	-	-	6.5	-
Burundi	-	-	0.2	-
Congo	-	-	5.6	-
Ethiopia	-	-	1.7	7.7
Gabon	-	-	2.5	5.7
Ghana	-	-	-	5.6
Guinea	-	-	-	0.5
Ivory Coast	-	-	0.4	-
Kenya ^{1/}	-	-	0.8	7.3
Liberia	-	-	-	1.3
Mauretania	-	-	2.5	-
Maurituis	-	**	0.2	0.6
Morocco	17.5	-	0.7	12.3
Nigeria	-	-	1.9	28.0
Rhodesia	-	-	4.1	1.5
Sierra Leone	-	-	-	0.4
Sudan	-	-	2.5	9.7
Swaziland	-	-	0.2	-
Tanzania	-	-	1.4	-
Tunisia	5.0	-	-	3.4
Uganda	-	-	0.3	-
Zambia	17.5	-	3.0	1.5

* Not significant.

** Less than 50 thousand dollars.

^{1/} Two loans guaranteed by U.K. and one loan guaranteed jointly by Kenya, Tanzania and Uganda.

Note: Figures in brackets indicate negative commitments resulting from cancellations.

June 16, 1967

NOTES BY THE WORLD BANK GROUP ON
THE IMPLEMENTATION OF CERTAIN RECOMMENDATIONS
OF THE GENEVA CONFERENCE (UNCTAD)

RECOMMENDATION A.IV.1 - Guidelines for International Financial Cooperation

Paragraph 2 - (External indebtedness)

The Expanded Reporting System on External Lending mentioned in last year's report has been agreed to by the OECD Council and the Bank. The objective is to improve the quality of external debt reporting. The sixteen creditor countries participating in the system are Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, Portugal, Sweden, Switzerland, the United Kingdom and the United States. The Commission of the European Economic Community is also participating. The working of the system is to be reviewed at the end of March, 1968.

The World Bank has close cooperation in the field of external debt statistics with the Inter-American Development Bank consisting chiefly of tabulation and provision of debt information on countries which are members of the IDB. Discussions with a view to cooperation on the lines of the arrangements with the Inter-American Development Bank are in progress with the African Development Bank and are soon to start with the Asian Development Bank.

The Bank's continuing concern with problems of external indebtedness is reflected in the section of its Annual Report for 1965-66 on External Debt of Developing Countries and Terms of Aid (page 33-37).

A report on international debt rescheduling activities was sent to UNCTAD under cover of a letter to Mr. B. Toren, Chief, Financing for Trade Section, on January 12, 1967.

Paragraph 3 - (Criteria for financial cooperation)

Reference is made below only to those of the ten criteria listed in Paragraph 1 of the Resolution where there are additions to the comments made in last year's report.

(b) Financial assistance to developing countries should be increased "when, as a result of circumstances beyond their control, there is a decline in external resources available to them below the expected levels required to sustain their programmed rates of investment and growth of national income."

The World Bank Staff Study on Supplementary Financial Measures presented to UNCTAD in December 1965 was considered by the Committee on

Invisibles and Financing of UNCTAD in April 1966, which recommended to the Trade and Development Board that a group of governmental experts be set up to give further consideration to the study. This inter-governmental group has met twice, in October 1966 and February 1967, and its interim report was discussed by the Committee on Invisibles and Financing. The Bank staff submitted six papers to the group explaining and clarifying further the scheme for supplementary financial measures.

(d) "... the channeling of external resources, whenever possible, and appropriate, through multilateral institutions -- including regional development institutions."

In an address on Multilateral and Bilateral Aid to the International Parliamentary Conference on Development Aid on April 7, 1967 Mr. George Woods noted that "without necessarily reducing bilateral aid, the tendency is toward a greater reliance on multilateral organizations. This is partly a change in form. Even more, I hope, it is a change of spirit, recognizing a demand that programs of assistance should achieve maximum effectiveness as instruments for economic development The growth of multilateral assistance, I think, should be widely welcomed."

Mr. Woods has also welcomed the recently established regional financing institutions in Africa and Asia and stated in his address to the Economic and Social Council on December 20, 1966, that "The World Bank Group will always be ready to consider joint financing of well conceived projects, regional or otherwise, that the regional banks bring forward."

(e) International financial cooperation "should take into account the role of national development institutions when requested by the recipient country."

The commitment of World Bank group assistance to national development finance companies or development banks increased from the cumulative total of \$399.3 million as of February 28, 1966 noted in last year's report to \$521.4 million as of April 30, 1967. The latter sum was distributed among countries as follows:

World Bank Group's Assistance to
Development Finance Companies (million dollars)

<u>Country</u>	<u>As of April 30</u> <u>1967</u>
China	19.9
Colombia	29.8
Ethiopia	4.0
Greece	0.7
India	138.9
Iran	40.1
Israel	20.0
Ivory Coast	0.2
Liberia	0.2
Malaysia	8.8
Morocco	34.0
Nigeria	1.4
Pakistan	109.3
Philippines	40.1
Spain	0.6
Thailand`	2.7
Tunisia	5.6
Turkey	63.8
Venezuela	1.3
	<u>521.4</u>

(h) International financial cooperation "should promote regional economic cooperation of developing countries and be coordinated with their integration efforts."

The Bank's general support to regional economic integration of developing countries was reiterated in the comments on the UNCTAD report on "Trade Expansion and Economic Integration Among Developing Countries" sent by Mr. Friedman to Mr. Prebisch in a letter of January 19, 1967.

(i) and (j) These two criteria deal with short-term and medium-term credits to developing countries. These matters are being considered in connection with the study of suppliers' credits which the World Bank is carrying out at the request of UNCTAD (see comment on Recommendation A.IV.14).

Paragraph 4 - (Technical assistance)

In addition to the types of technical assistance referred to in last year's report, it should be mentioned that the Bank's activities in the field of development planning have increased. Bank staff have visited a number of countries to provide advisory assistance to governments in evolving suitable organizations for formulating and implementing development programs.

The Economic Development Institute, the Bank's staff college, contributes toward the provision of more expertise in the developing countries by helping to train senior officials in development techniques. During the 1966/1967 fiscal year, its eleventh year of service, it offered six courses on development problems, and extended its assistance to regional training courses sponsored by other agencies. It provided teaching staff and materials for a course in Kenya for participants from five African countries, organized by the U.N. African Institute for Economic Development and Planning and the Staff College of the East African Common Services Organization, and teaching materials for a course in Madrid at the Institute of Fiscal Studies. Arrangements have been completed for providing assistance for a course to be held in Iran for participants from Afghanistan, Iran, Pakistan and Turkey.

The figure for funds devoted for technical assistance and related services to member countries for the 1966 fiscal year is \$8.3 million.

June 16, 1967

NOTES BY THE WORLD BANK GROUP ON
THE IMPLEMENTATION OF CERTAIN RECOMMENDATIONS
OF THE GENEVA CONFERENCE (UNCTAD)

RECOMMENDATION A.IV.4 - Terms of Financing

Paragraph 11 - (Consortia and Consultative Groups)

The Bank has organized three additional Consultative Groups - for Korea, Morocco, and Peru, making a total of nine. During 1966 the Bank also organized and presided at meetings of countries interested in providing interim aid to Ceylon.

On behalf of the Indian consortium, the Bank has taken the lead in trying to find a solution to India's debt-service difficulties. At the request of the United States, the Bank also undertook to coordinate, through the consortium, the efforts of countries willing to contribute to India's food needs. Consortium members, at a meeting in April, indicated new aid for food, fertilizer and related agricultural production materials, as well as aid in a form which would release cash for the purchase of food.

Members of the Pakistan Consortium agreed on a level of project and non-project aid (including fertilizer imports) which it would be appropriate for the consortium to provide during 1967/68. Discussions about possible joint financing of the Tarbela Dam in West Pakistan were held under the aegis of the consortium; the Bank has indicated its willingness to administer a fund for such financing.

June 16, 1967

NOTES BY THE WORLD BANK GROUP ON
THE IMPLEMENTATION OF CERTAIN RECOMMENDATIONS
OF THE GENEVA CONFERENCE (UNCTAD)

RECOMMENDATION A.IV.5 - Problems of Debt Service in Developing Countries

Paragraph 1 - (External indebtedness)

The relevant activities of the Bank group are explained in the comments on Recommendation A.IV.1, paragraph 2, which appears to be identical with this paragraph.

Paragraph 3 - (Financial cooperation)

The relevant activities of the Bank group are explained in the comments on the Recommendation A.VI.1, paragraph 3, which appears to cover the same ground as this paragraph.

Paragraph 4 -

(a) The Governors of the World Bank at their Annual Meeting in 1966 authorized the transfer of \$75 million, by way of grant, to the International Development Association out of the Bank's net income for the fiscal year ending June 30, 1966.

(b) In July 1966, the President of the World Bank and IDA submitted a proposal to 18 donor governments for the replenishment of IDA resources on a substantially increased scale. The proposal is still under discussion.

June 16, 1967

NOTES BY THE WORLD BANK GROUP ON
THE IMPLEMENTATION OF CERTAIN RECOMMENDATIONS
OF THE GENEVA CONFERENCE (UNCTAD)

RECOMMENDATION A.IV.12 - Promotion of Private Foreign Investment in
Developing Countries

Paragraph 7 - (Investment insurance)

The Executive Directors of the Bank sitting as a Committee of the Whole, have begun consideration of a first draft of Articles of Agreement for an International Investment Insurance Agency, prepared by the Staff of the Bank as a basis for discussion.

Paragraph 8 - (Settlement of investment disputes)

The Convention on the Settlement of Investment Disputes between States and Nationals of Other States entered into force on October 14, 1966, 30 days after ratification by twenty states. The Convention established, under the auspices of the Bank, an International Centre which will provide facilities for the voluntary settlement, by conciliation or arbitration, of disputes between governments and foreign investors. The governing body of the Centre is an Administrative Council consisting of one representative of each state party to the Convention. The President of the World Bank is Chairman of the Council. The Council held its first meeting early in 1967.

Paragraph 9 - See comments on Paragraph 7, above.

June 16, 1967

NOTES BY THE WORLD BANK GROUP ON
THE IMPLEMENTATION OF CERTAIN RECOMMENDATIONS
OF THE GENEVA CONFERENCE (UNCTAD)

RECOMMENDATION A.IV. 13 - Needs of the Public Sector in the Transfer of
External Resources to Developing Countries

Paragraph 4, II - (Assistance by international institutions to the
public sector)

As pointed out last year, the major part of the assistance to developing countries by the World Bank and IDA has been for the public sector of those countries. A country breakdown of effective Bank loans and IDA credits to developing countries as of December 31, 1966 is given below. Effective commitments held by the IFC, all in the private sector, increased from \$71.1 million on December 31, 1965 to \$103.3 million as of December 31, 1966.

Table

Effective Loans and Credits to Developing Countries
Held a/ by the World Bank and IDA as of December 31, 1966 b/

<u>Country</u>	<u>Bank Loans</u>	<u>IDA Credits</u>	<u>Total Bank Loans and IDA Credits</u>
Afghanistan	-	3.5	3.5
Algeria	18.3	-	18.3
Argentina	117.6	-	117.6
Bolivia	-	15.0	15.0
Brazil	236.3	-	236.3
Burma	22.9	-	22.9
Burundi	-	1.1	1.1
Ceylon	30.3	-	30.3
Chile	103.3	19.0	122.3
China	39.4	13.1	52.5
Colombia	344.6	19.5	364.1
Costa Rica	38.0	5.5	43.5
Cyprus	15.8	-	15.8
Ecuador	38.6	8.0	46.6
El Salvador	30.0	8.0	38.0
Ethiopia	44.9	20.7	65.6

a/ Including undisbursed portions.

b/ Including \$3.2 million of project preparation loans and credits as follows: Guinea, \$1.7 million; Pakistan, \$1.0 million; Malawi, \$0.5 million.

<u>Country</u>	<u>Bank Loans</u>	<u>IDA Credits</u>	<u>Total Bank Loans and IDA Credits</u>
France c/	22.9	-	22.9
Gabon	11.6	-	11.6
Ghana	46.9	-	46.9
Guatemala	7.0	-	7.0
Guinea	1.7	-	1.7
Haiti	1.1	0.3	1.4
Honduras	23.6	12.5	36.1
India	671.2	825.5	1,496.7
Iran	184.2	-	184.2
Iraq	23.0	-	23.0
Israel	89.4	-	89.4
Jamaica	36.4	-	36.4
Jordan	-	8.5	8.5
Kenya d/	38.0	17.3	55.3
Korea	-	14.0	14.0
Lebanon	22.2	-	22.2
Liberia	4.3	-	4.3
Malagasy	-	10.0	10.0
Malawi	-	0.5	0.5
Malaysia	168.5	-	168.5
Mauritania	-	6.7	6.7
Mexico	516.4	-	516.4
Morocco	58.5	11.0	69.5
Nicaragua	23.7	3.0	26.7
Niger	-	1.5	1.5
Nigeria	152.7	35.5	188.2
Pakistan	303.8	304.2	608.0
Panama	9.9	-	9.9
Paraguay	6.9	17.1	24.0
Peru	159.8	-	159.8
Philippines	122.4	-	122.4
Sierra Leone	3.6	-	3.6
Singapore	24.0	-	24.0
Somalia	-	6.2	6.2
Spain	135.2	-	135.2
Sudan	92.4	13.0	105.4

c/ Bank loans guaranteed by France were allocated as follows:
Algeria, \$13.4 million; Gabon and Congo (Brazzaville), \$6.9 million;
Mauritania \$2.6 million.

d/ Kenya, Tanzania and Uganda (Guarantors) - East African Common
Services Authority.

<u>Country</u>	<u>Bank Loans</u>	<u>IDA Credits</u>	<u>Total Bank Loans and Ida Credits</u>
Syrian Arab Repub.	-	8.5	8.5
Tanzania	-	23.6	23.6
Thailand	190.0	-	190.0
Tunisia	11.6	18.0	29.6
Turkey	37.7	80.6	118.3
U.A.R.	39.5	-	39.5
U.K. e/	120.6	-	120.6
Swaziland	-	2.8	2.8
Botswana	-	3.6	3.6
Lesotho	-	4.1	4.1
Uruguay	72.7	-	72.7
Venezuela	219.7	-	219.7
Yugoslavia	231.2	-	231.2
Zambia	17.5	-	17.5
	<u>4,981.8</u>	<u>1,541.4</u>	<u>6,523.2</u>

e/ Loans guaranteed by the U.K. were allocated as follows (in million dollars): Rhodesia, 14.5; Zambia, 7.2; Rhodesia and Zambia, 42.2; Kenya, Tanzania and Uganda, 0.1; Nigeria, 19.4; Kenya, 9.7; Uganda, 0.1; Guyana, 0.2; Trinidad and Tobago, 8.1; Singapore, 14.7; Swaziland, 2.3; Mauritania, 2.0; Malta, 0.03.

June 16, 1967

NOTES BY THE WORLD BANK GROUP ON
THE IMPLEMENTATION OF CERTAIN RECOMMENDATIONS
OF THE GENEVA CONFERENCE (UNCTAD)

RECOMMENDATION A.IV.4 - Suppliers' Credits and Credit-Insurance in
Developed and Developing Countries

The Bank Study of Suppliers' Credits was submitted to UNCTAD on January 20, 1967; a revised edition was subsequently issued on April 3, 1967, and discussed at the meeting of the Committee on Invisibles in that month.

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'ÉNA, PARIS (16^E) — FRANCE

Telephone - 553-2510



June 15, 1967

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

Dear Dick:

This is only to inform you about the two forthcoming Unctad meetings in Geneva:

- | | |
|--|-------------|
| 1. Group on Preferences - 2nd Session | July 4 - 14 |
| 2. Committee on Manufactures - 2nd Session | July 4 - 21 |

I would appreciate your informing me if the Bank will send a special representative to these meetings or if you would like us to attend for the Bank.

Yours sincerely,

Arthur

Arthur Karasz
Deputy Special Representative
in Europe

RECEIVED JUN 21 1967

ack June 21

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



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBFRAD PARIS

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS PARIS

EUROPEAN OFFICE:

4, AVENUE D'ENNA, PARIS (16^e) - FRANCE

Telephone - 653-2510



June 15, 1967

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

Dear Dick:

This is only to inform you about the two forthcoming United
meetings in Geneva:

1. Group on Preferences - 2nd Session
July 4 - 14
2. Committee on Manufactures - 2nd Session
July 4 - 21

I would appreciate your informing me if the Bank will send a
special representative to these meetings or if you would like us to
attend for the Bank.

Yours sincerely,

Arthur Karasz

Arthur Karasz
Deputy Special Representative
in Europe

1967 JUN 19 11:10:37

COMMUNICATIONS SECTION

see Jones

SecM67-165

FROM: The Secretary

June 15, 1967

INTERNATIONAL DEBT RESCHEDULING ACTIVITIES

The attached paper on "Rescheduling or Consolidation of External Debt" was prepared in the Economics Department at the request of UNCTAD. It is being circulated to the Executive Directors to whom it is believed that it will be of interest.

Distribution:

Executive Directors and Alternates
President
President's Council
Executive Vice President, IFC
Vice President, IFC
Department Heads (Bank and IFC)

RESCHEDULING OR CONSOLIDATION OF EXTERNAL DEBT

1. There have been no cases of rescheduling or consolidation of external debt as an outgrowth of the activities of consortia or consultative groups which function under the chairmanship of the World Bank. The over-all debt problem of India, however, is at present under international consideration. Countries which have arranged for such rescheduling or consolidation in recent years include Argentina, Brazil, Chile, Ghana, Indonesia, and Turkey. Except for Turkey, the arrangements have been made through informal meetings with groups of creditors. Meetings for Ghana took place in London, while other meetings were held in Paris. The arrangement for Turkey has been carried out within the consortium for external finance assistance to that country which operates under the chairmanship of the OECD.
2. In general, the meetings of the debtor countries with the creditors in Paris have been held on an informal basis, with the French Government acting as host and its Ministry of Finance carrying out secretariat functions to some extent. The pattern has been for basic principles guiding the debt relief to be agreed to at these meetings and finalized in later bilateral agreements between the debtor country and individual creditor countries. The relief that has been afforded generally has consisted of postponement of debt service payments due in the immediate year or two ahead, with an expression of willingness on the part of the creditors to review the situation at the end of these periods to consider whether any additional relief be necessary. In the majority of the cases the repayment has been deferred in such a way that a three-year period of grace is allowed and the repayment is then effected over a period of five years thereafter. Various commitments are undertaken by the debtors with respect to policies that they will follow in general management of their economies and more specifically in external debt management, especially providing for limitations on the extent to which they will assume additional medium-term indebtedness. Arrangements are made for the debtor country to supply certain information with respect to the carrying out of their commitments through the International Monetary Fund.
3. The external debt relief provided to Turkey under the OECD consortium was somewhat more liberal in its terms. The maturities whose payment was deferred covered a somewhat greater number of years, consisting of at least the subsequent three years and in some cases the subsequent five years. Furthermore, the repayment of the amounts deferred was to take place over longer periods ranging from about five years to fifteen years.

4. Some particulars of the terms of the reschedulings or consolidations are given below for each of the six countries.

Argentina

5. Argentina entered into an agreement in June 1965 with a group of its bilateral creditors under which the creditors were to provide certain amounts of assistance during the year to enable the country to meet its debt service obligations. The participating countries, whose representatives met with Argentina in Paris under the auspices of the "Paris Club" of creditors, were Federal Republic of Germany, France, Italy, Japan, the Netherlands, Switzerland, the United Kingdom, and the United States. The other members of the "Paris Club" besides these participating countries are Austria, Belgium, Norway and Sweden. The principles agreed to in this meeting were to be made effective through subsequent bilateral agreements between Argentina and each of the creditor countries. New loans to Argentina were to be granted to cover service payments amounting to 60 per cent of the maturities due in 1965 on commercial credits publicly guaranteed in the creditor countries and on official credits granted for specific purposes. Certain previously rescheduled external debt was excluded from the arrangements. The amounts to be made available to permit Argentina to meet its 1965 service obligations were to be repaid over a period of five years: 15 per cent during the first year, 20 per cent during each of the succeeding three years, and 25 per cent during the fifth year.

6. Argentina had previously entered into other debt rescheduling agreements in 1962, 1961, and 1957 under the same auspices. In 1962 certain amounts due in 1963 and 1964 on account of suppliers' credits were rescheduled, so as to be paid out in increasing annual instalments through 1970. The participating countries in that case were Federal Republic of Germany, France, Italy, the Netherlands, and the United Kingdom.

7. In 1961 maturities due in the years 1961 and 1962 on certain private bank loans that had been granted to the country were extended for two years. At the same time certain amounts due in 1961 and 1962 on official and commercial debt were postponed to the years 1965 and 1966. The participating countries in that case were Belgium, Federal Republic of Germany, France, Italy, Japan, the Netherlands, Sweden, Switzerland, and the United Kingdom.

8. In 1957 an agreement was reached for the consolidation and funding of trade payment arrears that had been accumulated by Argentina under bilateral trade agreements with creditor

countries. Agreement was reached for the repayment of the arrears over a period of ten years, with somewhat increasing instalments during the period. The creditors involved were Federal Republic of Germany, France, Italy, Japan, the Netherlands, and the United Kingdom.

Brazil

9. Brazil reached agreement in July 1964 with a group of its bilateral creditors assembled in Paris to defer the repayments due on certain amounts of suppliers' credits which it had contracted. The participating creditors were Austria, Federal Republic of Germany, France, Italy, Japan, the Netherlands, Switzerland, the United Kingdom, and the United States. As in the "Paris Club" cases involving Argentina, the principles of the rescheduling agreed to were to be worked out in practice in subsequent bilateral agreements with the individual creditor countries. The service payments deferred amounted to 70 per cent of those due during the years 1964 and 1965. The 1964 maturities were to be repaid in equal annual instalments over a five-year period beginning 1967; the same was true of the 1965 maturities, with repayments to begin in 1968.

10. A few years earlier, in 1961, Brazil entered into various debt rescheduling agreements with certain creditor countries on an individual basis. In the United States, certain maturities due to the Export-Import Bank of Washington over the period 1961-1967 were rescheduled for repayment over a period of about 20 years, with some two years of grace. Parallel with this arrangement with the United States, individual arrangements were made with Federal Republic of Germany, France, Italy, the Netherlands, and the United Kingdom for the postponement of certain maturities due during the period 1961-1965. The amounts of service payments postponed came to 80 per cent of those due in 1961, 70 per cent of those due in each of the years 1962 and 1963, 50 per cent of those due in 1964, and 35 per cent of those due in 1965. The amounts postponed were to be repaid over a period of five years beginning in 1966.

11. In earlier years, for example, in 1953, 1955, and 1958, Brazil obtained various credits from the Export-Import Bank of Washington to "refinance purchase of equipment manufactured in the United States".

Chile

12. The rescheduling of certain maturities of Chile's external debt was agreed to in principle between Chile and a group of its creditors in Paris in February 1965. As in the recent Argentine and Brazilian cases, the agreement in principle was to

be followed by specific bilateral agreements with individual creditors. The participating creditors were Belgium, Canada, Denmark, Federal Republic of Germany, France, Italy, Japan, the Netherlands, Spain, the United Kingdom, and the United States. Norway, Sweden and Switzerland were also present but, in view of the small amount of their credits, they did not become parties to the agreement. The maturities deferred amounted to 70 per cent of the amounts due in 1965 and 1966 on guaranteed suppliers' credits and on certain official loans. The amounts deferred were to be repaid in five equal annual instalments following a grace period of three years.

Ghana

13. Ghana entered into an agreement in December 1966 with a group of creditors, under which some repayments due on certain medium-term foreign debts were rescheduled. On the creditors' side, the following governments were represented at the meetings and were parties to the agreement: Australia, Belgium, Canada, Federal Republic of Germany, Israel, Italy, Japan, the Netherlands, Norway, Switzerland, the United States, and the United Kingdom. Representatives of the IBRD and of the IMF were also present. France, which was not represented at the final meetings, decided to deal with Ghana's debt problems by following the principles laid down by the understanding between Ghana and the other creditors.

14. These principles are to be carried out, in practice, through subsequent bilateral agreements.

15. The understanding covered 80 per cent of debt repayments due during the 2½-year period, 1 June 1966 to 31 December 1968, a 2½-year grace period and eight yearly repayments. The interest charges will be determined by bilateral agreements: "each creditor country will use its best endeavours to keep the average rate ... as low as possible".

16. Although there is no firm commitment on the part of the creditors, it is understood that the present arrangement constitutes the first phase of a negotiation in two rounds; creditors took note of the wish of Ghana to meet in 1968 to consider further relief.

17. As in the case of Indonesia (see below), a substantial fraction of Ghana's foreign debt is owed to countries with centrally-planned economies. In both cases, negotiations for a settlement with these countries are expected to take place on a bilateral basis.

Indonesia

18. An agreement was reached between Indonesia and some of its creditors for the deferment of due repayment dates of both governmental and commercial debt in December 1966. Participating creditors were Federal Republic of Germany, France, Italy, Japan, the Netherlands, the United Kingdom and the United States. The final meetings were held under the chairmanship of France in Paris as agreed at an earlier meeting held in Tokyo. Other countries represented though not participating creditors were Australia, Switzerland and New Zealand. Representatives of the IMF, IBRD and OECD were present at the meeting.

19. The representatives of participating governments or their governmental institutions grant a financial relief to Indonesia which will apply to principal and interest payments due up to the end of 1967 on debts contracted before July 1966 with a term longer than 180 days owed to and/or guaranteed by the creditor governments. It is agreed that countries will give a 100 per cent relief either in the form of 100 per cent rescheduling of principal and interest, or a minimum of 90 per cent rescheduling plus new credits giving relief for the remaining 10 per cent. There will be a three-year grace period beginning 1 January 1967 and repayment will be made over eight years beginning 1 January 1971.

Turkey

20. The rescheduling and refinancing of certain external debt service payments of Turkey were agreed to in a meeting in Paris in March 1965 with member governments of the OECD Consortium for that country. As in the case of the more informal "Paris Club" arrangements with Argentina, Brazil, and Chile, the principles agreed to by the Consortium members were to be carried out in practice through subsequent bilateral agreements between Turkey and the individual creditor countries. The rescheduling covered about 80 per cent of principal falling due in the years 1965 through 1967 on inter-governmental debts to Austria, Belgium, Federal Republic of Germany, France, the United Kingdom and the United States. The repayment conditions for these as well as certain additional maturities for 1968 and 1969 varied with the individual countries, and to some extent also as between different loans of the same countries. Service payments due to Austria and the United Kingdom during the years 1965 to 1969 were deferred for five years, so that they were to be repaid during the period 1970 to 1974, with no interest being charged during the five-year grace period. The Federal Republic of Germany gave the same conditions for payments due during 1965, 1966 and 1967 on a 1958/59 credit as did Belgium with respect to payments due in the years 1965 through 1968. Somewhat more liberal terms were granted

for the 1965-67 maturities of a 1960 Federal Republic credit which was to be repaid over a period of some fifteen years including a three-year period of grace, and the interest rate on that credit was reduced from 5-3/4 per cent to 3 per cent. France rescheduled payments due during the years 1965 to 1969 to a repayment schedule of some ten years following a five-year period of grace, during which no interest would be charged. The United States was to reschedule maturities due in 1965 through 1967 so that repayment would be effected over a period of ten years, including five years of grace.

