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Folder Title: Development Banks - Meetings - Correspondence - Volume 4

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Series: Operations Policy and procedures

Dates: 08/02/1965 - 11/22/1965

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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

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1069969

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Development Banks - Meetings - Correspondence - Volume 4



TO RE-ORDER SPECIFY
No. 86163 Folder
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**RETURN TO
RECORDS CENTER ROOM HB-1
PRE 1966 MATERIAL
BOX NO. 856**

TÜRKİYE SİNAİ KALKINMA BANKASI A. Ş.
(INDUSTRIAL DEVELOPMENT BANK OF TURKEY)

M. BAHAEDDİN KAYALIOĞLU
ASSISTANT GENERAL MANAGER

Log 11
(30)
DB-Ment
P.O. Box 17 - Karaköy
İstanbul, Turkey

November 24, 1965

Mr. William Diamond
Director
Development Finance Companies
International Finance Corporation
1818 H Street, N. W.
Washington, D. C. 20433

Mr. Shinn
BS

Dear Mr. Diamond:

I have received your letter of
November 10, 1965 and its attachments for
which I wish to thank you.

I shall be waiting for the
documents which were sent by surface mail.

At present, I do not think that
any document is needed urgently.

With best personal regards,

Sincerely yours,

B. Kayalıoğlu

NOV 29 AM 11 09

RECEIVED
GENERAL FILES

IDA

IBRD

IFC

FORM NO. 92
(10-61)

CORRESPONDENCE RECORD FORM

FROM

DATED

Oct. 28, 65

Industrialization Fund

Dev. B - Hunt

SUBJECT

Ack. ltr Oct. 21, 65 with documents on DFC Conference

REFERRED TO

Mr. Diamond

DATE RECEIVED

Oct. 28, 65

IDA

IBRD

IFC

FORM NO. 92
(10-61)

CORRESPONDENCE RECORD FORM

FROM

Manuel Delgado Rovati
C.A. Venezolana De Desarrollo

DATED

Oct. 29, 1965

SUBJECT

Congratulations for successful
Dev. Bank Meeting.

REFERRED TO

Mr. Diamond

DATE RECEIVED

Nov. 9, 1965

D.B. - Hartung

November 22, 1965

Dear Jack:

Your undated letter of roughly the 23rd of October reached me while I was in Japan. I appreciate very much your thoughtfulness in sending me some general views on the conference we held. I wish other participants had done so, too. Maybe they will, in due course.

As for your specific comments :

(a) I share your thoughts on the chairmen. However, it is hard, maybe impossible, to ask Herrera Carrizosa or Felix Chang to be "brutal". We must make a choice: we could be reasonably brutal, and could have tried holding discussions to the point; or we could allow our partners to chair the meetings, and pay the price. I worried about this before the meeting; and even now I am not sure what was the better course.

(b) I agree with you that we ought to meet regularly. But, it took me 9 months to lay this conference on. As a result, I feel we ought not to meet more frequently than once in two years, maybe once in three.

(c) Also, I agree that the week after the Annual Meeting would be better than the second week after. I think all the participants would share that view. Unfortunately, the week after is, for me, like the Annual Meeting itself; and, in addition, we had this year (and will have, next year) our Advisers' Meeting! Que faire ?

(d) On taxes, let's see what emerges from our study. (We have just sent off to each individual DFC our draft on its position. When we have its corrections, we'll put everything together and circulate to all the DFCs.) However, I for one (and speaking for myself alone) feel very diffident about asking member governments to give tax privileges to DFCs. I'd feel easier giving our advice to DFCs, and letting them lobby their governments. But we'll see what develops on this.

(e) I think you have a real point on the need to sell our "philosophy" to our member governments through their Finance Ministers or their staffs. We ought to give thought, before our next Annual Meeting, to how this can be done. Maybe, for instance, we ought to invite top-level government representatives to Marty's annual DFC lunch next year; and maybe we ought to arrange for a talk directed at them.

As I said at the start, I am grateful indeed, as always, for your comments.

J. G. Beevor, Esq.
International Finance Corporation
New Zealand House
Haymarket, London, S.W.1.

I am planning an African tour for December 19 to January 26: Monrovia, Lagos, Nairobi, Dar-es-Salaam, Rabat (plus a week's holiday thereafter in Morocco). I'd be grateful for your thoughts and for your advice on points to raise and people to see.

All the best to Mary and to you.

Sincerely yours,



William Diamond
Director
Development Finance Companies

cc Mr. Rosen (with incoming letter)

WDiamond:us



D.B. - Hest
Log 1/2.

**PAKISTAN INDUSTRIAL CREDIT
& INVESTMENT CORPORATION LIMITED**

Jubilee Insurance House,
McLeod Road,

P. O. Box. No. 5080 Karachi-2

Telephones: { 227171
227172
227173

Cable "PICICORP"

18th November, 1965.

Dear Mr. Skillings,

Thank you very much for your letter of November 12, ✓
1965. I have noted that the Conference documents have been
sent by surface mail. There is no urgency and I should
receive them in due course.

With my best wishes and kindest regards,

Sincerely yours,

(N.M. UQUAILI)
Managing Director.

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H St, N.W.,
Washington, D.C., 20433,
(U.S.A.).

1302 NOV 25 1965

100-1000000



PAKISTAN INDUSTRIAL CREDIT
& INVESTMENT CORPORATION LIMITED

Jubilee Insurance House,
McLeod Road,
P. O. Box. No. 2080 Karachi-2

Cable "PICICORP"

Telephone { 22171
22172
22173 }

18th November, 1965.

Dear Mr. Skillings,

Thank you very much for your letter of November 12, 1965. I have noted that the Conference documents have been sent by surface mail. There is no urgency and I should receive them in due course.

With my best wishes and kindest regards,

Sincerely yours,

(N.M. UQUAILI)
Managing Director.

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H St., N.W.,
Washington, D.C. 20433,
(U.S.A.).

1965 NOV 22 PM 2:08

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GENERAL FILES

בנק לאומי לישראל בערבון סוגבל
BANK LEUMI LE-ISRAEL B.M.

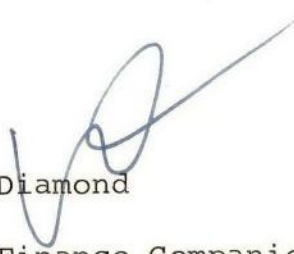
Log 11/22.

DB - Hunt

משרד יושב-ראש ההנהלה
THE CHAIRMAN'S OFFICE

תל-אביב,

TEL-AVIV, 17th November 1965


Mr. William Diamond
Director
Development Finance Companies
1818 H Street, N.W.
Washington, D.C. 20433

Dear Mr. Diamond,

Many thanks for the material you sent me with your letter of the 1st inst.

I much enjoyed Mr. Rosen's interesting luncheon party.

With kind regards,

Yours sincerely,


Dr. Y. Foerder

1965 NOV 22 AM 8:22

RECEIVED

בנק לעומי לע-ישראל ב.מ.
בנין תשכ"ו

THE CHAIRMAN'S OFFICE
17th November 1965

TEL-AVIV, 17th November 1965

Mr. William Diamond
Director
Development Finance Companies
1818 H Street, N.W.
Washington, D.C. 20433

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letter of the 1st inst.

I much enjoyed Mr. Rosen's interesting luncheon
party.

With kind regards,

Yours sincerely,

Dr. Y. Forster

1965 NOV 22 AM 8:55

RECEIVED
GENERAL FILES

✓ K. S. Singh
Malaysia
✓ X Polynesian
DFC's meeting

h

DECLASSIFIED

SEP 02 2011

November 16, 1965

WBG ARCHIVES

PERSONAL AND CONFIDENTIAL

Mr. Ladislav M. Svoboda
General Manager
Malaysian Industrial Development
Finance Limited
P.O. Box No. 2110
Kuala Lumpur,
Federation of Malaysia

Dear Laddy:

Marty Rosen has asked me to thank you for your letter of October 25 and, of course, I thank you, too, for yours of the same date to me, enclosing a copy of your letter to Marty.

I was sorry to learn of the difficulties that you have been facing lately. I do hope that the problem of the Pan-Malaysia Cement Works has been solved. More importantly, I was distressed to learn from your letter about the illness of Chai. I do hope that he is better now, and I hope that you will pass on to him the best wishes of his many friends in Washington.

Our conference turned out to be a very useful exercise which, I think, everyone appreciated. Needless to say, we missed you. Fortunately, we had your detailed commentary on the agenda which, in my opinion, was one of the two or three best of the commentaries on the subjects before the meeting. I feel confident that, although the participants missed your personal interventions in the discussions, they will catch up with your views once that they have returned to their homes and have had a more leisurely opportunity to read the materials that were submitted to the conference.

- 2 -

I expect that, in a month or so, we will be able to circulate to all interested parties including yourself, the precis of the discussions.

I hope that you had a pleasant trip home and that all is going well with you and with MIDFL.

With best personal regards,

Sincerely yours,

William Diamond
Director
Development Finance Companies

cc: Mr. Rosen

WDiamond:mm

ROUTING SLIP

Date

Dec. 2, 1965

OFFICE OF THE PRESIDENT

Name

Room No.

1. Mr. Woods *12/3*

2. ~~Mr. Gargill~~

3. Mr. *✓* Diamond

Action

Note and File

Approval

Note and Return

Comment

Prepare Reply

Full Report

Previous Papers

XX

Information

Recommendation

Initial

Signature

Remarks

W
G. C. Wishart

From

NOV 22 REG'D 405 12/6

china development corporation

CABLE ADDRESS
CHIDEICO TAIPEI

November 16, 1965

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

Dear Mr. Woods :

I have returned to Taipei from my recent trip to the United States which took almost two months.

It was a great pleasure for me to meet you again. As a member of the Chinese Delegation I wish to congratulate you for the success achieved by the last Fund-Bank Meetings. I also want to let you know that I was very much satisfied with the results of the Development Finance Companies Conference sponsored by IFC. It served as a very efficient rostrum for selected development bankers to deliberate their special field of problems and to exchange their experiences and ideas.

While in Washington, I was very much pleased to learn that you may plan a trip to Taiwan in the early part of next year. Please do not forget to let me know when you have finalized your schedules. In the meantime, I am looking forward to the pleasure of seeing you again in Taipei.

With kindest personal regards,

Yours sincerely,



Felix S. Y. Chang
President

1202 NOV 25 VW 2:50

RECEIVED
DECEMBER 1965

china development corporation



CHIDEICO TAIPEI
CABLE ADDRESS

November 16, 1965

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

Dear Mr. Woods :

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With kindest personal regards,

Yours sincerely,

Felix S. Y. Chang
President

1965 NOV 22 AM 9:20

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D.B. - Meeting
Log 1/22

NIGERIAN INDUSTRIAL DEVELOPMENT BANK LIMITED

DIRECTORS:

CHIEF MATHIAS NWAFOR UGOCHUKWU (CHAIRMAN)
MATTHEW AJAYI ADEJORO
JOHN GROSVENOR BEEVOR
ALHAJI AMINU DANTATA
DANIEL GILLET
DR. WOLFGANG JAHN
DONALD ALEXANDER MACLEOD
EDWARD CONOR MCNESTRY
PETER MEINERTZHAGEN
PRINCE MICHAEL ADEDIPUPO OGUN
CHIEF GEORGE BRASS OMETAN
VICTOR ERSKINE ROCKHILL



M. & K. HOUSE,
96/102 BROAD STREET,
LAGOS.
P. O. Box 2357.

TELEPHONE: 27181-27188 (6 LINES)

TELEGRAMS: NIDBANK, LAGOS.

Our Ref: 100/003

16th November, 1965.

Dear Bob,

Thank you for your letter of November 3
enclosing 25 additional copies of the memorandum
on NIDB.

With kind regards,

Yours sincerely,

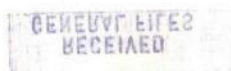
James

James S. Raj
General Manager.

JSR/IO

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.,
Washington D.C. 20433,
U. S. A.

1965 NOV 30 PM 15:18



MEMBER OF THE LAGOS STOCK EXCHANGE.

NIGERIAN INDUSTRIAL DEVELOPMENT BANK LIMITED

M. & K. HOUSE,
96/102 BROAD STREET,
LAGOS.
P. O. Box 2327.

TELEPHONE: 27181-27182 (6 LINES)
TELEGRAMS: NIDBANK, LAGOS.



DIRECTORS:
CHIEF MATIAS NWATOR UDOCHUKWU (CHAIRMAN)
MATTHEW ALAYI ADELOJO
JOHN GROSVENOR BEVOR
ALHAJI AMINU DANATATA
DANIEL GILLET
DR. WOLFGANG JAHN
DONALD ALEXANDER MACLEOD
EDWARD CONOR MCNESTRY
PETER MEINERTZHAGEN
PRINCE MICHAEL ADEGBOYEGA OGBUN
CHIEF GEORGE BRASS OMETAN
VICTOR ERSKINE ROCKHILL

Our Ref: 100/003

16th November, 1965.

Dear Bob,

Thank you for your letter of November 3
enclosing 25 additional copies of the memorandum
on NIDB.

With kind regards,

Yours sincerely,

James

James S. Raj
General Manager.

JSR/10

U. S. A.
Washington D.C. 20433,
1818 H Street, N.W.,
International Finance Corporation,
Development Finance Companies,
Deputy Director,
Mr. Robert F. Skilling,

1965 NOV 20 PM 12:19



BANCO DE FOMENTO NACIONAL

ADMINISTRAÇÃO

12.13 - Meet. Log 11/11
November 13, 1965

Dear Mr. Diamond:

Thank you very much for the documents sent with your kind letter of November 1, 1965.


I would also like to express my appreciation and interest for this type of meetings, as well as to suggest that, if possible, they might take a character of interchange of opinions reached through the experience of different financial institutions.

As a matter of fact, I believe that the organization of regular meetings where this exchange of views on different experiences could take place - in the same way as those regularly carried out by the Central Banks - would be useful for such institutions.

If this suggestion is accepted, the I.F.C. might be able to evaluate the means and methods for reaching the desirable efficiency of such meetings.

With best regards,

Sincerely yours,


L.M. Teixeira Pinto
(Vice Governor)

Mr. William Diamond
Director
Development Finance Companies
Washington, D.C.

NOV 19 AM 8:39

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GENERAL FILES

Index
No. 1
Key to those listed in
Index

J. B. Hunt

November 12, 1965

Mr. N.M. Uquaili
Managing Director
Pakistan Industrial Credit and
Investment Corporation Limited
P.O. Box 5080
Karachi 2, Pakistan

Dear Mr. Uquaili:

I wrote you November 5 that the documents which we sent out to you at the close of the Conference were sent air freight. I have discovered now that the shipment was sent by surface mail (as, indeed, Mr. Diamond wrote you on October 15). They will, therefore, take some time to reach you. In the meantime, please let me know if there are any documents which you urgently need and we will be glad to send you duplicate documents by airmail.

We were interested to learn from your letter of November 2 to Mr. Diamond that Mr. Eugene Black expressed interest in the Conference. We will see to it that he receives copies of the proceedings.

With best regards,

Yours sincerely,

Robert F. Skillings
Deputy Director
Development Finance Companies

cc: Messrs. Sekse
Blondel

RFSkillings:vmv

mj

0.13 - Hest.
Log 1/8

CORPORACION FINANCIERA DE CALDAS

TELEFONOS:
CONMUTADOR 76-00 Y 33-82
TELEX NUMERO 04258

APARTADO AEREO 460
CABLES: "CORFINANCIERA"
70. PISO BANCO REPUBLICA

MANIZALES - CALDAS - COLOMBIA

S-

4076

Manizales Noviembre 5 de 1.965

Señor Doctor
A. HERNAN MEJIA
CORPORACION FINANCIERA INTERNACIONAL
WASHINGTON, D.C.-

Central File

Apreciado doctor Mejía:

Muchas gracias por su amable carta de Octubre 28 del año en curso, con la cual se sirvió remitirnos 5 ejemplares del documento preparado por la Corporación Financiera Internacional, para ser circulado entre los participantes en la reunión de Corporaciones Financieras y el Grupo del Banco Mundial.

Les reiteramos nuestro reconocimiento por este envío, así como por la permanente cooperación con que usted nos distingue.

De usted muy atentamente,



CORPORACION FINANCIERA DE CALDAS

1965 NOV 10 10 45 AM
FVS/mtev

CORPORACION FINANCIERA DE CALLES

Manuscript No. 7 de 1965

WASHINGTON, D.C. -
CORPORATION (FINANCIAL) INTERNATIONAL
A. HERMAN MEYER
Senior Doctor

Apreciado doctor Mejías:

Be used may. attendance,

CORPORACION FINANCIERA DE CALIAS

1965 NOV -8 PM 12:00

RECEIVED
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v93m\2v4



Log 11/5.

**PAKISTAN INDUSTRIAL CREDIT
& INVESTMENT CORPORATION LIMITED**

Jubilee Insurance House,
McLeod Road,
P. O. Box. No. 5080 Karachi-2

Telephones: { 227171
227172
227173

Cable "PICICORP"

2nd November, 1965.

Dear Mr. *Diamond*,

Sub:- Conference of Development Finance Companies

During my last visit to the United States, I had the occasion to call on Mr. Eugene Black, former President, IBRD. I mentioned to him that we were having a Conference of Development Finance Companies associated with the World Bank Group. He showed keen interest in the matter. Perhaps you might like to send him, for his information, a final copy of the proceedings of the Conference when it becomes available. I am quite sure he will be glad to have it.

With my best wishes,

Sincerely yours,

N.M. UQUAILI
(N.M. UQUAILI)
Managing Director.

Mr. William Diamond,
Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.,
Washington, D.C. 20433,
(U.S.A.)

100-2 100-2
100-2 100-2



PAKISTAN INDUSTRIAL CREDIT
& INVESTMENT CORPORATION LIMITED

Jubilee Insurance House,
McLeod Road,
P. O. Box No. 5080 Karachi-2

Cable "PICICORP"

Telephone: { 327171
327172
327173 }

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With my best wishes,

Sincerely yours,

(N.M. UQUAILI)
Managing Director.

Mr. William Diamond,
Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.,
Washington, D.C. 20433,
(U.S.A.)

1965 NOV -5 AM 11:05

RECEIVED
GENERAL FILES

Lag 11

D.B. - Huetting

בנק לפתוח התעשייה בישראל בערבוז מוגבל
INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LIMITED

113, ALLENBY ROAD
TEL - AVIV
TEL. 67636-7
P.O.B. 1462
CABLE ADDRESS: MOSLETAAS

רחוב אלנבי 113
תל - אביב
טל. 67636-7
ת.ד. 1462
כתובת למברקים: מוסלתאס

(Copy to Mr Blondel 11/3/65)

בתשובה נא להזכיר:
Reference please note:

AN/PL/1/8331

27th October, 1965.

Secretary of Conference
of Development Finance Companies (Oct. 1965)
International Finance Corporation,
1818 H Street N.W.
WASHINGTON 25 D.C. U.S.A.

Mr. Diamond

Neaman has
already had 2 copies
of the comments and
the descriptive memos.
How shall we answer
this - no more copies?

Dear Sir,

This is to acknowledge with thanks receipt of Volumes
1 and 2 on the Institutions participating in the Conference and of the reports of
these institutions. rjs

At the same time that I requested that the abovementioned
material be sent to me, I also requested that two copies of the "Comments" and
of the additional material distributed at the Conference be sent. I am very eager
to have this material, which has not yet arrived, and would appreciate your checking
into the matter.

Thanking you for your kind co-operation.

Sincerely yours,

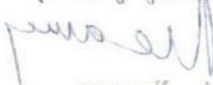
Neaman
Dr. A. Neaman
Managing Director.

1222 NOV -1 PM 8:18

COMMUNICATIONS
GENERAL FILES
RECEIVED

1965 NOV -1 PM 8:48

RECEIVED
GENERAL FILES
COMMUNICATIONS

Managing Director.
Dr. A. Neuman
Sincerely yours,


Thanking you for your kind co-operation.

into the matter.
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Dear Sir,

WASHINGTON 25 D.C. U.S.A.
1818 H Street N.W.

International Finance Corporation,
of Development Finance Companies (Oct. 1965)

Secretary of Conference

AN/18331
Reference please note:
: JSTIN 30 11/10/65

CABLE ADDRESS: MOSLEYA2
P.O.B. 1462
TEL. 67636-7
TEL - AVIV
113, ALLENBY ROAD

INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LIMITED
לְבַנְיָה הַתְּחִיכָה הַיִּשְׂרָאֵלִית
בְּנֵי הַתְּחִיכָה הַיִּשְׂרָאֵלִית

1462 P.O.B.
67636-7 TEL.
J. N. - J. N.
113, ALLENBY ROAD

27th October, 1965.

(Copy to Mr. Blomberg 11/3/65)

Mr. Blomberg
already has 2 copies
of the comments and
the description of the
reports. We are sorry
that we have copies?
1/2



RESTRICTION NOTICE

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The World Bank Group
Archives
& Records Management

File Title Development Banks Meetings - Volume 4 	Barcode Number 1069969
--	--------------------------------------

Document Date 25 October 1965	Document Type Correspondence
---	--

Correspondents / Participants L.M. Svoboda (Malaysian Industrial Development Finance Limited) to Martin Rosen.
--

Subject / Title Post-conference follow-up

Exception Number <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input checked="" type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D
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Withdrawn By A. Miller	Date 2 September 2011
----------------------------------	---------------------------------

Dev. Bank - Conf

Mr. Morton M. Mendels

October 25, 1965

William Diamond *WD*

Conference of Development Finance Companies

Please forgive my delay in sending this note,
the object of which is to thank the Secretary's Department for its generous help in preparing for and running the Conference.

As you know, the arrangements for the Conference were beautifully effective. For this, I am grateful to you, Don Fowler, and the others of your Department who pitched in.

cc Mr. Blondel

WDiamond:us

Dev. Bender - Conf.

Mr. Michael L. Lejeune

October 25, 1965

William Diamond *W*

Conference of Development Finance Companies

About two months ago, I sent you a note of appreciation of the work of the several parts of your Department which had contributed to the arrangements for the Conference. I said I knew I would have to do so again.

As you know, all went well at the Conference, and for this many people deserve thanks. Those I want particularly to thank now are Office Services for their arrangements regarding the Bender building offices, the Conference Room, the lounge, etc.

cc Mr. Blondel

WDiamond:us

Rev. Bank - dest.

Book of TWO

OUTGOING WIRE

TO: ① HERRERA CARRIZOSA and ② GUTTIEREZ GOMEZ DATE: OCTOBER 25, 1965

COFINANCIERA

FINANCIERA

CLASS OF
SERVICE: LT

BOGOTA

MEDELLIN

COUNTRY: (COLOMBIA)

(COLOMBIA) *277*

TEXT:
Cable No.:

VERY MUCH APPRECIATE YOUR KIND CABLE
BEST WISHES

DIAMOND

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME William Diamond, Director
DEPT. Development Finance Companies, IFC

SIGNATURE WDiamond:us *W* *pp us*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

cc Mr. Mejia

For Use by Archives Division

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: *La*



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D.B. Hunt

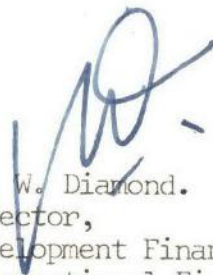
INTERNATIONAL FINANCE CORPORATION

TELEPHONE WHITEHALL 3886/3887

CABLE ADDRESS: CORINTFIN LONDON SWI

LONDON OFFICE:
NEW ZEALAND HOUSE
HAYMARKET · LONDON, S.W.1

2 Oct 23, 1965


Mr. W. Diamond.
Director,
Development Finance Companies Department,
International Finance Corporation,
1818 H Street, N.W.,
Washington, D.C. 20433. U. S. A.

Dear Bill,

I said I would give you, on my return to London, my thoughts on the DFC Conference from October 11 to 13. In general it was admirably and thoroughly prepared and organized and the only points or suggestions that occurred to me are as follows :-

1. Chairman. An excellent idea to have different chairmen for different sessions. But I thought each of them tended to take up too much time in his introductory remarks or in his attempts at summing up, or both. Next time I would be inclined to ask all the chairmen to keep these remarks to an absolute minimum.
2. Difficult as it is to curtail discussion in order to stick to the programme, I think that we should have been a bit more brutal in the interest of covering the ground.
3. For the future I am sure this conference should be held more regularly. The best method might well be to hold it annually on the Tuesday or Wednesday in the week following the Annual Meeting (when held in Washington) and limit it to one day. If this conference is held every year the ground to be covered and the time required should be much reduced; but the benefit of regular conferences of the DFCs would be greatly augmented.
4. On tax problems the IFC paper which was mentioned as in course of preparation ought to produce more effect if it is circulated not only to the management of the DFCs but also to governments, so as to emphasize that the World Bank family is making some recommendations to governments as a whole on this subject. In some countries a personal letter from Bank-IFC management to the Finance Minister would be desirable in order to ensure that the paper is seriously read and not merely filed away.

1965 OCT 21 PM 1:20

COMMUNICATIONS
GENERAL FILES
RECEIVED

/continued

ack.
11/22/65



HEADQUARTERS:
WASHINGTON 25, D.C.