21. In addition, Belgium, Federal Republic of Germany, France, the United Kingdom, and the United States undertook to provide funds to permit Turkey to meet payments due in 1965 through 1967 on certain commercial debts owed to their residents. The amounts of assistance to be provided were to be at least 60 per cent of the instalments due in those years, and repayments were to be made after a period of grace of six years in single annual payments at the end of the period of grace.

22. In 1959, as part of a general agreement with the OEEC on a stabilization programme and financial assistance for Turkey, certain commercial arrears of Turkey were consolidated and obligations due on commercial transactions during a succeeding period of some six years were rescheduled, so that payments for both the arrears and the obligations were stretched out over a period of twelve years. The countries that participated in these arrangements with Turkey were Austria, Belgium, Denmark, Federal Republic of Germany, France, Italy, Luxembourg, Norway, the Netherlands, Portugal, Sweden, Switzerland, the United Kingdom and the United States. A detailed account of the 1959 negotiations and agreements is contained in the OEEC publication entitled The Work of the Conference on Financial Assistance to Turkey and Turkish Debts, Paris, August 1959.

Economics Department
June 13, 1967

Filed

June 13, 1967

Dear Dr. Stikker:

Upon my return from the extended trip abroad which necessitated my canceling the luncheon engagement we had, I find your letter of May 4. ✓ I write at this time to again express my regret at the change in my plans--I assure you it was unavoidable--which necessitated foregoing the pleasure of a few hours with you. On the other hand, I judge from an advice I picked up somewhere that your itinerary was also in trouble at that time, so that my cancelation was not an unmixed evil.

The visit in the Indian sub-continent was extremely interesting, and I would welcome the opportunity of exchanging views with you on this area when you are next on this side of the Atlantic. For my part, I will keep you advised of my movements in Western Europe, on the chance that it may be possible for us to meet there at a later date.

Warm personal regards.

Cordially,

(Signed) George D. Woods

George D. Woods

Dr. D. U. Stikker
Villa Belfaggio
Menaggio-Loveno (Como)
Italy

GDWoods/s

cc: Mr. Demuth

ack. June 20

Mr. Andrew M. Kassarck

June 13, 1967

G. Kalmanoff

UNCTAD External Debt Request

June 13

Attached is an edited version of my memo of June 9 on the subject which I feel is appropriate to pass on to Mr. Dell.

Encl.

cc: Messrs. King, Leon, Tlenn, Mrs. Paulson, Mrs. Angel

GKalmanoff:vib

g.K.

OFFICE MEMORANDUM

TO: Mr. Andrew M. Kamarck

DATE: June 13, 1967

FROM: G. Kalmanoff *gsk*SUBJECT: UNCTAD External Debt Request

Mr. Dell's request to you made over the telephone on June 6, 1967 in effect involves the same difficulties as the request previously made by him, to which you addressed yourself in your June 7 letter of reply on the matter. As regards Philip Hayes' comment that the Bank can easily comply with this request, the fact of the matter is that the Bank can comply, though only with a limited degree of accuracy and not "easily", but rather at a significant cost in manpower, and even more importantly, there is a serious question as to whether the work is worthwhile.

I am attaching for your background information a copy of the UNCTAD Secretariat paper to which Mr. Dell referred (The Outlook for Debt Service, TD/B/C.3/36, February 21, 1967). As you can see, what they did was to project the future effect on the net flow of capital to developing countries of maintenance of the existing gross flow, and the effect on the gross flow of maintenance of the existing net flow, assuming present average terms of lending for calculation of the service on future borrowing. It is the question of these present average terms to which Mr. Dell's request is addressed. The UNCTAD Secretariat broke lending down into five categories (officially guaranteed export credit, unguaranteed export credit, official bilateral lending by DAC countries, loans from the socialist economies, and loans from multilateral sources), assumed a certain proportion of each type, and average terms for each type (see Table 1, page 9, footnote b/). The Secretariat made a series of calculations on this basis and then disaggregated the terms still more. Instead of a single set of average terms for official bilateral lending by DAC countries, it used four sets of terms; and instead of a single set of terms for loans from multilateral sources, it broke that down into two sets of terms (see Table 4, page 13, footnote a/). The effect of the additional disaggregation is to raise the gross inflow projections from \$13.9 million to \$14.2 million in 1970 and from \$16.1 million to \$16.8 million in 1975. It seems to me that these fairly minor differences are suggestive of the kinds of results that might be expected from the refinement-by-disaggregation exercise that Mr. Hayes is calling for. It already is crystal clear from the existing UNCTAD secretariat paper that present terms must be eased substantially unless the developed countries, in order to maintain the existing net flow, are prepared to increase the gross flow to an extent which is significantly greater than would be the case on softer terms.

In any case, as was pointed out in our earlier analysis of this request, we have data on the terms of loans for a recent period for only some 45 to 48 countries, and not for the 96 countries that constitute the universe of developing countries as used in the UNCTAD Secretariat report (see Mrs. Paulson's memorandum to Files of May 24, 1967 on UNCTAD Request for Debt Data and Computations). We do not know how representative of the universe of 96 is this sample of 48. In attempting to disaggregate terms

June 13, 1967

for all of the 96 countries, we would have to make quite arbitrary assumptions concerning terms for the countries outside of our sample. This would mean even more work than we had previously envisaged in evaluating Mr. Dell's original request, and would yield a result which is still some distance from being really accurate on the subject of the present terms of lending to developing countries as a whole.

Furthermore, even if we were to disaggregate the terms for the 45 to 48 individual countries for which we have data, you will recall that we previously estimated that this would not be feasible on a completely disaggregated loan-by-loan basis because of the cost involved (see Mrs. Angel's memorandum to Files of May 24, 1967 on Processing of Debt Information for UNCTAD). We did feel that it would be feasible to do the work at a somewhat lesser degree of disaggregation, namely, by using average terms for each of the several categories that we use in our standard debt tables (e.g., suppliers' credits, loans from individual bilateral sources, loans from multilateral agencies, etc.). However, I see no reason for believing that this procedure would yield results any different from those produced by the disaggregation of terms which has already been used by the UNCTAD Secretariat.

To recapitulate, we can judge Mr. Dell's telephone request of June 6 on the basis of the two criteria mentioned in the penultimate paragraph of your letter to him on June 7: can our data support the analysis requested by him? and is the analysis requested of sufficient importance for us to undertake to prepare it? With respect to the first criterion, we have data for only some 45 to 48 countries and would have to make arbitrary assumptions concerning the remaining countries outside of this sample; furthermore, the degree of disaggregation that we consider to be feasible in relation to expenditure of resources, is most unlikely to yield results which are significantly different from those already produced by the UNCTAD Secretariat. With respect to the second criterion, it seems to me that the work that has already been done by the Secretariat is quite sufficient to illustrate the need for a substantial easing of terms in the provision of resources to developing countries.

Attachments

cc: Messrs. King, Leon, Tieman, Mrs. Paulson, Mrs. Angel

GKalmanoff:vlb

JUNE 23, 1967

Dear Mr. Prebisch:

✓
Thank you for your letter of June 9 and for inviting the Bank to co-sponsor a meeting of experts on the role of tourism in developing countries. I fully appreciate the importance of tourist earnings for some of the developing countries; however, I do not feel that the World Bank Group has such a central role in this field to justify our co-sponsoring such a meeting. But I appreciate your having asked us.

As far as our participation and preparation of material for such a meeting are concerned, we will be glad to consider what contribution we can make. Mr. Friedman will be writing you in the near future as to the extent to which we could be of help in this.

Yours sincerely,

(Signed) George D. Woods

George D. Woods

Mr. Raul Prebisch
Secretary-General
United Nations Conference on
Trade and Development
Palais des Nations
Geneva, Switzerland

cc: Mr. King/Mr. Davis
Mr. Williams

AMK
AMKamarck/ner
June 19, 1967

158

Mr. Lewis Perinbam

June 13, 1967

James S. Raj

JS Raj

Request of Secretary General of UNCTAD

The letter from the Secretary General of UNCTAD asks for information from the Bank concerning detailed requirements with respect to project or program aid. With regard to industrial projects, for which IFC is responsible, it may be useful to send the Secretary General copies of IFC's recent general policies statement which spells out inter alia the chief investment criteria which IFC follows. So far as the other members of the Bank Group are concerned, please obtain from the departments concerned any information which may be relevant to the Secretary General's request.

cc: Mr. Demuth
Circulation (2)

JSRaj:am

ROUTING SLIP

Date
June 16, 1967

OFFICE OF THE PRESIDENT

Name

Room No.

Mr. Kamarck

800

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

Please prepare draft reply unless you wish to discuss first.

From

Irving S. Friedman

To: Kamark please prepare draft reply unless you want to discuss first - 156

UNITED NATIONS NATIONS UNIES
NEW YORK

TELEPHONE: PLAZA 4-1234

CABLE ADDRESS • UNATIONS, NEWYORK • ADRESSE TELEGRAPHIQUE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

OFFICE OF THE SECRETARY-GENERAL OF THE CONFERENCE

REF. NO.

TDS 241(4)
Debt Servicing

12 June 1967

Dear Mr. Friedman,

As you may know, the UNCTAD secretariat presented to the recent session of the Committee on Invisibles and Financing related to Trade a paper entitled "Problems of Debt Servicing" (TD/B/C.3/36) containing some projections of debt service for 1970 and 1975. The projections were based on an aggregative approach, which was all that we could do with the data available to us.

We have been reliably informed that disaggregation of these projections on a country by country and loan by loan basis would indicate an even more serious situation in prospect than suggested in our paper, the main reason being that a substantial proportion of future debt service would be shifted from more distant years into the nearer term.

Largely because of these considerations, the Agreed Statement adopted unanimously by the 45 governments represented in the Committee called upon the UNCTAD secretariat to disaggregate these projections, differentiating between the various types of debt involved and the various countries.

I understand that this matter has been discussed extensively between Mr. Kamark, Mr. Dell and their staffs, and I fully appreciate the difficulty in which the World Bank finds itself as regards the release of data submitted

/...

Mr. Irving Friedman
Economic Adviser to the President
International Bank for Reconstruction
and Development
1818 H Street NW
Washington D.C. 20433

DATE RECEIVED

JUN 15 1967

ack. July 7

UNITED NATIONS



NEW YORK

TELEPHONE: PLAXA 4-1234

CABLE ADDRESS: UNITED NATIONS NEW YORK • ADDRESS TELEGRAPHIQUE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

OFFICE OF THE SECRETARY GENERAL OF THE CONFERENCE

REV. 202

12 June 1967

THE SECRETARY

United Nations

Dear Mr. Friedman:

As you may know, the UNCTAD secretariat presented to the secretariat of the Committee on Inflation and Financing related to the paper entitled "Problems of Debt Servicing" (TD/B/C.2.4/1967.1) containing some proposals of debt service for 1970 and 1975. The proposal was based on an aggressive approach, which was all that we could do with the data available to us.

We have been reliably informed that a large number of those proposals on a country-by-country basis by loan banks would indicate an even more serious situation in the proposal than suggested in our paper, the main reason being that a substantial proportion of future debt service would be shifted from near-term years into the near-term.

Largely because of these considerations, the agreed statement adopted unanimously by the 12 governments represented in the Committee called upon the UNCTAD secretariat to disseminate these proposals, differentiating between the various types of debt involved and the various countries.

I understand that this matter has been discussed extensively between Mr. Hammer, Mr. Hall and their staffs, and I fully appreciate the difficulty in which the World Bank finds itself as regards the release of data submitted

DATE RECEIVED

JUN 12 1967

Mr. Irving Friedman
The World Bank
1818 H Street, N.W.
Washington, D.C. 20540
1967 JUN 12 10:12:19
I am in receipt of your letter of June 11, 1967, regarding the UNCTAD secretariat's proposal for the release of data submitted to the Committee on Inflation and Financing.



-2-

to it in strict confidence. Although it was quite clearly the wish of the Committee that the UNCTAD secretariat should study the situations of individual developing countries, I do not in the circumstances feel I should press this point, and it was never our intention to publish the results for individual countries.

While I fully understand and respect the position of the World Bank on the matter, I cannot help wondering whether it would really be a breach of confidence if the UNCTAD secretariat were to be supplied with data sheets or punched cards in which donor countries were not specified at all, and recipient countries were specified only by numbers. In that case we should be able to undertake the disaggregation which the Committee has requested without it being possible to determine the origin or destination of any particular loan. We should naturally be prepared to defray the cost of preparing such data sheets or cards.

If, however, you feel for any reason that even this solution would not be feasible, I would ask whether the World Bank itself might be in a position to run the programme which we would be in a position to supply, and make the results available to us in the form of regional and global totals. In other words, the World Bank would process the material on a country by country and loan by loan basis, on the basis of our programme, but would release to UNCTAD only the regional and global totals obtained by aggregating the above results. This would, I think, meet the Committee's wish for an estimate of regional and global projections that are based upon a country by country and loan by loan analysis. It might, however, also be interesting for the Committee to have the results grouped in terms of the ratio of debt service to export earnings. One could, say, try to assess how many countries, in 1970 and 1975, are likely to have a ratio of debt service to export earnings of under 5%, how many from 5 to 10%, and so on.

If this also seems to you not to be feasible, I should greatly appreciate any suggestions you may have as to the way in which we could most effectively respond to the unanimous request put to us by the Committee (see TD/B/118, Annex II, paras. 14 and 17).

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Raúl Prebisch'.

Raúl Prebisch

CROSS REFERENCE SHEET

COMMUNICATION: Cable**DATED:** June 12, 1967**TO:** Mrs Ladue**FROM:** Mr. Broches**FILED UNDER:** L - Conf. Misc.**SUMMARY:**

EXERPT

"RE MEMO SCOLL MET STIKKER BY CHANCE IN AMSTERDAM AND HE WANTS ME TO SPEND TWO DAYS WITH HIM IN ITALY FIRST WEEK JULY TO DISCUSS HIS REPORT WHICH AS PRACTICAL MATTER MEANS I SHALL LEAVE WASHINGTON #RD OR \$TH JULY. PLEASE INFORM WOODS ALSO SPOFFORD."

ROUTING SLIP

Date

JUN 14 1967

OFFICE OF THE PRESIDENT

Name

Room No.

Mr. Kamarck

800

*acknowledgment
then Ben to
handle*

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

Please prepare a suitable reply.

From

Irving S. Friedman

ROUTING SLIP

Date

June 12, 1967

OFFICE OF THE PRESIDENT

Name

Room No.

~~1. Mr. Demuth~~

2. Mr. Friedman

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

Please handle.

G.D. Woods

Living - I have some news on this
which I would like to discuss with
you before you reply to
my letter.

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



OFFICE OF THE SECRETARY-GENERAL
OF UNCTAD

CONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT

BUREAU DU SECRÉTAIRE-GÉNÉRAL
DE L'UNCTAD

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

9 June 1967

REF. No. : TD 563/1

Dear Mr. Woods,

I am sure it is to our mutual satisfaction that co-operation between the Bank and UNCTAD in questions relating to tourism has been increasing. You will recall that last year Mr. Sydney Fairmont, Officer-in-charge of the Tourism Branch of the Division for Invisibles, participated in the Bank's economic mission to Spain in order to prepare the Annex on tourism to the mission's report. By the same token, Mr. H. David Davis, of the Bank's staff, has been in close touch with the Tourism Branch in connection with his preparation of the sections concerning tourism in the Bank's current report on East Africa.

At the second session of the UNCTAD Committee on Invisibles and Financing related to Trade which was held in New York last month many delegations emphasized the need for co-ordination between the various United Nations agencies working in this field and for avoiding duplication of activities. The close co-operation between UNCTAD and the Bank was welcomed and I am grateful for Mr. Davis's statement on behalf of the Bank indicating the nature of the Bank's interest in tourism.

The Committee on Invisibles and Financing related to Trade has requested me to convene a meeting in 1968 of a small group of experts in the planning of tourist development in developing countries. Such a meeting would attempt to clarify the role of tourism in economic development, explore methods of tourism planning within the framework of overall planning, and evaluate economic criteria frequently used in connection with the tourism sector. I hope that the meeting will have before it, as part of its documentation, a number of country studies which should throw light on these questions and cover such

./..

Mr. George D. Woods,
President,
International Bank for
Reconstruction and
Development,
1818 H Street, N.W.,
Washington, D.C. 20433. (USA)

1967 JUN 15 AM 2:00

acc June 23

JUN 12 REC'D

CONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT



UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT

BUREAU DU SECRÉTAIRE-GÉNÉRAL
DE L'UNCTAD

OFFICE OF THE SECRETARY-GENERAL
OF UNCTAD

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Mr. George D. Woods,
President,
International Bank for
Reconstruction and
Development,
1818 H Street, N.W.,
Washington, D.C. 20433. (USA)

1967 JUN 12 PM 6:00

COMMUNICATIONS
UNIT

see June 22

aspects as trends and prospects for tourism in the countries concerned, development strategy for this sector and indications of the appropriate resource allocation to the sector and likely returns from it.

The studies on Spain and East Africa, to which I refer above, could well constitute two of such a series, and are being complemented here by studies of one or two other Mediterranean countries.

Mr. Malinowski (Director of my Division for Invisibles), Mr. Fairmont and Mr. Davis have recently discussed co-operation in similar studies for appropriate countries in Latin America, the Caribbean and Asia. While it is possible that the UNCTAD secretariat arranges for one or two such studies before the meeting of the expert group, I believe it would be most valuable if the Bank could also undertake some, either as part of its general economic appraisal work or as specific tourism missions. In this way, we would have at least one country study in each region (and more in some) that would be ready for the meeting of experts, to be held possibly late in 1968. While such studies would presumably also serve other Bank purposes they would at the same time, if you agree to their being undertaken, constitute a valuable contribution to the objectives we seek to obtain from the meeting of experts.

In view of the close interest of our two organizations in the role of tourism in developing countries and in policies and planning for this sector, I would welcome the participation of the Bank as co-sponsors of the meeting of experts to which I refer above, if such a suggestion is agreeable to you.

Yours sincerely,



Raúl Prebisch

Mr. L. Perinbam through Mr. Kalmanoff/
Mr. Kamarek

June 12, 1967

Vinod Dubey

UNCTAD Annual Report

1. I send herewith documentation for submission to UNCTAD in response of the request contained in Mr. Prebisch's letter to Mr. Woods dated May 1.
2. The documentation has been prepared along the lines of the Bank's submission to UNCTAD last year on the same subject. However, since Mr. Prebisch's letter requests for "new or additional information", repetition of last year's submission has been avoided. Therefore, the attached documentation supplements last years submission, which must be consulted to get a complete picture of the Bank's position vis a vis the fields relevant to it in the UNCTAD Annual Report.
3. The replies to UNCTAD Recommendations A.IV.1. para. 4, (page 5), A.IV.4, (page 6), and A.IV.12. para. 7, (page 7), have been prepared by the Development Services Department.
4. The replies to Recommendation A.IV.5. para. 4, (page 7) and para. 8, (page 8) have been checked, informally, with the Information Department.

VDubey:yd

Attachment.

CROSS REFERENCE SHEET

COMMUNICATION: SENIOR STAFF MEETING SSM/M/67-23

DATED: June 9, 1967

TO:

FROM:

FILED UNDER: SENIOR STAFF MEETING

SUMMARY:

UNCTAD COMMITTEE ON COMMODITIES

4. Mr. Kamarck reported that the Secretariat of the UNCTAD Committee on Commodities, in addition to preparing a plan for a fund to finance buffer stocks, was considering the possibility of setting up a fund to help countries to diversify their production. It had been suggested that an instrument for the latter purpose already existed in the shape of the Bank.

Mr. George Kalmanoff

June 9, 1967

Vinod Dubey *LD*

UNCTAD Annual Report

1. I send herewith a draft of the submission to UNCTAD for their Annual Report, revised according to your suggestions on the first draft.
2. The replies to A.IV.1. para. 4, (page 5) A.IV.4. (page 6) and A.IV.12. para. 7, (page 7) have been prepared by the Development Services Department.
3. The replies to A.IV.5 para. 4 (page 7) and para. 8 (page 8) have been checked, informally, with the Information Department.

VDubey:yd

Attachment.

DRAFT
VDubey:yd

June 7, 1967

Recommendation A.IV.1. Guidelines for International Financial
Cooperation.

Paragraph 2 "Since external indebtedness has become, and is likely to become, burdensome for a number of developing countries, industrialized countries, international institutions and individual developing countries themselves should cooperate to undertake appraisals of the external indebtedness of individual and developing countries, with the objective of promoting, whenever warranted and in appropriate conditions, the rescheduling or consolidation of debts with appropriate periods of grace and amortization and reasonable rates of interest;"

The Expanded Reporting System on External Lending mentioned in last year's report has been agreed to by the OECD Council and the Bank. The objective is to improve the quality of external debt reporting. The sixteen creditor countries participating in the system are Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, Portugal, Sweden, Switzerland, the United Kingdom and the United States. The Commission of the European Economic Community is also participating. The working of the system would be reviewed at the end of March, 1968.

The World Bank has close cooperation in the field of external debt statistics with the Inter-American Development Bank consisting chiefly of tabulation and provision of debt information on countries which are members of the IDB. Discussions with a view to cooperation on the lines of the arrangements with the Inter-American Development Bank are in progress with the African Development Bank and are soon to start with the Asian Development Bank.

The Bank's continuing concern with problems of external indebtedness is reflected in the section of its Annual Report for 1965-66 on External Debt of Developing Countries and Terms of Aid (page 33-37).

A report on international debt rescheduling activities was conveyed to UNCTAD on January 12, 1967. A copy is attached.

Paragraph 3 "Industrialized countries and international financial institutions should undertake the necessary measures without delay to provide for the corresponding financial assistance in accordance with the criteria set forth in paragraph 1 above. Likewise the industrialized countries, international institutions and the developing countries themselves should reduce to a minimum the administrative requirements and formal procedures so as to facilitate the negotiations of external financial assistance and make possible the timely use of such assistance;"

Reference is made below only to those of the ten criteria listed in paragraph 1 of the Resolution where there are additions to the comments made in last year's report.

(b) Financial assistance to developing countries should be increased "when, as a result of circumstances beyond their control, there is a decline in external resources available to them below the expected levels required to sustain their programmed rates of investment and growth of national income."

The World Bank Staff Study on Supplementary Financial Measures presented to UNCTAD in December 1965 was considered by the Committee on Invisibles and Financing of UNCTAD in April 1966, which recommended to the Trade and Development Board that a group of governmental experts be set up to give further consideration to the study. This inter-governmental group has met twice, in October 1966 and February 1967, and its interim report was discussed by the Committee on Invisibles and Financing. The Bank staff submitted six papers to the group explaining and clarifying

further the scheme for supplementary financial measures.

(d) "... the channeling of external resources, whenever possible, and appropriate, through multilateral institutions -- including regional development institutions."

In an address on Multilateral and Bilateral Aid to the International Parliamentary Conference on Development Aid on April 7, 1967 Mr. George Woods noted that "without necessarily reducing bilateral aid, the tendency is toward a greater reliance on multilateral organizations. This is partly a change in form. Even more, I hope, it is a change of spirit, recognizing a demand that programs of assistance should achieve maximum effectiveness as instruments for economic development The growth of multilateral assistance, I think, should be widely welcomed."

Mr. Woods has also welcomed the recently established regional financing institutions in Africa and Asia and stated in his address to the Economic and Social Council on December 20, 1966, that "The World Bank Group will always be ready to consider joint financing of well conceived projects, regional or otherwise, that the regional banks bring forward."

(e) International financial cooperation "should take into account the role of national development institutions when requested by the recipient country."

The commitment of World Bank group assistance to national development finance companies or development banks increased from the cumulative total of \$399.3 million as of February 28, 1966 noted in last year's report to \$521.4 million as of April 30, 1967. The latter sum was distributed among countries as follows:

World Bank Group's Assistance to
Development Finance Companies (million dollars)

<u>Country</u>	<u>As of April 30</u> <u>1967</u>
China	19.9
Colombia	29.8
Ethiopia	4.0
Greece	0.7
India	138.9
Iran	40.1
Israel	20.0
Ivory Coast	0.2
Liberia	0.2
Malaysia	8.8
Morocco	34.0
Nigeria	1.4
Pakistan	109.3
Philippines	40.1
Spain	0.6
Thailand	2.7
Tunisia	5.6
Turkey	63.8
Venezuela	1.3
	<u>521.4</u>

(h) International financial cooperation "should promote regional economic cooperation of developing countries and be coordinated with their integration efforts."

The Bank's general support to regional economic integration of developing countries was reiterated in the comments on the UNCTAD report on "Trade Expansion and Economic Integration Among Developing Countries" sent by Mr. Friedman to Mr. Prebisch in a letter of January 19, 1967.

A copy of this letter is attached.

(i) and (j) These two criteria deal with short-term and medium-term credits to developing countries. They plead for more long-term financing "so as to limit the use of medium and short-term credit to proportions compatible with the maintenance of (the) capacity to repay" of developing countries. A study of the problems "created by international disparities in the terms" of suppliers credits is requested.

The Bank Study of Suppliers Credits was submitted to UNCTAD on January 20, 1967; a revised edition was subsequently issued on April 3, 1967, and discussed at the meeting of the Committee on Invisibles in that month.

Paragraph 4 "Industrialized countries and regional and international organizations should endeavor to increase the flow of the technical assistance needed to accelerate the growth of developing countries, and particularly of the least developed, to achieve the maximum efficiency in the use of external resources. Technical assistance should be tailored to the requirements of each country."

In addition to the types of technical assistance referred to in our submission of March 31, 1966, mention should be made of the following:

The Bank's activities in the field of development planning have increased. Bank staff have visited a number of countries to provide advisory assistance to governments in evolving suitable organizations for formulating and implementing development programs.

The Economic Development Institute, the Bank's staff college, contributes toward the provision of more expertise in the developing countries by helping to train senior officials in development techniques. During the 1966/1967 fiscal year, its eleventh year of service, it offered six courses on development problems, and extended its assistance to regional training courses sponsored by other agencies. It provided teaching staff and materials for a course in Kenya for participants from five African countries, organized by the U.N. African Institute for Economic Development and Planning and the Staff College of the East African Common Services Organization, and teaching materials for a course

in Madrid at the Institute of Fiscal Studies. Arrangements have been completed for providing assistance for a course to be held in Iran for participants from Afghanistan, Iran, Pakistan and Turkey.

The figure for funds devoted for technical assistance and related services to member countries for the 1966 fiscal year is \$8.3 million.

Recommendation A.IV.4: Terms of Financing

"The International Bank for Reconstruction and Development in the light of its experience in relation to countries for which there are consortia and consultative groups or other appropriate bodies under the aegis of the United Nations, should be encouraged, at the request of developing countries concerned, and where appropriate, to coordinate aid in respect of individual countries or groups of countries, through consortia or regional or other suitable institutions where they exist. These bodies should, at suitable regular intervals, review the implementation of the above recommendations with a view to the establishment of more consistent terms and conditions and joint action, with a view to liberalizing procurement procedures."

The Bank has organized three additional Consultative Groups - for Korea, Morocco, and Peru, making a total of nine. During 1966 the Bank also organized and presided at meetings of countries interested in providing interim aid to Ceylon.

On behalf of the Indian consortium, the Bank has taken the lead in trying to find a solution to India's debt-service difficulties. At the request of the United States, the Bank also undertook to coordinate, through the consortium, the efforts of countries willing to contribute to India's food needs. Consortium members, at a meeting in April, indicated new aid for food, fertilizer and related agricultural production materials, as well as aid in a form which would release cash for the purchase of food.

Members of the Pakistan Consortium agreed on a level of project and non-project aid (including fertilizer imports) which it would be

appropriate for the consortium to provide during 1967/68. Discussions about possible joint financing of the Tarbela Dam in West Pakistan were held under the aegis of the consortium; the Bank has indicated its willingness to administer a fund for such financing.

Recommendation A.IV.5: Problems of Debt Service in Developing Countries.

Paragraph 4

(a) The Governors of the World Bank at their Annual Meeting in 1966 authorized the transfer of \$75 million, by way of grant, to the International Development Association out of the Bank's net income for the fiscal year ending June 30, 1967.

(b) In July 1966, the President of the World Bank and IDA submitted a proposal to 18 donor governments for the replenishment of IDA resources on a scale that will permit the Association to make commitments to the developing countries in amounts more commensurate with their abilities and needs. The proposal is under discussion.

Recommendation A.IV.12: Promotion of Private Foreign Investment in Developing Countries

Paragraph 7 "The Conference requests the International Bank for Reconstruction and Development to expedite its studies on investment insurance, in consultation with Governments in both developing and developed countries, and submit, by September 1965 at the latest, the result of its studies and consultations to the United Nations."

The Executive Directors of the Bank sitting as a Committee of the Whole, have begun consideration of a first draft of Articles of Agreement for an International Investment Insurance Agency, prepared by the Staff of the Bank as a basis for discussion.

Paragraph 8 "The Conference understands that the International Bank for Reconstruction and Development is examining the question of the establishment of machinery for settlement of investment disputes. The Conference requests the International Bank for Reconstruction and Development to submit the result of its studies and consultations to the United Nations."

The Convention on the Settlement of Investment Disputes between States and Nationals of Other States entered into force on October 14, 1966, 30 days after ratification by twenty states. The Convention established, under the auspices of the Bank, an International Centre which will provide facilities for the voluntary settlement, by conciliation or arbitration, of disputes between governments and foreign investors. The governing body of the Centre is an Administrative Council consisting of one representative of each state party to the Convention. The President of the World Bank is Chairman of the Council. The Council held its first meeting early in 1967.

Paragraph 9 See paragraph 7 above.

Recommendation A.IV.13. Needs of the Public Sector in the Transfer of External Resources to Developing Countries.

"International Institutions, agencies, bodies, etc. and in particular financial institutions, should endeavor to assist without discrimination the public sector of developing countries in accordance with the development plans of these countries."

As pointed out last year, the major part of the assistance to developing countries by the World Bank and IDA has been for the public sector of those countries. A country breakdown of effective Bank Loans

and IDA credits to developing countries as of December 31, 1966 is given below. Effective commitments held by the IFC increased for \$71.1 million on December 31, 1965 to \$103.3 million as of December 31, 1966.

Table

Effective Loans and Credits to Developing Countries
Held^{a/} by the World Bank and IDA as of December 31, 1966^{b/}

<u>Country</u>	<u>Bank Loans</u>	<u>IDA Credits</u>	<u>Total Bank Loans and IDA Credits</u>
Afghanistan	-	3.5	3.5
Algeria	18.3	-	18.3
Argentina	117.6	-	117.6
Bolivia	-	15.0	15.0
Brazil	236.3	-	236.3
Burma	22.9	-	22.9
Burundi	-	1.1	1.1
Ceylon	30.3	-	30.3
Chile	103.3	19.0	122.3
China	39.4	13.1	52.5
Colombia	344.6	19.5	364.1
Costa Rica	38.0	5.5	43.5
Cyprus	15.8	-	15.8
Ecuador	38.6	8.0	46.6
El Salvador	30.0	8.0	38.0
Ethiopia	44.9	20.7	65.6

a/ Including undisbursed portions.

b/ Including \$3.2 million of project preparation loans and credits as follows: Guinea, \$1.7 million; Pakistan, \$1.0 million; Malawi, \$0.5 million.

<u>Country</u>	<u>Bank Loans</u>	<u>IDA Credits</u>	<u>Total Bank Loans and IDA Credits</u>
France ^{c/}	22.9	-	22.9
Gabon	11.6	-	11.6
Ghana	46.9	-	46.9
Guatemala	7.0	-	7.0
Guinea	1.7	-	1.7
Haiti	1.1	0.3	1.4
Honduras	23.6	12.5	36.1
India	671.2	825.5	1,496.7
Iran	184.2	-	184.2
Iraq	23.0	-	23.0
Israel	89.4	-	89.4
Jamaica	36.4	-	36.4
Jordan	-	8.5	8.5
Kenya ^{d/}	38.0 ^{d/}	17.3	55.3
Korea	-	14.0	14.0
Lebanon	22.2	-	22.2
Liberia	4.3	-	4.3
Malagasy	-	10.0	10.0
Malawi	-	0.5	0.5
Malaysia	168.5	-	168.5
Mauritania	-	6.7	6.7
Mexico	516.4	-	516.4
Morocco	58.5	11.0	69.5
Nicaragua	23.7	3.0	26.7
Niger	-	1.5	1.5
Nigeria	152.7	35.5	188.2
Pakistan	303.8	304.2	608.0
Panama	9.9	-	9.9
Paraguay	6.9	17.1	24.0
Peru	159.8	-	159.8
Philippines	122.4	-	122.4
Sierra Leone	3.6	-	3.6
Singapore	24.0	-	24.0
Somalia	-	6.2	6.2
Spain	135.2	-	135.2
Sudan	92.4	13.0	105.4

^{c/} Bank loans guaranteed by France were allocated as follows:
Algeria, \$13.4 million; Gabon and Congo(Brazzaville), \$6.9 million;
Mauritania \$2.6 million.

^{d/} Kenya, Tanzania and Uganda (Guarantors) - East African Common
Services Authority.

<u>Country</u>	<u>Bank Loans</u>	<u>IDA Credits</u>	<u>Total Bank Loans and IDA Credits</u>
Syrian Arab Repub.	-	8.5	8.5
Tanzania	-	23.6	23.6
Thailand	190.0	-	190.0
Tunisia	11.6	18.0	29.6
Turkey	37.7	80.6	118.3
U. A. R.	39.5	-	39.5
U. K. ^{e/}	120.6	-	120.6
Swaziland	-	2.8	2.8
Botswana	-	3.6	3.6
Lesotho	-	4.1	4.1
Uruguay	72.7	-	72.7
Venezuela	219.7	-	219.7
Yugoslavia	231.2	-	231.2
Zambia	17.5	-	17.5
	<u>4,981.8</u>	<u>1,541.4</u>	<u>6,523.2</u>

Information on country and regional breakdown of the assistance provided by the World Bank Group in 1966 is given below. The information on the Bank and the IFC relates to their operations only to developing countries, and covers commitments, disbursements and repayments. IDA provides credits only to developing countries. There have been no repayments for IDA credits since the credits provide for an initial grace period of ten years, while IDA has been operating for about six years.

In February 1966, the Bank raised its standard interest rate on new loans to LDCs from 5¹/₂% to 6%. This reflected the higher price which the Bank itself had to pay for its borrowings in the capital markets. The weighted average of the grace periods of Bank Loans to developing countries was 4.66 years in 1966. The weighted average of maturities for 1966 loan commitments was 21.78 years. The terms for IDA credits were unchanged. As regards IFC investment the following extract from Mr. Friedman's letter to Mr. Prebisch of April 28, 1966, still applies:

^{a/} Loans guaranteed by the U.K. were allocated as follows (in million dollars): Rhodesia, 14.5; Zambia, 7.2; Rhodesia and Zambia, 42.2; Kenya, Tanzania and Uganda, 0.1; Nigeria, 19.4; Kenya, 9.7; Uganda, 0.1; Guyana, 0.2; Trinidad and Tobago, 8.1; Singapore, 14.7; Swaziland, 2.3; Mauritania, 2.0; Malta, 0.03.

"The terms of IFC investments, which consist of a combination of loans, loans with equity options of various types, direct investments in equity, and standby and underwriting commitments, are quite variable, though, in view of the particular nature of IFC activities, they generally conform to private investments practices."

The latest comprehensive data on the foreign debt of developing countries are available in the Annual Report of the World Bank and IDA for 1965-66 (pages 33-37) and in document EC 149 of October 14, 1966 titled "External Medium -- and Long-term public Debt Past and Projected Amounts outstanding, Transactions and Payments: 1956-1975" (sent on publication to UNCTAD).

Recommendation A.IV.14: Suppliers' Credits and Credit Insurance in Developed and Developing Countries.

See reply to A.IV.1. item (i) and (j).

International Bank for Reconstruction and Development;
Loan Operations in Developing Countries, by
Region and Country. 1966
(in million U.S. dollars)

	<u>Commitments</u>	<u>Cancellations</u>	<u>Repayments</u>	<u>Disbursements</u>
<u>GRAND TOTAL</u>	<u>603.2</u>	<u>9.6</u>	<u>205.0</u>	<u>564.1</u>
<u>WESTERN HEMISPHERE</u>	<u>353.4</u>	<u>2.5</u>	<u>73.7</u>	<u>230.8</u>
Argentina	-	-	4.2	3.1
Brazil	149.6	*	12.8	3.7
Chile	60.0	-	5.2	13.6
Colombia	41.7	-	10.2	31.8
Costa Rica	-	0.1	1.1	5.2
Ecuador	-	-	1.6	1.6
El Salvador	-	-	2.9	4.7
Guatemala	-	-	1.6	-
Guyana	1.7	-	0.2	-
Haiti	-	-	0.2	-
Honduras	4.8	-	0.6	*
Jamaica	31.5	-	-	2.7
Mexico	19.0	0.1	20.5	85.5
Nicaragua	2.6	2.3	1.1	1.6
Panama	-	-	0.5	2.0
Paraguay	2.1	-	-	0.1
Peru	19.1	-	4.5	18.4
Trinidad and Tobago	-	-	0.9	1.3
Uruguay	-	-	3.9	8.8
Venezuela	21.3	-	1.7	46.7
<u>ASIA</u>	<u>155.3</u>	<u>3.6</u>	<u>77.5</u>	<u>140.1</u>
Ceylon	-	-	1.4	1.3
India	28.7	1.3	48.3	36.4
Pakistan	(0.7)	0.7	14.9	18.8
Burma	-	-	2.0	0.2
China	(0.3)	0.3	0.3	17.7
Malaysia	37.0	-	1.1	20.9
Philippines	23.9	1.1	2.7	11.1
Singapore	25.0	-	0.3	12.6
Thailand	41.7	0.2	6.5	21.1
<u>EUROPE</u>	<u>10.0</u>	<u>-</u>	<u>7.8</u>	<u>67.0</u>
Malta	-	-	0.3	1.3
Spain	-	-	-	42.7
Turkey	10.0	-	3.2	-
Yugoslavia	-	-	4.3	23.0

	<u>Commitments</u>	<u>Cancellations</u>	<u>Repayments</u>	<u>Disbursements</u>
<u>MIDDLE EAST</u>	<u>44.5</u>	<u>3.5</u>	<u>11.5</u>	<u>40.7</u>
Cyprus	(3.4)	3.4	-	3.5
Iran	24.9	0.1	5.1	16.0
Iraq	23.0	-	-	1.9
Israel	-	-	1.6	19.3
Lebanon	-	-	0.8	-
U.A.R.	-	-	4.0	-
<u>AFRICA</u>	<u>40.0</u>	<u>-</u>	<u>34.5</u>	<u>85.0</u>
Algeria	-	-	6.5	-
Burundi	-	-	0.2	-
Congo	-	-	5.6	-
Ethiopia	-	-	1.7	7.7
Gabon	-	-	2.5	5.7
Ghana	-	-	-	5.6
Guinea	-	-	-	0.5
Ivory Coast	-	-	0.4	-
Kenya ^{1/}	-	-	0.8	7.3
Liberia	-	-	-	1.3
Mauretania	-	-	2.5	-
Maurituis	-	**	0.2	0.6
Morocco	17.5	-	0.7	12.3
Nigeria	-	-	1.9	28.0
Rhodesia	-	-	4.1	1.5
Sierra Leone	-	-	-	0.4
Sudan	-	-	2.5	9.7
Swaziland	-	-	0.2	-
Tanzania	-	-	1.4	-
Tunisia	5.0	-	-	3.4
Uganda	-	-	0.3	-
Zambia	17.5	-	3.0	1.5

* Not significant.

** Less than 50 thousand dollars.

^{1/} Two loans guaranteed by U.K. and one loan guaranteed jointly by Kenya, Tanzania and Uganda.

Note: Figures in brackets indicate negative commitments resulting from cancellations.

International Finance Corporation
Investment Commitments and Disbursements
By Region and Country
(Million U.S.\$)

	<u>Net Commitments</u> ^{1/}	<u>Net Disbursements</u> ^{2/}	<u>Repayments</u> ^{3/}
<u>GRAND TOTAL</u>	<u>54.0</u>	<u>25.0</u>	<u>4.5</u>
<u>WESTERN HEMISPHERE</u>	<u>26.0</u>	<u>6.1</u>	<u>3.3</u>
Argentina	-	(0.6)	0.6
Brazil	16.8	2.1	0.5
Chile	-	(0.9)	0.9
Colombia	2.5	1.3	0.5
Costa Rica	-	(0.1)	0.1
Ecuador	-	2.0	-
Jamaica	-	(0.1)	0.1
Mexico	6.2	2.4	0.1
Peru	-	(0.5)	0.5
Venezuela	0.5	0.5	-
<u>AFRICA</u>	<u>8.4</u>	<u>4.3</u>	<u>0.3</u>
Ethiopia	-	1.1	-
Kenya	2.9	-	-
Morocco	1.4	1.1	-
Senegal	3.5	0.8	-
Tunisia	0.6	0.3	0.3
Uganda	-	1.0	-
<u>ASIA</u>	<u>14.5</u>	<u>9.7</u>	<u>0.6</u>
India	0.9	1.6	0.1
Pakistan	-	2.0	0.5
Malaysia	1.6	1.9	-
Philippines	12.0	4.2	-
<u>EUROPE</u>	<u>5.1</u>	<u>4.9</u>	<u>0.3</u>
Greece	3.5	4.3	-
Spain	0.2	(0.3)	0.3
Turkey	1.4	0.9	-

1/ Commitments net of cancellations.

2/ Disbursement net of repayments.

3/ Repayments to IFC and to participants for which IFC is acting as paying agent.

Note: The figures in brackets indicate negative net disbursement because of repayments.

International Development Association Credit Commitments
and Disbursements, by Region and Country, 1966
(million U. S. dollars)

	<u>Commitments</u>	<u>Disbursements</u>
<u>GRAND TOTAL</u>	<u>456.9</u>	
<u>WESTERN HEMISPHERE</u>	<u>7.5</u>	<u>20.7</u>
Bolivia	-	6.2
Chile	-	4.8
Colombia	-	2.5
Costa Rica	-	0.6
Ecuador	-	0.1
El Salvador	-	2.0
Honduras	-	1.4
Nicaragua	-	0.2
Paraguay	7.5	2.9
<u>AFRICA</u>	<u>66.0</u>	<u>17.7</u>
Botswana	-	1.5
Burundi	1.1	0.1
Ethiopia	7.2	2.8
Kenya	7.0	2.8
Lesotho	4.1	0.8
Malagasy	10.0	-
Malawi	0.5	0.1
Mali	9.1	-
Niger	-	3.2
Nigeria	-	-
Senegal	9.0	-
Sudan	-	1.6
Tanzania	5.0	3.4
Tunisia	13.0	1.3
<u>ASIA</u>	<u>368.6</u>	<u>216.5</u>
India	305.5	154.2
Pakistan	63.2	62.1
China ^{1/}	(0.1)	0.2
<u>EUROPE</u>		
Turkey	14.8	16.9
<u>MIDDLE EAST</u>		<u>0.9</u>
Jordan	-	0.8
Syria	-	0.1

^{1/} The figure within brackets indicates a negative commitment resulting from cancellation.

Note: The commitment figures are net of the following cancellations: China, \$118,668.63; India \$530,000.00; Korea, \$7,076.13; Nicaragua \$2,557.31; Pakistan, \$20,000,000.00; Turkey, \$146,016.42.

Mr. Andrew M. Kamarck

June 9, 1967

G. Kalmanoff

UNCTAD External Debt Request

Mr. Dell's request to you made over the telephone on June 6, 1967 in effect amounts to precisely the same thing as the request previously made by him, to which you addressed yourself in your June 7 letter of reply on the matter. The fact that Philip Hayes made the point that the Bank can easily comply with this request does not make it any easier to do so. The fact of the matter is that the Bank can comply, though only with a limited degree of accuracy and not "easily", but rather at a significant cost in manpower, and even more importantly, there is a serious question as to whether the work is worthwhile.

I am attaching for your background information a copy of the UNCTAD Secretariat paper to which Mr. Dell referred (The Outlook for Debt Service, TD/B/C.3.36, February 21, 1967). As you can see, what they did was to project the future effect on the net flow of capital to developing countries of maintenance of the existing gross flow, and the effect on the gross flow of maintenance of the existing net flow, assuming present average terms of lending for calculation of the service on future borrowing. It is the question of these present average terms to which Mr. Dell's request is addressed. The UNCTAD Secretariat broke lending down into five categories (officially guaranteed export credit, unguaranteed export credit, official bilateral lending by DAC countries, loans from the socialist economies, and loans from multilateral sources), assumed a certain proportion for each type, and average terms for each type (see Table 1, page 9, footnote b/). The Secretariat made a series of calculations on this basis and then disaggregated the terms still more. Instead of a single set of average terms for official bilateral lending by DAC countries, it used four sets of terms; and instead of a single set of terms for loans from multilateral sources, it broke that down into two sets of terms (see Table 4, page 13, footnote a/). The effect of the additional disaggregation is to raise the gross inflow projections from \$13.9 million to \$14.2 million in 1970 and from \$16.1 million to \$16.8 million in 1975. It seems to me that these somewhat less than earth-shaking differences are suggestive of the kinds of results that might be expected from the refinement-by-disaggregation exercise that Mr. Hayes is calling for. It already is crystal clear from the existing UNCTAD Secretariat paper that present terms must be eased substantially unless the developed countries, in order to maintain the existing net flow, are prepared to increase the gross flow to an extent which is significantly greater than would be the case on softer terms.

In any case, as was pointed out in our earlier analysis of this request, we have data on the terms of loans for a recent period for only some 45 to 48 countries, and not for the 96 countries that constitute the universe of developing countries as used in the UNCTAD Secretariat report (see Mrs. Paulson's memorandum to Files of May 24, 1967 on UNCTAD Request for Debt Data and Computations). We do not know how representative of the universe of 96 is this sample of 48. In attempting to disaggregate terms

June 9, 1967

for all of the 96 countries, we would have to make quite arbitrary assumptions concerning terms for the countries outside of our sample. This would mean even more work than we had previously envisaged in evaluating Mr. Dell's original request, and would yield a result which is still some distance from being really accurate on the subject of the present terms of lending to developing countries as a whole.

Furthermore, even if we were to disaggregate the terms for the 45 to 48 individual countries for which we have data, you will recall that we previously estimated that this would not be feasible on a completely disaggregated loan-by-loan basis because of the cost involved and the impossibility of meeting the UNCTAD Secretariat's time deadline of August 1, 1967 (see Mrs. Angel's memorandum to Files of May 24, 1967 on Processing of Debt Information for UNCTAD). We did feel that it would be feasible to do the work at a somewhat lesser degree of disaggregation, namely, by using average terms for each of the several categories that we use in our standard debt tables (e.g., suppliers' credits, loans from individual bilateral sources, loans from multilateral agencies, etc.). However, I see no reason for believing that this procedure would yield results any different from those produced by the disaggregation of terms which has already been used by the UNCTAD Secretariat.

To recapitulate, we can judge Mr. Dell's telephone request of June 6 on the basis of the two criteria mentioned in the penultimate paragraph of your letter to him of June 7: can our data support the analysis requested by him? and is the analysis requested of sufficient importance for us to undertake to prepare it? With respect to the first criterion, we have data for only some 45 to 48 countries and would have to make arbitrary assumptions concerning the remaining countries outside of this sample; furthermore, the degree of disaggregation that we consider to be feasible in relation to the time deadline and our expenditure of resources, is most unlikely to yield results which are significantly different from those already produced by the UNCTAD Secretariat. With respect to the second criterion, it seems to me that the work that has already been done by the Secretariat is quite sufficient to illustrate the need for a substantial easing of terms in the provision of resources to developing countries; it hardly seems necessary for the Bank to devote substantial amounts of resources merely to introduce refinements in an attempt to satisfy the intellectual curiosity of a member of one of the delegations at an UNCTAD committee meeting.

Attachments

cc: Messrs. King, Leon, Tieman, Mrs. Paulson, Mrs. Angel

GK:almanoff:vlb

ys.K.

Mr. George Kalmanoff

June 8, 1967

Vinod Dubey *VD*

Letter from Mr. Philippe de Seynes.

1. A copy of Mr. Friedman's letter (on behalf of Mr. Woods) to Mr. Prebisch is attached. It does not deal with the question raised in Mr. de Seynes' letter.
2. As far as we know, the World Bank Group does not have projects or programmes which have been set up for the purpose of extending assistance to depressed areas. However, a number of operations have taken place in areas which would qualify as "depressed areas" under the definition suggested by Mr. de Seynes, such as Cassa per il Mezzo Giorno in Italy. More details on these operations can be obtained, if you think they are relevant to the subject.
3. It appears from enquiries that except for an exploratory study made by Mr. Guillot under Mr. Walstedt's direction, for North East Brazil, no specific regional study of a depressed area has been undertaken. Studies like the regional transport study in India are not about "depressed" areas.
4. Of course the Bank is aware of the problem of depressed areas in developing countries and this question is in the minds of the staff in preparing economic reports of different countries.
5. I suggest that Mr. Collier may also be consulted on this question.

VDubey:yd

Cleared with Mr. Leon.

UNCTAD

IDA		IBRD		IFC	
FORM NO. 92 (10-61)		CORRESPONDENCE RECORD FORM			
FROM UNCTAD Geneve			DATED June 9, 1967		
SUBJECT Report of UNCTAD committee on shipping on its second session (sent under separate cover)					
Addressed and					
REFERRED TO Mr. Neuner			DATE RECEIVED June 12, 1967 mp		

yellow - 2 - IRSG
✓ cc - WNCSD.

Mr. George Kalmanoff

June 8, 1967

A. J. Macone

Back-to-office report on meetings of the International Rubber Study Group (IRSG) and UNCTAD's Committee on Commodities

1. The IRSG meeting took place in The Hague from May 9 through 12 and I was present as an observer throughout. The meeting of the Committee on Commodities took place in Geneva from May 9 through 26 and I was present as an observer for the last two weeks of the conference.
2. Both meetings addressed themselves to issues involving the Bank Group. The IRSG decided to send its Secretary General, Mr. Philip Adams, on a round of official visits to the international financial organizations to urge sympathetic consideration for requests for financing replanting or other rationalization programs for natural rubber. The Committee on Commodities did not take any such direct action, but it did agree on a work program which implies some form of contact with the Bank, among other institutions, regarding the question of financing for buffer stocks and diversification.

IRSG meeting

3. The IRSG meeting followed a long slide in natural rubber prices, reflecting both cyclical and secular factors, from a level of 25-26¢ per lb. that had prevailed between 1963 and early 1966, to less than 21¢ per lb. in recent months. While a downward price movement had been more or less expected over the long run, its sudden manifestation after a long period of relative price stability left natural rubber producing countries understandably alarmed. This is particularly so because synthetic rubber producers have been increasingly tight-lipped about cost trends in their industry. Much of natural rubber's future under present technology depends not only on its ability to lower its own costs (which it is doing) but to do so more rapidly and to a greater extent than the synthetic rubber producers.
4. Anticipating the problems that arise under such conditions the IRSG (which includes the major producers and consumers of both kinds of rubber) has for some time had a Working Party considering a program of action to help developing countries cope with their problems, and the latest report of this Working Party was the principal item of business before the Group.
5. Because of certain sensitivities on the part of natural rubber producing countries regarding some of the points made in the Working Party's report, the entire analytical part was set aside. The recommendations of the report, however, were adopted. These outlined a series of actions to be taken, some by the members of the IRSG as a group, and some by the natural rubber producers themselves.
6. Among the more significant recommendations were a number having to do with the replacement of low-yielding trees with modern high-yielding stock. The purpose of such action would be to lower natural rubber costs and help it to continue to be price-competitive with synthetic rubber and hence to remain a profitable export product. These recommendations included the following

one addressed to the Bank and other financial institutions:

"7. The Group should without delay hold discussions with the appropriate international financial organizations to urge that sympathetic consideration should be given to any request for external financial assistance to aid the industry to reduce its costs of production by replanting and other measures designed to improve its competitive position."

7. All the recommendations were adopted practically without discussion, although the U.S. delegate did express concern that replanting might result not only in reducing costs, which he approved, but in accelerating growth of production, on which he had reservations.