INTERNATIONAL FINANCE CORPORATION

TELEPHONE WHITEHALL 3886/3887

Cable Address: CORINTHIN LONDON SW1

LONDON OFFICE:
NEW ZEALAND HOUSE
HAYMARKET - LONDON S.W.1

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Development Finance Companies Department,
International Finance Corporation,
1818 H Street, N.W.,
Washington, D.C. 20433.
U. S. A.

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Continued

1965 OCT 27 PM 1:50

RECEIVED
GENERAL FILES
COMMUNICATIONS

5. Finally it occurred to me during the discussion about the relations of DFCs with their governments, Bank-IFC might achieve results at the governmental level by organizing a special meeting of the Finance Ministers concerned during the Annual Meeting week; and if a Minister was not available it would be useful to have a senior Finance Ministry official in his place. Over the years we have succeeded in selling the Bank-IFC philosophy on this subject to certain governments quite effectively, such as India and Pakistan, but I think there is a lot to be done in other countries and I think there are real differences of view on the extent to which these institutions should be privately owned. I believe that a more deliberate and concerted effort is needed by the World Bank family to explain its views to the member governments concerned and to explain to them with conviction and with supporting data. We should also bear in mind that governments are constantly changing and even though the concept was established in one country some years ago, it should be regularly renewed.

Yours ever,



J. G. Beever.

PROMOTIONAL ACTIVITIES

BY A DEVELOPMENT FINANCE COMPANY

1. There are at least three elements in this field:

A. Studies

Feasibility studies covering raw materials, markets, plant location and economic viability, and requiring in terms of personnel, economists, engineers and financial analysts. Studies are a preliminary to financing, but need not necessarily or wholly be carried out by a potential financial investor.

B. Developmental Factors

These include various Governmental functions, e.g. implementation of a developmental program, regional dispersion of industry, grant of concessions over public lands or help in obtaining title, provision of road, rail or other transportation facilities, power, water and other infrastructure items. For the most part but in varying degrees in different countries, these functions fall into the public sector and are or may be, more appropriate for Government departments or Government agencies than for a development finance company. The creation of a Government Industrial Development Authority may often be a constructive step, both to (1) relieve the development finance company of burdens for which it is seldom equipped and (2) to ensure continuity of expert handling of these problems by a specialised agency.

C. Financial

A project, which requires promotion by a development finance company, will sometimes be unattractive to private investors to any substantial extent. Hence the development finance company, even if it finds satisfactory experienced management from outside sources, may face the dilemma that it has to provide itself the larger part of the finance. This may be undesirable. Hence the existence of another public source of finance, such as a Government Equity Fund, may be a useful device.

2. From these considerations a pattern may emerge, which in many situations may make a big and vital contribution to promotional activities:

(1) An International Institute for Industrial Promotion, which (whether established by IBRD/IFC or by the regional organisations in Latin America, Africa, Asia) would provide expert staff and technical sources to supplement the resources of national development finance companies.

(2) A Government Industrial Development Authority, preferably headed by a recognised and non-political expert.

(3) A Government Equity Fund, possibly managed by the development finance company.

J. G. BEEVOR

October 11, 1965

TEOLLISTAMISRAHASTO OY

(INDUSTRIALIZATION FUND)

LÖNNROTINKATU 13
HELSINKI - FINLAND

TELEPHONE 64 47 06
CABLES TERASTO HELSINKI

October 23, 1965

Mr. Martin M. Rosen
Executive Vice President

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

Dear Mr. Rosen:

Having returned to everyday work again, I want to thank you for the valuable ideas and observations that I have brought back from the DFC conference lately closed in Washington. We participants greatly appreciated your sparing so much of your time for the meeting and making your ideas and experience of development bank problems known to us.

I also thank you for the hospitality with which you treated the participants of the conference. We will remember the excellent dinner you gave us as one of the climaxes of the meeting.

Through yourself, I would finally like to thank all the officials of International Finance Corporation who have contributed to the perfect success of the conference.

Sincerely yours,



Seppo Konttinen
General Manager

Teollistamisrahasto Oy

1965 OCT 23 AM 3:52

TEOLLISTAMISRAHASTO
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OCT 23 1965

TEOLLISTAMISIASTO OY

INDUSTRIALIZATION FUND

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RECEIVED
GENERAL FILES
COMMUNICATIONS

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OCT 25 REC'D

TEOLLISTAMISRAHASTO OY
(INDUSTRIALIZATION FUND)

LÖNNROTINKATU 13
HELSINKI - FINLAND

TELEPHONE 64 47 06
CABLES TERASTO HELSINKI

October 23, 1965

Mr. George D. Woods
President

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

Dear Mr. Woods:

I want to thank you sincerely for the chance of participating in the Conference of the Development Finance Companies, sponsored by International Finance Corporation. It was of great significance to those present that you, Sir, could spare some of your time for the Conference on various occasions. I also remember with gratitude the hospitality that you personally showed to the participants. I believe that the ideas and observations I have brought back from the meeting will greatly benefit the Industrialization Fund of Finland at its endeavours to develop industry and capital markets in our country.

Sincerely yours,

Seppo Konttinen

Seppo Konttinen
General Manager of
the Industrialization Fund

- 1. Mr. Woods. 10/26
- 2. Mr. Rosen. R
- 3. Mr. Diamond (on return).



To see.

gm
250d.

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IBRD

IFC

FORM NO. 92
(61)

CORRESPONDENCE RECORD FORM

FILE #

DATED

Oct. 23, 65

Industrialization Fund
Finland*Dev. B - Heet*

SUBJECT

Thanks for everything while in Wash. for
DFC conference

REFERRED TO

Mr. Diamond

DATE RECEIVED

Oct. 25, 65

*Log 107
25.*

New Bank Act.

TEOLLISTAMISRAHASTO OY

(INDUSTRIALIZATION FUND)

LÖNNROTINKATU 13
HELSINKI - FINLAND

TELEPHONE 64 47 06
CABLES TERASTO HELSINKI

October 23, 1965

Mr. William Diamond
Director
Development Finance Companies
International Finance Corporation
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

Dear Mr. Diamond:

Returned home again, I want to thank you cordially for the time I spent at the DFC conference lately closed in Washington. As the participants stated already in their closing speeches, the conference was very useful and interesting in all respects. I believe that the representatives from different parts of the world have brought back plenty of experiences and ideas that will help the development banks to solve their daily problems.

I also thank you for the hospitality and personal aid that I received during my stay in Washington. Please forward my thanks as well to all your assistants who have contributed to the perfect success of the conference.

With best personal regards,

Yours faithfully,



Seppo Konttinen

General Manager

Teollistamisrahasto Oy

1965 OCT 23 PM 3 32
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INCOMING CABLE

DATE AND TIME
OF CABLE: OCTOBER 22, 1965

LOG NO.: WU 12

TO: DIAMOND CORINTFIN

FROM: FORT WORTH, TEXAS

TEXT:

ROUTING	
ACTION COPY:	MR. DIAMOND <i>20.</i>
INFORMATION COPY:	
DECODED BY:	

THANKING ONCE AGAIN KINDLY ATTENTIONS RECEIVED OCCASION RE-
MARKABLE WELL ORGANIZED USEFUL INSTRUCTIVE MEETING. BEST
REGARDS PLEASE EXTEND MR. WOODS ROSEN STAFF CORDIALLY

GUILLERMO SAHINT

MT

Messrs. Knapp, Wilson, Aldewereld, Alter,
Broches, Cargill, Cavanaugh, Cope, Demuth,
El Emery, Graves, Mendels, Stevenson

October 22, 1965

William Diamond *W*

Conference of Development Finance Companies

You might like to have copies of the documents which were distributed to the participants in the Conference. Attached you will find:-

- (a) Two volumes of descriptive memoranda on the 21 institutions associated with us.
- (b) Two volumes of comments by the participants, on the various items of the agenda.
- (c) All other documents given to the participants.

If, when you've seen these, you do not wish to retain some of them, please return them to me. If you want additional copies of the descriptive memoranda, please let me know.

Attachments

cc. Mr. Blondel

WDiamond:lg

New Bank - sent

INCOMING CABLE

DATE AND TIME
OF CABLE:

OCTOBER 22, 1965

LOG NO.:

WU 12

TO:

DIAMOND CORINTFIN

FROM:

FORT WORTH, TEXAS

ROUTING

ACTION COPY: MR. DIAMOND

INFORMATION
COPY:

DECODED BY:

TEXT:

THANKING ONCE AGAIN KINDLY ATTENTIONS RECEIVED OCCASION RE-
MARKABLE WELL ORGANIZED USEFUL INSTRUCTIVE MEETING. BEST
REGARDS PLEASE EXTEND MR. WOODS ROSEN STAFF CORDIALLY

GUILLERMO SAHINT

MT

1) Mr. Zeffe ¹⁰ day (25)
2) Mr. Diamond (0.1.)
copy to Mr. Blondell 11/4/65

DR. WILHELM TEUFENSTEIN

GENERALDIREKTOR - STELLV. UND VORSTANDSMITGLIED DER
ÖSTERREICHISCHEN INVESTITIONSKREDIT AKTIENGESELLSCHAFT

October 21, 1965

Mr. Martin M. ROSEN
International Finance Corporation
19th and H Streets, N.W.
Washington, D.C. 20433

[Handwritten signature]
Adeline very?

Dear Mr. Rosen,

I returned to Vienna and I have and will give detailed informations to the Board and to the Staff of the IVK. I repeat that the conference of the DFC's was absolutely unusually interesting and brought to the participants a very great amount of valuable informations.

In thanking you very much for your kind hospitality extended to me in Washington, I remain, dear Mr. Rosen,

Very sincerely yours,

[Handwritten signature]

1965 OCT 22 VW 2:12

COMMUNICATIONS
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ÖSTERREICHISCHEN INVESTITIONSKREDIT AKTIEGESELLSCHAFT
GENERALDIREKTOR-STELLV. UND VORSTANDSMITGLIED DER
DR. WILHELM TEUFENSTEIN

October 21, 1965

Washington, D.C. 20433
19th and H Streets, N.W.
International Finance Corporation
Mr. Martin M. ROSEN

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Very sincerely yours,



1965 OCT 25 AM 9:15

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COMMUNICATIONS

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DATE AND TIME
OF CABLE:

OCTOBER 21, 1965

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TO:

ROSEN CORINTFIN

FROM:

BOGOTA

TEXT:

ROUTING

ACTION COPY: ~~MR. ROSEN~~

2. ~~Paterson~~
INFORMATION
COPY:

DECODED BY:

Diamond

SINCERE CONGRATULATIONS MEETING AND MANY THANKS YOUR
KIND HOSPITALITY. BEST REGARDS

HERRERA CARRIZOSA COFINANCIERA

MT

FOR INFORMATION REGARDING CABLES, PLEASE CALL THE COMMUNICATIONS UNIT EXT. 2021

ORIGINAL

1940-1941

NAME	DATE	TIME
ROBERT J. COLEMAN	1940	10:00
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ROBERT J. COLEMAN	1940	10:00

THESE CONGRATULATIONS MEETING AND BANK TRUST FIRM
KINDLY CONSIDER. YOUR FAVORABLE
REMARKS WOULD BE APPRECIATED.

OCT 22 8 22 AM 1940

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OCT 22 1940

INCOMING CABLE

DATE AND TIME
OF CABLE:

OCTOBER 21, 1965

1240

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TO:

DIAMOND CORINTFIN

FROM:

BOGOTA

TEXT:

ROUTING

ACTION COPY: MR. DIAMOND

INFORMATION
COPY:

DECODED BY:

MOST HEARTY CONGRATULATIONS FOR VERY SUCCESSFUL
MEETING CORPORATIONS AND SINCERE THANKS YOUR KIND
HOSPITALITY. CORDIAL REGARDS

HERRERA CARRIZOSA COFINANCIERA

MT

FOR INFORMATION REGARDING CABLES, PLEASE CALL THE COMMUNICATIONS UNIT EXT. 2021

DUPLICATE

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OF CABLE:

OCTOBER 21, 1965

173P

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TO:

ROSEN CORINTFIN

FROM:

MEDELLIN

TEXT:

ROUTING

ACTION COPY

MR. ROSEN

INFORMATION
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2. Pate
Diamond

ALTAMENTE AGRADECIDO SUS ATENCIONES Y SU PERMANENTE
ESPIRITU COOPERACION CON NUESTRO PAIS Y CON CORPORACIONES
RECIBA CORDIALES SALUDOS PERSONALES

JOSE GUTIERREZ GOMEZ

FCA

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OCTOBER 21, 1952

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ALTERNATE AGENTS: SUS. ATTENTION: Y. SU. HERMANITE

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DATE AND TIME
OF CABLE:

OCTOBER 21, 1965

1730

LOG NO.:

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TO:

DIAMOND CORINTFIN

FROM:

MEDELLIN

TEXT:

ROUTING

ACTION COPY: MR. DIAMOND

INFORMATION
COPY:

DECODED BY:

COMPLACEME RENOVARLE CORDIALES FELICITACIONES POR
EXTRAORDINARIO EXITO CONFERENCIA PROMOVIDA Y ORGANIZADA
POR USTD CON TANTO ACIERTO. AGRADEZCOLES FINAS ATENCIONES
SALUDOS

JOSE GUTIERREZ GOMEZ

FCA

Mr. P. M. Mathew

October 21, 1965

William Diamond

Conference of Development Finance Companies

Attached are:

1. The material submitted by the participants on the agenda. This is for you, Ettlinger, Thomas and Hedberg and is not for outside distribution.

2. The verbatim record of the meetings of Monday morning, October 11, and Wednesday afternoon, October 13 which you attended. This is the document from which you will prepare a precis, along the lines we have discussed.

Attachments

WDiamond:phm

cc: Messrs. Diamond/Skillings
Blondel

Mr. Alvaro H. Mejia

October 21, 1965

William Diamond

Conference of Development Finance Companies

Attached are:

1. The material submitted by the participants on the agenda. This is for you, Luzny and Fernandes and is not for outside distribution.

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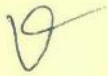
Attachments

WDiamond:phm

cc: Messrs. Diamond/Skillings
Blondel

Mr. Donald W. Jeffries

October 21, 1965

William Diamond 

Conference of Development Finance Companies

Attached are :

1. The material submitted by the participants on the agenda.

This is for you, Su, Gustafson and Bose and is not for outside distribution.

2. The verbatim record of the meetings of Tuesday morning, October 12, and Wednesday morning, October 13, which you attended. This is the document from which you will prepare a precis, along the lines we have discussed.

Attachments

cc Messrs. Diamond/Skillings
Blondel

WDiamond:us

Mr. Einar Sekse

October 21, 1965

William Diamond



Conference of Development Finance Companies

Attached are:

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Attachments

WDiamond:phm

cc: Messrs. Diamond/Skillings
Blondel

Mr. Ronald L. Powell

October 21, 1965

William Diamond

Conference of Development Finance Companies

Attached is a copy of the material submitted by the
participants on the agenda.

Attachments

WDiamond:phm

cc: Messrs. Diamond/Skillings
Blondel

6 Oct. 12/65

THE ROLE OF DEVELOPMENT FINANCE COMPANIES IN THE NEW COUNTRIES

by E.T. Kuiper

1. My experience with development finance companies is, in fact, rather limited, because I have worked in only four of them and studied the situation in respect of the problems connected with industrial finance in a few other countries. Many members of your staff have a much broader field of observation, because IFC and the Bank are now in constant touch with more than 20 development finance companies over the world. Yesterday and today I have been listening to presentations and discussions by my colleagues concerning the various aspects of principles and of techniques of our trade, and if I have learned anything, it is how great the variety of problems and solutions is and how general opinions are influenced by the experience gained under circumstances in specific countries. I do not doubt that, similarly, my own opinions are conditioned by the experience I had in Indonesia, Pakistan, Ethiopia and Malaysia, where I have been acting as Chief executive of development finance companies and by the observations I made in the few Middle-East countries which I visited to investigate the possibilities for industrial finance. My experience is not only limited geographically but also materially, because I have been mainly active in industrial finance and I specially value my term of office in Ethiopia, because as Managing Director of the Development Bank of Ethiopia I have been confronted with the challenge of agricultural development finance. I often wonder why there are not more development finance companies that specialize in the extension of financial assistance to the bigger farmers in African and Asian countries.

2. I do not propose to talk about failures and achievements of the four institutions I have managed, because their present chief executives are better qualified to give information; but, although I do not think I can contribute any new observation to a subject that has, for a number of years, been so thoroughly discussed in this building, I would like to say something about my own thoughts concerning the general role a development bank can play in the economy of the new nations.

3. One can look upon these institutions mainly as vehicles for the transfer of loan capital from the richer to the poorer nations and state that where the services of a development bank are not available, it is difficult to find a proper channel to reach the small entrepreneurs. Development finance companies certainly perform a function in this respect, also because they offer a valuable alternative to suppliers credit which, as we are all aware, often proves a very undesirable form of finance. Because, with only one or two exceptions, all the emerging nations suffer from more or less severe balance-of-payments difficulties, the fact that a development finance company can be a useful source of foreign exchange on reasonable terms will for a long time remain one of the principal attractions of such an institution for the country concerned. It should, however, be realized that against the total amount of loan and investment capital that flows from the richer to the poorer nations the turnover of all the development finance companies combined

is very small indeed, and, if there were no other purpose in the establishment of development finance companies, one could wonder why you here in Washington, and many other people all around the world, spend so much time and effort on the subject.

4. Development finance companies can also perform some useful function in the creation or stimulation of national capital markets, for instance, by offering attractive and diversified investment and thus stimulating saving. There are other institutional devices, however, that offer similar services to the community, and I do not think development finance companies in Asia and Africa have so far made really important contributions in this respect, although some of them have achieved something in channeling non-entrepreneurial saving into privately-managed industrial ventures.

5. The establishment of development finance companies is also advocated on the ground that they could contribute to the flow of private foreign investments into the developing world. A development finance company can, indeed, sometimes, be of some value in this respect; but experience shows that foreign entrepreneurs or international investors, like IFC, can usually find their way, and the necessary local support, also without a national development finance company.

6. In my opinion, the principal object and main function of a development finance company lies in a somewhat different direction and is connected with the general approach to development. It is perhaps inevitable that in the primary period after the end of a colonial era, in the early years of what is often called a "national revolution", governments want to be everything to all people. I think that this is as it should be, because this is -- I am speaking in a general way -- what the majority of the population expects and it is not for us to criticize, although we may have our doubts about the effectiveness of governmental activity in the industrial sector. There are, however, apart from the obvious hazards to government finances, two dangers:-

- (i) In the first place, the approach of a government official, or a planning board, or another committee, to the problems of industrial development, is often not commercial; profit motive and capital formation are neglected in favor of consideration of size and prestige. The result is that the country becomes poorer instead of richer.
- (ii) Still more important, however, is the reaction of the private entrepreneurs to this over-extension of governmental activity in the economic sector. The men who do not wish to become government officials, who want to be their own boss, who like to take risks and responsibilities, become discouraged and withdraw into traditional pursuits such as trade and real estate speculation.

Now you will, I think, all agree with me that the most important assets of a nation are not in material wealth, but in the genius of the population. And I think that in this context we have to look for the main usefulness of a development finance company as a rallying point for private entrepreneurs. The staff of a development finance company and the friends of such an institution abroad talk the language of the private entrepreneur, a language they may, for some time, not have heard in official quarters at home. I think this is very important because it may save and further stimulate the activity of a very valuable human asset in the country. When you would ask me how many millions of dollars have been invested by the development finance companies I have managed, I would not be able to give you a direct answer, and even if I could I am afraid you would not be impressed. But I do remember vividly that we have put a great number of first-class people in a position to put their ideas into bricks and mortar, and I feel this human element is very important because it has a lasting impact on the social structure.

7. Should a development finance company be active or passive? We spent the better part of yesterday's meeting on the subject of promotional activities, and although there were many different views on how far a development finance company can go in taking responsibility or committing funds for the study or execution of specific projects, we were all agreed that a development finance company should be active in the promotion of ideas for new development and in the stimulation of correct attitudes in matters of research, project appraisal and cost-price calculations; in short, in those fields where, also through contacts with friends in the more developed countries, we have something tangible to offer.

8. I hope I have made it clear that when I talk about "we" and "us", I am referring to chief executives of finance companies in the developing world. As you will observe from the list of participants in our conference, the overwhelming majority of them are now nationals of the country their company serves, and we are looking forward to the time that the same can be said of all the professional staff. International talents in this field should, I think, be concentrated in IFC and other organizations that like to be associated with development finance companies in various parts of the world.

9. If one looks at the impressive list of development finance companies already in business in various countries, one is led to the conclusion that the more promising prospects have all been filled, and that new propositions coming up will mostly be marginal or worse. It is not for me to say which attitude should be adopted toward such propositions, because I will not be responsible for the money that may be lost if the new development finance company is established unwisely or prematurely, but my own inclination would be to err on the side of audacity, taking a calculated risk on a prospect in a country where it looks reasonably probable that government will for some time be willing to stimulate private enterprise.

October 12, 1965
IFC-DFC

D.B. Hunt.

Oct. 11/65

CONFERENCE OF DEVELOPMENT FINANCE COMPANIES

Statement by George D. Woods, President of the World Bank,
inaugurating the Conference, Monday, October 11, 1965.

Good morning gentlemen!

I am very happy to welcome you.

This is not the first conference to which we have been host in the past several weeks, but I will say to you that this one gives me special pleasure.

This is the first time we have had an opportunity to see in one room, sitting around one table, discussing common problems, the chief executives of almost all the development finance companies associated with us. It is a meeting in which I have a personal interest, because I have been directly involved in the initial promotion of several of your companies, and I have given continuous support to strengthen all your institutions

You know already, but I should like nevertheless to tell you again, of the importance which the World Bank family attributes to development finance companies. It is now 15 years since we first became identified with them. In those 15 years we have committed close to \$500 million to the institutions represented around this table. The extent of our financial commitment and the depth of our moral involvement in promotion, in technical assistance and in joint financing of important projects are the best evidence of the fact that we consider your companies as institutions of primary importance to the development of productive enterprises in your countries. We in the World Bank are engaged in helping to provide the underpinning -- the underlying support -- of economic growth. Development companies like yours are more directly engaged in production -- in financing the output of shoes and cement, of machine tools and textiles, which are the stuff which give real meaning to that high-sounding phrase "economic development".

I expect this conference to be of value, not only to you, but also to us. There have been quite a few conferences of representatives of development finance companies in past years. We held one in 1958. (Incidentally, two of you were participants in that conference -- my good friends Esgo Kuiper, in his capacity as General Manager of PICIC, and Jack Beever, who was an observer on behalf of IFC at that conference.) One by-product of that meeting was our own Shirley Boskey's study of development finance companies, which has been so valuable to many of you and to many others. Since then, the Asian development banks have met twice, once in Bombay and once in Tehran. The Latin American development banks have met once, last December here in Washington, under the auspices of the Inter-American Development Bank. These three meetings brought together a widely diverse

group of institutions which varied considerably in character, in objectives and ownership, in policies and problems. Meetings of the Latin American and the Asian institutions, and probably one day of African development finance companies, will of course continue and will be increasingly useful and worthwhile.

But I think that we have here, in this family of institutions closely associated with the World Bank, a unique group of companies. They share a common philosophy and have a relatively similar structure, policy and organization. One needs only to look through the extensive and interesting descriptive memoranda which have been prepared as background material for this conference, to note the similarities of outlook, and to conclude that a group like this, sitting at the same table for a few days, should enjoy a stimulating and fruitful experience. Your common outlook rests on two fundamental facts: all your institutions are designed to promote and to finance the expansion of private economic activity; and, with but one exception, your institutions are doing this through shareholder-owned and controlled finance companies. These facts impose upon each of your institutions the necessity of operating on the basis of financial, economic and technical criteria rather than on political criteria. And they impose upon you the discipline of having to operate in a prudent and profitable way, so as to promise your shareholders a reasonable return on their investment. This is a vitally important discipline which, more than any other single factor, I believe, is responsible for such success as your institutions have had--and it has been not inconsiderable.

Looking through your agenda, I am struck by the fact that the first items on the agenda concern the promotional and entrepreneurial role of a development finance company, rather than its more narrow banking functions.

With few exceptions, each of you is working in a country in which an indigenous entrepreneurial community has only just begun to emerge. I believe one primary function of a development finance company, in such circumstances, is to take the role of the entrepreneur, to conceive and to fashion investment proposals, to organize their financing and, if necessary, to help carry them out. These, as I understand it, are the matters involved in items A and B of the agenda.

In all of your countries much needs to be done to strengthen and to expand the capital market: to find ways of mobilizing savings, to facilitate the flow of those savings by devising types of paper which will be suitable for the enterprise that needs financing and at the same time attractive to the investor who has savings, so that the two can be brought together for their mutual benefit. This is the subject of item C on your agenda.

I shall look forward to reading the results of all your discussion, but particularly to your discussion on these subjects.

I say the results of your discussion. What I really mean is, not the result but rather the ideas which I am sure will emerge here. Time is very short; there will be only two to three hours of talk on each of the subjects--not enough, by a long way, to exhaust them. Moreover, none of the subjects is of the kind where discussion can lead to concrete conclusions. We are not expecting, and I imagine you are not either, to close this meeting with resolutions containing clear answers to your problems. But I hope, and I am confident, that the three days of discussion will result in an exchange of ideas which will give each of you food for thought for weeks and months to come. If that exchange of ideas can result in helping any one of you towards a solution of a problem or towards a new approach to a problem, then your trip and this meeting will have been worth the trouble.