8. Before final adoption of these recommendations I indicated to the Executive Secretary of the Group, Mr. Adams, that I had no objection to Recommendation 7 and that the appropriate officials of the Bank would be happy to receive him if he should come. I pointed out that the Bank had had no requests for major financial assistance on replanting, although it had financed some smallholder rubber in a small way as part of agricultural settlement schemes in Africa. (Replanting has been going on for some time, but is well advanced only in Malaysia, among the major producing countries). I also pointed out that natural rubber replanting programs probably had a relatively low foreign exchange component. Mr. Adams in turn indicated that the recommendation was intended largely to allow him to bring the concerns of natural rubber producing countries to the Bank in a formal manner. We later went over the problems of setting up a suitable meeting and I promised to write him informally so that he could then notify us officially of his desires. He will need to complete his consultations before September 25, 1967, the date of the annual Assembly of the IRSG (scheduled for Sao Paulo). A further memorandum follows on the subject of these arrangements.

UNCTAD's Committee on Commodities

9. The prospect of Bank involvement in UNCTAD commodity concerns is less imminent and somewhat less direct but perhaps more problematical. The main themes of the second session of UNCTAD's Committee on Commodities were stabilization of commodity prices and export income, diversification, and expansion of commodity trade with developed countries. Financial problems figured prominently in the first of these subjects and the possible assistance of "international financial institutions" (the diplomatic euphemism for the Bank and Fund) were mentioned at various points in the documentation and the committee debate.

10. With regard to commodity stabilization, the UNCTAD Secretariat placed heavy emphasis on buffer stocks and, in that connection, suggested that governments consider creating a central revolving fund for financing the initial capital requirements of such stocks. In addition, while recognizing that the Bank and Fund are "inhibited" by "juridical" and "procedural" requirements from financing buffer stocks, the Secretariat suggested that nevertheless ways might still be explored for obtaining assistance from these sources.

11. The LDC's initially gave a remarkably cautious-to-cool reception to the central fund idea on the same grounds cited by the developed countries, i.e., that another fund would tend to tie up capital that might otherwise be used for direct development purposes. In the end, however, only the developed countries remained firm in this position. The LDC's after their caucus decided not to close the door on any possibility and the Secretariat accordingly was requested "in consultation with other international agencies, to study in relation to a limited number of commodities the feasibility of creating such a central fund and to prepare such documentation as it deemed useful in this connection."

12. In addition, however, a few speakers on both sides - France being notable among the developed countries - suggested that countries should consider working for the necessary changes in the charters of the "international financial institutions" so that these organizations could finance buffer stocks in the future.

13. Probably as a result of the Secretariat's past contacts with both organizations on the buffer stock financing issue no pressure was applied on either the Bank or Fund representatives to make any statement. Nevertheless, the Fund representative delivered to the meeting a statement that had been prepared in Washington. The statement (copy attached) expressed interest in the Secretariat's future studies on the issues involved in buffer stocks and their financing and ended on the following note:

"There are ... juridical considerations which do not allow the IF directly to finance short-term commodity stabilization schemes including buffer stocks. However, the Fund's policy and practices concerning the use of its resources are kept under continuing review in order to maximize their helpfulness to the Fund's member countries, and we shall wish to take into account relevant aspects of the financing problems involved in possible international commodity agreements."

14. The Fund representative told me that it was intended merely to display a positive attitude on the part of the Fund. He was entirely non-committal on whether the statement meant any more than a willingness, which I believe I have heard expressed before by Fund personnel, to consider sympathetically a country's financial obligations to a commodity agreement when considering such a country's request for a drawing.

15. The Fund statement elicited no comments at the conference table. However, responsible officials of the UNCTAD Secretariat privately chose to interpret it as of considerable significance and there was some delicate wondering out loud in my presence as to whether the Bank might not want to say something too. My reply was that I knew of no change in the Bank's attitude or position as expressed by Mr. Woods to Mr. Prebisch and as summarized in UNCTAD's document.

16. As matters now stand, therefore, UNCTAD is committed to pursue the problem of buffer stock financing further and in the process may approach the Bank again on the matter.

June 3, 1967

17. The idea of a special fund cropped up again in connection with diversification. While acknowledging (but sometimes forgetting) in its documentation that diversification is only another aspect of economic development, the Secretariat nevertheless threw out the idea that a special fund be established to help countries diversify away from commodities with poor export prospects that were not covered by a commodity agreement (there was general agreement that commodity agreements should include provision for a diversification fund similar to that being attempted on coffee). Again the reception by delegates was cautious or cool, the developed countries being the more articulate group and citing the availability of existing multilateral and bilateral sources of finance. Rather than completely rejecting the idea, however, the LDC's took the position that UNCTAD could give the idea further consideration. I am not certain precisely how such further consideration will be developed.


AJMaccone/hl

STATEMENT BY IMF REPRESENTATIVE

The secretariat's note on the operation and financing of buffer stocks is being carefully studied in the Fund. Our interest is not based solely on the fact that the note contains references to compensatory finance, or to the Fund in connection with the pre-financing of a buffer stock scheme. It also reflects our wider concern with the problems of fostering the sustained economic growth of the developing countries and, of course, with the attainment of the Fund's purposes, notably: "To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy." In our day to day operations we repeatedly have to help deal with problems arising from members' balance of payments difficulties that have been caused in part, if not entirely, by fluctuations in their earnings from exports of primary products, associated with sharp changes in their prices. We have, as a result, followed progress in the field of international commodity agreements with close attention and, from our experience with the effects of commodity price fluctuations, the Fund's compensatory financing facility was developed. There are, of course, aspects of the balance of payments problems of the primary exporting countries that cannot be remedied by short term financial assistance alone.

Progress in establishing international commodity agreements has been slow and difficult for a variety of reasons, including problems of finance. We were, therefore, particularly interested to read the discussion in the secretariat's note of sources for the pre-financing of any proposed buffer stocks scheme, and look forward to the more detailed analysis of the issues involved which will be included in the fuller study to be presented to the second session of the Conference. There are, as the note recognizes, juridical considerations which do not allow the IMF directly to finance short-term commodity stabilization schemes including buffer stocks. However, the Fund's policy and practices concerning the use of its resources are kept under continuing review in order to maximize their helpfulness to the Fund's member countries, and we shall wish to take into account relevant aspects of the financing problems involved in possible international commodity agreements.

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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

REF. NO.

TDS 213(3) 2nd

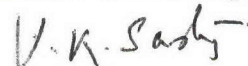
8 June 1967

Dear Mr. Hawkins,

Thank you for your letter of May 31. We shall
incorporate your suggestions in the final version of the
minutes.

With regards,

Yours sincerely,



V. K. Sastry

Chief

Trade Projections Section

Mr. E. K. Hawkins
Economic Department
International Bank for Reconstruction
and Development
1818 H Street, N. W.
Washington D. C. 20433

IDA		IBRD		IFC	
FORM NO. 92 (10-61)		CORRESPONDENCE RECORD FORM			
FROM L. Perinbam UNCTAD			DATED -----		
SUBJECT Provisional Agenda - Trade and Development Board Committee on Manufactures - second session July 4, 1967 - Geneva Addressed and					
REFERRED TO Mr. Kalmanoff			DATE RECEIVED June 7, 1968 mp		

yellow copy

June 7, 1967

Mr. Sidney Dell
Director, New York Office of UNCTAD
United Nations
New York, N.Y.

Dear Sidney:

This is to refer to your letter and enclosures of May 8, 1967 and to the visit to the Bank of Messrs. Massaro and Sastry on May 22, 1967 concerning data on external debt. ✓

We have given careful and detailed consideration to your request, and, unfortunately, find that we cannot comply with it on the specifications you have laid down. I list later in this letter what it is we can and will do. As we tried to make clear to your representatives, we cannot provide the minute detail on the individual country external debts requested without violating our pledges of confidentiality and so endangering the continued flow of information to us. On the other hand, the regional and global figures you request cannot be built up from the data on individual countries on a sufficiently adequate basis for meaningful analysis of the sophisticated type you are contemplating.

We hope to be able to prepare for the New Delhi Session of UNCTAD an updated and revised version of the report on External Medium and Long-Term Public Debt, Past and Projected Amounts Outstanding, Transactions and Payments: 1956-1975, (EC-149), which we issued on October 14, 1966. Some information on external indebtedness is also contained in our Suppliers' Credits Study, and an analysis of recent developments and of the position of the developing countries will again be included in our forthcoming annual report for 1966-1967. You also receive our individual country economic reports as well as our regular compilations of individual country external debts that we send to our Executive Directors.

I trust you will appreciate that the nature of our external debt data and the basis on which they are provided to us are such that we cannot provide free access to them. Under the circumstances, it

Mr. Sidney Dell

-2-

June 7, 1967

seems to me that the most effective way of proceeding is for you to ask us for whatever analyses of the debt problem you feel you need and, if the data can support such analysis and it is of sufficient importance we will undertake to prepare it.

I expect to be writing to you again shortly on what we can do to meet the request you made in our telephone conversation of June 6.

With best wishes.

Sincerely yours,

Andrew M. Kamarck
Director
Economics Department

Cleared with Messrs. Demuth and Friedman

cc: Messrs. Demuth, Friedman, King, Kalmanoff, Leon, Tieman, Eschenberg,
Mrs. Paulson

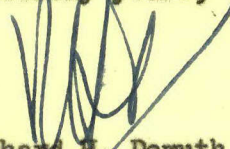
June 5, 1967

Dear Dr. Prebisch:

On behalf of Mr. Woods I am writing to acknowledge your letters of May 15 and enclosures, and to thank you for inviting the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation to be represented at the second session of the Committee on Manufactures and the second session of the Group on Preferences, commencing in Geneva on July 4, 1967.

While we are very interested in these meetings I regret to inform you that, owing to other commitments, it will not be possible for the Bank group to be represented at them. I should appreciate it, however, if all documentation relating to these meetings could be sent to Mr. G. Kalmanoff of the Bank's Economics Department at this address.

Sincerely yours,



Richard H. Demuth
Director

Development Services Department

Dr. Raul Prebisch
Secretary-General
United Nations Conference
on Trade and Development
Palais des Nations
Geneva, Switzerland

Cleared with and copy to Mr. Kalmanoff
Cleared with Mr. Raj
Copy to Mr. Steckhan

RHD:jmb

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



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Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

REF. No. :

3 June 1967

Dear Mr. Hoffman,

Thank you for your note with the Lachmann Report. When I was a fortnight ago in New York I had a long discussion with de Seynes and Lachmann and told them how much I appreciated this document, in which also the legal problems are very well presented, although I do not fully agree with some of their views about international law.

I was sorry not to have been able to meet with Mr. Woods and yourself in Washington, but Mr. Woods was, I think, in India and I had to rush back to Europe.

Best regards,

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Stikker", written over the typed name.

D.U. Stikker

Mr. Michael L. Hoffman,
Associate Director,
IBRD, IDA,
Development Services Department,
1818 H Street N.W.,
Washington D.C.
U.S.A.

U.S.A.
Washington D.C.
1818 H Street N.W.
Department of Defense
IBRD, IDV
Associate Director
Mr. Michael R. Hoffman

1967 JUN -9 1110:51

D.N. Stikker

Yours sincerely,

Best regards,

In Indis and I had to turn back to Enloe.
Washington, but Mr. Woods was, I think,
to meet with Mr. Woods and Lonsdale in
I was sorry not to have been able

Internationalism
agree with some of their ideas about
well presented, although I do not fully
in which also the best programs are held
from now when I subscribed this document
with the values and reasons and told
also in New York I had a long discussion
reasons before when I was a participant
Thank you for your note with the

Best Mr. Hoffman.

3 June 1967

Ref. No. 1

Telephone: 348011 32000 33000 33000

Telex: 33313 or 33304

Registration: DIVISIONS, GENERAL

CH - 1967 GENEVE 10
United Nations

(Como) Italia
Messaggio-Toleno
Altre Betaggio

ON TRADE AND DEVELOPMENT
UNITED NATIONS CONFERENCE



ON LE COMMERCE ET LE DEVELOPPEMENT
CONFERENCE DES NATIONS UNIES

ROUTING SLIP

Date

JUN 9 1967

OFFICE OF THE PRESIDENT

Name

Room No.

~~Mr. Kamarck~~

800

Mr. Kalmanoff

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

Would you please draft a reply.

*rec'd
P.M.
5/12/67*

Fr

Irving S. Friedman

ROUTING SLIP

Date

June 6, 1967

OFFICE OF THE PRESIDENT

Name

Room No.

~~Mr. Demuth~~

Mr. Friedman

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

Please handle.

G.D. Woods

From

During: assume you will handle
this on your side of the house.

JUN 6 REC'D

UNITED NATIONS NATIONS UNIES
NEW YORK

TELEPHONE: PLAZA 4-1234

CABLE ADDRESS • UNATIONS, NEWYORK • ADRESSE TELEGRAPHIQUE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

OFFICE OF THE SECRETARY-GENERAL OF THE CONFERENCE

REF. NO.

TDS 241(4)
Terms of Aid

2 June 1967

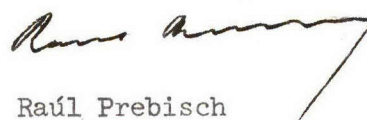
Dear Mr. Woods,

I should like to thank you for the paper on Rescheduling of External Debt which your staff prepared for submission to the second session of the Committee on Invisibles and Financing related to Trade. This document (TD/B/C.3/37) proved to be a very useful and concise treatment of a problem of great interest to the Committee.

*Rescheduling
or
consolidation
of
External
Debt*

I am sure that the members of UNCTAD would appreciate receiving in time for the second Conference a similar paper incorporating the results of any subsequent rescheduling or consolidation operations which may have occurred. May I therefore suggest for your consideration the possibility of presenting an updated version of the same document to the second Conference. In order that the document may be distributed to delegations in good time I should be grateful if any new information to be included in the Conference paper could be sent to Mr. Sidney Dell, Director of the New York Office of UNCTAD, by 1 September 1967.

Yours sincerely,


Raúl Prebisch

Mr. George D. Woods
President, International Bank
for Reconstruction and Development
Washington D.C. 20433

acc. June 19, 1967

ROUTING SLIP

Date
June 8, 1967

OFFICE OF THE PRESIDENT

Name

Room No.

~~Mr. Demuth~~

Mrs. Reinham

Please prepare a reply
in consultation with Projects
+ IFC

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

Please handle.



G.D. Woods

From

United
air admin

JUN 8 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH-1211 GENÈVE 10

REF. N° : TDO 280 second session

2 June 1967

Dear Mr. Woods,

I should like to draw your attention to the Agreed Statement of
..... the Problems of Development contained in Annex II of the Report of the
Committee on Invisibles and Financing related to Trade on its second
session (TD/B/118).

Section C of the Agreed Statement calls for further study of
difficulties of aid administration, following upon the preliminary
study which was contained in document TD/B/C.3/45. Particular
reference is made to differences between the various requirements which
donor countries and international and regional organizations find it
necessary to impose in the administration of their aid, as well as to
difficulties arising in the administration of aid programmes on the
part of some developing countries.

In order to identify more precisely the nature of the difficulties
referred to, I should be glad to receive from you any available
information concerning detailed requirements with respect to project
or programme aid. Where possible, it may be helpful if copies of
questionnaires or instruction sheets, or other similar documents, could
be provided.

I should be grateful if such information could be sent to me at
the New York Liaison Office of UNCTAD by 31 July 1967.

Yours sincerely,

Raúl Prebisch
for Raúl Prebisch
Secretary-General

Mr. G.D. Woods,
President,
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 22433
USA

acc. June 26

Ehe

NSA
Washington, D.C. 20533
1818 H Street, N.W.
and Development
International Bank for Reconstruction
President
Mr. C.D. Woods

Secretarily-General

Paul Hertz

Yours sincerely,

The New York Liaison Office of UNCTAD by 31 July 1967.

I should be grateful if such information could be sent to me as
be provided.

Questionnaires or instruction sheets, or other similar documents, could
or programme and. Where possible, it may be helpful if copies of
information concerning detailed requirements with respect to project
referred to, I should be glad to receive from you any available

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part of some developing countries.

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donor countries and international and regional organizations find if
reference is made to differences between the various requirements which
study which was contained in document TD/B/C.3/V.2. Particular
difficulties of aid administration, following upon the preliminary

Section C of the Agreed Statement calls for further study of
session (TD/B/V.118).

Committee on Inquiries and Financing related to Trade on its second

..... the Problems of Development contained in Annex II of the Report of the

I should like to draw your attention to the Agreed Statement of
Dear Mr. Woods.

REF. No: LDO 580 second session

5 June 1967

Telephone: 34 00 11 33 40 00 33 30 00 33 10 00

Telex: 33 313 or 33 344

Teletypes: UNATIONS' GENERE

CH-1311 GENERE 10

Palais des Nations

DEVELOPMENT
CONFERENCE ON TRADE AND

UNITED NATIONS



ET LE DEVELOPPEMENT
CONFERENCE SUR LE COMMERCE

NATIONS UNIES

JUN 8 1967



TD/B/118
TD/B/C.3/51
Annex II

Annex II

AGREED STATEMENT OF THE PROBLEMS OF DEVELOPMENT^{1/}

Prefatory Note

1. In response to the request made by the Trade and Development Board at its fourth session for comments, observations or recommendations on the substance of the items on the draft provisional agenda of the second Conference, the Committee has approved the attached statement of the problems of development, in particular development finance, and recommends it to the Trade and Development Board.
2. In the meantime, the Secretary-General of UNCTAD is invited, in preparation for the Conference, to draw up an inventory of the reports, studies and proposals already in hand and to arrange for whatever studies may be most conducive, in the light of the attached statement, to the formulation of proposals for achieving the objectives of UNCTAD, in particular those dealing with the quantitative and qualitative aspects of the financing of development in the light of the recommendations and other provisions of the Final Act of the first Conference.
3. It recommends that the Secretary-General of UNCTAD should take into consideration the pertinent recommendations included as annexes to the Final Act of the first Conference, the studies and reports by expert groups related to both the quantitative and qualitative aspects of basic financing and the discussions on them, as well as any proposals which may be submitted to him by Governments or by international bodies.

^{1/} Also to be issued as document TD/B/119-TD/B/C.3/52.

4. The statement deals with the questions falling under IV (a) and (b) of the draft provisional agenda for the second Conference. Discussions on the substance of items IV (c) and (d) (Supplementary financial measures and compensatory financing) and IV (e) (Reform of the international monetary system) have not yet reached the point at which the Committee can submit agreed comments of substance on them. The discussion on them is recorded in the report of the Committee. The Committee has submitted separately a resolution on invisibles.

Agreed Statement

The volume, terms and conditions of development assistance

A. Internal resources and external assistance

1. It is appreciated that developing countries must and do bear the main burden for financing their own development. In these circumstances it is highly important that their national resources, financial and others, be mobilized more effectively to this end. External aid can promote development in developing countries not only by adding to the resources at their disposal but also by helping them to mobilize and to make more effective use of their own resources. In this connexion it is very important that adequate attention be given not only to industrialization but also to the development of agriculture and to domestic production of food. It is a matter of concern that the flow of financial resources from developed countries, in support of the developing countries' efforts, has failed in recent years to keep pace with the growth in the national incomes of the developed countries, even though most developing countries could immediately put into effective use a greater volume of external assistance.

2. The objective for developed countries should be to increase the net flow of their development assistance in order to attain the UNCTAD target as defined in the recommendations and other provisions of the Final Act of the first Conference. Since development requires a

continuous supply of external resources, the question arises of what steps individual countries could take to ensure such continuity. Continuing and intensified efforts should at the same time be made by both developed and developing countries, working together to increase the effectiveness of aid. It is hoped that the country studies currently being carried out by the Secretariat would throw some light on the factors relevant to economic development and the relation between the rate of growth and the amount of aid received.

3. The second Conference will wish to examine the implications for policy of the forthcoming studies of individual developing countries which are being prepared by the Secretariat and the light which they throw on the problems referred to above. These studies should take account of alternative development targets, policies and standards of effort, and external circumstances.

4. The Secretariat should give special attention to the preparation, for submission to the appropriate bodies of UNCTAD, of documents concerning various forms of aid through trade.

B. The terms of aid

5. The over-all terms of aid on development loans generally remain too hard and the trend towards the softening of terms has recently suffered certain setbacks. Grants have continued to decline as a percentage of gross official disbursements and interest rates, maturity and grace period of loans, which had softened during the years 1962-64, hardened again on the average in 1965, completely erasing the over-all progress that had been made in the preceding three years. The over-all trend, however, cloaks variations between the policies of individual countries.

6. Further efforts are required to soften the terms of aid generally, and also to harmonize the terms of assistance given by various developed countries to individual developing countries. With regard to the general question of terms, it is desirable that developed countries should, as appropriate, achieve the aims set out in General Assembly resolution 2170 (XXI) relating to the rates of interest and period and

conditions of repayment. With regard to the problem of harmonizing terms for individual recipient countries or broad groups of recipient countries, it is desirable that the developed countries undertake, in co-operation with the IBRD or with the appropriate international institutions, a joint effort to reduce the burden of existing disparities in terms.

7. The Secretariat should further study the conditions of repayment of debts, including, inter alia, repayment in local currency or in goods, which are of interest to certain countries.

C. Difficulties of aid administration

8. For a number of reasons, developed countries and international and regional organizations find it necessary to impose varying requirements in the administration of their aid. These often create difficulties for developing countries. Difficulties also arise in the administration of aid programmes on the part of some developing countries. Most of these problems are primarily a matter for consultation, bilateral or otherwise. The Secretariat should extend its study of this problem, with a view to arriving at recommendations as to how international and regional organizations and developed as well as developing countries can co-operate in alleviating these problems. This might include the provision of technical assistance by developed countries and such organizations.

D. The tying of aid

9. The proportion of tied aid to the total volume of aid is increasing for a variety of reasons.

10. The causes and effects of tied aid need to be further studied. Tying restricts the developing countries' opportunities of benefiting from the price and quality advantages which normally accrue from a free choice of suppliers. This is particularly the case when restrictions are imposed not only as to the source of procurement of the goods but also as to the nature of the goods. Further, tying tends to reduce the real value of aid inasmuch as the definition and the choice of projects and of technology best suited to the requirements of the developing countries

is limited. Some of these disadvantages may be mitigated if a country has the freedom of recourse to several sources of procurement or to a broad range of goods and services from one source. Furthermore, some tied loans are used for reimbursing import payments relating to contracts which have been obtained in open international competition.

11. Aid is frequently tied partly to protect the balance of payments of donor countries and partly for other economic considerations, and some countries find it easier to secure public support for programmes of tied bilateral aid than for untied bilateral aid. In such cases the tying of aid may be directly related to the level of aid.

12. The question of the role and the effects of tied aid including those on international trade is an important one and requires detailed study, in relation to terms, co-ordination and effectiveness of aid. The Secretariat should continue its studies on the following aspects of tied aid:

- (i) the form of tied aid (by project, by commodity, and by source of procurement);
- (ii) the effects on the real value of aid from the standpoint of countries which provide it and those which receive it;
- (iii) an examination of alternative proposals for dealing with the problem of tied aid.

These studies should be enlarged to cover, inter alia, the following additional aspects:

- (a) the proportion of tied aid to the total volume of aid;
- (b) the implications of various measures and degrees of untying aid.

E. Problems of indebtedness

13. The indebtedness of developing countries, in particular their mounting debt service obligations, is a matter of serious concern and threatens to lead to a significant diminution of the net transfer of resources. It has been estimated by the Secretariat that if the gross flow of loans to developing countries were to continue at present rates, and present average terms and conditions of assistance were maintained, lending net of amortization and interest would become negative after the year 1975.

14. Further analysis of the whole question of indebtedness is required, differentiating between the various types of debt involved. The debt structure of individual countries and the seriousness of the conditions of their debts and of their debt service obligations vary considerably. Furthermore, the seriousness of a country's indebtedness cannot be considered in isolation, but must be judged in relation to its debt-servicing capacity, its external trade and its rate of growth. The problem of indebtedness is also linked with the problems of terms and volume of aid.

15. Because of the variations in the positions of individual countries, the action to be taken must be determined on an ad hoc basis, taking into account the special features of the country concerned. The problem of external indebtedness has to be resolved both by softening the terms of and improving the conditions of aid to developing countries as well as by an effective utilization by developing countries of the aid they receive. Developed countries should therefore help by softening the terms and improving the conditions of the assistance while the developing countries should also undertake a sound policy of debt management. Where difficulties do arise the countries concerned should stand ready to deal reasonably with them within the framework of the appropriate forum in co-operation with international institutions involved.

16. There is a need to improve the statistical information with regard to the debt burden of developing countries, including, to the extent possible, unguaranteed commercial credits.

17. The Secretariat should carry out the further analysis mentioned in paragraph 14 so that the second Conference will pursue the examination of the different aspects of indebtedness.

F. Commercial credits,^{2/} including suppliers' credits

18. The subject covers not only suppliers' credits but also long-term financial guarantees and loans provided by Governments for commercial purposes.

19. Commercial credits add to the flow of financial resources and can play a useful role within certain limits. They are, however, no real substitute for long-term development aid.

^{2/} Commercial credits having a duration of less than one year are excluded from the scope of discussion of the present paper.

20. Four main questions arise:

- (i) to what extent should commercial credits be adapted to promote development as well as trade?
- (ii) how should its acceptance and use be controlled by both recipients and lenders?
- (iii) should the terms be softened, and what would be the implications for both aid and trade?
- (iv) should the question whether any new institutional arrangements are needed to alleviate harmful developments in the field of commercial credits be further studied?

21. It would be desirable for the UNCTAD secretariat to have further information on both guaranteed and unguaranteed commercial credits. It will be desirable to have a further report dealing with the questions raised in discussions, including measures to promote the exports of developing countries.

G. Private capital

22. The flow of private capital from developed to developing countries can play an important role in so far as it increases the financial and other resources available to developing countries. Private funds can also make such contribution through the medium of multilateral financial institutions.

23. It would be useful to continue to study the measures which developed and developing countries could take to stimulate and promote the flow of private capital to the developing countries, as well as the measures which developing countries could take in relation to foreign private capital. The multilateral investment insurance scheme presently being studied within the IBRD is one of the means suggested for promoting the flow of private capital to developing countries.

24. It was brought out during the discussions in the Committee that private capital does raise certain problems. Some of these problems can be solved if it can be ensured that foreign private capital is used in a manner consistent with the promotion of national development. In this connexion special attention should be devoted to an empirical study of various effects of private capital investment both from the viewpoint of the investors and the recipients.

June 2, 1967

Mr. W. R. Malinowsky
Director, Division of Invisibles
United Nations Conference on Trade and Development
Palais des Nations
Geneva, Switzerland

Dear Sir:

I have read in the Indian Press that UNCTAD was proposing to make a study of the freight rates of International shipping companies. Could you please indicate whether this report is correct, and if so what is the status of this study.

Very truly yours,



Tillman Neuner
Asia Department

TNeuner:mmm

IBRD/IDA/l.h.

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

June 2/67

NAME

ROOM NO.

MR. KALMANOFF

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

I discussed this by phone with
Mr. Kamanick. He suggested
that I send it to you for
your comments.

From

Lewis Perinbam

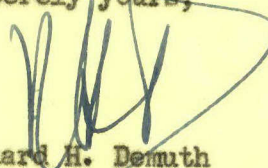
June 1, 1967

Dear Mr. de Seynes:

Mr. Woods has asked me to acknowledge your letter of May 26 inviting the cooperation of the World Bank group of institutions in connection with the economic and social survey of depressed areas of the developing countries which was requested by the United Nations Conference on Trade and Development in its Final Act and Report.

The request contained in your letter is presently under consideration and I shall write to you again in this connection shortly.

Sincerely yours,



Richard H. Demuth
Director

Development Services Department

Mr. Philippe de Seynes
Under-Secretary
for Economic and Social Affairs
United Nations, New York

cc: Mr. Consolo, Geneva
Mr. Steckhan

P.

LPerinbam/bmb

IDA		IBRD		IFC	
FORM NO. 92 (10-61)		CORRESPONDENCE RECORD FORM			
FROM				DATED	
UNCTAD Geneve				June 1, 1967	
SUBJECT					
Informal meeting of economists in Geneva					
Addressed and					
REFERRED TO				DATE RECEIVED	
Mr. Avramovic				June 5, 1967 mp	

May 31, 1967

Mr. V.K. Sastry, Chief
Trade Projections
United Nations
New York, N.Y.

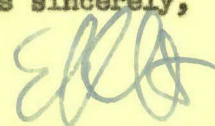
Dear Mr. Sastry,

Thank you for your letter of May 19, 1967, enclosing the unofficial record of the meeting on Long-Term Economic Projections held in New York in January. I have the following minor comments and suggestions.

Page 52 - There is a mix-up on this page in so far as statements are attributed to Mr. Carter and Mr. Holland, which were made by myself. The second statement attributed to Mr. Carter, together with the first sentence attributed to Mr. Holland should both be attributed to me. Similarly, on page 53, the statement attributed to Mr. Holland should be attributed to me.

One minor point for the record, on page (i) listing the names of representatives, I would be grateful if you would list my name as either "Mr. E.K. Hawkins" or "Mr. Edward K. Hawkins".

Yours sincerely,



E.K. Hawkins
Economics Department

EKHawkins/w

ack June 8

UNCTAD
UNITED NATIONS NATIONS UNIES
NEW YORK

TELEPHONE: PLAZA 4-1234

CABLE ADDRESS • UNATIONS, NEWYORK • ADRESSE TELEGRAPHIQUE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

REF. NO.

29.v.67

Mr. Paolo Leon
IBRD
Washington, D.C.

Dear Mr. Leon,

Just a brief line to thank you for your kind
and patient assistance during my visit to the Bank.
I have rarely talked to so many about so much in such
a short time.

Yours sincerely,



Goran Ohlin

ROUTING SLIP		Date	
NAME		ROOM NO.	
Mr. Perinham			
	To Handle		Note and File
	Appropriate Disposition		Note and Return
	Approval		Prepare Reply
	Comment		Per Our Conversation
	Full Report		Recommendation
	Information		Signature
	Initial		Send On
REMARKS Would you please prepare an acknowledgement of this — and then discuss it with Mr. Kamarch to see with whether Econ. Dept. can undertake to prepare a reply.			
From <u>Richard H. Demuth</u> RHD			

ROUTING SLIP

Date

May 31, 1967

OFFICE OF THE PRESIDENT

Name

Room No.

Mr. Demuth

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

In Mr. Woods's absence, you will wish to handle.

M. Lee

Frr

UNITED NATIONS



NATIONS UNIES

NEW YORK

CABLE ADDRESS : UNATIONS NEWYORK • ADRESSE TELEGRAPHIQUE

UNCTAD
x ECOSOC
MAY 31 REC'D

REFERENCE:

EC 112/2 (2)

26 May 1967

Dear Mr. Woods,

..... The United Nations Conference on Trade and Development in its Final Act and Report called for an economic and social survey of depressed areas of the developing countries. I am enclosing the relevant extract from the Final Act and Report.

You will note that the survey is to be undertaken by "the United Nations and the machinery emerging from the United Nations Conference on Trade, in consultation with other appropriate bodies."

It has been agreed that, as a first step in fulfilling this request, we should make a review of work already undertaken by the relevant international and regional organisations, bearing upon the purpose of the resolution. Once this picture has been established, further recommendations may be made by the second UNCTAD Conference or by ECOSOC in 1968.

It has been agreed, in consultation with UNCTAD that, for the purposes of the preliminary report, the following interpretations of the resolution will be made:

- (a) A depressed area will be understood to refer to a region within a country which has a significant economic potential but where levels of income and living are notably lower than in the other parts of the country and growth has, over a considerable period of time, been stagnant relative to other areas.

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

Rec. June 1, 1967
August 4, 1967

MAY 31 1967

UNITED NATIONS



NEW YORK

UNITED NATIONS NEW YORK - ADDRESS TELEGRAPHIC

26 May 1967

EC 112/2 (2)

REFERENCE

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....

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

1967 MAY 31 11:11:34

COMMUNICATIONS
UNIT
MAY 31 1967



- 2 -

- (b) A depressed area may also be a region that is formed by parts of two or more countries: for example, much of the Andean Region in South America.
- (c) The resolution further refers to depressed areas "which include several countries." It is felt that this reference should be given a restricted interpretation. A problem would obviously arise if depressed areas were understood to include the large geographical regions commonly identified as "developing regions" by international bodies, such as the Middle-East, Africa, South-East Asia, etc. By such an interpretation work on depressed areas would duplicate most of the international effort for development. Depressed areas which include several countries should therefore be understood to be limited to certain sub-continental areas that constitute distinct geographical regions where levels of living are conspicuously low and where common action would be meaningful. Thus, it might be possible, for example, to define the Saharan region in Africa as a depressed area which includes several countries in their totality and parts of other countries.

The purpose of this letter is to invite your co-operation in the preparation of the above-mentioned report for the second UNCTAD Conference. Specifically, I should appreciate receiving from you a statement of projects and programmes of the International Bank for Reconstruction and Development, the International Finance Corporation, and the International Development Association, past, present and future, that are concerned with depressed areas defined as above. It will be most helpful if you would indicate, to the extent possible: (a) the specific areas in question, (b) the basis for their selection as depressed areas, (c) their structure of production, resources and trade, and the implications for these areas of improvement in the present export pattern of national trade, (d) the nature of the research or other relevant activity carried out by these Organisations, or under their aegis, and (e) any appropriate conclusions and recommendations



- 3 -

that seem to you to emerge from this work. In the event that such projects and programmes have not been formulated, would you indicate what plans, if any, exist for research in regional planning in such areas.

I should be grateful to receive this information by
1 September 1967.

Yours sincerely,

A handwritten signature in dark ink, reading "Philippe de Seynes", written over a horizontal line.

Philippe de Seynes
Under-Secretary for
Economic and Social Affairs

ANNEX A.VI.5*Economic and social survey of the depressed areas
of the developing countriesThe Conference,Considering:

- (a) That the different degrees of development do not coincide with the geographical division of the world, but occur over large regions with similar characteristics,
- (b) That there are depressed areas, in which living conditions are incompatible with human dignity and with the technological progress achieved in the world of today, and which include several countries or parts of countries,
- (c) That these areas, in view of the nature of the human, economic and political problems affecting them, require special attention,

Recommends:

That the United Nations and the machinery emerging from the United Nations Conference on Trade and Development, in consultation with other appropriate bodies, should make an over-all economic and social survey of the depressed areas of the developing world and that special measures should be proposed, in accordance with the principles and decisions that emerge from the Conference, to make possible immediate action to secure a substantial improvement in the living-levels of the population of these areas.

* Final Act of the United Nations Conference on Trade and Development
(Vol. I, United Nations publication 64.II.B.11).

Mr. George Kalmanoff

May 26, 1967

Vinod Dubey

Material for UNCTAD's Annual Report

1. The UNCTAD Annual Report is on "Implementation of the Recommendations of the First Session of the United Nations Conference on Trade and Development." Resolution 19 (II) of the Trade and Development Board invites the Specialized Agencies of the United Nations to cooperate with the Secretary General of UNCTAD in the preparation of the Report. A full statement of the Bank's policies and activities which appeared relevant to the UNCTAD Annual Report was sent to Mr. Dell last year with a covering letter from Mr. Consolo dated March 31, 1966. Mr. Prebisch's letter to Mr. Woods dated May 1, 1967, asks for "new or additional information." Hence, repetition of last year's submission to UNCTAD where new or additional information does not appear, has been avoided. ✓

2. Mr. Dell in a letter to Mr. Consolo dated February 28, 1966, specified that the UNCTAD request for information related to the following Geneva recommendations: ✓

(1) Recommendation A. IV. 1 on Guidelines for International Cooperation, paragraphs 2, 3 and 4.

(2) Recommendation A. IV. 2 on Growth and Aid, paragraph 2.

(3) Recommendation A. IV. 4 on the Terms of Financing, notably paragraph 11.

(4) Recommendation A. IV. 5 on the Problems of Debt Service in Developing Countries, paragraphs 1, 3 and 4.

(5) Recommendation A. IV. 12 on the Promotion of Private Foreign Investment in Developing Countries, paragraphs 7, 8 and 9.

(6) Recommendation A. IV. 13 on Needs of the Public Sector in the Transfer of External Resources to Developing Countries, paragraph 4 II.

(7) Recommendation A. IV. 14 on Suppliers' Credits and Credit Insurance in Developed and Developing Countries.

Of these, items (3) and (5) and parts of items (1) and (4) were not done in the Economics Department last year.

Attached are our notes on the World Bank Group's activities, including the items not covered by us last year.

Attachment:

VDubey:yd

DRAFT
VDubey:yd

May 24, 1967

Recommendation A.IV.1. Guidelines for International Financial
Cooperation.

Paragraph 2 "Since external indebtedness has become, and is likely to become, burdensome for a number of developing countries, industrialized countries, international institutions and individual developing countries themselves should cooperate to undertake appraisals of the external indebtedness of individual and developing countries, with the objective of promoting, whenever warranted and in appropriate conditions, the rescheduling or consolidation of debts with appropriate periods of grace and amortization and reasonable rates of interest;"

The Expanded Reporting System on External Lending has been agreed to by the OECD Council and the Bank. The objective is to improve the quality of external debt reporting by reconciling debtor and creditor information. The sixteen countries participating in the system are Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, Portugal, Sweden, Switzerland, the United Kingdom and the United States. The Commission of the European Economic Community is also participating. Generally, all loans or credits with an original or extended term of repayment of more than one year would be reported. Semi-annual reports would be submitted by participants giving details of official grants and loans and summary information on all private loans officially insured or guaranteed as well as some details of insured or guaranteed as well as some details of insured or guaranteed credits with an original maturity exceeding five years. Though data on external lending would be submitted both to the IERD and the OECD the present specialisation in the presentation of data would continue. The Bank would process and present the information on indebtedness to all reporting governments and

the OECD would present the data on current capital flows and grants. The OECD would prepare tables showing time series of flows broken down by (a) creditor and type, (b) creditor and terms, (c) recipient and type and (d) creditor/recipient and type. The Bank would prepare groups of tables on (a) the external public debt of individual debtor countries, (b) the external private debt of individual debtor countries and (c) the external lending of individual creditor countries. Projections of estimated contractual service payments in the future would be presented as a part of each group. Some information from the Expanded Reporting System would be treated as confidential, other would be circulated to the participants and to the recipients of the World Bank Group's restricted documents (including international organisations). Information on past indebtedness of individual debtor countries and analyses of global indebtedness would not be restricted.

The World Bank has close cooperation in the field of external debt statistics with the Inter American Development Bank. Discussions with a view to cooperation on the lines of the arrangements with the Inter American Development Bank are in progress with the African Development Bank and are soon to start with the Asian Development Bank.

The Bank's Annual Report for 1965-66 contains a study of External Debt of Developing Countries and Terms of Aid. While pointing out the problems that have arisen because of the growth of debt burdens, it points out that this should not "be taken to mean that developing countries cannot afford, and hence should avoid, any increase in debt servicing obligations. While they continue to import capital from abroad,

they can expect their debt servicing obligations to grow. What is most important in this respect is that capital should be treated as a scarce resource to be devoted to the most productive purposes, forming part of a well-balanced program of economic development." Analysis of terms of external public debt of 34 developing countries over 1960-1964 is also contained in the Report.

Paragraph 3 "Industrialized countries and international financial institutions should undertake the necessary measures without delay to provide for the corresponding financial assistance in accordance with the criteria set forth in paragraph 1 above. Likewise the industrialized countries, international institutions and the developing countries themselves should reduce to a minimum the administrative requirements and formal procedures so as to facilitate the negotiations of external financial assistance and make possible the timely use of such assistance;"

The ten criteria listed in paragraph 1 are:

(a) Financial assistance "should be directed, as far as possible, to the formulation and realization of sectoral, regional, national and multinational programmes".

The Bank's position on this has been stated in last year's submission.

(b) Financial assistance to developing countries should be increased "when, as a result of circumstances beyond their control, there is a decline in external resources available to them below the expected levels required to sustain their programmed rates of investment and growth of national income."

The World Bank Staff Study on Supplementary Financial Measures presented to UNCTAD in December, 1965 is addressed specifically to this problem. The study was considered by the Committee on Invisibles and Financing of UNCTAD in April 1966 which recommended to the Trade and Development Board that an expert group of Governmental experts may be set up. This Inter-governmental group has met twice in October 1966 and February 1967 and its interim report was discussed by the Committee

of Invisibles and Financing. The Bank staff submitted six papers to the group explaining and clarifying further the scheme for supplementary financial measures.

(c) International financial assistance should be generally united with respect to countries of procurement, "including markets in the recipient and other developing countries."

No addition to the statement sent last year on this point is necessary.

(d) "... the channeling of external resources, whenever possible, and appropriate, through multilateral institutions -- including regional development institutions."

In an address on Multilateral and Bilateral Aid to the International Parliamentary Conference on Development Aid on April 7, 1967 Mr. George Woods noted that "without necessarily reducing bilateral aid, the tendency is toward a greater reliance on multilateral organizations. This is partly a change in form. Even more, I hope, it is a change of spirit, recognizing a demand that programs of assistance should achieve maximum effectiveness as instruments for economic development The growth of multilateral assistance, I think, should be widely welcomed."

Mr. Woods has also welcomed the recently established regional financing institutions in Africa and Asia and stated in his address to the Economic and Social Council on December 20, 1966, that "The World Bank Group will always be ready to consider joint financing of well conceived projects, regional or otherwise, that the regional banks bring forward."

(e) International financial cooperation "should take into account the role of national development institutions when requested by the recipient country."

As pointed out last year, the International Finance Corporation takes the lead in providing assistance to national development finance companies or development banks. Six of the seven industrial loans made by the Bank during 1966 went to such companies. A loan of \$25 million was made to help five Colombian development finance companies to meet the foreign exchange costs of projects which they will finance. Bank loans were extended to development finance companies in Iran, Morocco, the Philippines and Turkey to augment their resources. In Tunisia the Bank and IFC joined financial interests in Germany, France, Italy, Sweden and Tunisia in increasing the capital of a development finance company established in 1959.

As of April 30, 1967 the World Bank group had committed a total of 521.4 million dollars to development finance companies in developing countries.

World Bank Group's Assistance to
Development Finance Companies (million dollars)

<u>Country</u>	<u>As of April 30 1967</u>
China	19.9
Colombia	29.8
Ethiopia	4.0
Greece	0.7
India	138.9
Iran	40.1
Israel	20.0
Ivory Coast	0.2
Liberia	0.2
Malaysia	8.8
Morocco	34.0
Nigeria	1.4
Pakistan	109.3
Philippines	40.1
Spain	0.6
Thailand	2.7
Tunisia	5.6
Turkey	63.8
Venezuela	1.3
	<u>521.4</u>

(f) International financial cooperation "should take into account, in establishing repayment terms and interest rates, the overall repayment capacity of the borrowing country."

(g) International financial cooperation "should take into account the possible need for financing local costs of projects of programmes."

No addition is required to last year's statement on both these points.

(h) International financial cooperation "should promote regional economic cooperation of developing countries and be coordinated with their integration efforts."

The Bank's general support to regional economic integration of developing countries was re-iterated in the comments on the UNCTAD report on "Trade Expansion and Economic Integration Among Developing Countries" sent by Mr. Friedman to Mr. Prebisch in a letter (January 19, 1967). A copy of this letter is attached.

(i) and (j) These two criteria deal with short-term and medium-term credits to developing countries. They plead for more long-term financing "so as to limit the use of medium and short-term credit to proportions compatible with the maintenance of (the) capacity to repay" of developing countries. A study of the problems "created by international disparities in the terms" of suppliers credits is requested.

These questions are considered in the Bank Study of Suppliers Credits submitted to UNCTAD.

Paragraph 4 "Industrialised countries and regional and international organisations should endeavor to increase the flow of the technical assistance needed to accelerate the growth of developing countries, and particularly of the least developed, to achieve the maximum efficiency in the use of external resources. Technical assistance should be tailored to the requirements of each country."

In 1966, the Bank and the U. N. Development Programme (UNDP) adopted new practices with the object of bringing about a better division of work on project and sector feasibility studies. The UNDP, which is

the chief source of grants for such studies, altered its procedures in such a way as to permit faster action on applications of interest to the World Bank Group. The Bank decided that it would in future finance such studies on a reimbursable basis, except in the case of studies requiring external financing of not more than \$200,000, which it would continue to finance on a grant basis.

In 1966, the Bank helped to finance a number of project and sector studies in Afghanistan, Congo, Liberia and Nicaragua. Work was completed on a review of the Gezira Scheme in the Sudan, a transport survey in Korea, and a study of the N'Gaoundere Garoua Road in the Cameroons. The Bank continued to act as Executing Agency for a number of project and sector feasibility studies financed by the UNDP. Two such studies were completed, one on port siltation at Bangkok and one on hydroelectric resources in the State of Minas Gerais in Brazil. The second part of a study of the water and power resources of West Pakistan, financed by the Indus Basin Development Fund, is nearing completion.

The Bank continued its practice of sending comprehensive economic missions to member countries. The permanent regional missions in Nairobi and Abidjan continue to function.

The Economic Development Institute completed ten years in January 1966. Six hundred officials from more than 90 countries have participated in various courses conducted by the Institute.

The funds devoted to technical assistance and related services to member countries by the Bank have increased from less than \$1 million in 1960 to \$4.5 million in 1965 and \$8.3 million in 1966.

Recommendation A. IV. 2: Growth and Aid

Paragraph 2 "The Competent international bodies, including if appropriate, the continuing machinery recommended by this conference, be examined by economic situations and policies and development plans of individual developing countries in order to determine the feasibility of rates of growth higher than those which have been experienced by most countries individually during the past decade, and even higher than that envisaged for the United Nations Development Decade, and to indicate measures for developing and developed countries to take to achieve them. It was recognized that there is a need for coordination of these studies by competent machinery within the United Nations;"

No addition to the statement submitted last year is required.

Recommendation A. IV. 4: Terms of Financing

"The International Bank for Reconstruction and Development in the light of its experience in relation to countries for which there are consortia and consultative groups or other appropriate bodies under the aegis of the United Nations, should be encouraged, at the request of developing countries concerned, and where appropriate, to coordinate aid in respect of individual countries or groups of countries, through consortia or regional or other suitable institutions where they exist. These bodies should, at suitable regular intervals, review the implementation of the above recommendations with a view to the establishment of more consistent terms and conditions and joint action, with a view to liberalizing procurement procedures."

The Bank's Annual Report for 1965-66 contains a section on Coordinating Development Assistance which discusses the Bank's role in encouraging aid coordination. The report says that "The Bank's experience has made clear that the mere existence of a mechanism for meeting and exchanging views among those interested in helping a particular country will not automatically assure a larger flow of aid on better terms, nor will it by itself lead to better coordination or use of what is made available. The success of such groups in achieving their objective appears to depend largely upon the effectiveness of various supporting activities, many of which the Bank must undertake in its role as organiser and chairman

of the groups." The Bank has organised three new Consultative Groups - for Korea, Peru and Morocco. During 1966 the Bank also organised and presided at meetings of countries interested in providing interim aid to Ceylon.

The Bank agreed to act as the administrator of the \$23.4 million Nam Ngum Development Fund to construct a hydroelectric power project in Laos with financing provided by Australia, Canada, Denmark, France, Japan, the Netherlands, New Zealand and United States. Thailand is providing cement valued at \$1 million for which it will be repaid by supplies of power from the project.

Recommendation A. IV. 5: Problems of Debt Service in Developing Countries.

Paragraph 1 "Competent United Nations bodies and/or other international financial institutions should stand ready, at the request of any developing country, to review, in cooperation with the creditor countries concerned, to external indebtedness of the developing country concerned, where appropriate, with a view to securing agreement, if necessary, on the rescheduling or consolidation of debt, with appropriate periods of grace and amortization and reasonable rates of interest;"

A report on international debt rescheduling activities was conveyed to UNCTAD on January 12, 1967. A copy is attached.

Recommendation A. IV. 12: Promotion of Private Foreign Investment in Developing Countries

Paragraph 7 "The Conference requests the International Bank for Reconstruction and Development to expedite its studies on investment insurance, in consultation with Governments in both developing and developed countries, and submit, by September 1965 at the latest, the result of its studies and consultations to the United Nations."

A Bank study of the possible creation of a multilateral investment guarantee scheme is in progress. At present, the Executive Directors of the Bank, sitting as a Committee of the Whole, are considering in a series

of meetings, the first draft of articles of agreement for International Investment Insurance Agency, prepared by the staff of the Bank as a basis for discussion. A second interim report on the progress of the study was sent to the Secretary General of United Nations pursuant to the request of the Conference on July 27, 1966. The report has been published by the U. N. Trade and Development Board (TD/B/98, TD/B/C.3/27, 18 August, 1966). A final report will be submitted upon the conclusion of the study.

Paragraph 8 "The Conference understands that the International Bank for Reconstruction and Development is examining the question of the establishment of machinery for settlement of investment disputes. The Conference requests the International Bank for Reconstruction and Development to submit the result of its studies and consultations to the United Nations."

The Convention of the Settlement of Investment Disputes between States and Nationals of Other States entered into force on October 14, 1966, 30 days after ratification by twenty states. The Convention established, under the auspices of the Bank, an International Centre which will provide facilities for the voluntary settlement, by conciliation or arbitration, of disputes between governments and foreign investors. The governing body of the Centre is an Administrative Council consisting of one representative of each state party to the Convention. The President of the World Bank is Chairman of the Council. The Council held its first meeting early in 1967.

Paragraph 9 See paragraph 7 above.

Recommendation A. IV. 13. Needs of the Public Sector in the Transfer of External Resources to Developing Countries

"International institutions, agencies, bodies, etc. and in particular financial institutions, should endeavor to assist without discrimination the public sector of developing countries in accordance with the development plans of these countries."

As pointed out last year the major part of the assistance to developing countries by the World Bank and IDA has been for the public sector of those countries. A country breakdown of Effective Bank Loans and IDA credits to developing countries as of December 31, 1966 is given below.

Table

Effective Loans and Credits to Developing Countries
Held^{a/} by the World Bank and IDA as of December 31, 1966^{b/}

<u>Country</u>	<u>Bank Loans</u>	<u>IDA Credits</u>	<u>Total Bank Loans and IDA Credits</u>
Afghanistan	-	3.5	3.5
Algeria	18.3	-	18.3
Argentina	117.6	-	117.6
Bolivia	-	15.0	15.0
Brazil	236.3	-	236.3
Burma	22.9	-	22.9
Burundi	-	1.1	1.1
Ceylon	30.3	-	30.3
Chile	103.3	19.0	122.3
China	39.4	13.1	52.5
Colombia	344.6	19.5	364.1
Costa Rica	38.0	5.5	43.5
Cyprus	15.8	-	15.8
Ecuador	38.6	8.0	46.6
El Salvador	30.0	8.0	38.0
Ethiopia	44.9	20.7	65.6
		-	

a/ Including undisbursed portions.

b/ Including \$3.2 million of project preparation loans and credits as follows: Guinea \$1.7 million; Pakistan \$1.0 million; Malawi \$0.5 million.

<u>Country</u>	<u>Bank Loans</u>	<u>IDA Credits</u>	<u>Total Bank Loans and IDA Credits</u>
France ^{1/} (Guarantor)	22.9	-	22.9
Gabon	11.6	-	11.6
Ghana	46.9	-	46.9
Guatemala	7.0	-	7.0
Guinea	1.7	-	1.7
Haiti	1.1	0.3	1.4
Honduras	23.6	12.5	36.1
India	671.2	825.5	1,496.7
Iran	184.2	-	184.2
Iraq	23.0	-	23.0
Israel	89.4	-	89.4
Jamaica	36.4	-	36.4
Jordan	-	8.5	8.5
Kenya ^{2/}	38.0	17.3	55.3
Korea	-	14.0	14.0
Lebanon	22.2	-	22.2
Liberia	4.3	-	4.3
Malagasy	-	10.0	10.0
Malawi	-	0.5	0.5
Malaysia	168.5	-	168.5
Mauritania	-	6.7	6.7
Mexico	516.4	-	516.4
Morocco	58.5	11.0	69.5
Nicaragua	23.7	3.0	26.7
Niger	-	1.5	1.5
Nigeria	152.7	35.5	188.2
Pakistan	303.8	304.2	608.0
Panama	9.9	-	9.9
Paraguay	6.9	17.1	24.0
Peru	159.8	-	159.8
Philippines	122.4	-	122.4
Sierra Leone	3.6	-	3.6
Singapore	24.0	-	24.0
Somalia	-	6.2	6.2
Spain	135.2	-	135.2
Sudan	92.4	13.0	105.4

^{1/} Bank loans guaranteed by France were allocated as follows:
Algeria, \$13.4 million; Gabon and Congo(Brazzaville), \$6.9 million;
Mauritania \$2.6 million.

^{2/} Kenya, Tanzania and Uganda (Guarantors) - East African Common
Service Authority.