I wish I could stay with you through the three days. Unfortunately, I cannot; but I hope you will not mind my walking in from time to time and listening to you.

My best wishes for an interesting and worthwhile few days. I hope they will also prove to be enjoyable.

October 11, 1965
DFC-IFC

FORM NO. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

21 / 10

NAME

ROOM NO.

CENTRAL FILES

236

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

MATERIAL TO BE FILED WITH THAT
WHICH CONCERNS THE CONFERENCE
OF D.F.C.s (OCT 1965).

From

Mr. BLONDEL

DFC CONFERENCE - October 11-13, 1965

Miss Over 10/11
DB-Conf.

✓ A.	Mathew/Thomas	Monday, October 11, 10.00 a.m.
B.	Mejia/Fernandes	Monday, October 11, 3.00 p.m.
✓ C.	Jeffries/Gustafson	Tuesday, October 12, 10.00 a.m.
✓ D.	Sekse/Morton	Tuesday, October 12, 3.00 p.m.
✓ E.	Jeffries/Bose	Wednesday, October 13, 10.00 a.m.
✓ F.	Mathew/Ettlinger	Wednesday, October 13, 3.00 p.m.

cc Messrs. Skillings
Mathew
Jeffries
Mejia
Ettlinger
Bose
Gustafson
Sekse
Thomas
Morton
Fernandes

XERO
COPY

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

To: Mr. D. S. Ballantine

October 11, 1965

From: S. J. G. Burt

Subject: Back-to-Office Report: (a) International Institute of Public Finance
(b) Recruitment

International Institute of Public Finance.

1. As instructed by my terms of reference, I attended as an observer the 1965 Congress of the International Institute of Public Finance, held in Paris from September 19-22, 1965, at the Unesco building. The Institute has members in some 42 countries, on both sides of the Iron Curtain, who comprise civil servants, economists and educators. At the conference, university staffs appeared to out-number greatly the civil servants who administer public finance. There was also much stronger representation from countries with planned economies than from the market economies.
2. Mr. Betancur-Mejia, Assistant Director General of Unesco, speaking on behalf of the Director General of Unesco, welcomed the delegates to the conference. He considered that the points of view of the educator and the economist are now converging. Quantitative relationships can now be set up between the education and economic sectors, using manpower requirements. Mr. Betancur then briefly described Unesco's activities, its co-operative program with the Bank/IDA, with I.A.D.B. and its offer to assist the Asian Development Bank.
3. After these and other opening speeches, the Congress proceeded to the presentation of papers and discussions thereon. The proceedings were not well organized and discussions were apt to be a haphazard mixture of statements on current papers and on papers delivered some time before and punctuated by long rambling descriptions, given by professors of economics, on the education systems in countries with planned economies, and the successes they have achieved, e.g., the U.S.S.R., Rumania, Hungary and Poland.
4. Of the papers, few provided the type of information for which one had hoped, as for example, the present state of knowledge on input-output (cost-benefit) ratios. Discussion on this subject provided no new insight into or data on the present degree of development, but dealt only with its value as a guide to economists and educators. Most European delegates decried its usefulness but the U. K. delegates defended it as a useful tool, justifying further investigation and development, and praised the U. S. economists who were developing its importance. It was regrettable that no U. S. defenders and exponents were present at the Congress.

October 11, 1965

5. The Hungarian representatives produced an interesting paper incorporating an econometric model used to determine the fraction of total education expenditure to be devoted to each level of education but the subsequent discussion added nothing to the paper. Other discussions dealt with various methods of financing education, such as taxation systems and loans to students.

6. Perhaps the most interesting paper was a general report of considerable length prepared by Professor Max Frank which put forward a number of important matters as bases for discussion, such as, loss of earnings in calculating education investment, allocation of national revenue between different input factors, usefulness of calculating returns on education expenditure, education planning in countries with market and with planned economies, loan financing of education, study loans, optimum utilization of resources, and adaptation of education programs to economic expansion.

7. All papers prepared for the Congress will be circulated.

Recruitment of staff

8. Opportunity was taken by Mr. E. Haug and myself to meet a number of those attending the Congress who seemed suitable for possible employment as consultants or as candidates for staff appointments but our enquiries yielded little success. Indeed, our talks indicated that a shortage of public finance economists exists in other organizations. We were able to compile a list of possible consultants but could interest only two in thinking of the possibilities of more permanent employment.

9. Mr. Haug and I visited the Unesco Educational Financing and Educational Planning Divisions to examine their lists of possible candidates for employment. Similar discussions were also held at O.E.C.D. and at the International Institute of Educational Planning and these added further to our collection of names. We have thus been able to compile a list of possible candidates for consultant appointments as economists with appraisal missions and another list of economists who, while probably not available themselves, could suggest other names.

SJGBurt:vbm
(Bank)

cc for: Mr. Aldewereld (8)
Miss Van Gasse
Operational Files (2)
Division Files
Chronological File

Messrs. Paterson and von Hoffmann

October 11, 1965

William Diamond *W*

Development Finance Companies Conference

1. As you know, I am hoping you will attend the last Conference session, at 3.00 p.m. on Wednesday, October 13. (Mr. Rosen will attend, too).

2. Mr. Herrera Carrizosa will chair the meeting. After his introduction, the first speak will be Dr. Delgado Rovati and Mr. Ugualli, as I told you last Friday. I should like both of you (or the one of you of your choice) then to speak, before throwing the discussion open to the group. You ought to review briefly :-

(a) The ways in which we join with development banks.

(b) How we collaborate in study and assessment.

3. That last session of the Conference is unique in that it directly involves IPC operations, whereas the earlier sessions do not. There are therefore bound to be many questions about how we work, which you will be called on to answer, and many comments on how we actually behave, which might be helpful to you.

4. Please let me know whether both or one of you will talk.

cc Messrs. Rosen
Blondel

WDiamond:us

October 8, 1965

Dr. M. Delgado Rovati
General Manager
C.A. Venezolana de Desarrollo
c/o Roger Smith Hotel
Washington, D.C.

Dear Dr. Delgado:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. Revised lists of participants in the conference, dated October 8, 1965, one with their home addresses and one with their addresses in Washington.
- b. A summary of arrangements made for the conference, dated October 8, 1965.
- c. A copy of the Agenda for the conference, dated October 8, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposés of views on the Agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention or any misinterpretation that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on Cavendes, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall

October 8, 1965

circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked, and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services are available to the participants in the conference every working day through October 15.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case, this would mean that you will be among the first persons to talk on items A, B, D and G of the Agenda which were the items that Dr. Valenilla proposed in his letter of May 30.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone over the week-end at DU 1-3652 (his office number) or at 333-0382 (his home number).

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures

cc: Mr. Hanh

RBlondel:mam

RB

October 8, 1965

Dear Baha Bey:

Welcome to Washington!

With reference to my letter of September 17, please find herewith the final version of the background material which has been prepared for the conference of development finance companies. Enclosed are:

- a. Revised lists of participants in the conference, dated October 8, 1965, one with their home addresses and one with their addresses in Washington.
- b. A summary of arrangements made for the conference, dated October 8, 1965.
- c. Two sets of two books each, containing the description of each development finance company and the comments of each participant on the Agenda items, together with a portfolio of the Annual Reports of the participating institutions.

I am looking forward to seeing you at the conference.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

Mr. Bahaeddin Kayalioglu
Assistant General Manager
Industrial Development Bank of Turkey
c/o Hotel Dupont Plaza
Washington D.C.

cc. Mr. Jeffries

RBlondel:mlr

AB

October 8, 1965

Dear Mr. Marzo:

Welcome to Washington!

With reference to my letter of September 29, please find herewith the final version of the background material which has been prepared for the conference of development finance companies. Enclosed are:

- a. Revised lists of participants in the conference, dated October 8, 1965, one with their home addresses and one with their addresses in Washington.
- b. A summary of arrangements made for the conference, dated October 8, 1965.
- c. The two sets of two books each, containing the description of each development finance company and the comments of each participant on the Agenda items, together with a portfolio of the Annual Reports of the participating institutions.

I am looking forward to seeing you at the conference.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

Mr. Jose Maria Marzo Churruca
Director General
Banco del Desarrollo Economico Espanol
c/o Sheraton-Park Hotel
2660 Connecticut Avenue, N.W.
Washington, D.C.

RBlondel:mlr
cc: Mr. Jeffries

RB-

October 8, 1965

Dear Seppo:

Welcome to Washington!

With reference to my letter of September 17, please find herewith the final version of the background material which has been prepared for the conference of development finance companies. Enclosed are:

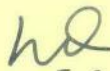
- a. Revised lists of participants in the conference, dated October 8, 1965, one with their home addresses and one with their addresses in Washington.
- b. A summary of arrangements made for the conference, dated October 8, 1965.
- c. The two sets of two books each, containing the description of each development finance company and the comments of each participant on the Agenda items, together with a portfolio of the Annual Reports of the participating institutions.

I have noted with pleasure in your letter of September 28 your wish to be among the first speakers on Item E of the Agenda.

I am looking forward to seeing you at the conference.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

Mr. Seppo Konttinen
General Manager
Teollistamissrahasto Oy
c/o Sheraton-Park Hotel
Washington D.C.

RBlondel:mlr
cc. Mr. Jeffries

RB-

October 8, 1965

Dear Esgo:

Welcome to Washington!

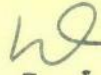
With reference to my letter of September 23, please find herewith the final version of the background material which has been prepared for the conference of development finance companies. Enclosed are:

- a. Revised lists of participants in the conference, dated October 8, 1965, one with their home addresses and one with their addresses in Washington.
- b. A summary of arrangements made for the conference, dated October 8, 1965.
- c. The two sets of two books each, containing the description of each development finance company and the comments of each participant on the Agenda items, together with a portfolio of the Annual Reports of the participating institutions.

I am looking forward to seeing you at the conference.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

Mr. E. T. Kuiper
c/o Roger Smith Hotel
18th and Pennsylvania Avenue
Washington, D.C.

RBlondel:mlr
cc: Circ. (2)

RPB -

October 8, 1965

Dear Mr. Blanc:

Welcome to Washington!

With reference to our telephone conversation of October 5, please find herewith the final version of the background material which has been prepared for the conference of development finance companies. Enclosed are:

- a. Revised lists of participants in the conference, dated October 8, 1965, one with their home addresses and one with their addresses in Washington.
- b. A summary of arrangements made for the conference, dated October 8, 1965.
- c. The two sets of two books each, containing the description of each development finance company and the comments of each participant on the Agenda items, together with a portfolio of the Annual Reports of the participating institutions.

I am looking forward to seeing you at the conference.

With best personal regards,

Sincerely yours,

R. Blondel
Development Finance Companies

Enclosures

Mr. Paul F. Blanc
Managing Director
Banque Ivoirienne de Developpement
Industriel
c/o Mrs. Bucknell
3550 Williamsburg Lane, N.W.
Washington, D.C.

cc: Mr. Hanh
RBlondel:mlr

RB

October 8, 1965

RECEIVED
PERSONNEL DIVISION
IBRD - IFC
OCT 11 1965

Mr. P. Clarence Parker
General Manager
Liberian Bank for Industrial Development
and Investment
c/o Sheraton-Park Hotel
2660 Connecticut Ave. N.W.
Washington D.C.

Dear Mr. Parker:

Welcome to Washington!

I am delighted you are able to come to our conference.

This conference is not the first we have had. The World Bank sponsored a meeting of such institutions in 1958. It appeared to us that a useful purpose could be served by arranging a second conference of development finance companies which have been financed by the World Bank family. Including the Liberian Bank for Industrial Development and Investment, there are 21 of them, a small enough number to permit a manageable meeting. Moreover, these institutions have important common elements of ownership, outlook and activity which make them a relatively homogeneous group and make possible a useful discussion. Executives of these institutions do, of course, meet during our Annual Meeting, but the rush and bustle of that occasion are not conducive to sustained discussion of major problems. We therefore decided to ask each member of our family of development finance companies to join us for a few days of serious discussion.

We invited only the chief executive officer or his deputy, from each of the companies which have been financed by, or are financed by, the World Bank family. We are not inviting any outside groups, not even representatives of the financial institutions which are shareholders in the companies. With only about 20 guests and a few of us, the number of participants will fit comfortably around the table and will be able to talk freely with each other. You will find enclosed herewith revised lists of the participants in the conference dated October 8, 1965, one with their home addresses and one with their addresses in Washington.

I am enclosing a summary of arrangements made for the conference dated October 8 together with a copy of the Agenda for the conference which was prepared earlier this year after consulting the other institutions. I hope you too will find it a useful Agenda.

We had also decided to circulate to all the participants in advance of the conference two sets of books. The first containing the description of each development finance company and the second containing the comments of each participant on the Agenda items together with

October 8, 1965

a portfolio of the Annual Reports of the participating institutions. The object of this collection is to familiarize each participant with all the other participating institutions, and with their experience and views on the subjects covered by the Agenda.

We only just finished the descriptive memoranda on the Liberian Bank for Industrial Development and Investment, too late for inclusion in the volume. We will be circulating it separately. I shall be grateful if you will call our attention to any errors. We will want to provide corrected versions, if necessary. Incidentally, if you have some use for the memorandum on the Liberian Bank for Industrial Development and Investment, we shall be happy to provide you with as many copies as you want.

As far as the conduct of the meetings is concerned, we shall have sessions both morning and afternoon of the three days. This will mean that one item of the Agenda will be discussed at each session. Each session will be chaired by one of the participants and, in order to get the discussions started, we have asked a limited number of the participants to introduce each subject. Since the Liberian Bank for Industrial Development and Investment has joined the group only a few days ago, you will not have had time to prepare any specific item and shall therefore not be asked to introduce any particular subject. But we hope you will feel free to participate actively in the discussion.

If you should require any additional information on the conference please call Mr. Roger Blondel of my staff who may be reached by telephone over the weekend at DU 1-3652 (his office number) or at 333-0382 (his home number).

I am looking forward to seeing you Monday.

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures



cc. Mr. Mathew

D.B. - Marting's

Mr. George D. Woods

October 7, 1965

William Diamond *W.D.*

Conference of Development Finance Companies

You asked for a 5-10-minute statement with which to "kick off" the Conference. Here is a draft for your consideration.

I am also attaching the most recent list of participants.

You might be interested in seeing the documentation that has been prepared for the Conference. I am attaching a set of this, too.

I should appreciate a few minutes today or tomorrow, to tell you how we plan to conduct the meetings -- especially the one you will open.

Attachments: set of descriptive memoranda and agenda items for DFC
Conference 11-13 Oct. 1965
list of participants

WDiamond:us

October 7, 1965

Dear Dr. Neaman:

Welcome to Washington!

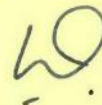
With reference to my letter of September 17, please find herewith the final version of the background material which has been prepared for the conference of development finance companies. Enclosed are:

- a. Revised lists of participants in the conference, dated October 4 1965, one with their home addresses and one with their addresses in Washington.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. The two sets of two books each, containing the description of each development finance company and the comments of each participant on the Agenda items, together with a portfolio of the Annual Reports of the participating institutions.

I am looking forward to seeing you at the conference.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

Dr. A. Neaman
Managing Director
Industrial Development Bank
of Israel Limited
c/o Mr. Talbar
Embassy of Israel
1621 22nd Street, N.W.
Washington, D.C.

RBlondel:amm
cc: Mr. Jeffries



PRIVATE DEVELOPMENT CORPORATION
OF THE PHILIPPINES

TELEPHONE: 88-89-91

CBTC BUILDING
AYALA AVENUE, MAKATI, RIZAL

CABLE ADDRESS "PRIDECOP"
P. O. BOX 4590, MANILA

October 6, 1965

Mr. P. M. Mathew
International Finance Corporation
1818 H Street, N. W.
Washington D. C. 20433
U. S. A.

Dear Mr. Mathew:


This is to acknowledge receipt of your letter of September 23, 1965, addressed to our Executive Vice President, Mr. Vicente R. Jayme, enclosing a checklist of information required from Private Development Corporation of the Philippines. We received the letter and enclosure only today, October 6, 1965.

In all probability you have already met with Mr. Jayme in Washington, and have discussed the contents of your letter and the aforementioned checklist with him. Mr. Jayme has already given us some preliminary instructions, through a long distance telephone call, concerning the preparation of the information which you require.

We shall attempt to accomplish the requirements of your checklist, the results of which are, of course, subject to the review of Mr. Jayme upon his arrival. We shall be also very pleased to prepare a preliminary program of visits and interviews, again subject to Mr. Jayme's approval upon his return.

The PDCP staff look forward to making the acquaintance of the IFC team.

Very sincerely yours,


NARCISO A. FERRER
Assistant Vice President

NAF:evg

c.c. Mr. Vicente R. Jayme
c/o Mr. Antonio V. Roxas
Office of the Financial Attache
to the Philippine Embassy
Washington D. C. 20036

cc: Messrs. Barman
Lundberg
Melmoth
Rento
Rugby
Hedberg/Lile

OCT 12 AM 8:41



OF THE PHILIPPINES
PRIVATE DEVELOPMENT CORPORATION

P. O. BOX 4590 MANILA
CABLE ADDRESS "PRIDCOR"

AYALA AVENUE MAKATI, RIZAL
CITY BUILDING

18-68-88 340493151

October 6, 1965

U. S. A.
Washington D. C. 20433
1818 H Street, N. W.
International Finance Corporation
Mr. P. M. Mathew

Dear Mr. Mathew:

only today, October 6, 1965. Corporation of the Philippines. We received the letter and enclosure enclosing a checklist of information required from Private Development 1965, addressed to our Executive Vice President, Mr. Vicente R. Jayme, This is to acknowledge receipt of your letter of September 23,

In all probability you have already met with Mr. Jayme in Washington, and have discussed the contents of your letter and the aforementioned checklist with him. Mr. Jayme has already given us some preliminary instructions, through a long distance telephone call, concerning the preparation of the information which you require.

approval upon his return. The preliminary program of visits and interviews, again subject to Mr. Jayme's upon his arrival. We shall be also very pleased to prepare a pre- the results of which are, of course, subject to the review of Mr. Jayme. We shall attempt to accomplish the requirements of your checklist.

The PDCP staff look forward to making the acquaintance of the IEC team.

Very sincerely yours,

Assistant Vice President
NARCISO A. FERRER

NAF:evg

Washington D. C. 20036
to the Philippine Embassy
Office of the Financial Attache
c/o Mr. Antonio V. Roxas
Mr. Vicente R. Jayme
c.c.

CORRESPONDENCE RECORD FORM

FROM

DATED

Oct. 4, 1965

Society for International Development

SUBJECT

sending a/m literature to distribute at
DFC meeting at IFC

REFERRED TO

Mr. Diamon (Gustafson)

DATE RECEIVED

Oct. 5, 1965

E. T. KUIPER

BERGEN N.H.,
VIERDESKER 8
TEL. 02208-3687

October 4 1965

Orig. - Hest.
10/7

W. Diamond Esq.
Washington D.C.

Mr. Glend

Dear Bill,

With reference to the second paragraph, page 2, of your letter dated september 23: I hope to be able to contribute something on various items of the agenda, but I have no desire to make opening statements on any of them.

I am greatly looking forward to meeting you and other friends in Washington next week.

Best personal regards,
sincerely yours.

E. T. Kuiper

September 30, 1965

Dear Mr. Benkirane:

I was happy to hear from President Lyazidi that you would represent BNDE at the Conference of Development Finance Companies.

As you know, I sent a collection of the documents on the Conference to Mr. Lyazidi upon his arrival in Washington. No doubt he will hand them over to you before the Conference starts, so that you may read them in advance of the meetings. These documents are described in my letter of September 17 to President Lyazidi, a copy of which you will find herewith.

I am looking forward to seeing you at leisure next week.

With best personal regards,

Sincerely yours,



William Diamond
Director

Enclosure

Development Finance Companies

Mr. Mohamed Benkirane
Director General
Banque Nationale pour le Developpement
Economique
c/o Sheraton Park Hotel
Room M-300
Washington, D.C.

cc Mr. Blondel
WDiamond:us

Des. Bank. Hest.

September 29, 1965

Dear Mr. Marzo:

Thank you very much for your letter of September 25, indicating the date of your arrival in Washington. I hope that you have had a pleasant trip and that your stay in New York City is fruitful.


In accordance with your letter, we have booked a room for you at the Sheraton-Park Hotel, 2660 Connecticut Avenue, where most of the other participants in the Conference will be staying.

As announced in my letter of September 17, you will find when you arrive at your hotel, here, a complete set of documents on the Conference, and a list of all the participants with their addresses in Washington. You will then be able to contact them before the Conference starts on Monday, October 11.

I am looking forward to seeing you very soon.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Mr. Jose Maria Marzo Churruca
Director General
Banco del Desarrollo Economico Espanol
c/o Hotel Waldorf-Astoria
50 & Park Avenue
New York, N.Y.

RBlondel:amm

Two blank lines

September 29, 1965

Dear Mr. Marro:

Thank you very much for your letter of September 22, indicating the date of your arrival in Washington. I hope that you have had a pleasant trip and that your stay in New York City is fruitful.

In accordance with your letter, we have booked a room for you at the Sheraton-Park Hotel, 2600 Connecticut Avenue, where most of the other participants in the Conference will be staying.

As announced in my letter of September 17, you will find when you arrive at your hotel, here, a complete set of documents on the Conference, and a list of all the participants with their addresses in Washington. You will then be able to contact them before the Conference starts on Monday, October 11.

I am looking forward to seeing you very soon.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Mr. Jose Maria Marro Guirao
Director General
Banco del Desarrollo Economico Espanol
c/o Hotel Waldorf-Astoria
50 & Park Avenue
New York, N.Y.

RECEIVED
GENERAL FILES
CONVENCIONES

BBJ:amr

IDA

IBRD

IFC

FORM NO. 92
(10-61)

CORRESPONDENCE RECORD FORM

FROM

DATED

Sept. 28, 65

Industrialization Fund
Finland*D.B. - Hastering*

SUBJECT

Ack. ltr Sept. 17 and documents of DFC-meeting

REFERRED TO

DATE RECEIVED

Mr. Diamond

Sept. 30, 65

Dev. Bank - H. est
Log 9/30


TEOLLISTAMISRAHASTO OY
(INDUSTRIALIZATION FUND)


LÖNNROTINKATU 13
HELSINKI - FINLAND

TELEPHONE 64 47 06
CABLES TERASTO HELSINKI

SK/kp

September 28, 1965


Mr. William Diamond
Director
Development Finance Companies
International Finance
Corporation
1818 H Street N.W.
Washington D.C. 20433
U.S.A.


Mr. Blondel

Dear Mr. Diamond:

Thank you very much for your letter of September 17 as well as for the documents of the DFC-meeting.


The documents contain valuable information material not only in regard to the coming meeting but also to the permanent practice in our institution.

As far as the agenda of the meeting is concerned I am prepared to be one of the leaders of the discussion on the subject E (c).

I shall probably arrive in Washington on October 8, and shall be staying at the Sheraton Park Hotel. I will telephone Mr. Blondel immediately after my arrival in Washington.

I am looking forward with great pleasure to the coming meeting, the preliminary preparations of which will ensure its complete success.

With best regards,


Seppo Konttinen
General Manager
Teollistamisrahasto Oy

TEOLLISTAMISRAHASTO OY

(INDUSTRIALIZATION FUND)

TEOLLISTAMISRAHASTO OY
CARLOS TERASO HILTIKKA

September 28, 1965

LOUNNAINMÄKI 13
HELSINKI - FINLAND

SK/tp

Mr. Diamond

Mr. William Diamond
Director
Development Finance Companies
International Finance
Corporation
1818 H Street N.W.
Washington D.C. 20433
U.S.A.

Dear Mr. Diamond:

Thank you very much for your letter of September 17 as well as for the documents of the DFC-meeting.

The documents contain valuable information material not only in regard to the coming meeting but also to the permanent practice in our institution.

As far as the agenda of the meeting is concerned I am prepared to be one of the leaders of the discussion on the subject B (c).

I shall probably arrive in Washington on October 5, and shall be staying at the Sheraton Park Hotel. I will telephone Mr. Blondel immediately after my arrival in Washington.

I am looking forward with great pleasure to the coming meeting, the preliminary preparations of which will ensure its complete success.

With best regards,
Soopo Kontinen
General Manager
Teollistamisaustto Oy

1965 SEP 30 PM 1:31

RECEIVED
GENERAL FILES
COMMUNICATIONS

Must.

September 27, 1965

Mr. Paul F. Blanc
Managing Director
Banque Ivoirienne de
Developpement Industriel
c/o The Chase International
Investment Corporation
No. 1, Chase Manhattan Plaza
New York 5, N. Y.

Dear Mr. Blanc:

I was sorry to read in your letter of September 21 that Mr. Diby will be unable to attend the conference of development finance companies.

In accordance with your wish, I am sending you with this letter, in advance of the conference, the documents which we have prepared on each development finance company; and I am taking this opportunity to bring you up to date on the arrangements that we have made for the conference. You will find herewith:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. One volume of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. One volume of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion.

1002 2EB 53 UNH:25

CONFIDENTIAL
RECEIVED
1002

September 27, 1965

Mr. Paul F. Blanc
Managing Director
Banque Industrielle de
Développement Industriel
c/o The Chase International
Investment Corporation
No. 1, Chase Manhattan Plaza
New York 5, N. Y.

Dear Mr. Blanc:

I was sorry to read in your letter of September 21 that Mr. M. J. will be unable to attend the conference of development finance companies.

In accordance with your wish, I am sending you with this letter, in advance of the conference, the documents which we have prepared on each development finance company; and I am taking this opportunity to bring you up to date on the arrangements that we have made for the conference. You will find herewith:

- a. A list of participants in the conference, dated August 31, 1965.
 - b. A summary of arrangements made for the conference, dated September 17, 1965.
 - c. A copy of the Agenda for the conference, dated August 30, 1965.
 - d. One volume of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
 - e. One volume of comments from each institution on the Agenda items.
- I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposés of views on the Agenda, and thus make it possible to concentrate on discussion.

1965 SEP 28 AM 11:52

RECEIVED
GENERAL FILES
COMMUNICATIONS

September 24, 1965

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretation that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on EIDI, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

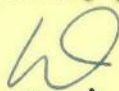
I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services are available to the participants in the conference every working day from September 27 through October 15.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. You preferred not to lead. However, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.'

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at Dudley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 27 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon in Washington,

Sincerely yours,



William Diamond
Director

Development Finance Companies

Enclosures

RBlondel/WDiamond:amm

RB-

September 24, 1962

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretation that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on RIM, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

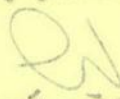
I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services are available to the participants in the conference every working day from September 27 through October 12.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. You preferred not to lead. However, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at Uddley 1-3622. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 27 through October 1, when I will be found in Room C-319 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon in Washington.

Sincerely yours,



William Diamond

Director

General Finance Companies

RECEIVED
GENERAL FINANCE
COMPANIES

Blondel, Roger
Enclosures

112

TÜRKİYE SİNAİ KALKINMA BANKASI A. Ş.
(INDUSTRIAL DEVELOPMENT BANK OF TURKEY)

Leg 9/28

D.B. Hunt

M. BAHAEDDİN KAYALIOĞLU
ASSISTANT GENERAL MANAGER

P.O. Box 17 - Karaköy
İstanbul, Turkey

19299

September 25, 1965

Mr. William Diamond
Director
Development Finance Companies
International Finance Corporation
1818 H Street, N. W.
Washington, D. C. 20433

Dear Mr. Diamond:

I have received your letter of September 17, 1965 and the volumes of memoranda and comments which will be helpful to me before coming to the conference.

My plan, at present, is to leave Istanbul on October 8, Friday, and arrive at Washington on October 9, Saturday, by Pan Am Flight No. 107. I shall be staying at Hotel Dupont Plaza.

If any change in my schedule is to be made I shall let you know by cable beforehand.

Looking forward to seeing you and other friends again in Washington,

Sincerely yours,

M. B. Kayalıoğlu

1965 SEP 28 PM 3:27

RECEIVED
GENERAL FILES
COMMUNICATIONS

BANDESCO

BANCO DEL DESARROLLO ECONOMICO ESPAÑOL

EL DIRECTOR GENERAL

JOSE MARIA MARZO CHURRUCA

Lapped 9/28 met.

Madrid, 25th September 1.965

Mr. WILLIAM DIAMOND
Director
Development Finance Companies
International Finance Corporation
1.818 H. Street
WASHINGTON D.C. 20.433

Dear Mr. Diamond,

I have just come back from my holidays and got your letter of the 17th inst. enclosing one volume of the descriptive memoranda and the Agenda comments that you have so well prepared.

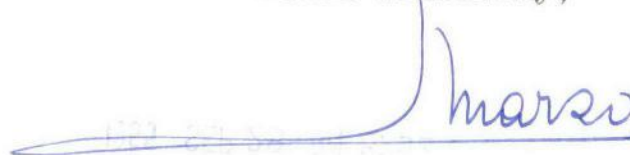
As for the date of my arrival, I plan to stay in New York from October the 4th till Saturday the 9th, going to Washington in time to attend the Meeting.

If you have any comments or suggestions to make you can get in touch with me either at the Morgan Guaranty or at the Waldorf Astoria where I will be staying.

I have not made any reservation in Washington and I wonder whether you will be good enough to do it for me at the same hotel where the other participants intend to stay, in order to discuss and exchange with them, after and before the conference, our own points of view.

Looking very much forward to seeing you soon,
I remain,

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'marzo', is written over a horizontal line. Below the signature, there is a faint, circular official stamp.

BANDESCO

BANCO DEL DESARROLLO ECONOMICO ESPAÑOL

EL DIRECTOR GENERAL

JOSE MARIA MARZO CHURRUGA

Madrid, 25th September 1965

Mr. WILLIAM DIAMOND
Director
Development Finance Companies
International Finance Corporation
1818 H. Street
WASHINGTON D.C. 20433

Dear Mr. Diamond,

I have just come back from my holidays and
got your letter of the 17th inst. enclosing one
volume of the descriptive memoranda and the Agenda
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As for the date of my arrival, I plan to
stay in New York from October the 4th till Saturday
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Meeting.

If you have any comments or suggestions
to make you can get in touch with me either at the
Morgan Guaranty or at the Waldorf Astoria where I will
be staying.

I have not made any reservation in Washington
and I wonder whether you will be good enough to do it
for me at the same hotel where the other participants
intend to stay, in order to discuss and exchange with
them, after and before the conference, our own points
of view.

Looking very much forward to seeing you soon,
I remain,

Yours sincerely,

Marzo

1965 SEP 28 AM 8:52

RECEIVED
GENERAL FILES
COMMUNICATIONS

September 24, 1965

H. E. Ato Araya Ogbagzy
Managing Director
Development Bank of Ethiopia
C/o Sheraton-Park Hotel
Washington, D.C.

Excellency:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 30, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposés of views on the Agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention or any misinterpretation that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on DBE, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents

September 24, 1965.

submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services are available to the participants in the conference every working day from September 27 through October 15.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case, this would mean that you will be among the first persons to speak on item E of the Agenda, as was proposed in Mr. Habte Wold's letter of June 3.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUDley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures

RBlondel/WDiamond:gw

cc.: Mr. Hanh

September 24, 1965

Mr. Ahmed Lyazidi
President
Banque Nationale pour le
Developpement Economique
c/o Sheraton-Park Hotel
Washington, D.C.

Dear Mr. Lyazidi

Welcome to Washington!

I am attaching a copy of my letter of September 17 which may not have reached you before you left Rabat. Enclosed also are:

- a..A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference, together with a portfolio containing the Annual Reports of each institution.

I am looking forward to seeing you very soon.

With best personal regards.

Sincerely yours,

William Diamond
Director
Development Finance Companies

Attachments

AB
RBlondel:eb
cc.: Mr. Hanh

September 24, 1965

Mr. Ladislav M. Svoboda
General Manager
Malaysian Industrial Development
Finance Limited
c/o Presidential Hotel
900-19th St., N.W., Room 503
Washington, D.C.

Dear Lada:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
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- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretation that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on MIDFL, we shall be happy to provide you with as many copies as you want.

September 24, 1965

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services are available to the participants in the conference every working day from September 27 through October 15.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific type will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case, this would mean that you will be among the first persons to speak on item F of the Agenda, as you proposed in your letter of August 19 to Bob Skillings.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUDLEY 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures
RBlondel/WDiamond:amm

RB- cc.: Mr. Mathew

September 24, 1965

Mr. James S. Raj
General Manager
Nigerian Industrial Development
Bank Limited
c/o Sheraton-Park Hotel
Washington D.C.

Dear James:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposés of views on the Agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretation that you might

September 24, 1965

find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on NIDB, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services are continually available to the participants in the conference every working day from September 27 through October 15.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case, this will mean that you would be among the first persons to speak on Item C of the Agenda, as you proposed in your letter of April 26.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUDley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Attachments

cc. Mr. Mathew

WDiamond:RBlondel:lg

September 24, 1965.

Mr. N.M. Uquaili
Managing Director
Pakistan Industrial Credit
& Investment Corporation Limited
c/o Sheraton-Park Hotel
Washington, D.C.

My dear Uquaili:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention or any misinterpretation that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on Pakistan Industrial Credit & Investment Corporation Limited, we shall be happy to provide you with as many copies as you want.

September 24, 1965.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

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In your case, this would mean that you will be among the first persons to speak on items A, C, D, E and G of the Agenda, as you proposed in your letter of May 18, 1965.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUDley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Attachments

cc.: Mr. Hanh

RB.

September 24, 1965

Dr. Wilhelm Teufenstein
C/o Hotel Shoreham
Washington, D.C.

Dear Dr. Teufenstein:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

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- b. A summary of arrangements made for the conference, dated September 17, 1965.
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- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. Two volumes of comments from each institution on the Agenda items.

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Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention or any misinterpretation that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on IVK, we shall be happy to provide you with as many copies as you want.

September 24, 1965

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

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In your case, this would mean that you would be among the first persons to speak on item C of the Agenda, as you proposed in your letter of August 18.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUDley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures

RBlondel/WDiamond

cc.: Mr. Jeffries

RS

September 24, 1965

Mr. A. Gasem Kheradjou
Managing Director
Industrial and Mining
Development Bank of Iran
5111 Linnean Ave. N.W.
Washington D.C.

Dear Gasem:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
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- e. Two volumes of comments from each institution on the Agenda items.

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Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretation that you might

September 24, 1965

find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on DMDBI, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

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In your case, this will mean that you would be among the first persons to speak on Item A of the Agenda as you proposed in your letter of May 1.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DMDley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Attachments
cc. Mr. Hanh

RBlondel:WDiamond:lg

RB

September 24, 1965

Mr. H. T. Parekh
General Manager
The Industrial Credit &
Investment Corporation of India Limited
c/o Mr. N. A. Sarma, Room 1035
1818 H Street
Washington, D.C.

Dear Hashmukhbhai:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion.

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September 24, 1965

want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on ICICI, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

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In your case this would mean that you will be among the first persons to speak on items D and E of the Agenda, as you proposed in your letter of April 27.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at D4dley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures

RBlondel/WDiamond:amm

cc.: Mr. Jeffries

September 24, 1965

Señor Don Jose Gutierrez Gomez
President
Corporacion Financiera Nacional
c/o Mayflower Hotel
Washington, D.C.

Dear Don Jose:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- d. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention or any misinterpretation that you might find. We

September 24, 1965

will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on the Corporacion Financiera Nacional, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

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In your case, this would mean that you will be among the first persons to speak on item A of the Agenda, as you proposed in your letter of April 22.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at NDley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures
RBlondel/WDiamond:amm

RB- cc.: Mr. Mejia

September 24, 1965

Mr. Felix S. Y. Chang
President
China Development Corporation
c/o Sheraton-Park Hotel
Washington D.C.

Dear Felix:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

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- b. A summary of arrangements made for the conference, dated September 17, 1965.
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- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposés of views on the Agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention or any misinterpretation that you might find. We will want, then, to provide corrected versions. Incidentally, if you

September 24, 1965

have some use for the memorandum on CDC, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

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In your letter of April 13, you said you would be ready to lead on any of the subjects. You might want to choose one or more among them. Please do let me know.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUDley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Attachments
cc. Mr. Mathew
RBlondel:WDiamond:lg
RB

September 24, 1965

Dr. Guillermo Sanint B.
Vice President
Corporación Financiera de Caldas
c/o Sheraton-Park Hotel (Room 911)
Washington, D.C.

Dear Dr. Sanint:

As I told you yesterday morning, I am writing to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
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Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention or any misinterpretation that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on the Corporación Financiera de Caldas, we shall be happy to provide you with as many copies as you want.

September 24, 1965

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

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If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUDLEY 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures

RBlondel/WDiamond:amm

cc.: Mr. Mejia

RB-

September 24, 1965.

Senor Don Guillermo Herrera Carrizosa
President
Corporacion Financiera Colombiana
c/o Mayflower Hotel
Washington, D.C.

Dear Don Guillermo:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

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September 24, 1965

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services are available to the participants in the conference every working day from September 27 through October 15.

We asked you and all other participants in the conference to suggest the subjects on which you would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case, this would mean that you would be among the first persons to speak on items A and B of the Agenda as you proposed in your letter of May 31.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at Wdley 1-3652. He will be continuously at your disposal. I will be available in my regular offices, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures

RBlondel/WDiamond:amm

cc.: Mr. Mejia

RB

September 24, 1965

Mr. Vicente R. Jayme
Executive Vice President
Private Development Corporation
of the Philippines
c/o The Washington Hilton Hotel
Room 2133
Washington, D.C.

Dear Ting:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretation that you might find. We

September 24, 1965

will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on PDCP, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services are available to the participants in the conference every working day from September 27 through October 15.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case, and referring to your letter of August 12 to Mr. Skillings, this would mean that you would be among the first persons to speak on items C and E of the Agenda.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUDley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures

RBlondel/WDiamond:amm

R/B

cc. : Mr. Mathew

September 24, 1965

Dr. Luis Vallenilla
President
C.A. Venezolana de Desarrollo
C/o Sheraton-Park Hotel
Washington, D.C.

Dear Luis:

Welcome to Washington!

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
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- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposés of views on the Agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention or any misinterpretation that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on Cavendes, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents

September 24, 1965

submitted has not been as good as I would have liked, and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services are continually available to the participants in the conference every working day from September 27 through October 15.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case, this would mean that you will be among the first persons to talk on items A, B, D and G of the Agenda as you proposed in your letter of May 3.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUDley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosure
Diamond:gw

cc.: Mr. Mejia

September 23, 1965

Dear Mr. Lyazidi:

This is just a line to let you know that Mr. Bengeloun's letter of July 16, enclosing five copies of BNDE's comments on the Agenda of the forthcoming meeting of development finance companies, finally arrived in our office on September 21.

Fortunately, we received several weeks ago the additional copies you sent. As you know, I have had a rough translation made, which has been incorporated in the documentation for the Conference.

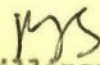
Many thanks. With kind regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Mr. Ahmed Lyazidi
President
Banque Nationale pour le Developpement
Economique (BNDE)
Boite Postale 407
Rabat, Morocco


RFSkillings:va
cc: Messrs. Hanh
Blondel

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SEP 23 1965

September 23, 1965

Dear Mr. Iyad:

This is just a line to let you know that Mr. Bengeloun's letter of July 16, enclosing five copies of ENDE's comments on the Agenda of the forthcoming meeting of development finance companies, finally arrived in our office on September 21.

Fortunately, we received several weeks ago the additional copies you sent. As you know, I have had a rough translation made, which has been incorporated in the documentation for the Conference.

Many thanks. With kind regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Mr. Ahmed Iyad
President
Banque Nationale pour le Développement
Economique (ENDE)
Boite Postale 107
Rabat, Morocco


RISK: 11/11/65
cc: Messrs. Hann
Blondel

1965 SEP 24 PM 6:05

RECEIVED
GENERAL FILES
COMMUNICATIONS

Mr. A. G. Arango

September 23, 1965

William Diamond 

Development Finance Companies Conference

Attached are a list of participants in the Conference; a summary of arrangements made for the Conference; a copy of the Agenda for the Conference; two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the Conference, together with a portfolio containing the Annual Reports of each institution; and two volumes of comments from each participating institution on the Agenda items.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful if you would call our attention to any errors and misinterpretations that you might find. As for the Agenda comments, they haven't been edited as carefully as I would have liked; but in view of the pressure of time and the purpose the memoranda were to serve, I think the document is adequate in its present form.

I think you are sufficiently familiar with the details of the Conference, but I will be happy to answer any questions that you might have about it.

The one matter that I specifically want to call to your attention concerns one aspect of the conduct of the meetings. I asked all the participants who are coming from development finance companies (this excludes you, Sullivan, ^{Buch} and Kuiper) to suggest the subjects on which they would like to lead the discussion. Not surprisingly, there were several expressions of special interest in almost every subject of the Agenda including as many as seven in one case. It appears to me that it would in these circumstances be best to take advantage of everybody's offer to lead. I propose doing this by allowing each person who suggested a specific topic to be among those given an opportunity to express their views on a subject, before that item is thrown open to all for discussion. In this manner the discussion will, I think, get off to a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary interest to him.

I have not before asked you whether you would wish to be among the leaders in the discussion. I do so now. Please do not feel that you need to do so; your principal contribution will be in the body of the discussion. But if you do wish to be among those given an opportunity to express their views at the start of each session, please let me know as soon as you can.

Attachments
WDiamond:amm

Mr. Virgil C. Sullivan

September 23, 1965

William Diamond

Development Finance Companies Conference

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Attachments
WDiamond:amm

Mr. J. G. Beevor

September 23, 1965

William Diamond

Development Finance Companies Conference

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Attachments

WDiamond:amm

September 23, 1965

Mr. E. T. Kuiper
Wiertdijkje 8
Bengen, N. H
Holland

Dear Esco:

We were delighted to receive your letter of September 15 and to know that you will be with us for the entire week of October 11 and will participate in our Conference of Development Finance Companies. The entire group will benefit from your presence.

I have already sent you a list of the expected participants in the Conference. Within the next week or so, I shall be putting out a new version of the text, to which, of course, your name will be added. You also have received a copy of the Agenda. Attached herewith is a brief summary of the arrangements for the Conference, which I think you will find self-explanatory.

When we first laid on this Conference, we suggested that two sets of documents should be prepared in advance of the Conference: first, a brief description of each of the development finance companies associated with the World Bank family to be drafted by us; second, some comments on each item of the Agenda from each of the participating development finance companies. The object of these documents was to familiarize each of the participants, in advance, with all the companies represented at the Conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion. I had hoped to be able to circulate these documents some time ago, but one thing or another delayed them until the end of last week, at which time they finally emerged from the presses. In view of their bulk and of the late date, we are holding on to the documents for delivery to the participants as they arrive in Washington, which in almost every case will be just before or at the beginning of the Annual Meetings. However, in cases like your own, where persons are arriving late, we are sending the documents in advance by air mail. Yours are coming with this letter.

Despite our best efforts, I imagine errors have crept into the memoranda on the participating institutions. If you note any, I should be grateful if you would call them to our attention. (Incidentally, I

Mr. E. T. Kuiper

- 2 -

September 23, 1965

am not airmailing to you but will deliver on arrival a set of the latest Annual Reports of each of the institutions.) You may also find that the comments on the Agenda are not as well edited as they should have been, but I hope they will serve their purpose. You need not, unless you wish, bring these two bulky sets of papers with you to Washington. You will find the same documents, more handsomely bound, together with the Annual Reports, waiting for you when you reach your hotel.

Incidentally, the Agenda comments were requested only from the participants who come from institutions. We do not expect you to contribute, except at the table.

Just as in 1958, so this time we asked each of the participants from development finance companies whether they would be interested in leading off the discussion on one or another item of the Agenda. To no one's surprise there were a good many expressions of such willingness and we therefore have several leaders for each item of the discussion. As a result, all those who expressed a preference for a particular item will be listed among the first who will have an opportunity to express their views, before the Agenda item is thrown open to the Conference as a whole. If you have any preferences of your own and if you would like to be among the first on that item or items, please let me know and I will make sure that you are put on the list.

I think this covers it. If any questions occur to you between now and your arrival on October 9, please do write. In any event, please let me know your reactions to the paragraph above.

Incidentally, your room at the Roger Smith is confirmed. If you will let me know when and how you will arrive in Washington, I will try to have you met.

We are all looking forward with pleasure to seeing you.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

WDiamond/RBlondel:amm
cc: Circ. (2)

RB-

Log. 9/27

BANQUE IVOIRIENNE DE DÉVELOPPEMENT INDUSTRIEL

Société Anonyme au Capital de 700 millions de francs C.F.A.

Meut

D.G. 333

DIRECTION GÉNÉRALE

ADRESSE TÉLÉG. : BIDIBANK

TÉLÉPHONE : 286-48 286-16

Abidjan, le September 21, 1965

B.P. N° 4470

William Diamond Esq.,
Director,
Development Finance Companies,
International Finance Corporation,
1818 H. Street, N.W.,
WASHINGTON 25, D.C.
U S A - 20433
=====

Dear Mr. Diamond:

I am now planning to be in New York between the 4th. and 8th. of October. I am then going to Washington and expect to stay there the whole week of the 11th.

If there are any papers or information that you wish me to have before the meeting of the Development Banks, you could send them to me in New York, C/o the Chase International Investment Corporation.

Unfortunately, our Deputy General Manager, Mr. A. Diby, will be unable, for personal reasons, to accompany me in New York and Washington at this time.

Looking forward to seeing you, I remain,

With best regards,

Yours sincerely,

Paul F. Blanc

Paul F. Blanc,
Managing Director.

PFB/sjd

cc: *Mrs. Blaudel*

ack Sept. 27/65

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Developmental Psychology

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Mr. Michael L. Lejeune

September 21, 1965

William Diamond

Development Finance Companies Conference

Three segments of the Administration Department have been of extraordinary help, in recent weeks, in the arrangements for our Conference of Development Finance Companies. I would like to express my particular gratitude to the people involved.

First, to Mr. Rasmussen and his translation service which, two weeks ago and in difficult circumstances, translated two long and difficult documents within a very short deadline.

Second, to Miss Carter who promised to arrange for the stencilling of the very substantial documents that have been prepared for the Conference, within a deadline that I set, and who met the deadline. (In this connection, my thanks also to Miss Shephard who coordinated the work.)

Third, to Mr. Zollinhofer, who helped plan the layout of the documents we were preparing for the Conference and did his usual speedy and efficient job.

I have no doubt that, before the Conference is over, I shall have an occasion to give you some other expressions of gratitude; but the tasks of those mentioned above are now pretty much done and I want to get my thoughts on the record now.

cc Miss Carter
Mr. Rasmussen
Mr. Zollinhofer

WDiamond:us

DB - Hart

September 17, 1965

Mr. Ahmed Iyazidi
President
Banque Nationale pour le
Developpement Economique
Boite Postale 407
Rabat, Morocco

Dear Mr. Iyazidi:

I am addressing this letter to you because we are still not certain whether you or Mr. Benkirane will represent ENDE at the conference of development finance companies.

I am also writing with reference to your letter of August 13, asking us to send, in advance of the October conference, the documents which we have prepared on each development finance company; and I am taking this opportunity to bring you up to date on the arrangements that we have made for the conference. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference. (Later, when you arrive, we will give you a portfolio containing the Annual Reports of each institution.)
- e. Two volumes of comments from each institution on the Agenda items.

I hope that these documents will reach you in time so that you can study them at leisure; and that you will find them both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion.

September 17, 1965

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretations that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on ENDE, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services will be available to the participants in the conference every working day from September 27 through October 15. This may be useful to you during your stay in Washington.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case this will mean that you will be among the first persons to speak on items B and D of the Agenda, as you proposed in your letter of August 13 to Mr. Skillings.

If you should require any additional information on the conference when you arrive in Washington, please call Mr. Roger Blondel of my staff, who may be reached by telephone at Dudley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you

Mr. Ahmed Lyazidi

- 2 -

September 17, 1965

know, at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

RBlondel/WDiamond:amm

RB -
cc: Mr. Hanh

September 17, 1965

Mr. Seppo Konttinen
General Manager
Teollistamisaikahasto Oy
Lonnrotinkatu 13
Helsinki, Finland

Dear Mr. Konttinen:

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies. Also, because it appears you will be arriving in Washington fairly late, I want to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference. (Later when you arrive, we will give you a portfolio containing the Annual Reports of each institution.)
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretations that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on IFF, we shall be happy to provide you with as many copies as you want.

September 17, 1965

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, and though we were able to correct your notes in accordance with your kind letter of August 30, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services shall be available to the participants in the conference every working day from September 27 through October 15.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case, this will mean that you would be among the first speakers on item D or item E of the Agenda, as you proposed in your letter of August 30. We would welcome you choosing either or both. Please let me know.

Also, would you please let me know as soon as possible when you will reach Washington and where you will be staying.

If you should require any additional information on the conference, when you arrive in Washington, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUDLEY 1-3652. He will be continuously at your disposal. I will be available in my office, which you know, and am looking forward to seeing you here very soon.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

cc: Mr. Jeffries, Circ. (2)

RBlondel/WDiamond:phm

RB-

September 17, 1965

Dr. A. Neaman
Managing Director
Industrial Development
Bank of Israel Ltd.
113 Allenby Road
P.O. Box 1462
Tel Aviv, Israel

Dear Dr. Neaman:

Thank you very much for your letter of September 8 and for your comments on the items of the Agenda for the conference of development finance companies. I have also received the 30 copies of your 1964 Annual Report.

I am also writing to bring you up to date on the arrangements that have been made for the conference. Also, since you will be arriving in Washington fairly late, I want to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference. (Later, when you arrive, we will give you a portfolio containing the Annual Reports of each institution.)
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion.

September 17, 1965

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretations that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on IDBI, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services will be available to the participants in the conference every working day from September 27 through October 15.

As you know, I asked all the participants in the conference to suggest the subjects on which they would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case, this will mean that you would be among the first persons to speak on item E and on any of the other three items you listed in your September 8 letter as alternates - or on all of the items. Please let me know your wishes.

Please be good enough to let us know as soon as possible when you will arrive in Washington and where you will be staying.