<u>Country</u>	<u>Bank Loans</u>	<u>IDA Credits</u>	<u>Total Bank Loans and IDA Credits</u>
Syrian Arab Repub.	-	8.5	8.5
Tanzania	-	23.6	23.6
Thailand	190.0	-	190.0
Tunisia	11.6	18.0	29.6
Turkey	37.7	80.6	118.3
U. A. R.	39.5	-	39.5
U. K. ^{1/}	120.6	-	120.6
Swaziland	-	2.8	2.8
Botswana	-	3.6	3.6
Lesotho	-	4.1	4.1
Uruguay	72.7	-	72.7
Venezuela	219.7	-	219.7
Yugoslavia	231.2	-	231.2
Zambia	17.5	-	17.5
Total	<u>4,981.8</u>	<u>1,541.4</u>	<u>6,376.5</u>

Recommendation A.IV.14: Suppliers' Credits and Credit Insurance in Developed and Developing Countries.

The World Bank Staff Study on Suppliers' Credits was transmitted to UNCTAD on January 20, 1967. The study follows the factual developments regarding suppliers' credits during the last decade and a half and draws lessons for the future from such findings. The main conclusions are:

(1) there has been a dramatic increase in the use of short and medium term suppliers' credits during the postwar period. The outstanding debt of developing countries on account of suppliers' credits is estimated at \$6.5 to 7.0 billion of which (\$5.4 billion represent total outstanding public and publicly guaranteed credits), (2) the flow of suppliers' credits financed projects which because of their nature or because of the amounts involved, were in many cases not suitable for financing through the issue of bonds in capital markets abroad or through institutional lending,

^{1/} Loans guaranteed by the U. K. were allocated as follows (in million dollars): Rhodesia, 14.5; Zambia, 7.2; Rhodesia and Zambia, 42.2; Kenya, Tanzania and Uganda, 0.1; Nigeria, 19.4; Kenya, 9.7; Uganda, 0.1; Guyana, 0.2; Trinidad and Tobago, 8.1; Singapore, 14.7; Swaziland, 2.3; Mauritania, 2.0; Malta, 0.03.

(3) in a number of cases the projects financed by suppliers' credits did not imply the best economic use of available resource: the Study found "instances of excessive indebtedness; maturities not commensurate with the life span of the investment; certain high hidden costs of financing; and distortions in the importers' judgment of the priority and productivity of the investment." The study recommends (a) the system of information concerning suppliers' credits be improved so that an upto date picture is available at all times, (b) for receiving countries, a centralization of the indebtedness data be introduced so that timely measures may be taken to avoid excessive indebtedness bearing inappropriate repayment terms, (c) concerning creditor countries, the study suggests a new look at suppliers' credits so that they are viewed within the framework of the transfer of resources to developing countries and treated accordingly, (d) once additional information becomes available further work could be undertaken, particularly on two subjects: case studies in depth for individual debtor countries; and the introduction of joint financing in which suppliers' and financial credits are combined with World Bank Group funds for the financing of a particular project.

Mr. Andrew N. Kamarok

May 25, 1967

George Kalmanoff

UNCTAD - 1968

This is in reply to your request of May 23 for comment on the question of what we are expected to do for the next UNCTAD meeting, which is discussed in a memorandum of May 12 from Mr. Surra to Mr. Friedman.

This question was dealt with in my memorandum to you of April 6 on "Bank Documentation for UNCTAD II, February-March 1968", a copy of which is attached. In addition to the studies which the Bank has done specifically in response to requests from UNCTAD (on the Horowitz Proposal, Supplementary Finance, and Suppliers' Credits), that memorandum lists other studies which the Bank is carrying out which are relevant for UNCTAD. In this connection, the deadline date of December 1, 1967 for distribution of documentation for UNCTAD II, must, of course, be borne in mind.

Besides the studies listed in my memorandum of April 6, you may wish to consider the following pertinent matters on which we are now working:

1. Implementation of the recommendations of the First Session of UNCTAD - in 1966 we supplied a detailed account to UNCTAD of the activities and policies of the World Bank Group bearing on this subject. This dealt with such matters as the ten guidelines for international financial cooperation set forth in an UNCTAD resolution; technical assistance services provided by the World Bank Group; the volume, terms, and nature of our financial assistance; activities relating to the promotion of private foreign investment; and problems of external indebtedness, including arrangements for the rescheduling or consolidation of external debt. Our comments on these subjects went forward under cover of a letter of March 31, 1966 from Mr. Console to Mr. Dell, and of a letter of April 28, 1966 from Mr. Friedman to Dr. Prebisch. We are now in the process of bringing this material up to date, at the request of UNCTAD, and will be making the information available to UNCTAD by June 15, 1967.

2. Suppliers' credits for exports from developing countries - this aspect called for by the Spain-Tunisia recommendation was deliberately omitted from the Suppliers' Credits Study we did for UNCTAD. You will recall that we have decided to do something on this by way of ascertaining the involvement in such activity of the regional development banks, with the idea of making a report on our findings, though not producing a study, to UNCTAD II.

May 25, 1967

3. Comprehensive details on external debt for most developing countries - you will recall that Mr. Dell recently requested information of this type to be able to present to UNCTAD a more refined study than he has thus far been able to produce on the subject. We are now in the process of attempting to determine the extent to which we can meet his request, on the basis of its implications for the use of our resources and for the confidential relations involved in our reporting systems. I anticipate that we will not be able to go very far in meeting the request in the light of these implications, particularly in view of the time constraint imposed by the date of UNCTAD II. We may, nevertheless, undertake some research of our own along the same lines, though it would undoubtedly not be ready in time for the conference.

Attachment

cc: Messrs. Stevenson, Leon

g.s.K.

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OFFICE MEMORANDUM

TO: Files

DATE: May 24, 1967

FROM: Huguette Angel *HA*

SUBJECT: Processing of debt information for UNCTAD.

On May 22, 1967, I attended two lengthy meetings with Messrs. Massaro and Sastry from the UN and Mr. Kalmanoff and Mrs. Paulson of the Bank to discuss the request made by Mr. Dell of the UN to Mr. Kamarck (Memo of May 8, 1967) for Debt Processing.

To produce Tables 5 and 6, the following information need be compiled from external debt tables for each of the 48 or so countries to be included:

1. The flow of expected disbursements and service payments on old debt for the years 1966-1975 for export credits and for other public or publicly-guaranteed loans.
2. The disbursement figure for the year 1965 (or an average 1963-65) for export credits and other loans separately.

Estimated work: 2 man-weeks.

The calculations for Tables 5 and 6 could then be carried out in one of three different ways:

1. In assuming that each one of the debts contracted in the period 63-65 will have its equivalent in the period 66-75. This will involve a considerable amount of coding and some programming.

Estimated work: 2 man-weeks (statistical assistant)
3 man-weeks (programmer)

Estimated computer cost: \$1,000

2. Under same assumption as in 1, a projection of the debts contracted in the period 63-65 (export credits and other loans taken separately) will give a pattern of disbursements and service payments that, we assume, is applicable to the projection of the new loans to be incurred during the period 1966-75.

Estimated work: 6 man-weeks (data processing technician)
3 man-weeks (statistical assistant)

Estimated cost: \$1,000

The advantage of method 1 over method 2 is that debts the terms of which would seem odd or undesirable could be omitted while others could be entered in the calculations.

May 24, 1967

3. The new lending will be assumed to follow the average terms as computed for loans incurred in the period 1963-65 (or in the year 1965) and broken down by categories (if standard debt tables).

Estimated work: 2 man-weeks (statistical assistant)

Estimated cost: \$800

Before giving an answer to Mr. Dell it seems to me that, besides the time and cost involved (and the overall value of the study), another factor should be taken into consideration. When Mr. Balassa applied for published UN data to be processed for him or supplied him on tape or punch card form, he was told that the material (not confidential) could not be given him but the work could be done for him in two months time and at a cost of \$12,000. The Statistical Services Division ended up punching over 30,000 cards and producing the tabulating on EAM equipment. At the present time, Mr. Carter and Mr. Niebuhr (Memo to Mr. de Vries dated May 17, 1967) plan to use some UN material (on tape or cards) to obtain some important data for country building. Thus we should make sure that the cooperation between both organizations in the field of statistics does not work only one way.

HAngel/ms

cc: Messrs. Kalmanoff ✓

Tiemann

Leon

Mrs. Paulson

X Indebtedness

OFFICE MEMORANDUM

TO: Files

DATE: May 24, 1967

FROM: Helen W. Paulson *HP*SUBJECT: UNCTAD request for debt data and computations

On May 22 Mr. Kalmanoff, Mr. Leon, Mrs. Angel and I met with Mr. Massaro and Mr. Sastry of UNCTAD concerning the request in Mr. Dell's letter of May 8 to Mr. Kamarck. Following is a summary of our discussion on points which affect the External Debt Section and some general comments on the request. (Also see my memorandum of May 20 to Mr. Leon).

There are three limitations to our ability to help UNCTAD on this request:

1. Technical i.e. do we have the data and do we have the techniques to complete the calculations.
2. Resources, manpower or financial, which we can allot to the request.
3. Confidentiality

Most of the discussion concerned the technical aspects and I have detailed our capabilities below. However, confidentiality very much affects the resources angle. This is so because the confidentiality of the data make it impossible to make available detailed data thus making it necessary for the Bank to perform the calculations, if they are done at all, and give the summarized results to UNCTAD.

Technical capacity

The UNCTAD people were under the impression that we had rather complete data on the 96 countries listed in Table 1 of Report EC-149. I expressed our regret that the data for 96 countries had ever been assembled since many of these countries do not report to the Bank on their debt and the figures were derived from very fragmentary sources. I indicated that we have data on debt outstanding and service payments for 1956-1965 (as required in Tables 1-4 of the request) for a smaller number of countries and for only a few does it go back to 1956 since many countries started reporting much later. I also pointed out that data on several large countries are missing or have complications.

1. Argentina - earliest data is for 1964
2. Brazil - the Bank has only summary tables prepared by the central bank. These give debt outstanding for several past years but do not give other details necessary for this purpose, such as terms of loans and suppliers' credits.
3. Indonesia - the Bank has absolutely no data.

May 24, 1967

4. Ghana - we have just received the first data in several years and it is not in proper form.
5. UAR - we have data for 1965 ~~only~~ and it is classified as secret.
6. Turkey - not mentioned at the meeting but last good report was as of end of 1964.

They said that they would like to receive whatever countries and years we have. Since the meeting, I have tabulated the number of countries available for the data required in Tables 1-5. The following table shows the number of countries for which we have data of the type necessary for this request.

Area	Historical data		Terms of loans available		Debt projections as of end 1965	Having Suppliers credits
	Any years	Back to 1956	1963-1965	Only 1965		
West. Hem.	19	10	16	18	18	16
So. Asia	3	3	3	3	3	2 <u>/1</u>
Far East	7	2	5	6	6	5
Europe	6	2	5	5	5	4
Middle East	2	0	3	3	3	2
Africa <u>/2</u>	<u>12</u>	<u>6</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>8</u>
Total	49	23	45	48	48	37

- /1 One country which has suppliers credits does not report them. (India)
- /2 East Africa Common Services Organizations is counted as a country.

I had indicated that we might be able to provide about 70 countries for projection as of the end of 1965 but an examination of problems of individual countries has eliminated several. Furthermore, the 70 included several which started reporting after 1965. Mr. Leon raised the question of just how representative the selection of countries might be and that an even smaller sample might be more meaningful. Also different samples might be representative of different characteristics.

Considerable time was spent on a discussion of the procedure for Table 5. It was agreed that it would be best to use IBRD debt data wherever possible but to use OECD data for grants.

UNCTAD would like to use the terms of individual loans contracted either in 1963-1965 or 1965 only in calculating the service on new debt in Table 5. They are opposed to using average terms since projections made on average terms do not produce the same results as individual terms. For example, to take a simple case, if there are two loans, one with a 10-year maturity and another with a 20-year, the average maturity is 15 years. If the two loans are projected separately and then added together, the shape of the future service payments would show high payments for 10 years and a lower level for the next 10 years. If it were projected on the average maturity, future payments would be about equal for 15 years with no payments after that.

This led us to a consideration of three alternative methods:

1. Projection on the basis of average terms of debt contracted either in 1963-1965 or in 1965 only. This is simpler than the other methods because much work has already been done by the Bank on average terms and the input for the computer would be simpler.
2. Projection on the assumption that new lending will follow the terms and proportions of the individual loans contracted in 1963-1965 or in 1965 only.
3. Projection according to a pattern which would be established by first projecting the loans contracted either in 1963-1965 or in 1965 only and getting a composite schedule. This would produce the same result as method 2 but would have the disadvantage of being very difficult to alter the components if desired later on.

In a memorandum on this meeting, Mrs. Angel has elaborated on the three methods and the manpower and financial resources necessary for each.

As the request is stated, Tables 5 and 6 take account of disbursements only but we pointed out that in working out the calculations it would be necessary to take into account commitments for these reasons:

1. Service payments and debt outstanding on existing debt include undisbursed commitments. Therefore, an extra line in the table would have to show the estimated disbursements on existing commitments.
2. Since terms of loans are for commitments and estimates of disbursement depend on commitment, in projecting the service and disbursements on new loans, commitments would have to be estimated to provide the basis for these calculations.

Resources

On the matter of resources for this work, Mrs. Angel has covered the requirements for Tables 5 and 6. Tables 1-4 would have to be compiled by the External Debt Section and it is estimated that it would require one man week. Considering this and the much greater requirements outlined in Mrs. Angel's memorandum, the deadline of August 1 would be impossible to meet without putting aside essential operational work. However, it has been my experience on this kind of job that it usually drags out far beyond the time when you think it is completed. On this kind of compilation and calculation, it is common to receive further requests for changes in terms, composition of countries, assumptions and finally, after it has sat around for months, for an up-dating and a complete re-do.

Confidentiality

Contrary to the impression which the UNCTAD people had, confidentiality of debt data is not based on any permission or lack of it which we receive from the debtor countries as to how we may use the data. I can recall only a couple of cases in which countries have imposed restrictions. It is based rather on the Bank's attitude on what we consider proper disclosure so as to avoid any criticism from the reporting countries and placing our sources in jeopardy. The Bank's attitude has been somewhat stiffened recently because of the new system for creditor reporting which it has entered with the OECD. The creditor countries are very sensitive about the revelation of their data, especially data on future service payments and on suppliers' credits. Even though confidential creditor data are not involved in the UNCTAD request, we feel that the creditors would regard the Bank's general policies on the revelation of debt data as an indication of the Bank's possible behaviour on creditor data. We do not at this time want to do anything which would stake the confidence of the creditors in the Bank, especially when the new system is just getting started.

With this as a background we can supply the following:

1. Tables 1 and 3 for about 48 individual countries.
2. Tables 2 and 4 by areas only.
3. Tables 5 and 6 by area only if UNCTAD does the calculations. However, since they do not want to work with aggregates, we would have to do the calculations on an individual country basis and then assemble them by areas.

HWPaulson/ms

cc: Messrs. King

Kalmanoff ✓

Tiemann

Leon

Mrs. Angel

Mr. Paolo Leon

May 20, 1967

Helen W. Paulson

UNCTAD request

In reference to the request of Mr. Bell in his letter of May 8, I list below what data can be supplied by the External Debt Section. Other parts of the request (i.e. the major part of Tables 5 - 8b) are a matter for the Programming Section or for your Division. Table numbers refer to the attachments to his letter.

It should be noted in this connection that preparation of Report EC-149 was precipitated by UNCTAD's request of last fall. In deciding on the Report's coverage we specifically had in mind requests from such organizations, and UNCTAD was informed at that time that this was the limit of what we were prepared to give. Now they come with an elaborate request which goes beyond EC-149 and which would not only place an extra manpower and budget drain but calls for data which cannot be released because of confidentiality. On this score the request may be divided in two: (1) data which only we can provide, confidential or otherwise, and (2) calculations which could be done by them if we provide the data and if we assume that they have adding machines and calculators or computer

Table 1: Data can be provided for 96 countries by area only and for 49 countries individually. However, this is already in Report EC-149. Incidentally in discussions, which we had on similar data for the Bank's annual report the decision was made never again to show the 96 country table by individual countries.

Table 2: Impossible for 96 countries. Data for 49 countries for different years for individual countries are included in our records. In order to add area totals, the years or number of countries would be reduced by the fact that for several countries data do not go back very far. However, it has never been the policy of the Bank to reveal data on categories of debt of individual countries. The creditor countries are very sensitive on this point and we do not want to jeopardize the success of the joint OECD/IBRD system by liberalizing our policy now.

Table 3: No problem for areas, but this is already in EC-149.

Table 4: Same as Table 2.

Table 5: Only line 5a of this table and the terms of loans are the concern of the External Debt Section. However, it occurs to me that if the purpose is arrive at debt outstanding in line 10, you would need existing outstanding debt somewhere above. Line 5a is impossible for 96 countries since we do not have projected service for many

Mr. Paolo Leon

May 20, 1967

of them. If we stick to the 19 countries mentioned above, we can supply this by area and we could give about 70 countries. Footnote 4 mentions terms for 1965 which are available but have to be run on the computer. The remainder of the table is also a matter for the computer. One very basic point should, however, be made. This calculation is on a disbursements basis. All of our service payments are on a commitment basis, that is, they include service on the undisbursed. It is impossible to separate service on only the disbursed portion of existing debt since many repayment contracts do not specify the effect of undisbursed amounts, that is, assuming we had the contracts to read them. Furthermore, our average term calculation is based on commitments in a particular year. To calculate average terms on disbursements would be a laborious process and necessitate programming. Therefore, it would appear better to bring commitments into the calculation with an assumed schedule of disbursement on each commitment.

Tables 5-3b: No further debt data to be provided.

H.W. Paulson/ega

cc: Mr. King
Mr. Kalmanoff
Mr. Tiemann
Mrs. Angel

JHP

UNITED NATIONS NATIONS UNIES
NEW YORK

TELEPHONE: PLAZA 4-1234

CABLE ADDRESS • UNATIONS, NEWYORK • ADRESSE TELEGRAPHIQUE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

REF. NO.

19 May 1967

Dear Mr. Hawkins,

..... Please find enclosed a copy of the minutes of the Joint ESA/UNCTAD Consultative Group meeting held here in New York from 24-27 January 1967. We very much regret the delay in the preparation of these minutes due to unavoidable circumstances.

We shall be glad to have your comments, if any, so that we may incorporate them in the final report.

With regards,

Yours sincerely,

V. K. Sastry

V. K. Sastry
Chief
Trade Projections

Mr. Ted Hawkins
Economics Department
International Bank for Reconstruction
and Development
1818 H Street NW
Washington, D.C. 20433

ack May 31

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

May 22, 1967

NAME

ROOM NO.

~~Mr. Kalmanoff~~

General Files

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Would you handle this, please, and
perhaps let Mr. Dell know that you
will be seeing Mr. Ohlin?

*Mr. Leon is handling -
5/23/67*

From

A.M. Kamarck

UNCTAD
x Prof. G. Ohlin

UNITED NATIONS NATIONS UNIES
NEW YORK

TELEPHONE: PLAZA 4-1234

CABLE ADDRESS • UNATIONS, NEWYORK • ADRESSE TELEGRAPHIQUE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

OFFICE OF THE SECRETARY-GENERAL OF THE CONFERENCE

REF. NO.

Consultants

17 May 1967

Dear Andy,

I am not sure whether I have mentioned to you that
[Professor Goran Ohlin has agreed to do a paper for the
Trade Conference on the financing of regional development
under UNCTAD recommendation A.IV.10.]

Professor Ohlin will be visiting us to discuss the
project and I should like him to spend some time in
Washington talking to people about his project.

I imagine that a good deal of thinking must have been
going on within the World Bank on the financing side of
regional development, and I wonder whether some appointments
could be set up for Professor Ohlin in this field. We have
tentatively asked Professor Ohlin to think about financing
requirements (both from indigenous and extra-regional sources)
in connexion with the following:-

- (a) Infrastructure, particularly multinational
infrastructure such as transport, communications,
regional power facilities, etc.
- (b) The development of agricultural and industrial
enterprise catering to region-wide markets
- (c) Export financing for intra-regional trade.
- (d) The achievement of regional balance, i.e, the
provision of special resources for the least
developed countries

Mr. A. Kamarck, Director
Economics Department
International Bank for Reconstruction
and Development
1919 H Street NW
Washington D.C. 20433

/...

Goran
Dubey
Orvis Schmitt
Harold -
Guerra



-2-

As regards (c), we are hoping to have a special study by a separate consultant, and of course the World Bank is also doing some work in this area, and I therefore do not expect Professor Ohlin to go into this aspect at any length. In connexion with (b), we have asked Professor Ohlin to consider the important subsidiary question of monopoly that arises where countries seek to ensure specialization by limiting the establishment of competing enterprises, as in the case of the Central American "integrated industries" approach, and the Kampala Agreement in the case of East Africa.

The question of regional balance is particularly important, and we are asking Professor Ohlin to give some thought to the possibility of providing special financial resources for the encouragement of an adequate rate of economic growth in the least developed members of a regional grouping.

There are, of course, a number of institutional aspects of these problems, such as how to distinguish the respective roles in these matters of national and international lending agencies, including the regional development banks. For all of these agencies the question arises how far it is feasible or desirable for them to use the leverage of their lending to promote regional co-operation, and the extent to which it might be possible to tie financing and trade liberalization together, bearing in mind that the lending institutions have no direct competence or jurisdiction with respect to the lifting of trade restrictions.

I shall suggest to Professor Ohlin that he spend 22-25 May in Washington talking to people in AID, the World Bank and the Inter-American Development Bank, and perhaps the World Bank appointments could be set up, if this is convenient, on Tuesday 23 May.

With best personal regards,

Yours sincerely,

A handwritten signature in blue ink, appearing to read "S. Dell".

S. Dell, Director
New York Office of UNCTAD

22VCT 22

UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



CONFÉRENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DÉVELOPPEMENT

Villa Belfaggio
Menaggio-Loveno
(Como) Italia

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH - 1211 GENÈVE 10

REF. No. :

16 May 1967

Dear Mr. Hoffman,

Thank you very much for your letter of 4 May referring me to the DAC study : "Pilot Survey on Technical Assistance extended by Private Enterprise". It so happened that a few days after receiving your letter, I was in Paris and was able to obtain a copy of the study from Thorpe. It looks interesting indeed and I am looking forward to having a closer look at it and to discussing it with Kristensen and Thorpe, when I return to Paris early in June.

With best wishes,

Sincerely,

A handwritten signature in blue ink, appearing to read "D.U. Stikker".

D.U. Stikker

Mr. Michael L. Hoffman,
Associate Director,
Development Services Department,
I.B.R. D., I.D.A.,
1818 H Street, N.W.,
Washington D.C.,
U.S.A.

1967 MAY 25 09:00 CT

COMMUNICATIONS

1967 MAY 22 10:01

D.S.V.
WASHINGTON D.C.
1818 H Street N.W.
I.B.B. D. I.D.V.
Development Services Department
Associate Director
Mr. Michael F. Hoffman

D.N. Stikker

Sincerely,

With best wishes,

When I return to Paris early in June,
and to discussing it with Klafensen and Dvorbe,
looking forward to making a closer look at it
Dvorbe. It looks interesting indeed and I am
and was able to obtain a copy of the study from
Gala after receiving your letter. I was in Paris
Private Enterprise. It is probable that a few
thousand on descriptive assistance expended by
I was referring me to the DVC study: "Effect
Thank you very much for your letter of

Dear Mr. Hoffman,

REF. NO.:

Telephone: 340011 334000 335000 331000

Telex: 33315 ON 33344

Teletypes: UNATIONS, GENEVE

Je vous prie

CH - 1511 GENEVE 10
Palais des Nations

(Como) Iffis
Mensajero-Toleno
Atis Belisario

ON TRADE AND DEVELOPMENT
UNITED NATIONS CONFERENCE



CONFERENCE DES NATIONS UNIES
SUR LE COMMERCE ET LE DEVELOPPEMENT

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

June 2/67

NAME

ROOM NO.

Mr. Perinbam

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

The Economics Dept. will not be represented, though, as usual, we are interested in the documentation.

From

S. Kalmanoff

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

May 25

NAME

ROOM NO.

~~Mr. Kalmanoff~~

" Periman

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

I don't think we attended last
year. I think I may be wrong—
will you please let us know
whether you think it necessary
to have the Bank represented?
Thanks

From

Counts

MAY 23 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 260 second session
 TDO 262 second session

15 May 1967

A handwritten signature in dark ink, likely of Raúl Prebisch.

Dear Mr. Woods,

..... I have pleasure in sending herewith the notification concerning the forthcoming second sessions of the Committee on Manufactures and of the Group on Preferences. This notification is given in accordance with rule 6 of the rules of procedure of the Committee on Manufactures.

Yours sincerely,

A handwritten signature in dark ink, likely of Raúl Prebisch.

Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

1001111A 33 1110: 23

CONFIDENTIAL

A handwritten mark or signature in the bottom left corner.

acc. June 5

N.

Gen. June 2

COMMUNICATIONS

1967 MAY 23 PM 10:53

U.S.A.
 Washington, D.C. 20533
 1818 H Street, N.W.
 and Delegation
 International Bank for Reconstruction
 President
 Mr. C.D. Woods

Secretary-General
 Kurt Hoyer



Yours sincerely,

on Manufactures.
 accordance with rule 6 of the rules of procedure of the Committee
 and of the Group on Preferences. This notification is given in
 the forthcoming second sessions of the Committee on Manufactures
 I have pleasure in sending herewith the notification concerning
 Dear Mr. Woods,

TEL. No: LDO SES second session
 LDO SEO second session

Telephone: 34 00 11 33 40 00 33 50 00 33 10 00
 Telex: 33 315 on 33 344
 Telegrammes: UNATIONS' GENÈVE

12 May 1967

1211 GENÈVE 10
 Palais des Nations

DELEGATION
 CONFERENCE ON TRADE AND
 UNITED NATIONS



ET LE DELEGATION
 CONFERENCE SUR LE COMMERCE
 NATIONS UNIES

MAY 23 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

TDO 260 second session
TDO 262 second session

NOTIFICATION

Committee on Manufactures
second session, and Group on Preferences,
second session, Geneva, 4 July 1967

The Secretary-General of UNCTAD has the honour to refer to decision 35 (S-II) on the calendar of UNCTAD meetings for 1967 adopted by the Trade and Development Board at its second special session held in New York on 21 December 1966 (TD/B/113, Annex) and to state that, in pursuance of that decision, the Committee on Manufactures will hold its second session in Geneva from 4 to 21 July 1967.

In accordance with the same decision of the Board, the Group on Preferences will hold its second session in Geneva from 4 to 14 July 1967.

The second session of the Committee on Manufactures will open at the Palais des Nations at 11 a.m. on Tuesday, 4 July 1967. Provision has been made for the Group on Preferences to meet simultaneously with the Committee, and its second session will open at the Palais des Nations at 3 p.m. on Tuesday, 4 July 1967.