If you should require any additional information on the conference when you arrive in Washington, please call Mr. Roger Blondel of my

Dr. A. Neaman

- 3 -

September 17, 1965

staff, who may be reached by telephone at Dudley 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, and am looking forward to seeing you here very soon.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

RBlondel:WDiamond/amm

RB-

cc: Mr. Jeffries, Circ. (2)

September 17, 1965

Mr. Jose Maria Marzo Churruga
Director General
Banco del Desarrollo Economico Espanol
Apartado de Correos 50460
Principe 12
Madrid, Spain

Dear Mr. Marzo:

I hope that you have had a pleasant holiday and that this letter will find you in good health.

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies. Also, because it appears you will be arriving in Washington fairly late, I want to provide you with the background material which has been prepared. Herewith you will find:

- a. An up-to-date list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference. (Later, when you arrive, we will give you a portfolio containing the Annual Reports of each institution.)
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion.

September 17, 1965

Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretations that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on BANDESCO, we shall be happy to provide you with as many copies as you want.

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services shall be available to the participants in the conference every working day through October 15.

Please let me know as soon as possible when you will arrive in Washington, and where you will be staying.

If you should require any additional information on the conference when you arrive in Washington, please call Mr. Roger Blondel of my staff, who may be reached by telephone at HDley 1-3652. He will be continuously at your disposal. I will be available in my office except during the week from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I am looking forward to seeing you soon.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

RBlondel/WDiamond:amm

RB -
cc: Mr. Jeffries, Circ. (2)

September 17, 1965

Mr. Bahaeddin Kayalioglu
Assistant General Manager
Industrial Development
Bank of Turkey
P.O. Box 17, Galata
Istanbul, Turkey

Dear Baha Bey:

I am writing at this time to bring you up to date on the arrangements for the conference of development finance companies. Also, because it appears you will be arriving in Washington fairly late, I want to provide you with the background material which has been prepared. Herewith you will find:

- a. A list of participants in the conference, dated August 31, 1965.
- b. A summary of arrangements made for the conference, dated September 17, 1965.
- c. A copy of the Agenda for the conference, dated August 30, 1965.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference. (Later when you arrive, we will give you a portfolio containing the Annual Reports of each institution.)
- e. Two volumes of comments from each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the Agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the Agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposes of views on the Agenda, and thus make it possible to concentrate on discussion. Despite our best efforts, I imagine errors have crept into the descriptive memoranda. I should be grateful to you if you would call them to our attention, or any misinterpretations that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on TSKB, we shall be happy to provide you with as many copies as you want.

ack. Sept. 25/65

September 17, 1965

As for the Agenda comments, not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish are not entirely satisfactory. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and secretarial services will be available to the participants in the conference every working day through October 15.

We asked you and all other participants in the conference to suggest the subjects on which you and they would like to lead a discussion. Not surprisingly, there were several expressions of special interest in almost every subject on the Agenda, including as many as seven in one case. It appears to me that it would, in these circumstances, be best to take advantage of everyone's offer to lead. I would propose doing it in the following manner. Everyone who has suggested a specific topic will be included in the list of those who will be given the opportunity to speak first on a particular item on the Agenda, before that item is thrown open to all for discussion. In this manner the discussion itself will get a good start and everyone will have an opportunity to lay before the group his views on the matters that are of primary importance to him. I hope you will agree with this plan.

In your case, this will mean that you will be among the first persons to speak on items B and D of the Agenda as you proposed in your letter of August 18 to Mr. Skillings.

Please be good enough to let us know as soon as possible when you will arrive in Washington and where you will be staying.

If you should require any additional information on the conference when you arrive in Washington, please call Mr. Roger Blondel of my staff, who may be reached by telephone at BUdley 1-3652. He will be continuously at your disposal. I will be available in my regular office at all times except from September 25 through October 1, when I will be found in Room C-349 at the Sheraton-Park Hotel.

I need not tell you how much I look forward to seeing you again - and to seeing you for the first time in Washington.

Sincerely yours,



William Diamond
Director
Development Finance Companies

Enclosures

cc: Mr. Resid Egeli, Managing Director
Industrial Development Bank of Turkey
Mr. Jeffries, Circ. (2)

RBlondel/WDiamond:amm

RB

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

Mr. Turney

Mr. Lyne

File

1. For your info
2. I note the participants will be allowed to use the Dining Room without charge. What is our general policy?

The costs will be charged & IFC representation. This was proposed by Diamond. I said OK only if Rosen agreed which he did. JH.

Mr. Ljellum
For your information
September 17, 1965 *LQ*

SUMMARY OF ARRANGEMENTS FOR
CONFERENCE OF DEVELOPMENT FINANCE COMPANIES

1. Location of Conference

a. The Conference will take place at the International Finance Corporation, 1818 H Street, N.W., in Room 1038, on the 10th Floor. The most direct access is from the 18th Street entrance, at 718 18th Street, N.W. The elevators at that entrance will take participants to within a few yards of the meeting room.

b. A secretary will be available in the ante-chamber of the Conference Room throughout the three days of the Conference.

2. The Conference

c. The Conference will take place on October 11, 12 and 13, from 10:00 a.m. to 12:30 or 1:00 p.m., and from 3:00 p.m. to 5:30 or 6:00 p.m. Each of the sessions will be broken by a short interval for refreshments, which will be served in the lobby of the Eugene R. Black Auditorium, on the 11th Floor, immediately above the Conference Room.

d. Mr. Woods will inaugurate the Conference at 10:00 a.m. Monday, October 11.

e. Procedures for the Conference will be discussed at the first meeting, after Mr. Woods' opening statement.

3. Dinner for Participants

f. Mr. Rosen will be host at a dinner in honor of the participants in the Conference on Tuesday, October 12, in the World Bank's Executive Dining Room, at 7:30 p.m. Business dress.

4. Lunches

g. Participants are welcome to use the Bank's Executive Dining Room and Cafeteria.

h. The Dining Room, on the 12th Floor, is open from 12:00 noon until 2:00 p.m. If participants wish to use the Dining Room, they should, if possible, make advance reservations, for seating capacity is limited. (The secretary available at the Conference will make reservations.) If no reservations are made, participants will be accommodated if there is space. For identification purposes, participants are requested to sign, on the reverse of the menu, their names plus the code letters "DFC." All charges incurred will be paid by the International Finance Corporation.

i. The Cafeteria, on the 11th Floor, opens at 11:30 a.m. and closes at 2:00 p.m. Service here is on a cash basis.

5. Offices and Secretarial Facilities

j. A reception room, a conference room and 3 offices will be available to participants during the 3 weeks from September 27 through October 15, each working day from 9 a.m. to 5:30 p.m. These facilities are located in the Bender Building, 1809 G Street (immediately behind the World Bank) in Rooms 1044 to 1049, on the 10th Floor. The telephone number is DUDley 1-3996. Two secretaries will be present at all times, prepared to receive and transmit messages, to take dictation and to assist participants in any way they wish.

6. General

k. Mr. Roger Blondel, of the IFC staff, will be available at all times to assist participants in the Conference. Until the Conference begins, he may be reached in Room 952, telephone number DUDley 1-3652. During the period of the Conference, he will be in the Conference Room.

FORM NO. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOP

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

Sept. 16, 1965

NAME

ROOM NO.

Mr. T. J. Long

File

I spoke to
Diamond

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

Bill Diamond
wants to know if
there are any kind of
omission or commission
herein.

Development Finance Co's Conference

From

but but but

Dev B in Companies Conference

D R A F T

Dear Mr.

Welcome to Washington!

I am writing at this time to bring you up-to-date on the arrangements for the conference of development finance companies, and to provide you with the background material which has been prepared. Herewith you will find:

- a. An up-to-date list of participants in the conference.
- b. A summary of arrangements made for the conference.
- c. A copy of the Agenda for the conference.
- d. Two volumes of memoranda describing the structure, operations and financial results of each development finance company represented at the conference together with a portfolio containing the Annual Reports of each institution.
- e. Two volumes of comments of each institution on the Agenda items.

I hope that you will find these descriptive memoranda and the agenda comments both informative and helpful. As you will recall, they were designed to familiarize each of the participants, in advance, with all the companies represented at the conference and also to lay out in advance some principal ideas about the agenda. Our hope was that we could in this way eliminate the need, both for long background statements about the institutions and for long exposés of views on the agenda, and thus make it possible to concentrate on discussion.

Despite our best efforts, I imagine errors have crept into the descriptive memoranda, which were, as you will recall, prepared here. I should be grateful to you if you would call to our attention any errors or misinterpretations that you might find. We will want, then, to provide corrected versions. Incidentally, if you have some use for the memorandum on _____ we shall be happy to provide you with as many copies as you want.

As for the agenda comments, you will notice that not all the participating institutions have submitted such comments. If they are turned in later, we shall circulate them separately. Also, I regret that our editing of the documents submitted has not been as good as I would have liked; and because of the speed with which they were done, our several translations from French and Spanish have not been of entirely satisfactory standard. However, because we were delayed beyond my expectations in preparing this document and because it was in any event for private circulation only for purposes of the conference, it appeared to me that the document in its present form would meet the need.

I call your attention to the Summary Arrangements, particularly to the fact that a suite of offices and a reception room and secretarial services are continually available to the participants in the conference every day from September 27 through October 15.

If you should require any additional information on the conference, please call Mr. Roger Blondel of my staff, who may be reached by telephone at DUpont 1-3652. He will be continuously at your disposal. I will be available in my regular office, which you know, at all times

- 3 -

except from September 25 through October 1, when I will be found in
Room at the Sheraton-Park Hotel.

I am looking forward to seeing you soon,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Attachments

SUMMARY OF ARRANGEMENTS FOR
CONFERENCE OF DEVELOPMENT FINANCE COMPANIES

1. Location of Conference

a. The Conference will take place at the International Finance Corporation, 1818 H Street, N.W., in Room 1038, ~~on~~ the 10th floor. This room may be reached from any of the World Bank's entrances. The most direct access is from the 18th Street entrance, at 718 18th Street, N.W. The elevators at that entrance will take participants to within a few yards of the meeting room.

b. A secretary will be available at the entrance to the Conference room at all times during the three days of the Conference.

2. The Conference

c. The Conference will take place on October 11, 12 and 13, from 10:00 a.m. to 12:30 or 1:00 p.m., and from 3:00 p.m. to 5:30 or 6:00 p.m. Each of the sessions will be broken by a short interval for refreshments, which will be served in the lobby of the Eugene R. Black Auditorium, on the 11th Floor, immediately above the Conference Room.

d. Mr. Woods will inaugurate the Conference at 10 a.m. Monday, October 11.

e. Procedures for the Conference will be discussed at the first meeting, after Mr. Woods' opening statement.

3. Social Event

f. Mr. Rosen will be host at a dinner in honor of the participants in the Conference on Tuesday, October 12, in the World Bank's Executive Dining Room, at 7:30 p.m. Business dress.

4. Lunch

g. Participants are welcome to use the Bank's Executive Dining Room and Cafeteria facilities. The Dining Room, on the 12th Floor, is open from 12:00 noon until 2:00 p.m. If participants wish to use the Dining Room, they should, if possible, make advance reservations, for seating capacity is limited. If no reservations are made, they will be accommodated if there is space. For identification purposes, participants are requested to sign, on the reverse of the menu, their name plus the code letters "DFC." All charges incurred will be paid by the International Finance Corporation.

h. The Cafeteria, on the 11th Floor, opens at 11:30 a.m. and closes at 2:00 p.m. Service here is on a cash basis.

5. Offices and Secretarial Facilities

i. A reception room, offices and secretarial facilities will be available to participants in the Conference for the 3 weeks from September 27 through October 15. These facilities are located in the Bender Building, 1809 G Street (immediately behind the World Bank) in Rooms 1045 to 1048, on the 10th Floor. Two secretaries (Misses and) will be available there, who will be prepared to receive and transmit messages to hotels and to the Conference room and to assist participants in any way they wish.

6. General

j. Mr. Roger Blondel, of the IFC staff, will be available at all times to assist participants in the Conference. Until the Conference begins, he may be reached in Room 952, telephone number DU 1-3652. During the period of the Conference, he will be in the Conference Room.

k. Simultaneous translations in French and Spanish will be provided for the Conference if that is necessary.

E. T. KUIPER

BERGEN N.H.,
WIERTDIJKSE 8
TEL. 02208-3687

September 15 1965

W.B. Reest
Log 9/17

Mr. Killings
*Would you please see
that the required
action is taken.*

W. Diamond Esq.
I.F.C.

My dear Bill,

cc: Mr. Veraart (Travel Off.)
Mr. Blonde

Thank you very much for your letter of 10th. inst. I gladly accept the invitation for the developmentbank Conference and I intend to spend the week from Oct.11 in Washington. I hope this will leave sufficient time for some substantial talks with Rosen, you and other friends concerning the nature and extent of my further association with the Worldbank family. I am writing about this to Rosen today. In the meantime you can put my name up for the Liberian directorship, if you wish to do so.

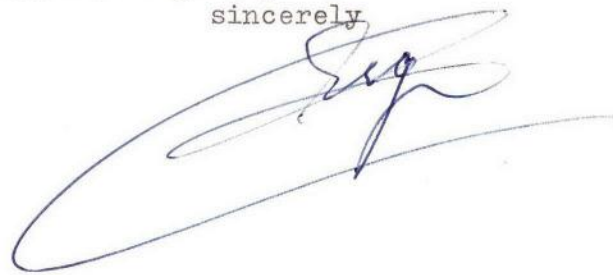
Would you kindly ask your secretary to book a room for me in the Roger Smith hotel; they have some bigger and nicer rooms on the higher floors, in the corner, and, if possible I would like to have one of those. I am scheduled to arrive in the evening of saturday Oct.9. Thank you in anticipation.

confirmed
9/20

I am looking forward to the Conference, which, I am sure, will be at least as instructive as the Meeting of 1958 and will give the younger generation of development bankers some useful guidance. I trust the documents will be mailed to me, or delivered to the hotel.

"Au revoir" in October !

With warmest regards,
sincerely



ack. Sept 23/65

1965 SEP 17 PM 1:28

RECEIVED
GENERAL FILES
COMMUNICATIONS

Log 9/10

1200 Bank - Heat

INCOMING WIRE

DATE OF WIRE: SEPTEMBER 10, 1965 1530
LOG NO.: ITT 24
TO: CORINTFIN
FROM: MADRID
TEXT:

| ROUTING | |
|-------------------|-------------------------|
| ACTION COPY: | MR. DIAMOND |
| INFORMATION COPY: | |
| DECODED BY: | <i>cc. Mr. Blou del</i> |

ATT MR DIAMOND.

WE REPLY TO YOUR LETTER SEPTEMBER 3RD MR MARZO IS ON HOLIDAYS AT PRESENT
MOMENT AND WE HAVE NOT BEEN ABLE TO GET IN TOUCH WITH HIM BUT ARE UNDER
THE IMPRESSION THAT HE HAS A VERY TIGHT SCHEDULE AND WILL BE UNABLE TO
PREPARE SOMETHING FOR LEADING THE DISCUSSIONS

BANDESCO

AB

ORIGINAL

Dev. Bank - Meeting
D-C Conf.

September 10, 1965

Mr. E.T. Kuiper
Wiertdijkje 8
Bergen, N.H.
The Netherlands

My dear Esgo:

Marty Rosen has mentioned the fact that I would be writing to you.

I want to invite you to the Conference of chief executives of the development finance companies associated with the World Bank family, which will take place on October 11, 12 and 13 in Washington. For some time we have been under pressure to hold a meeting like this, and finally we gave in. Only the 20 institutions to which the Bank has made loans or in which IFC has invested have been invited, and only their chief executives or deputies. The only additional persons invited so far are Beavor, Sullivan and Arango, IFC's directors on various boards. Attached you will find a full list of the participants in the Conference as of now, and its agenda.

We shall be circulating to all the participants, in advance of the meetings, two sets of documents, designed to familiarize each one with the others' ideas on the agenda and with the institutions they represent. One set of documents consists of descriptive memoranda on the 20 participants; the other consists of comments from each, on each item of the agenda. By getting the main ideas and background circulated early, I hope the meeting can avoid speeches and concentrate on discussion. (Incidentally, only the institutional representatives are supposed to send comments, not Arango, Beavor, Sullivan or you.)

We would like very much to have you at the Conference (at our expense, of course). You have been the chief executive of three of the participating institutions, and have been so closely associated with us in the past as to make your presence natural and useful. Incidentally, you will be the only person present (apart from me) who attended the Conference of 1958. Please do come.

Marty mentioned the Liberian directorship, which will be a challenging one. You might like to see the documentation on this, which we presented to our Board in August. I enclose it herewith.

Incidentally, a directorship in LBIDI will involve five or six visits a year to Monrovia, of two or three days each. It will also involve close and continuing contact with the company by correspondence. It is now two years since we started putting representatives on the boards of development finance companies. (We are now on seven: Jack Beavor is in NIDB, BNDE and TSKB;

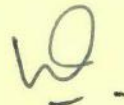
Virgil Sullivan is in IFCT, MIDFL and PICIC; and Bill Arango is in CAVENDES.) In those two years, we have worked out a system by which our staff does a considerable amount of work in advising and supporting our directors. I mention this to indicate that we give our directors a considerable amount of support.

I wrote to you earlier this week about Tunisia. I have nothing to add.

I hope all is well with you.

With best personal regards,

Sincerely yours,



William Diamond

Director

Development Finance Companies

Enclosures

cc Mr. Blonde

WD:us

OB-Hart

| IDA | | IBRD | | IFC | |
|--|--|----------------------------|---------------|-----|--|
| FORM NO. 92
(10-61) | | CORRESPONDENCE RECORD FORM | | | |
| FROM | | | DATED | | |
| INDUSTRIAL DEVELOPMENT BANK OF TURKEY | | | Sept. 8, 65 | | |
| SUBJECT | | | | | |
| Ack. ltr dtd Aug. 31, 65. Will not participate in
the conference of Development Finance Companies | | | | | |
| REFERRED TO | | | DATE RECEIVED | | |
| Mr. Diamond | | | Sept. 13, 65 | | |

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: Sept. 8, 1965

TO: Mr. Diamond

FROM: Industrial Development Bank of Turkey

FILED UNDER: Directors - Annual Meeting - 9th, IFC

SUMMARY:

Extract:

Unfortunately neither Bulent nor myself will have the chance of participating in the Conference of the Development Finance Companies.

log 9/14
New Bank - Hestonig

בנק לפתוח התעשייה בישראל בערבון מוגבל
INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LIMITED

113, ALLENBY ROAD
TEL - AVIV
TEL. 614771-6
P. O. B. 1462
TELEX 033-646
CABLE ADDRESS: MOSLETAAS

רחוב אלנבי 113
תל - אביב
טל. 614771-6
ת.ד. 1462
טלקס 033-646
כתובת למברקים: מוסלטהאס

בתשובה נא להזכיר:
Reference please note:

AN/GL/1/7281

8th September, 1965.

Mr. William *W* Diamond,
Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street N.W.,
WASHINGTON 25 D.C. U.S.A.

Mr. Blondel
What are you doing
about this? See me
soon, please.

Dear Mr. Diamond,

Thank you very much for your letter of September 2nd. ✓
Pursuant to my cable of the 7th instant, I am attaching herewith my comments ✓
to the proposed Agenda for the Conference of Development Finance Companies.

As I stated in the cable I would be prepared to
lead the discussion on one of the following subjects, listed in my order of preference:-

- (1) Relationship with government.
- (2) Promoting expanded ownership of private securities.
- (3) Aspects of financial policy.
- (4) Relationship with management of enterprise promoted,
sponsored or financed.

I am indeed looking forward to the Conference.

With best personal regards,

Yours sincerely,

Neaman
Dr. A. Neaman
Managing Director.

Enclos:

1002 2EB 10 01 8:58

COMMUNICATIONS
GENERAL LINES
RECEIVED

ack Sept 17/65

INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LIMITED
בנק תעשיית ישראל מוגבלת

113 ALLENBY ROAD
TEL AVIV
TEL. 61471-6
P. O. B. 1462
TELEX 033-046
CABLE ADDRESS: MOZLEAAS

113 ALLENBY ROAD
TEL AVIV
TEL. 61471-6
P. O. B. 1462
TELEX 033-046
CABLE ADDRESS: MOZLEAAS

Reference please note:
:01710 NO 031010

AN/G4/1/7281

8th September, 1965.

*Mr. William Diamond
Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street N.W.,
WASHINGTON 25 D.C. U.S.A.*

Mr. William Diamond,
Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street N.W.,
WASHINGTON 25 D.C. U.S.A.

Dear Mr. Diamond,

Pursuant to my cable of the 7th instant, I am attaching herewith my comments to the proposed Agenda for the Conference of Development Finance Companies.

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- (1) Relationship with Government.
- (2) Promoting expanded ownership of private securities.
- (3) Aspects of financial policy.
- (4) Relationship with management of enterprise promoted, sponsored or financed.

I am indeed looking forward to the Conference.

With best personal regards,

Yours sincerely,

Dr. A. Neuman
Managing Director

1965 SEP 14 AM 8:29

RECEIVED
GENERAL FILES
COMMUNICATIONS

Enclos:

8th September, 1965.

COMMENTS TO PROPOSED AGENDA FOR CONFERENCE OF DEVELOPMENT FINANCE
COMPANIES - OCTOBER, 1965.

DR. A. NEAMAN :

These brief comments are based on our experience in Israel and may not be applicable to other situations. The comments are limited to those items with which we have specific experience.

1. PROMOTIONAL ACTIVITY :

The degree of initiative of a development finance company in this area would vary with the stage of development of the country. In the Israeli situation, I.D.B.I. would limit itself to providing certain "services" to the potential entrepreneur, such as appraisal of the project, or advice in formulating the proper financial structure of the company, and of course once the project was properly set out, aid in financing. In countries where the development process is in an earlier stage the development finance company might conceivably undertake, perhaps in conjunction with the government, certain studies to translate development priorities into more specific sub-divisions or even concrete projects. However in my opinion the development finance company cannot take the place of an entrepreneur, and even though the development company may help in finding the entrepreneur, it cannot bear prime responsibility for the project - this must be borne by the entrepreneur, (and/or in certain cases the government.) What the development finance company can do is to help finance the detailed planning of the project (by including this as part of the cost of investment), provide thorough project appraisals and help in the financing.

2. RELATIONSHIP WITH THE MANAGEMENT OF THE ENTERPRISE PROMOTED,
SPONSORED OR FINANCED.

As already stated I feel that the development finance company cannot serve as a substitute for the entrepreneur, nor be expected to bear prime managerial responsibility. Depending on its degree of commitment

with Sept 8, 1965

2/.....

it may wish to be represented on the Board of Directors, again not in order to manage the firm, but rather in order to be well informed of developments and to be in a position to safeguard its interests. The development company would also have to guard against using information it may obtain as a lender, to further the interests of firms in which it holds equity.

(3) PROMOTING EXPANDED OWNERSHIP OF PRIVATE SECURITIES :

This of course should be one of the chief interests of the company. In certain cases it should be able to require a certain percentage or expansion of own funds as a condition for granting a loan to the firm, or participating in equity. The development company itself should be prepared not only to lend but to use part of its funds for acquiring equity with a view to acting as a temporary holder of the shares subsequently to be more widely sold.

(4) ASPECTS OF FINANCIAL POLICY :

The "prudent level of debt" for an investment company is of course related to the quality of its assets - the safer its asset holdings, the higher the degree of debt which might be acceptable. It strikes us that in our own situation where equity totals more than 50% of total assets, that our level of debt is too low, especially when one takes into account the tax advantages associated with debt as against equity, and we ourselves would like to achieve about a 65:35 ratio of debt to equity. The "appropriate" level of reserves is connected with both asset quality and dividend policy. Although we have no hard and fast rule we should like to build up reserves to about 1% of our loan and equity portfolio; on the other hand we would not be prepared to cut our present dividend rates in order to achieve this, but hope that through an improved debt equity ratio, with its tax advantages, resulting in a slightly larger interest spread (we treat dividends as an "interest cost") and with the savings resulting from a larger turnover, we could achieve this 1% reserve ratio.

Without entering the dividends versus retained earnings controversy, in our situation our dividend rates must be competitive with other institutions bidding for the same funds. Our interest spread, and the price we pay for government funds are adjusted to achieve this, and to permit a certain accumulation of retained earnings. We of course should like the rate of accumulation to be a bit higher.

The proper desired or required interest spread is of course influenced by the volume of activity, and the functions performed by the development company. It goes without saying that it should be adequate to enable the company to fully fulfil its functions and maintain the necessary staff. This of course in addition to permitting a modest rate of internal accumulation.

(5) RELATIONSHIP WITH GOVERNMENT :

Determining the goals of economic development and the setting of the priorities and policies necessary for achieving these goals is of course a function of government. The government must also bear direct responsibility for the development of the infra-structure of the economy - ports, roads, communications, education, etc. However public development funds for the private sector should be channelled through the development companies, and the dealing with individual enterprises should be left to them. The government might set out certain overall rules and priorities, relating to the use of funds, and might set certain policies relating to the overall terms and conditions. Thus for example it might want to specify how its funds or a certain overall percentage of all funds, should be divided between the different branches of the economy or regions of the country. In addition it might be prepared to subsidize lower interest rates for certain branches or development regions. However as previously stated the direct application of these rules and conditions should be left to the development company.