The list of members of the Committee on Manufactures, as constituted after the elections which took place at the fourth session of the Board, is enclosed, together with a list of the members of the Group on Preferences.

In a note prepared by the UNCTAD secretariat (TD/B/C.2/23), it is suggested that the Committee may wish to revise the provisional agenda for its second session (see TD/B/69-TD/B/C.2/14, paragraph 52)

in order to enable it to focus primary attention on its task of assisting the Trade and Development Board in the preparation of the second session of the Conference (see A/6315/Rev.1, Part Two, paragraphs 46 and 72). The Committee may also wish to take into account General Assembly resolution 2206 (XXI) of 17 December 1966 concerning the second session of the Conference. The note consequently contains, besides the approved provisional agenda for the Committee's second session, a proposed revised provisional agenda together with appropriate annotations. The Group on Preferences at its second session will no doubt wish to continue consideration of the main item on the agenda adopted at its first session, namely, the question of the granting and extension of preferences in favour of developing countries. A provisional agenda, reproducing the agenda adopted by the Group at its first session, will be issued as document TD/B/C.2/AC.1/6.

Governments of members of the Committee on Manufactures and of the Group on Preferences are hereby requested, under rule 17 of the Committee's rules of procedure, to submit to the Secretary-General of UNCTAD, by 23 June 1967 if possible, the credentials of the representatives and the names of alternate representatives and advisers who will participate in the above session.

Governments of members of the Conference not members of the Committee on Manufactures or of the Group on Preferences which wish to attend the sessions as observers are hereby requested to inform the Secretary-General of UNCTAD, by 23 June 1967 if possible, of the names of the representatives designated for that purpose.

Executive heads of the specialized agencies, the International Atomic Energy Agency, and of the intergovernmental bodies which wish to participate in the sessions under rule 77 of the rules of procedure of the Committee on Manufactures are requested to inform the Secretary-General of UNCTAD, by 23 June 1967 if possible, of the names of their representatives designated to that effect.

Executive heads of non-governmental organizations which wish to designate representatives to attend the sessions as observers under rule 78 of the rules of procedure of the Committee on Manufactures are requested to inform the Secretary-General of UNCTAD, by 23 June 1967 if possible, of the names of their representatives.

15 May 1967

Se.

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT

NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

EXTRACT

A/6315/Rev.1, Part Two
Annex DCommittee on Manufactures

<u>Membership</u> <u>1967</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1967</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
Argentina	1967	Jamaica	1968
Austria	1967	Japan	1969
Belgium	1969	Madagascar	1969
Brazil	1968	Mexico	1967
Bulgaria	1967	Morocco	1968
Canada	1968	Netherlands	1967
Chile	1969	Nigeria	1968
China	1968	Pakistan	1967
Congo (Democratic Republic of)	1969	Philippines	1967
Czechoslovakia	1969	Poland	1968
Denmark	1967	Republic of Korea	1969
Federal Republic of Germany	1969	Spain	1969
Finland	1968	Switzerland	1968
France	1967	Syria	1967
Ghana	1967	Trinidad and Tobago	1969
Greece	1967	Uganda	1969
Guatemala	1967	Union of Soviet Socialist Republics	1969
Guinea	1968	United Arab Republic	1969
Hungary	1968	United Kingdom of Great Britain and Northern Ireland	1969
India	1967	United Republic of Tanzania	1968
Israel	1968	United States of America	1968
Italy	1968	Yugoslavia	1967
Ivory Coast	1969		

UNITED NATIONS
CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES
CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

EXTRACT
TD/B/C.2/5
paragraph 6

Membership of the Group on Preferences

Algeria	Jamaica
Argentina	Japan
Australia	Madagascar
Belgium	Nigeria
Brazil	Pakistan
Canada	Philippines
Chile	Poland
Czechoslovakia	Senegal
Denmark	Switzerland
Federal Republic of Germany	Syria
France	Uganda
Ghana	Union of Soviet Socialist Republics
Guatemala	United Arab Republic
Hungary	United Kingdom of Great Britain and Northern Ireland
India	United States of America
Israel	Uruguay
Italy	Yugoslavia

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

May 25

NAME

ROOM NO.

Thanks - IFC is not interested
Mr. Ray

JPR 5/26/67

" Penikam

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

The Board & I ~~IDA~~ have also
been invited; I doubt whether
IFC will want to be represented
but would like your confirmation
Thanker

From

Count

MAY 23 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 260 second session
TDO 262 second session

15 May 1967

A handwritten signature, possibly of the Secretary-General, in the right margin.

Dear Mr. Woods,

..... I have pleasure in sending herewith the notification concerning the forthcoming second sessions of the Committee on Manufactures and of the Group on Preferences. This notification is given in accordance with rule 6 of the rules of procedure of the Committee on Manufactures.

Yours sincerely,

A handwritten signature of Raúl Prebisch.

Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Finance Corporation
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

1 MAY 23 1967
RECEIVED

A handwritten mark or signature at the bottom left corner.

ack. June 5

11.

rec. June 2

RECEIVED
MAY 23 1963

U.S.A.
Washington, D.C. 20533
1818 H Street, N.W.
International Finance Corporation
President
Mr. G.D. Woods

Secretary-General
Paul Prebent



Yours sincerely,

on Manufactures.

accordance with rule 6 of the rules of procedure of the Committee
and of the Group on Preferences. This notification is given in
the forthcoming second sessions of the Committee on Manufactures

..... I have pleasure in sending herewith the notification concerning

Dear Mr. Woods,

REF. No: LDO 365 second session
LDO 360 second session

Telephone: 3400 11 33 40 00 33 30 00 33 10 00
Telex: 33313 on 33344
Telegrams: DIVISIONS, GENEVE

12 MAY 1963

1211 GENEVE 10
Palais des Nations

DELEGATION
CONFERENCE ON TRADE AND
UNITED NATIONS



ET LE DELEGATION
CONFERENCE SUR LE COMMERCE
NATIONS UNIES

MAY 23 1963

UNITED NATIONS
CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES
CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

TDO 260 second session
TDO 262 second session

NOTIFICATION

Committee on Manufactures
second session, and Group on Preferences,
second session, Geneva, 4 July 1967

The Secretary-General of UNCTAD has the honour to refer to decision 35 (S-II) on the calendar of UNCTAD meetings for 1967 adopted by the Trade and Development Board at its second special session held in New York on 21 December 1966 (TD/B/113, Annex) and to state that, in pursuance of that decision, the Committee on Manufactures will hold its second session in Geneva from 4 to 21 July 1967.

In accordance with the same decision of the Board, the Group on Preferences will hold its second session in Geneva from 4 to 14 July 1967.

The second session of the Committee on Manufactures will open at the Palais des Nations at 11 a.m. on Tuesday, 4 July 1967. Provision has been made for the Group on Preferences to meet simultaneously with the Committee, and its second session will open at the Palais des Nations at 3 p.m. on Tuesday, 4 July 1967.

The list of members of the Committee on Manufactures, as constituted after the elections which took place at the fourth session of the Board, is enclosed, together with a list of the members of the Group on Preferences.

In a note prepared by the UNCTAD secretariat (TD/B/C.2/23), it is suggested that the Committee may wish to revise the provisional agenda for its second session (see TD/B/69-TD/B/C.2/14, paragraph 52)

in order to enable it to focus primary attention on its task of assisting the Trade and Development Board in the preparation of the second session of the Conference (see A/6315/Rev.1, Part Two, paragraphs 46 and 72). The Committee may also wish to take into account General Assembly resolution 2206 (XXI) of 17 December 1966 concerning the second session of the Conference. The note consequently contains, besides the approved provisional agenda for the Committee's second session, a proposed revised provisional agenda together with appropriate annotations. The Group on Preferences at its second session will no doubt wish to continue consideration of the main item on the agenda adopted at its first session, namely, the question of the granting and extension of preferences in favour of developing countries. A provisional agenda, reproducing the agenda adopted by the Group at its first session, will be issued as document TD/B/C.2/AC.1/6.

Governments of members of the Committee on Manufactures and of the Group on Preferences are hereby requested, under rule 17 of the Committee's rules of procedure, to submit to the Secretary-General of UNCTAD, by 23 June 1967 if possible, the credentials of the representatives and the names of alternate representatives and advisers who will participate in the above session.

Governments of members of the Conference not members of the Committee on Manufactures or of the Group on Preferences which wish to attend the sessions as observers are hereby requested to inform the Secretary-General of UNCTAD, by 23 June 1967 if possible, of the names of the representatives designated for that purpose.

Executive heads of the specialized agencies, the International Atomic Energy Agency, and of the intergovernmental bodies which wish to participate in the sessions under rule 77 of the rules of procedure of the Committee on Manufactures are requested to inform the Secretary-General of UNCTAD, by 23 June 1967 if possible, of the names of their representatives designated to that effect.

Executive heads of non-governmental organizations which wish to designate representatives to attend the sessions as observers under rule 78 of the rules of procedure of the Committee on Manufactures are requested to inform the Secretary-General of UNCTAD, by 23 June 1967 if possible, of the names of their representatives.

15 May 1967

Se.

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT

NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

EXTRACT

A/6315/Rev.1, Part Two
Annex DCommittee on Manufactures

<u>Membership</u> <u>1967</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1967</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
Argentina	1967	Jamaica	1968
Austria	1967	Japan	1969
Belgium	1969	Madagascar	1969
Brazil	1968	Mexico	1967
Bulgaria	1967	Morocco	1968
Canada	1968	Netherlands	1967
Chile	1969	Nigeria	1968
China	1968	Pakistan	1967
Congo (Democratic Republic of)	1969	Philippines	1967
Czechoslovakia	1969	Poland	1968
Denmark	1967	Republic of Korea	1969
Federal Republic of Germany	1969	Spain	1969
Finland	1968	Switzerland	1968
France	1967	Syria	1967
Ghana	1967	Trinidad and Tobago	1969
Greece	1967	Uganda	1969
Guatemala	1967	Union of Soviet Socialist Republics	1969
Guinea	1968	United Arab Republic	1969
Hungary	1968	United Kingdom of Great Britain and Northern Ireland	1969
India	1967	United Republic of Tanzania	1968
Israel	1968	United States of America	1968
Italy	1968	Yugoslavia	1967
Ivory Coast	1969		

UNITED NATIONS
CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES
CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

EXTRACT
TD/B/C.2/5
paragraph 6

Membership of the Group on Preferences

Algeria	Jamaica
Argentina	Japan
Australia	Madagascar
Belgium	Nigeria
Brazil	Pakistan
Canada	Philippines
Chile	Poland
Czechoslovakia	Senegal
Denmark	Switzerland
Federal Republic of Germany	Syria
France	Uganda
Ghana	Union of Soviet Socialist Republics
Guatemala	United Arab Republic
Hungary	United Kingdom of Great Britain and Northern Ireland
India	United States of America
Israel	Uruguay
Italy	Yugoslavia

MAY 23 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

1211 GENÈVE 10

REF. N° : TDO 260 second session
TDO 262 second session

15 May 1967

Permbam
25 May
sent to Raj
& Kalmanoff

C.

Dear Mr. Woods,

..... I have pleasure in sending herewith the notification concerning the forthcoming second sessions of the Committee on Manufactures and of the Group on Preferences. This notification is given in accordance with rule 6 of the rules of procedure of the Committee on Manufactures.

Yours sincerely,

Raúl Prebisch

Raúl Prebisch
Secretary-General

Mr. G.D. Woods
President
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

U.

ack. June 5

N.

2 June 1967

RECEIVED
1967 MAY 23 10:53

U.S.A.
Washington, D.C. 20033
1818 H Street, N.W.
International Development Association
President
Mr. C.D. Woods

Secretary-General
Basil Bertran

[Handwritten signature]

Yours sincerely,

on Manufactures.
accordance with rule 6 of the rules of procedure of the Committee
and of the Group on Preferences. This notification is given in
the forthcoming second sessions of the Committee on Manufactures
..... I have pleasure in sending herewith the notification concerning
Dear Mr. Woods,

[Handwritten notes: "Hundred of you to have" and "Compton"]

REF. No: LDO SES second session
LDO SEO second session
Telephone: 3400 11 33 40 00 33 50 00 33 10 00
Telex: 33313 on 33344
Telegrams: UNATIONS' GENERE

12 May 1967

1211 GENERE 10
Palais des Nations

DELEGATION
CONFERENCE ON TRADE AND
UNITED NATIONS



LE DELEGATION
CONFERENCE SUR LE COMMERCE
NATIONS UNIES

MAY 23 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

TDO 260 second session
TDO 262 second session

NOTIFICATION

Committee on Manufactures
second session, and Group on Preferences,
second session, Geneva, 4 July 1967

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Executive heads of the specialized agencies, the International Atomic Energy Agency, and of the intergovernmental bodies which wish to participate in the sessions under rule 77 of the rules of procedure of the Committee on Manufactures are requested to inform the Secretary-General of UNCTAD, by 23 June 1967 if possible, of the names of their representatives designated to that effect.

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15 May 1967

Se.

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT

NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

EXTRACT

A/6315/Rev.1, Part Two
Annex DCommittee on Manufactures

<u>Membership</u> <u>1967</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>	<u>Membership</u> <u>1967</u>	<u>Term of office</u> <u>expires on</u> <u>31 December</u>
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Austria	1967	Japan	1969
Belgium	1969	Madagascar	1969
Brazil	1968	Mexico	1967
Bulgaria	1967	Morocco	1968
Canada	1968	Netherlands	1967
Chile	1969	Nigeria	1968
China	1968	Pakistan	1967
Congo (Democratic Republic of)	1969	Philippines	1967
Czechoslovakia	1969	Poland	1968
Denmark	1967	Republic of Korea	1969
Federal Republic of Germany	1969	Spain	1969
Finland	1968	Switzerland	1968
France	1967	Syria	1967
Ghana	1967	Trinidad and Tobago	1969
Greece	1967	Uganda	1969
Guatemala	1967	Union of Soviet Socialist Republics	1969
Guinea	1968	United Arab Republic	1969
Hungary	1968	United Kingdom of Great Britain and Northern Ireland	1969
India	1967	United Republic of Tanzania	1968
Israel	1968	United States of America	1968
Italy	1968	Yugoslavia	1967
Ivory Coast	1969		

UNITED NATIONS
CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES
CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

EXTRACT
TD/B/C.2/5
paragraph 6

Membership of the Group on Preferences

Algeria	Jamaica
Argentina	Japan
Australia	Madagascar
Belgium	Nigeria
Brazil	Pakistan
Canada	Philippines
Chile	Poland
Czechoslovakia	Senegal
Denmark	Switzerland
Federal Republic of Germany	Syria
France	Uganda
Ghana	Union of Soviet Socialist Republics
Guatemala	United Arab Republic
Hungary	United Kingdom of Great Britain and Northern Ireland
India	United States of America
Israel	Uruguay
Italy	Yugoslavia

May 9, 1967

Mr. Sidney Dell
Director
New York Office of UNCTAD
United Nations
New York, N.Y.

Dear Sidney:

In reply to your letter of May 3, 1967 concerning the erroneous reference to Belgium in paragraph 9 of the UNCTAD paper on Rescheduling or Consolidation of External Debt (TD/R/C.2/37, January 30, 1967), which reproduced material supplied by the Bank, this is to authorize you to issue a corrigendum deleting the reference to Belgium.

This matter was also brought to the attention of our Mr. Perinban by Mr. Singh, Chief of your Financing for Trade Section, in his letter of April 25, 1967. You may wish to inform Mr. Singh of this reply.

Sincerely yours,

awk

Andrew M. Kamarck
Director
Economics Department

cc: Messrs. Perinban, Leon, Karaosmanoglu, Kalmanoff

RECEIVED 10 12 5:11

GKalmanoff:vlb

G.K.

May 2, 1967

Mr. Sidney Bell
Director
New York Office of UNCTAD
United Nations
New York, N.Y.

Dear Sidney:

In reply to your letter of May 2, 1967 concerning the
extensive reference to Belgium in paragraph 7 of the UNCTAD paper
on Rescheduling or Consolidation of External Debt (TD/WP.2/37,
January 30, 1967), which reproduced material supplied by the Bank,
this is to authorize you to issue a corrigendum deleting the
reference to Belgium.

This matter was also brought to the attention of our Mr.
Perrin by Mr. Singh, Chief of your Planning for Trade Section,
in his letter of April 25, 1967. You may wish to inform Mr. Singh
of this reply.

Sincerely yours,

Amk

Andrew M. Karmach
Director
Economic Department

cc: Messrs. Perrin, Leon, Karmach, Karmach

1967 MAY 10 PM 2:17

COMMUNICATIONS
SECTION

27.4

DEPARTMENT: vjb

OFFICE MEMORANDUM

TO: Mr. George Kalmanoff

DATE: May 8, 1967

FROM: Attila Karaosmanoglu *A.K.*SUBJECT: IBRD paper on reschedule or consolidation of External Debt.

In view of the note by the Belgian Permanent Delegation to the U.N., addressed to the Secretariat of UNCTAD Committee on Invisibles and Financing related to Trade dated April 5, 1967, we have to ask UNCTAD for the issuance of a corrigendum deleting the word "Belgium" in the document TD/B/C.3/37 English version, page 4, paragraph 9, line 3 and in French version page 4, paragraph 9, line 4.

A.Karaosmanoglu/ega

cc: Mr. Leon

UNITED NATIONS NATIONS UNIES
NEW YORK

TELEPHONE: PLAZA 4-1234

CABLE ADDRESS • UNATIONS, NEWYORK • ADRESSE TELEGRAPHIQUE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

REF. NO.

TDS 241(4)
Debt Servicing

8 May 1967

Dear Andy:

At our last meeting, I understood you to say that although the World Bank could not make available to us the basic data on debt service and commercial credits you would be in a position to do certain processing of the data for us if we could indicate precisely what we wanted.

I am enclosing herewith a set of tables which we should, if possible, like to have completed.

As you will see, Tables 5 and 6 relate to the annual net transfer corresponding to a given gross inflow, and the annual gross inflow required to maintain a given net inflow respectively. We shall, in due course also want to obtain an estimate of the projected gross inflow required to finance the trade gap in 1975. However, since we do not yet have our completed estimates of the 1975 trade gaps, we shall not be able to ask for this particular table until later on.

There are some minor discrepancies between your geographical classification and ours (for example, we include U.A.R. in Africa) and I take it that it would be possible for you to give us the regional totals in line with the geographical classification that we use for other purposes.

I hope to call you on Friday to obtain your reaction to these tables, and also, if possible, to arrange for one of our people to come down to discuss the programming of the debt service projections.

With kindest regards.

Yours sincerely,


S. Dell, Director
New York Office of UNCTAD

Enclosures

Mr. A. Kamarck, Director
Economics Department
International Bank for Reconstruction
and Development
Washington, D.C. 20433

ack. June 7

1. The first part of the report deals with the general situation of the country and the progress of the work done during the year.

2. The second part of the report deals with the results of the work done during the year.

3. The third part of the report deals with the financial position of the country and the progress of the work done during the year.

4. The fourth part of the report deals with the results of the work done during the year.

5. The fifth part of the report deals with the financial position of the country and the progress of the work done during the year.

1967 MAY 10 AM 8:50
RECEIVED
COMMUNICATIONS
SECRETARY'S OFFICE

96 areas
only

49 by county
year?

49 by county
year?

[illegible]

96 - impossible
smaller number -
yes by you?

[illegible]

RIES
96 - impossible
smaller number -
yes but yes?

Country	As of January 1										
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
DEVELOPING COUNTRIES											
LATIN AMERICA											
-											
-											
-											
-											
SOUTH ASIA AND MIDDLE EAST											
-											
-											
-											
-											
FAR EAST											
-											
-											
-											
-											
AFRICA											
-											
-											
-											
-											
SOUTHERN EUROPE											
-											
-											
-											
-											

yes
by county no

yes
by county no

[illegible]

Table 8 (b): FREQUENCY DISTRIBUTION OF DEBT SERVICE AS
PERCENTAGE OF MERCHANDISE IMPORTS FOR 96
DEVELOPING COUNTRIES, 1966 - 1975
(per cent)

Breakdown of countries according to the ratio of debt service to merchandise exports ^{a/}		0 < 5	5 < 10	10 < 20	20 and above
TOTAL DEVELOPING COUNTRIES					
	1966				
	1970				
	1975				
LATIN AMERICA					
	1966				
	1970				
	1975				
SOUTH ASIA AND MIDDLE EAST					
	1966				
	1970				
	1975				
FAR EAST					
	1966				
	1970				
	1975				
AFRICA					
	1966				
	1970				
	1975				
SOUTHERN EUROPE					
	1966				
	1970				
	1975				

^{a/} Exports for each country are assumed to increase at an annual rate of 5 per cent. Debt service computed as in Table 6 (b).

Table 8 (a): FREQUENCY DISTRIBUTION OF DEBT SERVICE AS
PERCENTAGE OF MERCHANDISE EXPORTS FOR %
DEVELOPING COUNTRIES, 1966 - 1975
(per cent)

Breakdown of countries according to the ratio of debt service to merchandise exports ^{a/}		0 < 5	5 < 10	10 < 20	20 and above
TOTAL DEVELOPING COUNTRIES					
	1966				
	1970				
	1975				
LATIN AMERICA					
	1966				
	1970				
	1975				
SOUTH ASIA AND MIDDLE EAST					
	1966				
	1970				
	1975				
FAR EAST					
	1966				
	1970				
	1975				
AFRICA					
	1966				
	1970				
	1975				
SOUTHERN EUROPE					
	1966				
	1970				
	1975				

^{a/} Figures for each country are assumed to increase at an annual rate of 5 per cent. Debt service computed as in Table 6 (a).

Table 8: FREQUENCY DISTRIBUTION OF DEBT SERVICE AS
PERCENTAGE OF MERCHANDISE EXPORTS FOR 96
DEVELOPING COUNTRIES, 1966 - 1975
(per cent)

Breakdown of countries according to the ratio of debt service to merchandise exports ^{a/}				
TOTAL DEVELOPING COUNTRIES	0 < 5	5 < 10	10 < 20	20 and above
1966				
1970				
1975				
LATIN AMERICA				
1966				
1970				
1975				
SOUTH ASIA AND MIDDLE EAST				
1966				
1970				
1975				
FAR EAST				
1966				
1970				
1975				
AFRICA				
1966				
1970				
1975				
SOUTHERN EUROPE				
1966				
1970				
1975				

a/ Exports for each country are assumed to increase at an annual rate of 5 per cent. Debt service computed as in table 6.

Table 7 (b): DEBT SERVICE AS PERCENTAGE OF GROSS INFLOW AND
MERCHANDISE EXPORTS, 1966 - 1975 a/
(Percentage)

Total			So.Asia			Far East			Africa			Southern Europe		
Dyng. Countries Latin America + Middle East														
1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975

1. Debt Service as per cent
of gross inflow

2. Debt Service as per cent
of exports assuming that
exports grow at an annual
rate of

a) 4 per cent

b) 5 per cent

c) 6 per cent

a/ Debt Service computed as in table 6 (b).

Table 7 (a): DEBT SERVICE AS PERCENTAGE OF GROSS INFLOW AND
MERCHANDISE EXPORTS, 1966 - 1975 a/

(Percentage)

Total			So. Asia			Far East			Africa			Southern Europe		
Devop. Countries			Latin America + Middle East											
1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975

1. Debt Service as per cent
of gross inflow
2. Debt Service as per cent
of exports assuming that
exports grow at an annual
rate of
 - a) 4 per cent
 - b) 5 per cent
 - c) 6 per cent

a/ Debt Service computed as in table 6 (a).

Table 7: DEBT SERVICE AS PERCENTAGE OF GROSS INFLOW AND
MERCHANDISE EXPORTS, 1966 - 1975 a/
(Percentage)

Total			So.Asia			Far East			Africa			Southern Europe		
Dvpg. Countries			Latin America + Middle East											
1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975

1. Debt Service as per cent
of gross inflow

2. Debt Service as per cent
of exports assuming that
exports grow at an annual
rate of

- a) 4 per cent
- b) 5 per cent
- c) 6 per cent

a/ Debt Service computed as in table 6

Table 6b): ANNUAL GROSS INFLOW REQUIRED TO MAINTAIN A GIVEN
NET INFLOW FOR 96 DEVELOPING COUNTRIES BY AREA,
ON IBRD-LIKE TERMS, 1966 - 1975

(In millions of dollars)

Total			South Asia			Far East			Africa			Southern Europe		
Dvpg.	Countries	Latin America	+ Middle East											
1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975

1. Gross Inflow including export credit a/
2. Grants
3. Gross Inflow of new export credit
4. Gross lending
5. Total debt service
6. Total debt service on new export credit
7. Net inflow b/
8. Net inflow of new export credit
9. Debt outstanding

a/ The 1965 percentage composition of grants and gross lending were assumed to continue for each country throughout the projection period. All official lending was assumed to take place on IBRD-like terms, i.e., 25 years maturity, 5-year grace period, 6 per cent interest. All other lending was assumed to take place at 1965 terms. The gross inflow (grants and gross lending) for each year was determined by the amount required by each country to maintain its net inflow of grants and loans at its 1965 level.

b/ Grants plus lending net of interest and amortization.

Table 6a) ANNUAL GROSS INFLOW REQUIRED TO MAINTAIN A GIVEN
NET INFLOW FOR 96 DEVELOPING COUNTRIES BY AREA
ON IDA-LIKE TERMS, 1966-1975

(In millions of dollars)

Total			South Asia			Far East			Africa			Southern Europe		
Dvpg.	Countries		Latin America	+ Middle East										
1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975

1. Gross Inflow including export credit a/
2. Grants
3. Gross Inflow of New Export Credit
4. Gross Lending
5. Total Debt Service
6. Total Debt Service on New Export Credit
7. Net Inflow b/
8. Net Inflow of New Export Credit
9. Debt Outstanding

a/ The 1965 percentage composition of grants and gross lending were assumed to continue for each country throughout the projection period. All official lending was assumed to take place on IDA-like terms, i.e. 50 years maturity, 10-year grace period, 3/4 of 1 per cent interest. All other lending was assumed to take place at 1965 terms. The gross inflow (grants and gross lending) for each year was determined by the amount required by each country to maintain its net inflow of grants and loans at its 1965 level.

b/ Grants plus lending net of interest and amortization.