The development company should be able to provide crucial information to the policy makers. For example, the policy may call

for the rapid development of a certain region. Nevertheless the company's examination of the individual projects to be established in this area may reveal that the majority of these projects are of a doubtful nature, and thus cannot be approved. The "feed back" of this information and evaluation to the policy makers is crucial to a healthy development process. The purpose is twofold - to confront the policy makers with the necessity for adopting measures aimed at changing the relative profitability of investments in this region, and to enable them to evaluate "the cost to the national economy" of developing this region. In certain cases this might result in adjustments in policy goals.

I.D.B.I. receives government assistance in the form of "leverage money" (share capital and deposits) bearing a low enough cost to enable I.D.B.I. to operate at the desired interest spread. In addition the government provides guarantees for loans to those projects regarded as risky by I.D.B.I. in whose establishment the government is interested. The government also pays I.D.B.I. the interest differentials in those cases where lower interest is charged, but this is a subsidy to the firm, not I.D.B.I.

Speaking generally it would seem that most development companies would need government assistance, the problem is of course to find an arrangement where despite this assistance the Company can maintain the necessary independence and freedom of action in those fields of activity within its jurisdiction.

(6) EXPANDING AND IMPROVING TRAINING FACILITIES AND OBTAINING STAFF FROM ABROAD :

Our major interest is in training and broadening the perspective of our staff. We are therefore most interested in training courses sponsored by the I.B.R.D. or I.F.C. and in arranging staff visits to these institutions and other development Companies. We are of course prepared to offer our services to other Companies who may wish to examine our operations more closely.

(7) JOINT FINANCING OF SPECIFIC ENTERPRISES WITH THE WORLD BANK GROUP :

I would have to give a great deal more thought to this subject before I could comment.

Log 9/8 4 gm

INCOMING WIRE

DATE OF WIRE: SEPTEMBER 7, 1965 0930
LOG NO.: RC 6
TO: DIAMOND CORNTFIN
FROM: TEL AVIV
TEXT: 1

| ROUTING | |
|-------------------|-------------|
| ACTION COPY: | MR. DIAMOND |
| INFORMATION COPY: | M. Blondel |
| DECODED BY: | |

✓
YOURS SEPTEMBER 2 COMMENTS ON AGENDA ITEMS WILL REACH YOU BEFORE 15 SEPTEMBER. I SHALL BE PLEASED IF IT CAN BE OF ANY HELP TO LEAD DISCUSSION ON ONE OF THE FOLLOWING SUBJECTS AT YOUR CHOICE LISTED IN ORDER OF MY PREFERENCE

- (1) RELATIONSHIP WITH GOVERNMENT
- (2) PROMOTING EXPANDED OWNERSHIP OF PRIVATE SECURITIES
- (3) ASPECTS OF FINANCIAL POLICY
- (4) RESPONSIBILITY FOR OR PARTICIPATION IN MANAGEMENT, PLEASE REPEAT CABLE YOUR DECISION

BEST REGARDS

NEAMAN

C
FCA

TELETYPE

ROUTING

1965

SEPTEMBER 7, 1965

DATE OF
WIRE

ACTION COPY: MR. TANDON

RC 6

OF NO.

INFORMATION
COPY
DELETED BY:

DIAMOND CORP.

TO

THE WIRE

FROM

TEXT

YOUR SEPTEMBER 2 COMMENT ON AMENDAS ITEMS WILL REACH YOU BEFORE 12

SEPTEMBER. I SHALL BE PLEASED IF IT CAN BE OF ANY HELP TO LEAD

DISCUSSION ON ONE OF THE FOLLOWING SUBJECTS AT YOUR CHOICE LISTED

IN ORDER OF MY PREFERENCE:

- (1) RELATIONSHIP WITH GOVERNMENT
- (2) PROMOTING EXPANDED OWNERSHIP OF PRIVATE ENTERPRISES
- (3) ASPECTS OF FINANCIAL POLICY
- (4) RESPONSIBILITIES FOR OR PARTICIPATION IN MANAGEMENT, PLEASE

REPEAT CABLE YOUR DECISION

BEST REGARDS

WILLIAM

SEP 8 8 35 AM 1965

COMMUNICATIONS
GENERAL FILE

FILED

ORIGINAL

OFFICE MEMORANDUM

TO: Mr. Martin M. Rosen

FROM: William Diamond *W*

SUBJECT: Conduct of our Conference

DATE: September 7, 1965

Fitz

Diamond

1. We have discussed the chairmanship of our DFC conference. I suggested my preference for having the participants themselves chair their meetings. I thought that we could choose chairmen from among those who wanted to lead discussions of particular subjects, and that these preferences would coincide with my own ideas on who are the senior participants and who would do the best job of leading the meetings. I now find that the preferences suggested to us don't quite fit the pattern. However, I believe we can still use the ~~chairmen as~~ participants -- even giving due regard to the possibility of jealousies.

2. My suggestions are as follows :-

A. Promotional Activity

Chairman -- Uquaili

First speakers -- Herrera, Kheradjou, Gutierrez, Vallenilla.
(all these expressed an interest in A).

B. Relationship to Management

Chairman -- Gutierrez

First speakers -- Kayalioglu, Herrera
(all these expressed an interest in B).

C. Expanded ownership of Securities

Chairman -- Raj

First speakers -- Jayme, Uquaili, Teufenstein
(all these expressed an interest in C).

D. Financial Policy

Chairman -- Parekh

First speakers -- Vallenilla, Kayalioglu, Lyazidi (Benkirane),
Uquaili.
(all these expressed interest in D).

E. Relationship with Government

Chairman -- Chang (he said he would lead any discussion)

First speakers -- Parekh, Jayme, Uquaili, Ogbagzy
(all but Chang specified this item)

F. Training Facilities

Only Svoboda expressed interest in this item. So we will put it last on the agenda and let him be in charge, if we get to it.

G. Joint financing with World Bank Group

Chairman -- Herrera

First speakers -- Vallenilla, Uquaili

(all but Herrera asked to lead discussions on this topic)

3. If the foregoing were adopted, the chairmen would be Uquaili, Gutierrez, Raj, Parekh, Chang, Svoboda, Herrera. This is not a bad selection among the participants, given rank and age. (Please see attached list of participants. Incidentally, I am sure Lyazidi will leave and Benkirane will remain for the meeting.)

4. As you said two weeks ago, it would be easier for one of us to be chairman for all the meetings. But I think this proposal will be more effective. Do you agree?

cc Messrs. Skillings
Blondel

Attachment

WDiamond:us

August 31, 1965

Participants in the Conference
(as at August 27, 1965)

| <u>Institution</u> | <u>Name, title and address</u> |
|--------------------|---|
| 1. BANDESCO | Sr. Don Jose Maria Marzo Churruca
Director General
Banco del Desarrollo Economico Espanol
Apartado de Correos 50460
Principe, 12
Madrid, Spain |
| 2. BIDI | Mr. Paul F. Blanc
Managing Director
Banque Ivoirienne de Developpement Indust
B.P. 4470
Abidjan, Ivory Coast
and |
| 3. | Mr. A. Diby
Deputy General Manager
Banque Ivoirienne de Developpement Indust
B.P. 4470
Abidjan, Ivory Coast |
| 4. ENDE | Mr. Ahmed Lyazidi
President
Banque Nationale pour le Developpement
Economique
Boite Postale 407
Rabat, Morocco
or
Mr. Mohamed Benkirane
Director General
Banque Nationale pour le Developpement
Economique
Boite Postale 407
Rabat, Morocco |
| 5. CAVENDES | Dr. Luis Vallenilla
President
C.A. Venezolana de Desarrollo
Apartado 11341
Chacao, Caracas
Venezuela |
| 6. CDC | Mr. Felix S.Y. Chang
President
China Development Corporation
181-5 Chung Shan Road N., 2nd Sec.
Taipei, Taiwan
Republic of China |

7. CFC - Bogota
Dr. Guillermo Herrera Carrizosa
President
Corporacion Financiera Colombiana
Edificio Banco de Bogota, Carrera 10
Bogota, Colombia
8. CFC - Caldas
Mr. Roberto Ocampo Mejia
President
Corporacion Financiera de Caldas
Apartado Aereo 460
Manizales, Colombia
9. CFN - Medellin
Dr. Jose Gutierrez Gomez
President
Corporacion Financiera Nacional
Apartado Aereo 1039
Medellin, Colombia
10. DBE
His Excellency
Ato Araya Ogbagzy
Managing Director
Development Bank of Ethiopia
Box 1900
Addis Ababa, Ethiopia
11. ICICI
Mr. H.T. Parekh
General Manager
Industrial Credit and Investment
Corporation of India Ltd.
163 Backbay Reclamation
Bombay 1, India
12. IDBI
Dr. A. Neaman
Managing Director
Industrial Development Bank of Israel Lt
113 Allenby Road
Tel Aviv, Israel
- IFCT
None
13. IMDBI
Mr. A. Gasem Kheradjou
Managing Director
Industrial and Mining Development
Bank of Iran
P.O. Box 1801
Tehran, Iran
14. IVK
Dr. Wilhelm Teufenstein
Member of Managing Board
Osterreichische Investitionskredit, A.G.
Am Hof 4
Vienna 1, Austria

15. MIDFL
Mr. Ladislav M. Svoboda
General Manager
Malaysian Industrial Development Finance
Limited
Hwa-Li Building
63-65 Jalan Ampang
Kuala Lumpur, Malaysia
16. NIDB
Mr. James S. Raj
General Manager
Nigerian Industrial Development
Bank Limited
M & K House
96/102 Broad Street
P.O. Box 2357
Lagos, Nigeria
17.
Mr. S.B. Daniyan
Deputy General Manager
Nigerian Industrial Development
Bank Limited
M & K House
96/102 Broad Street
P.O. Box 2357
Lagos, Nigeria
18. PICIC
Mr. N.M. Uquaili
Managing Director
Pakistan Industrial Credit and
Investment Corporation Limited
P.O. Box 5080
Karachi, Pakistan
19. PDCP
Mr. Vicente R. Jayme
Executive Vice President
Private Development Corporation
of the Philippines
CBTC Building
Ayala Avenue, Makati, Rizal
Manila, The Philippines
20. TR
Mr. Seppo Konttinen
General Manager
Teollistamisrahassto Oy
Lonnrotinkatu 13, W krs.
Helsinki, Finland
21. TSKB
Mr. Bahaeddin Kayalioglu
Assistant General Manager
Industrial Development Bank of Turkey
P.O. Box 17
Galata
Istanbul, Turkey
22.
Mr. A.G. Arango
IFC Representative on Board of CAVENDES

23.

Mr. John G. Beevor
IFC Representative on Boards of
NIDB, BNDE, TSKB

24.

Mr. Virgil C. Sullivan
IFC Representative on Boards of
PICIC, IFCT, MIDFL

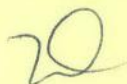
September 3, 1965

Dear Mr. Marzo:

Referring to the preparations that we are making for the conference of development finance companies and to Mr. Skillings' letter of August 6, I would very much like to know whether you would be interested in leading the discussion on any one of the agenda items; and, if so, on which ones. Would you be kind enough to cable me your reply on this as soon as possible.

With best regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

Mr. Jose Maria Marzo Churrua
Director General
Banco del Desarrollo Economico Espanol
Apartado de Correos 50460
Principe 12
Madrid, Spain

RBlondel:amm
cc: Circ. (2)

RB-

ack Sept. 10/65

Dr. A. Neeman
Managing Director
Industrial Development Bank
of Israel Limited
113, Allenby Road
P. O. B. 1462
Tel Aviv, Israel

September 2, 1965

Dear Dr. Neeman:

Thank you very much for your letters of August 15 and August 17, and for the 31 copies of your 1964 Annual Report which we received shortly after. I was very pleased indeed to read that you will represent the Industrial Development Bank of Israel at the Conference of Development Finance Companies in October.

In my letter of July 20 to Dr. Foerder, I said that I would send the documents that we are assembling here (the basic data about each institution involved and the notes on the Agenda items), to all the participants in advance of their congregating here in Washington. I now find that we have fallen behind schedule. I also find that the documentation is becoming very bulky: it is likely that it will total 10 pounds in weight, and would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, I am planning to give the documents to each participant when he arrives here for the Annual Meeting. Since about everyone will be in Washington at least two weeks before the Conference, there will be enough time to study the documents before the Conference starts.

Incidentally, I am anxious to have your comments on the Agenda items no later than September 15. All the others will already have been stencilled and assembled. Unless yours are here by that time, it might not be possible to hand your submission to the participants with the other material.

There is another question that I would like to put to you. Are there any subjects on the Agenda on which you would want to lead the discussion? You will recall that I raised this question in my letter to Dr. Foerder of July 20, but have not yet had a reply.

ack. Sept. 8/65

- 2 -

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the Conference. We will soon be sending personal invitations to all the participants.

With warm personal regards.

Sincerely yours,



William Diamond
Director
Development Finance Companies

cc: Jeffries
Blondel

RBlondel:WDiamond:ep

Mr. Omar Dajany

September 2, 1965

Robert F. Skillings *MS*

Dinner for Participants in Development Bank Conference

Further to Mr. Diamond's memorandum of September 1, [✓] the name of Mr. R. L. Powell should be added to the list of invitees from IFC. He is a senior man joining this department about September 16.

CC: Messrs. Rosen
Fowler
Blondel

RFSkillings:vmv

Dev Bank - Conf.

Mr. Martin M. Rosen

September 1, 1965

William Diamond *W*

Arrangements for the Development Finance Companies
Conference

As you know, the Conference will take place for three days. I have made arrangements for the diningroom to accept the signatures of participants in the Conference so that they may, if they wish, lunch there. In view of their large number of friends and acquaintances in Washington, I don't expect many of them to avail themselves of this privilege. I am arranging that any of them who does avail himself of the privilege will have his bill put to my representation account.

Is this O.K. with you ?

cc Messrs. Twining
Blondel

WDiamond:us

Omar Dajany *JD*

September 1, 1965

William Diamond

Dinner for Participants in Development Bank Conference

Mr. Rosen has asked me to let you know about the state of arrangements for the dinner which he will be giving in honor of participants in the Conference of Development Finance Companies.

The dinner is scheduled for Tuesday night, October 12. It is to be held in the Executive Dining Room. The managers of the Dining Room have been informed and the room is reserved. They were told that the dinner would be for 50-60 people. No other arrangements have yet been made; they need to be done soon, including menu, seating, etc.

The dinner is being given in honor of the participants in the Conference. Attached is the list of their names. They have all been informed, in the course of a letter which I wrote to them on other subjects, that Mr. Rosen would be giving a dinner in their honor and would be sending them a formal invitation as soon as the full list of participants was definitely known. This was done in order to make sure that they set that evening aside. The other guests should be members of the staff of the World Bank and of the IFD. (I do not recommend that any outsiders be invited since Mr. Rosen will only, two weeks before, have given a large lunch involving these same people and a large number of outsiders.)

In my opinion, invitations should be sent to the following:
From IFC - Richards, Williams, Patterson, Fuchs, von Hoffman, Dodd, Skillings, Washburne, Mathew, Jeffries, Harsh, Mejia, Sullivan, Arango, and Diamond.
From the Bank - Knapp, Wilson, Aldewereld, Wishart, El Emery, Williams, Cope, Fontein, Cargill, Goodman, Stevenson, McIvor, Alter, Chautournier, Demuth, Broches, Chadenet, Mendels, Cavanaugh, Chang, Howard Johnson.

Mr. Rosen has in principle agreed with my proposal that the dinner be restricted to members of the Bank and IFC staff. Nevertheless, he will want to review the names that I have proposed here, and may wish to add some.

Invitations should be printed up and should say "In honor of the participants in the Conference of Development Finance Companies, etc., etc." and it should be RSVP.

Mr. Rosen has agreed to give a short talk during the dinner. There will be no other speakers.

Since all the official participants in the Conference have already been put on notice about the dinner, there is no rush about getting invitations to them. In any event many of them will have left their countries before invitations could be sent. I will keep you informed of their addresses in Washington after they arrive. It would be advisable however, to get invitations out to the members of the Bank and IFC staffs at the earliest possible moment.

cc: Rosen
Skillings
Fowler

WDiamond: sb. *Blondel*

New Bank - Meeting

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: GUTIERREZ
FINANCIERA
MEDELLIN
COUNTRY: (COLOMBIA)

DATE: SEPTEMBER 1, 1965
CLASS OF SERVICE: LT

TEXT:
Cable No.:

144

✓

REOURLET AUGUST SIX AWAITING YOUR PERMISSION TO DISTRIBUTE YOUR POLICY
STATEMENT WITH OTHER MATERIAL FOR DFC CONFERENCE AS WE ARE DOING WITH
THOSE OF OTHER INSTITUTIONS STOP PLEASE CABLE REPLY SOONEST REGARDS

DIAMOND

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME William Diamond
DEPT. Development Finance Companies
IFC
SIGNATURE RB:WD:sb *William Diamond*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Blondel

For Use by Archives Division

ORIGINAL (File Copy)
(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: *flm*

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: OUTIERRE
FINANGIERA
MEDILL
COUNTRY: (COLOMBIA)
TEXT:
Cable No:

DATE: SEPTEMBER 1, 1965
CLASS OF SERVICE: IT

REQUEST AUGUST SIX AWAITING YOUR PERMISSION TO DISSEMINATE YOUR POLICY
STATEMENT WITH OTHER MATERIAL FOR OFC CONSTRUCTION AS WE ARE WORKING WITH
THOSE OF OTHER INSTITUTIONS STOP PLEASE CABLE REPLY SOONEST REWARDS

DIAMOND

NOT TO BE TRANSMITTED

CLEARANCE AND COPY DISTRIBUTION

MESSAGE AUTHORIZED BY:

cc: Mr. Blomdal

NAME: William D. ...
DEPT: Development
DATE: 9/1/65
INITIALS: [Signature]
DESPATCHED AFTER HOURS
RR:WD:sp
SIGNATURE: [Signature]
(Signature of individual authorizing)

For Use by Archives Division

ORIGINAL (File Copy)

(IMPORTANT: See Secretariat Guide for preparing form)

Checked for Distribution

OUTGOING WIRE

TO: OCAMPO
CORFINANCIERA
MANIZALES
COUNTRY: (COLOMBIA)
TEXT: Cable No.:
REOURLET AUGUST FOURTH AWAITING YOUR PERMISSION TO DISTRIBUTE YOUR POLICY STATEMENT WITH OTHER MATERIAL FOR DFC CONFERENCE AS WE ARE DOING WITH THOSE OF OTHER INSTITUTIONS STOP PLEASE CABLE REPLY SOONEST STOP WOULD ALSO APPRECIATE KNOWING WHETHER YOU WOULD LIKE TO LEAD DISCUSSION ON ANY AGENDA ITEMS AND IF SO WHICH REGARDS

DATE: SEPTEMBER 1, 1965
CLASS OF SERVICE: LT

144

DIAMOND

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:
NAME William Diamond, Director
Development Finance Companies
DEPT. IFC
SIGNATURE RB:WD:sb
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

William Diamond

CLEARANCES AND COPY DISTRIBUTION:
cc: Mr. Blondel

For Use by Archives Division

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: OCAIMPO
CORRIGANDERA
MARTINEZ
COUNTRY: (COLOMBIA)
DATE: SEPTEMBER 1, 1965
CLASS OF SERVICE: IT

REQUIRE ABOUT YOURS AWAITING YOUR PERMISSION TO DISTRIBUTE YOUR POLICY
STATEMENT WITH OTHER MATERIAL FOR THE CONFERENCE AS WE ARE DOING WITH
THOSE OF OTHER INSTITUTIONS STOP PLEASE CABLE REPLY SOONEST STOP
WOULD ALSO APPRECIATE KNOWING WHETHER YOU WOULD LIKE TO LEAD DISCUSSION
ON ANY AGENDA ITEMS AND IN SO WHICH REGARDS

DIAMOND

NOT TO BE TRANSMITTED

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Blomdal

William Diamond, Director
Finance Companies
Development

DATE 9/1/65
DESPATCHED AFTER HOURS
APPROVE

SIGNATURE

RB:WD:sp

For Use by Archives Division

ORIGINAL (File Copy)

(IMPORTANT: See Section 5 (b) for preparing form)

Check for Clashes

OFFICE MEMORANDUM

TO: Mr. George Woods *9/7*

FROM: William Diamond *19*

SUBJECT: Conference of Development Finance Companies

DATE: August 31, 1965

The Chief Executives (or their designates) of all of the development finance companies associated with the World Bank family will be meeting in Washington for three days beginning Monday, October 11, 1965. A list of the participants in the Conference, and their agenda are attached.

I hope that you will be good enough to inaugurate the conference, at 10.00 a.m., Monday, October 11. I believe that the participants of the Conference, all of whom are men of eminence and many of whom you know personally, would very much appreciate your starting them off.

I would visualize a statement of 10 to 15 minutes on your part, devoted to welcoming them and to making some comments on the significance that you attribute to their coming together and exchanging views on their problems and experiences.

I would like to have confirmation at your earliest convenience that you will take on this task. In the meantime, I should be very happy indeed to fill you in on any additional details of the meeting that might be of interest to you.

Attachments

cc: Mr. Rosen
Mr. Blondel

yes I'll be glad to "kick it off"

Have Graves Dept or

Someone

give me

5 or

10 minutes

of talk

bad

9/7

Kupper?
Harold Johnson
Turkish Bank originator?

*S
As
note
OK*

Dev. Bank Meeting

Mr. George Woods

August 31, 1965

William Diamond *W*

Conference of Development Finance Companies

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cc: Mr. Rosen
Mr. Blondel

WDiamond:dc

August 31, 1965

Participants in the Conference
(as at August 27, 1965)

| <u>Institution</u> | <u>Name, title and address</u> |
|--------------------|---|
| 1. BANDESCO | Sr. Don Jose Maria Marzo Churruca
Director General
Banco del Desarrollo Economico Espanol
Apartado de Correos 50460
Principe, 12
Madrid, Spain |
| 2. BIDI | Mr. Paul F. Blanc
Managing Director
Banque Ivoirienne de Developpement Indust
B.P. 4470
Abidjan, Ivory Coast
and |
| 3. | Mr. A. Diby
Deputy General Manager
Banque Ivoirienne de Developpement Indust
B.P. 4470
Abidjan, Ivory Coast |
| 4. ENDE | Mr. Ahmed Lyazidi
President
Banque Nationale pour le Developpement
Economique
Boite Postale 407
Rabat, Morocco
or
Mr. Mohamed Benkirane
Director General
Banque Nationale pour le Developpement
Economique
Boite Postale 407
Rabat, Morocco |
| 5. CAVENDES | Dr. Luis Vallenilla
President
C.A. Venezolana de Desarrollo
Apartado 11341
Chacao, Caracas
Venezuela |
| 6. CDC | Mr. Felix S.Y. Chang
President
China Development Corporation
181-5 Chung Shan Road N., 2nd Sec.
Taipei, Taiwan
Republic of China |

- | | | |
|-----|----------------|---|
| 7. | CFC - Bogota | Dr. Guillermo Herrera Carrizosa
President
Corporacion Financiera Colombiana
Edificio Banco de Bogota, Carrera 10
Bogota, Colombia |
| 8. | CFC - Caldas | Mr. Roberto Ocampo Mejia
President
Corporacion Financiera de Caldas
Apartado Aereo 460
Manizales, Colombia |
| 9. | CFN - Medellin | Dr. Jose Gutierrez Gomez
President
Corporacion Financiera Nacional
Apartado Aereo 1039
Medellin, Colombia |
| 10. | DBE | His Excellency
Ato Araya Ogbagzy
Managing Director
Development Bank of Ethiopia
Box 1900
Addis Ababa, Ethiopia |
| 11. | ICICI | Mr. H.T. Parekh
General Manager
Industrial Credit and Investment
Corporation of India Ltd.
163 Backbay Reclamation
Bombay 1, India |
| 12. | IDBI | Dr. A. Neaman
Managing Director
Industrial Development Bank of Israel Lt
113 Allenby Road
Tel Aviv, Israel |
| | IFCT | None |
| 13. | IMDBI | Mr. A. Gasem Kheradjou
Managing Director
Industrial and Mining Development
Bank of Iran
P.O. Box 1801
Tehran, Iran |
| 14. | IVK | Dr. Wilhelm Teufenstein
Member of Managing Board
Osterreichische Investitionskredit, A.G.
Am Hof 4
Vienna 1, Austria |

15. MIDFL
Mr. Ladislav M. Svoboda
General Manager
Malaysian Industrial Development Finance
Limited
Hwa-Li Building
63-65 Jalan Ampang
Kuala Lumpur, Malaysia
16. NIDB
Mr. James S. Raj
General Manager
Nigerian Industrial Development
Bank Limited
M & K House
96/102 Broad Street
P.O. Box 2357
Lagos, Nigeria
17.
and
Mr. S.B. Daniyan
Deputy General Manager
Nigerian Industrial Development
Bank Limited
M & K House
96/102 Broad Street
P.O. Box 2357
Lagos, Nigeria
18. PICIC
Mr. N.M. Uquaili
Managing Director
Pakistan Industrial Credit and
Investment Corporation Limited
P.O. Box 5080
Karachi, Pakistan
19. PDCP
Mr. Vicente R. Jayme
Executive Vice President
Private Development Corporation
of the Philippines
CBTC Building
Ayala Avenue, Makati, Rizal
Manila, The Philippines
20. TR
Mr. Seppo Konttinen
General Manager
Teollistamisrahassto Oy
Lonnrotinkatu 13, W krs.
Helsinki, Finland
21. TSKB
Mr. Bahaeddin Kayalioglu
Assistant General Manager
Industrial Development Bank of Turkey
P.O. Box 17
Galata
Istanbul, Turkey
22.
Mr. A.G. Arango
IFC Representative on Board of CAVENDES

23. Mr. John G. Beevor
IFC Representative on Boards of
NIDB, BNDE, TSKB
24. Mr. Virgil C. Sullivan
IFC Representative on Boards of
PICIC, IFCT, MIDFL

August 30, 1965

Agenda for Conference

- A. Promotional activity
 - (a) Ways in which a development finance company can appropriately and prudently assist in formulating proposals for, and promoting new enterprises
 - (b) Costs and risks of promotion
- B. Relationship with the management of the enterprises promoted, sponsored or financed
 - (a) Responsibility for, or participation in, management
 - (b) Representation on boards of directors
- C. Promoting expanded ownership of private securities
 - (a) Creating attractive types of securities
 - (b) Acting as temporary holder for shares subsequently to be more widely sold
 - (c) Underwriting
- D. Aspects of financial policy
 - (a) Prudent level of debt for an investment company, in relation to equity
 - (b) Appropriate levels of protective reserves
 - (c) Surplus accumulation versus dividends
 - (d) Tax treatment (of both current income and capital gains) in relationship to dividend and reserves policy
 - (e) Interest spreads
- E. Relationship with government
 - (a) Relations with government to assure smooth operation within the framework of national development policy
 - (b) Living side-by-side with government-owned or controlled development banks
 - (c) Appropriate and acceptable types of government assistance (share participations, loans, guarantees, tax exemptions, discount facilities, subventions, etc.) and their consequences
- F. Expanding and improving training facilities and obtaining staff from abroad
 - (a) Resources available in and from advanced countries
 - (b) Resources available in and from development finance companies
- G. Joint financing of specific enterprises with the World Bank group

Mr. Roger Blondel

August 31, 1965

William Diamond ✓


Proper Distribution of Comments Received on Conference Agenda

It appears that not all of the fellows in our Department who are dealing with specific development finance companies, have received copies of the submissions from these companies regarding the various items on the Conference Agenda. As you know, the originals of the submissions were supposed to be sent to Central Files. A copy, however, was to be sent to the fellow in our Department dealing with that company. In addition another copy was supposed to be sent, if it were of sufficient interest, to the person in the Area Department of the World Bank. Two copies were supposed to have been kept by you. One of these two copies was supposed to have been kept intact, and the other was supposed to have been cut up for use in the mock-up. Would you please check to make sure that the documents have been properly distributed.

cc: Mr. Mathew
Mr. Jeffries
Mr. Mejia
Mr. Mahn

Mr. Roger Blondel

August 30, 1965

William Diamond 

Development Finance Companies Conference

1. Mr. Rasmussen has for translation the agenda submissions of BNDE and of CFC - Bogota. We shall have the translations on Monday or Tuesday. You have copies of the original incoming versions.

2. Caldas has sent in comments which are in your files. We shall not use them.

3. Is my understanding correct that BANDESCO commented only on item 1 and 4?

4. I must have from you by Tuesday morning notes on the following:

- a. Preferences stated for opening discussions
- b. Receipt of definitive comments on descriptive memoranda
- c. Clearance for use of policy statements

5. I have asked Miss Fischer to stencil the list of participants and the agenda.

6. I asked for your thoughts on the welcoming letter. Do you have any?

7. Any other suggestions?

Log 9/2

TEOLLISTAMISRAHASTO OY
(INDUSTRIALIZATION FUND)

LÖNNROTINKATU 13
HELSINKI - FINLAND

TELEPHONE 64 47 06
CABLES TERASTO HELSINKI

kp

August 30, 1965

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H Street N.W.
Washington D.C. 20433
U.S.A.

Mr. Diamond
Mr. Blondel
See p. 2 & try
to correct if it is not
too late.
LD

Dear Mr. Skillings:

✓
Thank you very much for your letter of August 6. I sincerely regret the fact that, owing to my summer vacation, I have not been able to answer your letter earlier.

In the above letter you inquired what subject on the Agenda for the conference of development finance companies I would like to present for discussion. Personally, I am of the opinion that, so far, the experiences from the considerably short operation time of the Industrialization Fund are not sufficiently wide, so that maybe I am not quite the right person to lead the discussion. However, I am naturally willing to do that, and appreciate your kind invitation very much. In my opinion, either of the following subjects - in the order mentioned below - might be suitable to be considered:

5. (c) Appropriate and acceptable types of Government Assistance and their consequences;

or:

4. (d) Tax treatment (of both current income and capital gains) in relationship to dividend and reserves policy.

TEOLLISTAMISRAHASSTO OY

(INDUSTRIALIZATION FUND)

TELEPHONE 2111
CABLES: TEASATU HESINKI

FORNOSTINKATIN
HESINKI - FINLAND

August 30, 1965

xp

Mr. Robert F. Skillings

Mr. Skilling

*See p. 2 of letter
to cover of this letter
too later.
L2*

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H Street N.W.
Washington D.C. 20433
U.S.A.

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2. (c) Appropriate and acceptable types of Government Assistance and their consequences;

or:

4. (d) Tax treatment (of both current income and capital gains) in relationship to dividend and reserves policy.

1965 SEP -2 AM 8:41

RECEIVED
GENERAL FILES
COMMUNICATIONS

On going through the memorandums which were sent to you in Governor Waris' letter, dated July 10, I have found the following mistake, made in the translation:

Agenda Note No. 4 (Aspects of Financial Policy),
(c) Surplus Accumulation versus dividends, page -3-;
the word "income" in the seventh line from the top
of the page should read "property".

I hope that this regrettable mistake can still be corrected on the copies that are to be delivered to the participants.

I appreciate it very much that the opportunity of attending the conference which, without fail, will prove to be most successful, has been offered to me.

With best personal regards,

Sincerely yours,


Seppo Konttinen
General Manager

THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION
OF INDIA LIMITED

163, BACKBAY RECLAMATION, BOMBAY 1

GRAMS: 'CREDCORP (FT)' BOMBAY

OUR REF:

YOUR REF:

PHONE: 245081
245478
245485
245939

August 25, 1965

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U.S.A.

cc: Mr. Alder / Brakel
done 9/8
D

Dear Mr. Skillings,

Many thanks for your letter dated August 11, 1965. I note that the programme of our training scheme sent to you seems to be satisfactory. We are now taking steps to ask NIDB and MIDFL to nominate suitable staff members for the first batch of trainees.

Mr. E. Bronholc came here on Tuesday, August 17. Unfortunately, owing to ill health, he returned to Israel by Tuesday, August 24. During the period of his stay he was able to visit only one project, but had detailed discussions with various members of our staff on our operations and procedures. I am sure he will be writing to you about his experience here.

With my regards to you and Mrs. Skillings in which my wife joins,

Yours sincerely,

H.T. Parekh
General Manager

1965 AUG 30 AM 10:18

COMMUNICATIONS
GENERAL LINES
RECEIVED

See Mr. Desai

THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION
OF INDIA LIMITED

163, BACKBAY RECLAMATION, BOMBAY 1
GRAMS: 'CREDCORP (PT)' BOMBAY

PHONE: 245081
245478
245488
245939

August 25, 1965

OUR REF:
YOUR REF:

See 13160

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U.S.A.

Dear Mr. Skillings,

Many thanks for your letter dated August 11, 1965. I note that the programme of our training scheme sent to you seems to be satisfactory. We are now taking steps to ask NIDB and MIDFL to nominate suitable staff members for the first batch of trainees.

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With my regards to you and Mrs. Skillings in which my wife joins,

Yours sincerely,

H.T. Parekh
General Manager

1965 AUG 30 AM 10:19

RECEIVED
GENERAL FILES
COMMUNICATIONS

البنك الوطني للأعانة الاقتصادية
BANQUE NATIONALE POUR LE DEVELOPPEMENT ECONOMIQUE

CAPITAL 30 MILLIONS DE DIRHAMS
BOITE POSTALE 407 - RABAT - TEL. 264.41-42
& 43 ADRESSE TELEGRAPHIQUE BADEMAROC

DG/RT, n° 111

DIRECTION GÉNÉRALE

SPECIAL DELIVERY

Monsieur,

Sur la demande de notre Directeur Général, Monsieur Mohamed BENKIRANE, nous avons l'honneur de vous adresser cinq exemplaires supplémentaires du texte rédigé par la B.N.D.E. sur les sujets proposés au colloque des Compagnies Financières de Développement.

Nous vous prions d'agréer, Monsieur, l'expression de nos sentiments très distingués. /

BANQUE NATIONALE POUR LE
DEVELOPPEMENT ECONOMIQUE

Offices

RF
BANQUE NATIONALE
POUR LE DEVELOPPEMENT ECONOMIQUE

Log 8/30
RABAT, LE 24 Août 1965

Dev. B. - Conf.

Monsieur Robert F. SKILLINGS
Deputy Director
Development Finance Corporation
1818 H. Street N.W.
WASHINGTON 25 D.C.
(U.S.A.)

COLLOQUE DES COMPAGNIES FINANCIERES DE DEVELOPPEMENT
NOTES SUCCINCTES SUR CHACUN DES SUJETS PROPOSES

Pages.

| | | | | |
|-----|---|----|---|----|
| I | - ACTIVITES DE PROMOTION | 1 | à | 5 |
| | a) Les voies et moyens par lesquels une compagnie financière de développement pourrait, de manière appropriée et prudente, aider à proposer et à promouvoir de nouvelles entreprises. | | | |
| | b) Coût et risques de la promotion. | | | |
| II | - RELATIONS AVEC LA DIRECTION DES ENTREPRISES CREEES, PARRAINÉES OU FINANCEES | 6 | à | 10 |
| | a) Responsabilité ou participation dans la direction. | | | |
| | b) Représentation au Conseil d'Administration. | | | |
| III | - DEVELOPPEMENT DE LA PROPRIETE DES ACTIONS ET OBLIGATIONS PRIVEES | 11 | à | 16 |
| | a) Création de catégories de titres attrayants. | | | |
| | b) La détention temporaire des actions qui par la suite seront largement distribuées. | | | |
| | c) La souscription ferme. | | | |
| IV | - ASPECTS DE LA POLITIQUE FINANCIERE | 17 | à | 29 |
| | a) Niveau prudent de la dette pour une société d'investissement, en relation avec son capital. | | | |
| | b) Niveaux appropriés des réserves de protection. | | | |

- c) Accumulation de surplus et versement de dividendes.
- d) ~~Tra~~itement fiscal (des revenus courants et du revenu du capital) en relation avec la politique des dividendes et des réserves.
- e) La gamme des taux.

| | | | | |
|-----|---|----|---|----|
| V | - RELATIONS AVEC LE GOUVERNEMENT | 30 | à | 35 |
| | a) Relations avec le Gouvernement pour assurer des opérations spéciales dans le cadre de la politique nationale de développement. | | | |
| | b) L'existence côte à côte de banques de développement privées et de banques de développement contrôlées par l'Etat. | | | |
| | c) Les différentes catégories appropriées et acceptables d'aide gouvernementale (participations en capital, prêts, garanties, exemption fiscale, facilité de réescompte, subventions etc...) et leurs conséquences. | | | |
| VI | - L'EXTENSION ET L'AMELIORATION DES STAGES ET DES POSSIBILITES D'OBTENIR DU PERSONNEL DE L'ETRANGER. | 36 | à | 40 |
| | a) Moyens disponibles dans les pays développés. | | | |
| | b) Moyens disponibles dans les compagnies financières de développement. | | | |
| VII | - FINANCEMENT CONJOINT D'OPERATIONS PARTICULIERES AVEC LE GROUPE DE LA BANQUE MONDIALE | 41 | à | 43 |

I - ACTIVITES DE PROMOTION.

Dans toute société en voie de progression, il existe des interéactions entre les méthodes et les habitudes existantes - marquées par la tradition et les innovations - et les transformations nécessaires pour établir les évolutions et mutations souhaitées. Dans un pays soumis à une pression démographique continue, les contraintes qu'exercent les forces d'évolution sont encore plus fortes qu'elles ne le seraient si la population restait stable et d'un âge moyen relativement avancé.

C'est au niveau des unités qui constituent l'appareil de production, c'est-à-dire au niveau de l'entreprise, que se pose fondamentalement le problème de la mise en valeur des transformations et des innovations qu'appellent les groupes sociaux intéressés.

L'adaptation de la structure de l'entreprise à un exercice optimal des fonctions de recherche tout d'abord, puis de transformation, d'innovation, et de valorisation industrielle est donc une condition nécessaire du progrès.

Placée dans un jeu de contraintes et de possibilités, l'entreprise est obligée, pour se développer, de poursuivre une stratégie d'orientation, puis de création, puis de productivité. Les éléments de cette stratégie sont essentiellement qualitatifs, avant d'être quantitatifs.

Les conditions de progression de l'entreprise dépendent de facteurs qui lui sont externes - ils sont fonction de son environnement et de la communauté dans laquelle elle vit - aussi bien qu'intérieurs, et ceux-ci concernent son administration et sa gestion.

Pour lancer et poursuivre sa progression, l'entreprise a besoin :

- d'avoir la vision des innovations possibles,
- de posséder l'autorité et les moyens nécessaires pour les réaliser,
- de fournir l'effort requis pour obtenir le changement souhaité,
- d'accepter et de prendre les risques que comporte toute innovation ou mutation.

Dans ce processus de développement, toutes les entreprises ne progressent pas avec la même vitesse ; certaines même refusent d'aller de l'avant et préfèrent demeurer stables ; d'autres enfin, contrariées par la conjoncture, se dégradent .

Il se crée ainsi des déséquilibres.

Sur cette toile de fond évoquée de façon schématique, les fonctions d'une Compagnie Financière de Développement - que nous dénommons C F D dans toute la suite du texte - se détachent en pleine lumière.

Tout d'abord, la question de la création d'une C F D ne se pose pas : il est évident qu'il faut mettre en place une institution de financement qui fournisse aux entreprises les capitaux qu'elles recherchent pour entreprendre et réussir leurs transformations, extensions et innovations.

La C F D une fois en place, ses missions se définissent d'elles-mêmes, vis-à-vis des besoins qu'elle est et sera appelée à satisfaire.

La C F D doit s'attacher à faire éclore les virtualités sous-jacentes dans les entreprises en voie de mutation. Elle doit orienter celles-ci, les guider, les soutenir éventuellement. Elle doit chercher à suppléer à leur manque d'informations en leur apportant des connaissances sûres sur leur secteur d'activités et sur le pays, sur l'état prévisible des possibilités techniques et l'orientation des marchés extérieurs, sur les directives des hautes Instances de l'Etat, de façon à éviter l'incohérence et le gaspillage . Elle recherche et leur apporte les moyens financiers pour investir.

En un mot, elle s'efforce de suppléer aux carences qui se dégagent chez l'entreprise et dans son environnement, de façon à permettre la progression et l'épanouissement des activités de promotion.

a) Voies et moyens pour proposer et promouvoir.

Les activités de promotion s'inscrivent dans le cadre de l'économie du pays et doivent permettre l'accélération de son expansion.

Ainsi, le choix des voies et moyens paraît requérir une définition préalable des besoins et des priorités, compte tenu des ressources disponibles.

Il se pose donc un problème de coordination entre les recherches propres de l'Organisme de développement, c'est-à-dire le Plan (1) et les décisions à prendre par les divers agents auxquels incombent les réalisations.

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(1) Le Maroc possède une Délégation générale à la Promotion Nationale et au Plan, rattachée au Cabinet Royal.

La C F D trouve sa place tout naturellement comme organe de liaison entre le Plan et les Centres de décision financiers. Son rôle semble devoir être essentiellement pragmatique et de bon sens : faire un choix entre les projets qui peuvent être immédiatement mis en exécution parce que leur rentabilité - immédiate et directe ou future et élargie - est assurée et ceux dont la réalisation doit être repoussée dans le temps, quand la conjoncture aura évolué.

En apportant son concours pour rendre coordonnées, objectives et raisonnables les études du Plan et les décisions des entreprises, la C F D remplit ses fonctions au niveau des " propositions ". Elle assure également des fonctions parallèles au niveau de la " promotion ".

Dans ce dernier but, elle entretient des relations suivies avec les établissements bancaires nationaux et avec ses correspondants à l'étranger, ainsi qu'avec les entreprises installées dans le pays et les investisseurs éventuels.

Dans la série des démarches qu'elle effectue auprès des uns et des autres, elle doit se présenter avec une solide réputation. Ainsi son organisation interne et son administration, autant que ses techniques d'étude et de financement, doivent-elles être connues et appréciées par les tiers. Une certaine publicité apparaît donc nécessaire. En même temps, les meilleurs atouts que possède la C F D sont la qualité des projets qu'elle a déjà financés et les appréciations que portent sur elle ses entreprises clientes qui ont déjà bénéficié de son aide.

b) Coût et risques.

Le coût de la promotion porte sur diverses lignes d'activités. Il doit être partagé par les diverses personnes morales intéressées, car la C F D ne dispose pas de ressources suffisantes pour le couvrir en totalité.

- Sur le plan des études de projets, la C F D doit bénéficier au maximum des documentations, informations et recherches effectuées par les diverses administrations qui oeuvrent pour l'économie du Pays. Elle doit également connaître des projets élaborés par certaines de celles-ci ou pour leur compte et en disposer gratuitement.

- Elle aura à prendre en charge certaines pré-études ou études spécifiques qu'elle juge particulièrement instructives.

- Elle aura à avancer des frais d'étude et de recherche, (par exemple : emplacement d'usine, forages pour connaître le débit des nappes aquifères, distribution, marketing...) qui pourront être remboursés ultérieurement par l'entreprise qui en bénéficiera.

Les risques sont de plusieurs ordres et chacun d'eux peut être atténué suivant des procédures spécifiques.

- Risques de caractère politique d'abord, le plus complexe à évaluer. La C F D peut être accusée par diverses instances de vouloir jouer un rôle exorbitant au sein de la collectivité en proposant des projets plutôt que d'autres, en prenant des initiatives trop osées, en refusant de financer des opérations qu'elle juge inopportunes. Mêlée nécessairement aux actions de certains départements rattachés au Gouvernement, la C F D doit néanmoins conserver son indépendance de jugement et d'action vis-à-vis de la Puissance publique. Son comportement doit donc être tout de prudence et de nuances.

- Risques de caractère technico-économique qui tiennent aux techniques industrielles et aux équipements à mettre en oeuvre dans le projet, ainsi qu'aux aléas commerciaux de la distribution et de la vente, rattachés au marché et aux débouchés. Ces risques peuvent être réduits au moyen d'études plus poussées et de connaissances plus approfondies. Mais alors, ce sont les frais d'études qui s'accroissent, accompagnés du risque que les conseillers chargés d'éclairer au mieux la C F D n'aient pas une compétence suffisante (1).

- Risques d'exploitation qui s'étendent depuis la période de démarrage à plusieurs années, jusqu'au moment où le projet a trouvé son équilibre d'exploitation, lequel peut dépendre de mouvements économiques extérieurs au pays dans lequel le projet a été réalisé. Le coût de l'assistance technique est ici un facteur qu'il faut savoir mesurer.

- Risques financiers sous la forme desquels se traduisent un fine, la plupart des risques rencontrés au cours d'étude et d'exécution et d'exploitation, lorsque chacun de ceux-ci dépasse les prévisions ou mieux les imprévisions établies et que leur charge dépasse les " prévisions " constituées pour les couvrir.

Les risques financiers peuvent être partagés et distribués de façons diverses suivant leur caractère, entre la C F D, la collectivité (c'est-à-dire directement ou indirectement le budget de l'Etat) et la société promotrice qui exécute et exploite le projet. Par exemple des travaux d'infrastructure de terrain, d'aménagements généraux peuvent être financés par l'Etat ; des droits de douane, des taxes municipales peuvent être réduits ; des protections accordées ; des diminutions de prix peuvent être consenties sur certaines fournitures de base (eau, énergie).

Enfin, la société promotrice exploitante peut porter à son bilan des frais de premier établissement qui seront amortis quand les profits le permettront, après un délai qui peut être de plusieurs années.

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(1) c'est parfois le cas de bureaux d'études étrangers qui travaillent hors du " milieu " où sera exploité le projet, avec des vues quelque peu théoriques.

Les engagements à prendre par la C F D, par l'Etat et par la Société promotrice peuvent donner lieu, dans leur libellé, à des difficultés juridiques sérieuses. Car il est bien évident que le fait de dégager l'un des partenaires associés à l'opération d'investissement du risque de l'entreprise constitue une atteinte directe à l'" affectio societatis " qui est le fondement même de toute association créée en vue de réaliser un objectif commun.

On peut tourner les difficultés par la création de titres spéciaux, tels que parts de fondateur, actions amortissables, obligations convertibles en actions, à partir du moment où l'entreprise aura confirmé les espoirs fondés en elle.

De toute façon, le principe de répartition des risques doit faire l'objet de l'attention constante de la C F D ; il a été appliqué de tout temps. Après analyse du risque, la C F D le choisit et en accepte la mesure au niveau de ses capacités.

Applications à la B.N.D.E.

La B.N.D.E. s'est efforcée de dégager, parmi les diverses mesures préconisées ci-dessus, une voie qui l'a amenée à participer à toutes les activités de promotion, de façon harmonieuse, c'est-à-dire en entente avec les personnes morales et physiques chargées de conduire les études de projets d'investissement à leur but et ces projets eux-mêmes à leur réalisation.

Qu'il suffise de citer : Frusuma, Cellulose du Maroc, Progharb, Manuver, Sucrerie du Tadla, Manufacture nationale de métallurgie.

Chaque projet peut être le sujet d'un développement particulier.

II - RELATIONS AVEC LA DIRECTION DES ENTREPRISES CREEES, PARRAINÉES OU FINANCEES.

Quelque soit le mode d'intervention qu'elle utilise pour participer au financement d'un investissement, il se pose à la C F D la question de ses rapports avec l'entreprise. Même quand la C F D limite son concours à accorder seulement sa garantie, en se portant par exemple caution d'une opération, il ne semble pas que ce serait faire preuve de sagesse que de se désintéresser des activités de l'entreprise bénéficiaire.

La C F D en effet doit se préoccuper autant de l'efficacité des fonds qu'elle a apportés, des prêts qu'elle a consentis et de leur remboursement, que de la sauvegarde des sûretés qu'elle a prises. Il est d'autre part utile qu'elle manifeste l'intérêt qu'elle porte aux opérations qu'elle a traitées, en surveillant l'emploi des fonds mis à la disposition de l'entreprise, et par conséquent en se faisant rendre compte de la gestion de celle-ci.

Sans doute, les banquiers traditionnels ne savent-ils souvent pas grand chose des entreprises qu'ils financent. Par contre, la C F D est une institution financière de caractère spécial, dont les missions ont été mises en relief dans le chapitre précédent. Ses préoccupations dépassent, et de loin, celles d'une banque commerciale.

On peut distinguer deux périodes dans les relations avec l'entreprise bénéficiaire :

- Dans un premier temps, le projet est mis en chantier et son exécution se poursuit,
- Dans un deuxième stade, le projet une fois réalisé, il est mis en exploitation et l'entreprise poursuit sa gestion.

Pendant la première période, la C F D doit exercer un contrôle rigoureux et intervenir sans hésiter. Elle en a le pouvoir puisque c'est elle qui fournit en partie les ressources financières sans lesquelles le projet ne pourrait pas être exécuté.

Dans la deuxième période, son intervention doit être, par contre, plus discrète. Elle doit chercher à être sollicitée pour donner des conseils, plutôt que de prétendre s'imposer. Il semble qu'elle devrait, sauf circonstance particulière, limiter son rôle à surveiller la bonne marche de l'exploitation et à suggérer des conseils de caractère technico-économique ou financier ou comptable ; éventuellement, si elle est sûre d'elle-même, proposer les mesures à appliquer pour améliorer tel ou tel dispositif.

Dans doute, son rôle apparaît-il dans une optique différente, suivant qu'elle a participé à la création de l'entreprise ou bien qu'elle n'est intervenue que pour financer des investissements d'extension ou de transformation.

a) Responsabilité ou participation dans la direction.

En principe, sauf cas particulier tout à fait exceptionnel, et seulement pour une durée limitée, il ne semble pas que la C F D doive prendre une responsabilité dans la direction des entreprises. Ce n'est pas là sa vocation.

Par contre, elle doit être prête à jouer à tout moment le rôle de conseiller dans les divers secteurs d'activités de l'entreprise, aussi bien financier qu'économique, social et même technique. En effet, la C F D possède des services d'études et des relations dans le monde des affaires qui peuvent élargir l'environnement de l'entreprise et être pour elle la source d'un enrichissement de ses connaissances, d'une expansion de ses débouchés, d'un financement complémentaire d'investissement, utiles.