Table 6: ANNUAL GROSS INFLOW REQUIRED TO MAINTAIN A GIVEN NET INFLOW
FOR 96 DEVELOPING COUNTRIES BY AREA, 1966 - 1975

(In millions of dollars)

	Total			Latin America			South Asia + Middle East			Far East			Africa			Southern Europe		
	Dvpg. Countries			1966			1970			1975			1966			1970		
	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975
1. Gross Inflow including export credit a/																		
2. Grants																		
3. Gross Inflow of New Export credit																		
4. Gross Lending																		
5. Total Debt Service																		
6. Total Debt Service on New Export Credit																		
7. Net Inflow b/																		
8. Net Inflow of New Export Credit																		
9. Debt Outstanding																		

a/ The 1965 percentage composition of grants and gross lending and the ¹⁹⁶⁵ terms of each loan were assumed to continue for each country throughout the projection period. The gross inflow (grants and gross lending) for each year was determined by the amount required by each country to maintain its net inflow of grants and loans at its 1965 level.

b/ Grants plus lending net of interest and amortization.

Table 5: ANNUAL NET TRANSFER CORRESPONDING TO A GIVEN GROSS INFLOW OF
FINANCIAL RESOURCES FOR 96 DEVELOPING COUNTRIES BY AREA, 1966-1975

(In millions of dollars)

	Total			Latin America			South Asia + Middle East			Far East			Africa			Southern Europe		
	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975	1966	1970	1975
1. Gross Inflow, including export credits <u>a/</u>																		
2. Grants																		
3. Gross Inflow of export credits																		
4. Gross Lending																		
5. Total debt service																		
a) Service payments on old debt																		
b) Service payments on new debt																		
6. Total debt service on new export credits																		
7. Net transfer <u>b/</u>																		
8. Net inflow of new export credits																		
9. Net lending <u>c/</u>																		
10. Debt outstanding																		

- a/ The terms, composition and amount of the gross inflow of grants and loans for each country were assumed to continue at their 1965 annual rate throughout the projection period.
- b/ Grants plus lending net of interest and amortization.
- c/ Gross lending less interest and amortization.

May 8, 1967

Mr. Sidney Dell
Director
New York Office of UNCTAD
United Nations, New York

Dear Sidney:

This is in reply to your letter of 4 May 1967 inviting Dr. Mahbub ul Haq to attend an informal seminar on May 11 on a study on the effects of tied aid. This is an important subject and we are very glad to cooperate with you on this.

I have informed Dr. ul Haq that we approve his participation. I have also informed him that in view of the importance of this study and of our own interest in it, we will pay his expenses.

Sincerely yours,

Andrew M. Kamarck
Director
Economics Department

AMK/nme

cc: Messrs. van der Tak
ul Haq
Stevenson

incoming to ul Haq

May 8, 1967

Mr. Sidney Dell
Director
New York Office of UNCTAD
United Nations, New York

Dear Sidney:

This is in reply to your letter of 4 May 1967 inviting Dr. Mahabub ul Haq to attend an informal seminar on May 11 on a study on the effects of tied aid. This is an important subject and we are very glad to cooperate with you on this.

I have informed Dr. ul Haq that we approve his participation. I have also informed him that in view of the importance of this study and of our own interest in it, we will pay his expenses.

Sincerely yours,

Andrew M. Kassarck
Director
Economics Department

AMK/nms

cc: Messrs. van der Tak
ul Haq
Stevenson

Memorandum to Mr. Haq

1967 MAY -6 PM 11:49

COMMUNICATIONS
UNIT

Mr. M. Mendels

May 5, 1967

Federico Consolo *FC*

UNCTAD Committee on Invisibles and Financing related to Trade

Attached for distribution to the Executive Directors, etc. is a report on the recent session of the Committee mentioned above. The report has been cleared by Mr. Demuth.

FC:bmb

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

SecM67-124

FROM: The Secretary

May 5, 1967

REPORT ON THE SECOND SESSION OF UNCTADCOMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE

The Committee on Invisibles and Financing Related to Trade held its second session in New York from April 4 to 19, 1967. Attached for information is a report on the meeting prepared by the Bank's Representatives.

DISTRIBUTION:

Executive Directors and Alternates
President
President's Council
Executive Vice President, IFC
Deputy Executive Vice President, IFC
Department Heads, Bank and IFC

Report on the Second Session of UNCTAD

Committee on Invisibles and Financing related to Trade

1. The 45-member^{1/} UNCTAD Committee on Invisibles and Financing related to Trade met in New York from April 4 to 19. Mr. Mirko Mermolja (Yugoslavia) was elected Chairman of the Committee.

2. The Committee set up two Sessional Sub-Committees of the Whole - one to consider Invisibles, the other to consider the Horowitz Proposal and Supplementary Financial Measures.

3. The following matters of interest to the Bank were discussed:

a) Terms, coordination and effectiveness of aid and problems of debt servicing

Most of the Delegations which took the floor confined their interventions to making some observations on the undesirable tendencies toward the hardening of terms, insufficiency of the available development loans, the undesirable effects of tied aid, the delays between commitments and the disbursements of aid, etc. Some delegates, however, made proposals with regard to certain policy measures and/or suggesting that further studies should be carried out.

A great majority of the speakers praised the work of the Bank Group and in several of their proposals suggested that the Bank should or could play an important role.

It may be interesting to mention some of these suggestions:-

- IBRD should be encouraged to propose appropriate terms of aid in the consultative groups and the consortia. For countries for which such groups do not exist a rough classification of countries with regard to the appropriate terms necessary should be provided by the Bank (U.K., Ghana).

- Discussions on and the treatment of commercial loans and aid should be separated (U.K.). Appropriate increase is necessary in the funds provided by the multilateral institutions, particularly in the case of IDA (U.S.A., Italy, Yugoslavia and Sudan).

^{1/} The 45 members of the Committee are: Argentina, Australia, Belgium, Brazil, Bulgaria, Cameroon, Canada, Chile, China, Congo (Democratic Republic), Czechoslovakia, Ecuador, El Salvador, Federal Republic of Germany, Finland, France, Ghana, India, Israel, Italy, Japan, Kuwait, Lebanon, Mali, Mexico, Morocco, Netherlands, Peru, Poland, Republic of Korea, Republic of Viet-Nam, Romania, Soviet Union, Spain, Sudan, Sweden, Switzerland, Tunisia, Turkey, Uganda, U.A.R., U.K., United Republic of Tanzania, U.S.A., and Yugoslavia.

- Supplementary and compensatory financing should be considered together with the problems of basic financing (Yugoslavia).

- Elaborate systems should not be created to deal with debt crises, each case of crisis should be treated separately (U.K. and most of the creditor countries).

- The concept of debt servicing capacity should be studied further along the lines of the IBRD study (U.K., U.S.A.).

- A debt crisis is usually the result of wrong development strategies, therefore development strategies should be more carefully studied (Germany).

- The UNCTAD Secretariat should initiate studies on an early warning system in association with the World Bank Group. But care must be taken not to forget countries which have low debt service ratios but need development assistance (Ghana).

- Work along the lines of the IBRD debt study should be carried further and a better system should be developed for an early recognition of debt crises (U.K., U.S.A., and some others).

- Further work should be carried out by the UNCTAD Secretariat, exploring (1) the effects of aid tying on comparative prices with regard to (a) tied sources of procurement and (b) aid tied to projects as well as to the source of procurement, and (2) the wider effects of tied aid on trade (U.K., Tunisia).

- Aid should be multilateralized to avoid the harmful effects of tying (U.A.R.).

- When tying cannot be avoided, diversification of the sources of finance for individual developing countries should be provided (Japan).

- Parliamentary procedures should be changed to permit commitment of aid for periods longer than one year (Tunisia).

- Assurances should be given for longer periods for aid to developing countries if certain requirements are fulfilled (Italy).

b) Suppliers' credits

The Bank Staff Report on Suppliers' Credits formed the basis for discussion on this item. The Report was presented by the Bank Representative, who at the close of the discussion stated that the Bank had started work on the problem of financing facilities for exports of capital goods by developing countries, and that it was hoped that the result of this work could be made available in time for the next UNCTAD Conference, in New Delhi in February/March 1968, hereafter referred to as UNCTAD II.

Points of interest raised by delegations were the following:

- IBRD and IMF should assist in setting up Foreign Trade Banks on a regional basis (Tunisia).

- A roster of first rate consulting firms, recognized as reliable by international institutions, should be set up and made available to developing countries (Tunisia).

- The importance of keeping suppliers' credits separated from development aid was stressed (U.K.). This view was shared by France, Germany and Japan. The U.S.A., Switzerland, India and Israel doubted the possibility of making such a well-defined distinction between the two types of financial flows.

- Adequate control on indebtedness can only be exercised at the receiving end (U.K.).

- Donor countries' government control on suppliers' credits may hamper private initiative (Japan, Germany).

- Suppliers' credits should be reserved for quick yielding projects (Belgium).

- Better administration of external debt in LDCs may lead to undesirably stringent planning of external finances (Germany); it will not solve the problem if the supply of development finance is insufficient (Israel).

- The idea of pooling requests for private export credits through development finance companies in LDCs is objectionable (Germany).

- Maturities should be related to the useful life of goods financed only as a maximum; the project's payments capacity and the country's transfer capacity may permit shorter maturities (Germany).

- A new body to coordinate policies and practices of creditors is not feasible, given that present bodies are also inefficient (Germany, Italy).

- Coordination vis-à-vis individual debtors should be fostered (Belgium, Italy), but excessive regulation of the financial policies of debtor countries should be avoided since it may induce excessive planning (Germany).

- While the use of existing "clubs" is an acceptable idea, the creation of ad hoc groups should be avoided (Germany).

- Joint financing is a possible solution (Belgium), but requires further experience (Germany).

- The report is too brief on the causes of excess suppliers' credits (France).

- The IBRD should continue to elaborate the study, both by updating figures and by giving a fuller explanation of present practices and policies of donors' coordination, and present a second study at UNCTAD II (Japan).

- The IBRD study should better clarify the difference between long-term official loans and medium-term commercial official lending (Canada).

c) Mobilization of internal resources

The major points raised were:-

- The UNCTAD Secretariat should become a clearing house of "gap" projections on individual countries made by IBRD, UN, UNCTAD and other bodies (Tunisia).

- The effects of regional integration on trade and of regional agreements between developed and developing countries should be taken into account when projecting trade gaps (Tunisia).

- Further research is needed on the correlation between capital inflows and growth (Germany, India).

- A study of the possibility of setting up an international fiscal system for providing aid to LDCs should be undertaken (Ghana).

- Greater emphasis should be placed on commodity support agreements as a substitute for budgetary aid (France).

- The indebtedness data published by IBRD greatly underestimate the phenomenon; public debt, long-term is \$36.4 billion; including private debt, \$42.6 billion; including short-term and arrears, \$47.6 billion (U.S.S.R.).

d) The Horowitz Proposal

The report of the Expert Group set up by the Secretary General of UNCTAD to consider the problems involved in the proposal and similar schemes and possible variations formed the background for the brief discussion on this item in the Sessional Sub-Committee. Five delegations spoke. The Israeli delegate (An Economic Adviser to the Bank of Israel) urged that the proposal be placed on the agenda of UNCTAD II. The delegates of Ghana and Argentina supported the proposal and suggested further analysis of certain technical aspects - for example, possible sources of funds to meet the interest differential. The Belgian delegate emphasized the difficulties of the proposal and said that the pending replenishment exercise was the way to provide IDA with new resources. The U.K. delegate said that there was no case for further technical analysis, and proposed waiting to see the outcome of the IDA replenishment and of the supple-

mentary financing scheme. The Plenary Session adopted a recommendation of the Sub-Committee, over the objections of Lebanon, Kuwait, U.A.R., Sudan and Tunisia, that the Secretary-General of UNCTAD review the effects, if any, on the Horowitz Proposal of the longer-term trends of the capital market using such experts as he deemed fit. The dissenters stated that they agreed with the report of the Expert Group and considered any further study of the proposal superfluous.

e) Supplementary financial measures

The report of the Expert Group was considered. There was no substantive discussion; no specific questions were raised, as it was suggested by the Chairman that such questions could be forwarded to the Expert Group for consideration at their next meeting. General statements were made, especially by delegations of countries which are not members of the Expert Group.

The following specific points were made:-

- The Bank Staff proposals were too ambitious and too complicated (Germany^{1/}).

- Skepticism was expressed of the idea itself (Australia).

- Coordination was needed between supplementary financing and compensatory finance and the need for parallel efforts for commodity arrangements was stressed (Switzerland).

- The Group had not expressed any value judgment on the relative merits of channelling aid through the proposed scheme or through development assistance; such a judgment was outside its terms of reference. However, it should be made clear that supplementary financial measures were in fact supplementary to basic development finance (India^{1/}).

- The amounts involved are important and consideration should be given to establishing which countries could qualify for supplementary financing (Italy).

- Supplementary financing should correspond to intermediate or medium-term financing rather than long-term basic development finance (Spain).

- The scheme is complex but there is no doubt as to its usefulness: the technical difficulties were not insurmountable (Israel).

- The case for the scheme still held good: further information on cost estimates was, however, called for. It would be necessary to consider carefully the timing of the scheme, in view of the discussions now under way for IDA replenishment (U.K.^{1/}).

- IDA replenishment was a matter of priority: the Expert Group could meet in October 1967 (U.S.A.^{1/})

^{1/} Member of the Expert Group

- It was important to distinguish and define the roles of supplementary finance and compensatory financing facility (Belgium).
 - Objections to the principle of the scheme were reiterated; a number of technical difficulties were indicated (France^{1/}).
 - There was no conflict between commodity arrangements and supplementary finance; while welcoming any modifications without altering the basis of the scheme, the Bank Staff scheme was practicable (Sweden^{1/}).
- Strong support for the scheme was voiced by Argentina^{1/}, Finland, Ghana^{1/} and Yugoslavia^{1/}.

Discussions showed, on the whole, that the respective countries continued to take rather familiar positions. The developing countries, Sweden and U.K. continue to support the main features of the Bank Staff proposals; some of them would like further discussion of certain aspects, in particular cost estimates and policy package. France remains opposed to any such scheme. Germany again referred to its alternative proposal.

It was decided to convene the next (third) session of the Intergovernmental Group on Supplementary Financing in Geneva in October, for two weeks or more, commencing about the middle of the month. There is also a possibility of a short fourth session of the Group being held early in December 1967 to adopt its report.

It seems to be generally agreed that this subject is likely to figure prominently in UNCTAD II.

f) Tourism

The Sessional Sub-Committee explored the various aspects of tourism in the course of a general discussion which stressed the increasing significance of tourism in economic development and expressed concern at the possibility of overlapping of work by the UNCTAD Secretariat and other bodies dealing with tourism in all its phases.

The Bank representative pointed out that the Bank Group has recently been more active in the field of tourism. In its general economic appraisal work, the Bank was now taking a detailed look at the sector in those countries where its scope or potential warranted it. The Bank acknowledged the cooperation of the UNCTAD Secretariat in this connection. The Bank Group's operations also had an increasing impact on the sector. While the Bank continued to finance infrastructure (roads and transport) which often found much of its justification in benefits to tourism, the IFC had for the first time participated in a hotel project in Kenya and both the Bank and IFC provided funds for various development finance companies, or development banks, which in their turn financed hotel and other tourist ventures in their own countries.

^{1/} Member of the Expert Group

The Plenary Committee approved a resolution of the Sub-Committee endorsing the past and future program of work of the UNCTAD Secretariat and asking for a report, next year, on the results of the International Tourist Year (1967).

4. An interesting development in this session was the setting up of a Working Group consisting of one representative of each group of countries to prepare a report to the Trade and Development Board indicating the status of discussions of the various points under review. The Working Group met concurrently with the Committee and presented a report at the closing session. This report indicates the consensus of views on questions on which discussions of substance had reached the point where a consensus could be formulated. It also indicates the questions on which discussions had not reached such a point, namely: a) supplementary financial matters, b) international monetary issues and c) the Horowitz Proposal.

5. As to the date and place of the Third Session of the Committee, it was decided that this should take place after UNCTAD II.

Development Services Department
May 4, 1967

CROSS REFERENCE SHEET

COMMUNICATION: Memo

DATED: May 5, 1967

TO: FILES

FROM: Mr. M. J. Paijmans

FILED UNDER: EU- Council of Europe

SUMMARY: Visit to the Council of Europe

11. UNCTAD

In view of the importance attached to the second UNCTAD Conference, some of the Assembly's committees actively consider the possibility of inviting Mr. Prebisch to appear before the next full Assembly sessions in September of this year. It is thought that UNCTAD as well as parliamentarians and therefore also national governments, may benefit from such a confrontation and that it would allow for a better preparation for the Conference to be held in early 1968. Mr. Prebisch has reacted very positively in answer to a feeler put out by the Council.

Mr. G. Kalmanoff

May 5, 1967

Federico Consolo *for*UNCTAD - Annual Report

1. Attached is a copy of Dr. Prebisch's letter to Mr. Woods dated May 1. ✓
2. You will note that he refers to the 1966 report to which the Bank made an important contribution. I happened to see Mr. Kamarck this morning and mentioned this request to him: he suggested I pass it on to you for action.
3. I have looked through the UNCTAD 1966 file, which I send you herewith, and suggest you refer to the following documents:-

Dr. Prebisch letter to Mr. Woods	-	24 February, 1966	✓
Mr. Dell	"	" me - 28 "	" ✓
My	"	" Mr. Dell - 31 March	" ✓
Mr. Dell	"	" me - 8 April	" ✓
Mr. Perinbam	"	" Mr. Dell 27 "	" ✓
Mr. Friedman	"	" Dr. Prebisch- 28 "	" ✓
Mr. Dell	"	" Mr. Perinbam- 29 "	" ✓
Mr. Erb	"	" me - 20 May	" ✓
Your memo	"	" Mr. Perinbam- 8 June	" ✓
Mr. Perinbam	"	" Mr. Erb - 8 "	" ✓
4. I will be leaving Washington on May 29 and shall be in Europe for some months. I would, therefore, ask you to be good enough to send the information requested to Mr. Perinbam so that he may prepare a reply to Dr. Prebisch for Mr. Demuth's signature.

Encls.

cc: Mr. Demuth
 Mr. Kamarck
 Mr. Perinbam

FC:bmb

ROUTING SLIP

Date
May 9, 1967

OFFICE OF THE PRESIDENT

Name	Room No.
1. Mr. Hoffman <i>[Signature]</i>	
2. Mr. Demuth on return <i>[Signature]</i>	
3. Mr. Woods on return	

	To Handle		Note and File
	Appropriate Disposition		Note and Return
	Approval		Prepare Reply
	Comment		Per Our Conversation
	Full Report		Recommendation
X	Information		Signature
	Initial		Send On

Remarks

M. Lee

From

MAY 9 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

Villa Belfaggio
Menaggio-Loveno
(Como) Italia.

Palais des Nations
1211 GENEVE 10

Télégrammes : UNATIONS, GENÈVE

Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

REF. N° :

4 May, 1967

write

Dear Mr. Woods,

Your message about your trip to the Indian Subcontinent reached me in New York, via Menaggio, shortly after receipt of another message requesting me to return to Europe a few days earlier than I had planned originally. In the circumstances and although it would have been a pleasure to meet Mr. Demuth, I therefore decided not to go to Washington this time and to return to Europe on 29 April. I advised your office accordingly over the 'phone.

I am sorry things turned out this way, but perhaps there may be another opportunity for us to discuss the Indian fertiliser problem and the general question of developing countries' manufacturing costs and export prospects, on which subjects I am particularly interested in having your views.

With warm regards,

Yours sincerely,

D. U. Stikker
D.U. Stikker

Mr. George D. Woods,
President,
International Bank for
Reconstruction and
Development,
1818 H Street N.W.,
Washington D.C.,
U.S.A.

ack. June 13, 1967

May 4, 1967

Dr. D. U. Stikker
Villa Belfaggio
Menaggio-Loveno
Lago di Como, Italy

Dear Dr. Stikker:

There has just crossed my desk a very interesting study by the OECD Secretariat for the Development Assistance Committee entitled "Pilot Survey on Technical Assistance extended by Private Enterprise." The study was done in cooperation with the Business and Industry Advisory Committee and while my copy is marked "Restricted to Participants," I feel reasonably sure you could obtain a copy through any of a number of channels that will immediately occur to you.

See letter of
April 28, 1967
from Mr. Ziegler
(filed OECD/DAC)

The study covers 49 large international companies. It has turned up quite a lot of interesting facts. The general impression I get is that private industry is carrying out a great deal more technical assistance than it is generally given credit for, particularly by the developing countries, or that we in the international organizations realize.

With best wishes,

Sincerely,

Michael L. Hoffman
Associate Director
Development Services Department

MLHoffman/pnn

MLH

Recd. May 16

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

May 5, 1967

NAME

ROOM NO.

Mr. Kalmanoff

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Please prepare reply for me.

From

A.M. Kamarck

UNITED NATIONS NATIONS UNIES
NEW YORK

TELEPHONE: PLAZA 4-1234

CABLE ADDRESS • UNATIONS, NEWYORK • ADRESSE TELEGRAPHIQUE

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

REF. NO.

TDS 213/1 Second session

3 May 1967

Dear Andy:

The Belgian delegation to the Committee on Invisibles and Financing has drawn our attention to an error in paragraph 9 of the paper on rescheduling or consolidation of external debt (TD/B/C.3/37) prepared by the World Bank.

A copy of the Belgian delegation's note and of our reply are attached.

I would appreciate it if you would authorize us to issue a corrigendum deleting the reference to Belgium in paragraph 9.

Yours sincerely,



S. Dell, Director
New York Office of UNCTAD

Attached

Mr. Andrew Kamarck
Director
Economics Department
International Bank for Reconstruction
and Development
1919 H Street
Washington, D.C.

Mr. Kalmanoff

*Please prepare reply
for me*

and

acc May 9

The following information was obtained from the records of the Department of the Interior, Bureau of Land Management, regarding the land in question.

The land in question is located in the State of California, County of San Diego, and is owned by the United States of America.

The land is situated in the vicinity of the town of San Marcos, and is bounded by the following landmarks:

North: San Marcos River

South: San Marcos River

East: San Marcos River
West: San Marcos River
The land is situated in the vicinity of the town of San Marcos, and is bounded by the following landmarks:

1967 MAY -5 PM 12:59
COMMUNICATIONS
RECEIVED

TDS 213/1 Second Session

Le Secrétariat de la Conférence des Nations Unies sur le commerce et le développement présente ses compliments à la Mission permanente de la Belgique auprès de l'Organisation et a l'honneur d'accuser réception de sa note du 5 avril 1967 relative à une erreur figurant au paragraphe 9 du document TD/B/C.3/37, intitulé "Problèmes du service de la dette - réaménagement ou consolidation de la dette extérieure", qui a été distribué à l'occasion de la deuxième session de la Commission des invisibles et du financement lié au commerce.

Ce document ayant été établi pour la Commission par la Banque internationale pour la reconstruction et le développement, l'erreur sera signalée à la Banque et un rectificatif sera distribué en temps utile.

Le 3 mai 1967

MISSION PERMANENTE DE LA BELGIQUE
AUPRES DES NATIONS UNIES
809 UNITED NATIONS PLAZA, NEW YORK, N.Y. 10017
TELEPHONE 682-8100

Note pour le Secrétariat de l'UNCTAD
Commission des Invisibles et du Financement lié au commerce

Concerne : Doc. TD/B/C 3/37
Problème du Service de la Dette.

La Délégation belge serait reconnaissante au Secrétariat de vouloir bien noter que la Belgique n'a pas participé à l'Accord de consolidation conclu entre le Brésil et les pays créanciers à Paris en juillet 1964. Dès lors, la mention de la Belgique dans le document TD/B/C 3/37, à la page 4 - point 9, 4ème ligne, devrait être omise.

La Délégation belge en remercie d'avance le Secrétariat de l'UNCTAD.

New-York, le 5 avril 1967.



MAY 4 REC'D

UNITED NATIONS

CONFERENCE ON TRADE AND
DEVELOPMENT



NATIONS UNIES

CONFÉRENCE SUR LE COMMERCE
ET LE DÉVELOPPEMENT

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Télex : 22.212 ou 22.344

Téléphone : 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations

CH-1211 GENEVE 10

REF. N° : TDO 321

1 May 1967

Dear Mr. Woods,

I am writing with reference to resolution 19 (II) of the United Nations Trade and Development Board on "Implementation of the recommendations of the first session of the United Nations Conference on Trade and Development". In paragraph 1 of that resolution, the Board requested the Secretary-General of the Conference "to prepare annually a report on international trade and economic development, with particular reference to the rates of growth and progress made in economic development of developing countries and their trade and development needs in order to enable the Board to fulfil its task of keeping under review and taking appropriate action within its competence for the implementation of the recommendations and other provisions in the Final Act of the Conference and to ensure the continuity of its work".

As has been the case for the preparation of the first annual report, which was issued in 1966 as document TD/B/82 and addenda, the secretariat hopes to draw for the preparation of this year's report on information made available by specialized agencies, in

Mr. G.D. Woods
President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433
USA.

acc. June 16

which the Board invited in particular the specialized agencies of the United Nations to co-operate with the Secretary-General of UNCTAD by providing such information.

I have thus the honour to refer to my letter of 24 February 1966 on the subject, to which an outline of the report and annotations to said outline were attached, and to invite your Organization to provide me with such new or additional information relevant to the scope of the report as described in paragraph 1 of resolution 19 (II) of the Board, as in its opinion would assist the secretariat in the preparation of this second annual report.

In order to ensure that the best use is made of the information provided, I would be grateful if it could be made available to the UNCTAD secretariat not later than 15 June 1967 if possible.

Yours sincerely,

Paul Bonfau

for Raúl Prebisch
Secretary-General

CROSS REFERENCE SHEET

COMMUNICATION: Memo

DATED: May 1, 1967

TO: Mr. Consolo

FROM: Mr. Sacchetti

FILED UNDER: Studies - Suppliers' Credits

SUMMARY:

UNCTAD Committee on Invisibles and Financing Related to
Trade - Report on the Second Session - Comments on Mr.
Consolo's draft report.

Mr. Federico Consolo

May 1, 1967

H. David Davis

Report on the Second Session of UNCTAD

I suggest a slight re-write of the second paragraph of the section on tourism (on page 6 of your draft) so as to include the Bank interest in the tourist sector in connection with our general economic appraisal work and also to refer to cooperation with UNCTAD. Accordingly, the draft might read:

"The Bank representative pointed out that the Bank group has recently been more active in the field of tourism. In its general economic appraisal work, the Bank was now taking a detailed look at the sector in those countries where its scope or potential warranted it. The Bank acknowledged the cooperation of the UNCTAD Secretariat in this connection. The Bank group's operations also had an increasing impact on the sector. While the Bank continued to finance infrastructure (roads and transport) which often found much of its justification in benefits to tourism, the IFC had for the first time participated in a hotel project in Kenya, and both the Bank and IFC provided funds for various development finance companies, or development banks, which in their turn financed hotel and other tourist ventures in their own countries."

HDD:cjl