Même lorsque la C F D a participé à la création d'une entreprise, dont elle a été le promoteur concurremment avec des tiers (qu'elle a pu même découvrir et inciter à s'associer à elle), et même si elle détenait une proportion non négligeable du capital, elle doit laisser toute responsabilité de direction aux tiers.

L'expérience a montré qu'un établissement de crédit ne peut pas disperser son personnel dans la gestion d'entreprises, sans nuire à l'efficacité de ses propres activités et sans pouvoir atteindre parallèlement un degré suffisant de maîtrise dans la conduite de l'entreprise.

D'ailleurs, il est de l'intérêt de tous que le groupe associé tiers ne compte que sur lui-même pour diriger l'entreprise.

Dans le cas d'un groupe étranger qui investit, la C F D peut avoir un rôle important de conseiller pour faciliter les contacts humains nécessaires avec les Autorités du pays et pour dégager les meilleures voies de progression rapide et d'accession à l'exploitation optimale.

Les relations entre la C F D et la Direction de l'entreprise, si elles doivent obligatoirement exister et être entretenues de façon constante, sont définies dans chaque cas d'espèce. C'est question de pragmatisme. Elles évoluent nécessairement avec le temps. Elles commencent au moment de l'exécution du projet.

Cette période de construction du chantier et de démarrage de l'usine, pendant laquelle la C F D joue un rôle important de contrôle pour asseoir avec sûreté son financement, est de première importance pour déterminer le climat des relations humaines entre la C F D et l'entreprise. C'est la plupart du temps à partir des impressions recueillies au cours de cette période que se forment et s'épanouissent les sentiments réciproques des parties et que se structureront, pour l'avenir, la nature et les modalités de comportement de l'entreprise vis-à-vis de la C F D. D'où le souci que doivent avoir les membres de la C F D, attachés au Département du Contrôle, de recueillir la confiance de leurs interlocuteurs au cours de leurs tournées d'inspection. Il leur est aussi facile de diagnostiquer les points faibles de la direction de l'entreprise, ce qui devrait permettre à la C F D, plus tard, d'apporter la ressource de ses conseils en temps opportun, en cours d'exploitation et de gestion.

De relations suivies entre la C F D et l'entreprise, ce n'est pas seule l'entreprise qui en tire bénéfice ; mais bien la C F D elle-même qui trouve de multiples avantages à connaître des difficultés d'exploitation de l'entreprise, à se pencher avec sa Direction sur les problèmes posés, à rechercher avec elle et des tiers compétents les solutions les plus favorables. La C F D forme ainsi son personnel, enrichit son expérience au contact des faits concrets, des hommes et de la matière ; elle accroîtra la qualité de ses jugements, de ses diagnostics et de ses décisions dans les secteurs industriels et économiques où elle oeuvre.

b) Représentation au Conseil d'Administration.

La C F D est représentée au Conseil d'Administration de l'entreprise quand elle détient une partie du capital. On peut aussi concevoir que l'entreprise ait sollicité de la C F D qu'elle assiste aux séances du Conseil, en raison des concours qu'elle a apportés au moment de la création de l'entreprise ou des hautes qualifications de son personnel ou des services qu'elle peut rendre en tant que conseiller.

A signaler que la C F D, même si elle participe au capital de l'entreprise, peut préférer ne pas avoir d'administrateur qui prenne part aux votes du Conseil et qu'elle se contente seulement d'un siège d'assistant.

C'est, chaque fois, un cas d'espèce.

En effet, la représentation au Conseil, avec délibération sanctionnée par le vote, peut parfois être plus dangereuse qu'efficace. Pour des entreprises gérées par des animateurs peu scrupuleux, elle constitue une " couverture " et une référence : avoir la C F D représentée à son conseil ! Parfois même elle peut entraîner, en cas de faillite, la responsabilité pénale de la C F D.

Les avantages que la C F D retire de sa représentation active ou de sa présence passive au Conseil d'Administration sont multiples. Il suffit de les énumérer :

- informations sur les activités et la gestion de l'entreprise ;
- documentations plus élargies sur les secteurs économiques dans lesquels travaille l'entreprise et possibilités de rester de la sorte au courant de l'évolution des secteurs en cause ;
- formation des membres de la C F D et enrichissement de l'expérience de la C F D ;
- occasions de rencontrer des administrateurs intéressés à d'autres secteurs de la vie économique, soit nationaux soit étrangers.

Il est utile de souligner que la représentation à son Conseil d'Administration ne fait pas double emploi avec les relations à entretenir avec la Direction de l'entreprise. Celles-ci complètent celle-là : elles permettent même à la C F D de mieux tenir son rôle d'Administrateur et d'avoir une action plus efficace, de conseiller, si elle le juge bon, car elle est alors mieux informée (1)

(1) Les textes soumis au Conseil d'Administration sont souvent muets sur certaines questions litigieuses ou édulcorés.

Applications à la B.N.D.E.

La B.N.D.E. possède des participations dans plusieurs sociétés :

- industrielles : Frusuma, Etablissements Carnaud, Manufacture Marocaine d'Aluminium, Cellulose du Maroc, Nouvelle Somatam, etc...
- de tourisme et assimilées : Somadet, Limadet, Sotherma ...
- bancaires : Caisse marocaine des marchés, Banque centrale populaire, Banque marocaine du commerce extérieur, Maroc-Leasing.

Vis-à-vis de quelques-unes de ses entreprises emprunteuses, la B.N.D.E. a joué un rôle de conseiller écouté :

- Après de la Société MANUDRA, la B.N.D.E. a participé activement à la rédaction du contrat d'assistance technique avec une firme étrangère et elle a contribué à un redressement de la situation financière, accompagné d'une réorganisation de l'administration générale.
- Après de la Cellulose du Maroc, la B.N.D.E., après avoir contribué au financement d'une tranche d'extension de l'usine, a proposé et fait adopter un plan de remise en ordre financier. Elle y a participé, en vue d'ouvrir la voie à de nouveaux investissements liés à cette affaire.
- Après de la Manufacture de draperies ORBONOR, la B.N.D.E. est à l'origine d'une réorganisation des services de production.

III - DEVELOPPEMENT DE LA PROPRIETE DES ACTIONS ET OBLIGATIONS.

Dans un pays en cours d'industrialisation et de développement où les besoins de consommation, en voie d'accroissement également, sollicitent l'épargne disponible, les revenus de beaucoup d'épargnants sont modestes et leur capacité d'épargne plus limitée encore. Les épargnants recherchent surtout la sécurité, la régularité du revenu et la possibilité de mobiliser leur placement, rapidement et sans perte en cas de nécessité.

Le développement de cette épargne dite " de sécurité " va de pair avec celui de l'épargne dite " institutionnelle ", celle-ci étant recueillie par les organismes d'assurances, de retraites et pensions, et par les établissements financiers spécialisés.

Ainsi existe-t-il un double mouvement qui tend à réduire le volume des capitaux extérieurs attirés par une association (1) aux risques d'entreprise, alors que les besoins en capitaux d'association sont de plus en plus grands dans le pays.

Face à ce décalage entre les besoins en capitaux et les difficultés à les obtenir, la C F D apparaît bien comme une institution-relais. Par son canal, il devient possible de transformer l'épargne de sécurité en épargne d'entreprise, dans une optique d'intérêt général et sur la base de risques étudiés et répartis.

A la différence des banques de dépôt et des établissements de crédit, la C F D apporte à l'entreprise, non pas des avances à rembourser, mais des capitaux propres ou permanents qui améliorent sa position financière.

L'entreprise trouve d'ailleurs d'autres avantages à la participation de la C F D :

- la certitude d'avoir un partenaire sur lequel ne pèse aucun soupçon,
- un motif de stimulation et de dynamisme,
- une marque de confiance qui affermit son comportement vis-à-vis des tiers : fournisseurs, clients et Administration,
- une assurance d'aide sous forme de conseil, de recommandation, parfois de coopération dans des circonstances difficiles,
- un élargissement de sa capacité d'emprunt,
- une protection éventuelle des associés majoritaires contre des tentatives de prise de contrôle par des tiers,

(1) ou participation.

- une perspective d'inscription à la cote de la bourse et de diffusion d'une partie des titres dans le marché financier, sans que les animateurs perdent le contrôle,
- in fine, une possibilité de transformation de ses dimensions qui implique **des changements** de structure, rendus possibles par la participation de la C F D.

La C F D doit concevoir son rôle ainsi que les modalités de ses interventions, de façon souple. Elle s'attache à concilier, dans la plus grande mesure possible, les préoccupations légitimes de ses partenaires avec ses propres intérêts. La variété des situations rencontrées - affaire nouvelle créée de toutes pièces, entreprise existante qui tient à étendre ou à transformer ses productions, société nationale ou à participation étrangère majoritaire, entreprise aux dimensions réduites ou de grande échelle... - exclut l'application de tout schéma uniforme ou rigide et conduit au contraire à la recherche de formules particulières, adaptées à chaque cas. Bien des entreprises qui se créent dans un pays en cours de développement, sont rarement rentables avant plusieurs années et connaissent des difficultés et des aléas, aux périodes de lancement, de rodage ou d'adaptation. Ainsi, la participation de la C F D se trouve soumise aux risques de la gestion.

Dans un souci d'équilibre financier, la C F D doit tendre à rechercher, voire à susciter des participations dans des secteurs à rentabilité stable ou élevée, de manière à compenser les risques courus pour des considérations d'intérêt général, d'ordre économique ou social.

Au demeurant, la C F D n'a pas en principe la volonté de conserver les titres de participation en portefeuille. Son souci est bien de les céder dès que possible à des tiers ; elle remplit de la sorte son rôle de " relais ". Au moment de la vente des titres, ceux-ci doivent donc présenter pour l'acheteur un attrait certain. Il existe de multiples formules pour donner aux participations de la C F D des avantages spécifiques, qui conduiront à une rémunération satisfaisante du capital engagé.

a) Création de titres attrayants.

Il semble souhaitable que la participation de la C F D soit représentée par des actions ordinaires, chaque fois qu'il est possible, pour des motifs essentiellement d'ordre psychologique, à savoir : éviter la critique de personnes tiers mal informées plus souvent que mal intentionnées.

Par le recours à des formes plus élaborées, il est facile de concilier pleinement les intérêts de l'entreprise et ceux de la C F D. Voici **une** liste d'instruments financiers qui n'est pas limitative :

- actions privilégiées : premier dividende récupérable et privilège de remboursement en cas de liquidation,
- actions prioritaires : premier dividende prioritaire mais non récupérable, et remboursement prioritaire en cas de liquidation ,
- action amortissable : donnant droit, après remboursement progressif de l'apport initial, à la remise de parts bénéficiaires ,
- souscription à un emprunt obligataire convertible en action , ce qui constitue en fait une prise de participation à terme ,
- souscription à des obligations échangeables contre des actions ; celles-là se distinguent des obligations convertibles en ce sens que la durée de l'échange peut s'étendre sur toute la vie de l'obligation ,
- participation au super profit et au boni de liquidation avant l'action ordinaire ,
- garantie d'un premier dividende modéré, dès la période de démarrage ou pendant un délai à fixer après le lancement

On trouve ainsi une gamme variée de formes de rendement des participations, s'étendant de l'intérêt fixe payable même en l'absence de bénéfice, au dividende préciputaire payable avant toute distribution aux actions ordinaires, et aux dividendes fixes cumulatifs.

A noter ici que la prise de participations de la C F D, en particulier dans une petite ou moyenne entreprise, par exemple de type familial, ne conduit pas nécessairement à la perception d'un dividende. L'attribution " d'honoraires " peut être préférée à la distribution de bénéfice pour des motifs psychologiques ou d'opportunité. La C F D ne pouvant immobiliser ses capitaux sans contrepartie, leur rémunération est justifiée par les fonctions de conseiller que remplit la C F D.

b) Détention temporaire des actions.

En souscrivant une participation en principe temporaire dans l'entreprise, le souci de la C F D est bien de dénouer l'opération, dès que le moment favorable se présentera. Ce pourra être souvent aussi l'intérêt des actionnaires majoritaires qui n'ont fait appel à la C F D que pour passer un cap difficile dans la vie de l'entreprise.

Les modalités de mobilisation des titres détenus par la C F D, sont de plusieurs sortes.

S'il est convenu que seuls, les partenaires de départ, restent en présence, on peut prévoir dans la convention de participation deux périodes successives :

- a) la première, au profit du groupe animateur de l'entreprise, s'étendant sur une durée de 3 à 5 ans, à l'issue de laquelle les associés pourront, s'ils le désirent, racheter la participation de la C F D. C'est l'option de rachat.
- b) la seconde, ultérieurement et au profit de la C F D, en général plus courte et de 1 à 2 ans, à la fin de laquelle les associés devront racheter les actions que la C F D détient. C'est l'engagement de rachat.

Options comme engagements d'achats peuvent être pris, à des termes convenus, échelonnés dans le temps, à des conditions financières déterminées.

Une difficulté se présente pour fixer la valeur de rachat ; en effet, il ne serait pas juste que le prix prévu soit tel qu'il affranchisse l'un des partenaires de toute contribution aux plus values, aux profits ou aux pertes.

La rigueur juridique voudrait que le prix fût déterminé à dire d'expert, sur la base de la valeur réelle de l'entreprise. Cette procédure est évidemment complexe.

On peut tourner la difficulté en déterminant une valeur empirique résultant de l'application d'une formule d'indexation liée à des facteurs spécifiques, tels que chiffre d'affaire, évolution des prix, des salaires... se corrigeant les uns les autres.

S'il est admis que des tiers étrangers puissent pénétrer dans l'entreprise, solution que la C F D devrait dans la mesure du possible imposer :

- ou bien il y a un droit de préemption en faveur des premiers actionnaires ;
- ou bien les partenaires de départ ne voient aucun inconvénient à ce que la C F D puisse librement disposer de ses titres en les cédant à qui bon lui semble et par exemple à un " syndicat " ;
- ou bien ils sont d'accord pour demander l'inscription à la cote de la bourse, de façon à les placer progressivement sur le marché financier.
Une telle procédure suppose que ce marché existe, et qu'il peut absorber, dans des conditions satisfaisantes, des titres des sociétés en cause.

Dans une telle position vis-à-vis de tiers intéressés à participer à des entreprises en exploitation, la C F D joue un second rôle de relais ; cette fois, non pas entre l'épargne impersonnalisée et l'entreprise individualisée, mais entre l'investissement, en tant que productif de valeur, et le marché financier. La C F D " couve " les titres de l'entreprise, jusqu'au moment où celle-ci, s'étant épanouie, ses titres sont en état d'être offerts au public.

c) Souscription ferme.

La difficulté de mobiliser des capitaux sous forme d'émission d'actions est notamment attribuable au fait que les sociétés ont souvent été des " souricières à capitaux ". C'est ainsi que :

- les actionnaires minoritaires et isolés peuvent être neutralisés et se trouver sans défense devant les groupes de contrôle,
- les profits secrétés par une entreprise peuvent être transférés à une affaire du groupe sans aucun bénéfice pour l'actionnaire,
- les attraits et les facilités de l'autofinancement peuvent faire perdre de vue l'intérêt des apporteurs passifs de capitaux.

Dès lors, ne faut-il pas protéger les minorités d'actionnaires ? Dans ce sens, la C F D peut se voir obligée de souscrire ferme un quantum de titres et de maintenir sa participation pendant longtemps. Ses partenaires auront ainsi l'assurance, par la présence constante de la C F D :

- de ne pas abandonner le contrôle de l'affaire au profit de l'un d'eux,
- de recevoir une information systématique et plus sûre sur la gestion,
- de préserver leur profit d'associé,
- de voir l'entreprise progresser dans le sens de la conjoncture.

La réunion des fonds propres nécessaires à la constitution du capital, ou à l'augmentation du capital d'une société procédant à des investissements, peut requérir de la C F D un effort qui dépasse celui de la simple prise de participation. En effet, ses partenaires industriels demandent parfois à la C F D de faire son affaire du placement d'une partie des actions sur le marché. La C F D prend alors, vis-à-vis de la société, un engagement ferme de faire souscrire un montant déterminé d'actions ou à défaut de les souscrire elle-même, en totalité ou en partie. Elle libère ainsi ses partenaires du souci de rechercher des capitaux sur un marché qu'ils ne connaissent pas le plus souvent aussi bien que la C F D elle-même. Cette dernière prend alors un risque supplémentaire, mais de façon raisonnée, après avoir déterminé le montant maximum de participation qu'elle peut garder dans son portefeuille; ainsi le nombre d'actions susceptibles d'être placées auprès de tiers, personnes physiques ou morales et de préférence après contact avec les uns et les autres.

La rétrocession des actions pourrait prendre un certain temps, par exemple celui de la période de construction et de lancement. Mais entre temps la réalisation du projet n'aura pas été bloquée, grâce à la C F D.

Le recours aux instruments financiers énumérés plus haut et le choix judicieux de ceux-ci s'avère alors indispensable pour rémunérer le rôle tenu par la C F D, au bénéfice de ses divers partenaires et de l'entreprise elle-même.

Applications à la B.N.D.E.

En raison des situations relativement complexes, existant dans les milieux d'affaires marocains, et de l'atonie générale de la bourse de Casablanca, il n'a pas encore été possible, pour la B.N.D.E., de monter une opération de participation à caractère autre que celui du titre ordinaire. D'autre part, en raison des délais relativement courts écoulés depuis les prises de participations, la B.N.D.E. n'a pas encore envisagé les modalités de cession.

Jusqu'ici, la B.N.D.E. s'est efforcée d'équilibrer les prises de participations à rentabilité non immédiate, telles que Frusuma, la Nouvelle Somatam ... et celles dont le rendement est appréciable telles que les Etablissements Carnaud, la Manufacture marocaine d'aluminium, la Société de Fabrications Radioélectriques marocaines ...

Dans l'entreprise Manuver, la B.N.D.E. vient de souscrire 35% du capital en se portant fort pour un groupe marocain qui dégagera une partie des titres quand l'usine de verre à vitre aura été lancée.

IV - ASPECTS DE LA POLITIQUE FINANCIERE.

L'importance et l'origine des ressources d'une C F D ont une influence directe sur son objet et ses activités ; et réciproquement, pour satisfaire des besoins d'investissements, dégagés au cours du développement du pays, la C F D doit se soucier de trouver des sources de financement bien adaptées.

Il n'y a pas de règle ni de formule qui puisse déterminer le volume opportun des capitaux mis à la disposition de la C F D, ni leur origine. Dans la période initiale où les risques n'ont pas encore pu être évalués avec une approximation suffisante, il est souhaitable que les fonds propres soient importants. Au fur et à mesure de la vie de la Banque, ce sont des considérations pratiques qui commandent la politique des ressources.

Une plus forte proportion de fonds propres et assimilés permet par exemple d'accroître la part des participations. Par contre, une quote part élevée de fonds d'emprunt améliore les possibilités de profit des capitaux propres investis - bien que les charges **fixes** soient plus lourdes - et peut autoriser une distribution plus large de dividende, au bénéfice des actionnaires.

La politique menée par l'Etat vis-à-vis de la C F D et le comportement de la Banque centrale - qui tient en général **une** position de force dans la distribution et le contrôle du crédit - peuvent avoir une action déterminante sur les caractéristiques des ressources en capitaux.

a) Niveau prudent de la dette.

La C F D doit démarrer sur une base financière solide pour prendre les risques du départ et couvrir les pertes éventuelles. Peu à peu, l'essentiel de la masse de manoeuvre pour l'octroi de crédits et de prêts est constitué par des fonds d'emprunt collectés sous diverses formes et émis à des échéances diversifiées qui sont fonction des échéances des actifs de contrepartie.

Le parallélisme des échéances, des exigibilités et des valeurs réalisables a autant d'importance pour une gestion prudente que celui des montants.

Les capitaux propres sont plus volontiers affectés aux prises de participations. Ils contribuent naturellement au financement des opérations de crédit. Mais en raison même de l'importance des besoins de financement à servir, au bout d'un certain temps, ils s'apparentent davantage à des fonds de garantie à l'égard des tiers, plutôt qu'à des fonds d'investissement proprement dits.

Quand la C F D est une société mixte, - à participation étatique - des contributions du Trésor, ayant la forme d'avance à long terme ou de dotation forfaitaire, ont le caractère de quasi-capital et soulagent d'autant les besoins d'emprunt.

Les ressources d'emprunt sont recherchées sur le marché financier, si celui-ci est suffisamment organisé et alimenté par l'épargne locale, soit auprès d'investisseurs institutionnels, soit auprès de l'Etat. Le marché monétaire, en général directement contrôlé par la Banque centrale, peut aussi être sollicité pour faire les " soudures ".

Dans le cas d'une C F D, au capital de laquelle des Etablissements bancaires et des organismes financiers internationaux participent, il peut y avoir appel au marché étranger, en raison de la dispersion géographique des fournitures d'investissements à financer et de la nationalité des investisseurs associés aux entreprises locales clientes de la C F D. Ce sera le cas lorsque le marché local ne pourra offrir les capitaux utiles, en quantité ou en qualité et par exemple sous forme de devises.

Mobiliser l'épargne locale et les concours extérieurs pour les utiliser en harmonie avec ses besoins de financement, lesquels sont commandés par la qualité des investissements nécessaires au développement économique du pays, telle est la mission à laquelle la C.F.D. peut contribuer.

Il peut arriver aussi que l'Etat - ou certains organismes étatiques - confie à la C F D la gestion de fonds spécialisés. C'est là une source de trésorerie et de profits (1) qui peuvent être appréciables.

(1) profit direct, car la C F D rend un service en général rémunéré et indirect par l'utilisation que fait la C F D des sommes disponibles.

Dans cette masse de fonds dont dispose la C F D, quel est le rapport " raisonnable " des dettes aux fonds propres élargis (capital, réserves et quasi-capital). Le coefficient d'endettement a son importance car il permet de mesurer la capacité propre qu'aurait la C F D de faire face aux engagements souscrits à l'égard de ses prêteurs, dans l'hypothèse d'une détérioration de ses actifs de contrepartie, c'est-à-dire d'une défaillance de ses emprunteurs ou des entreprises dont elle possède une part de capital.

La hauteur du coefficient d'endettement est avant tout une question de fait conditionnée par l'appréciation que la C F D se fait de la structure de ses actifs. Cette structure concerne simultanément la répartition par nature, par montant, par date de réalisation.

Si au départ, une ratio 50/50 paraît orthodoxe, après avoir acquis une expérience suffisante du " marché des investisseurs ", le rapport 3/1 semble raisonnable et même prudent. Il semble que l'on puisse atteindre un chiffre situé entre 5 et 10 après la septième année de fonctionnement, quand les risques sont suffisamment répartis par nature de secteurs industriels et économiques et par types d'entreprises dans chaque secteur. Certains ont préconisé une ratio dépassant 10 et inférieure à 20 quand la C F D a su faire la preuve de la justesse de ses jugements et de la qualité de sa gestion.

A signaler que la prudence est de règle quand il y a risque de dépréciation de la monnaie nationale, alors que le passif laisse ressortir un volume important d'emprunts étrangers.

b) Niveaux appropriés des réserves de protection.

La constitution de réserves de protection a pour objet de mettre la C F D en situation de faire face à certains risques prévisibles ou imprévisibles. C'est la concrétisation d'une politique de prudence et de bonne gestion.

Le niveau des réserves de protection est fonction de plusieurs facteurs indépendants :

- la composition, le volume et le degré de liquidité des actifs investis,

- le volume des produits bruts réalisés par la gestion,
- l'attitude de l'Administration fiscale et les appréciations de celle-ci sur les diverses natures de provisions et de réserves,
- la politique de distribution de dividendes.

C'est donc une question de fait, et l'appréciation que la C F D peut se faire du volume souhaitable - et non pas seulement nécessaire - de sa masse de réserve de protection ressort des conditions économiques, au sens large, du pays où elle exerce ses activités, et de la façon dont elle apprécie les risques qu'elle court, dans une optique de sélection de ces risques.

c) Accumulation des surplus et versement de dividendes.

On a pu se poser la question de savoir si une C F D doit avoir une bonne rentabilité, c'est-à-dire réaliser des bénéfices à l'instar de l'entreprise traditionnelle. De nombreux arguments militent pour que la C F D soit une affaire rentable, aussi bien quand elle est entièrement à capitaux privés qu'à capitaux étatiques. En voici quelques-uns :

- Tout d'abord, une C F D qui serait déficitaire aurait à subir le feu des critiques du public.
 - L'efficacité de toute banque et des opérations qu'elle traite est déterminée par le volume de ses profits.
 - Pour solliciter les fonds dont elle a besoin, auprès de personnes physiques et d'institutions financières, la C F D doit prouver que les investissements qu'elle patronne sont sains, c'est-à-dire bénéficiaires. Ainsi, pour emprunter sur le marché, elle doit détenir un portefeuille d'investissements lui assurant des revenus suffisants et par conséquent une rentabilité acceptable.
- Or, en raison des nombreuses charges qu'un Etat doit assumer, le Gouvernement souhaitera ne pas engager son crédit s'il le peut et ne pas donner sa garantie. Il préférera que la C F D se " débrouille " seule.

- Comme la C F D prendra des risques qui lui occasionneront des pertes, celles-ci devront être compensées par les bénéfices réalisés ailleurs. Or, on ne peut savoir à l'avance quelles seront les opérations déficitaires ; la C F D doit donc rechercher un profit sur chacune d'elles.
- Pour céder les titres qu'elle a pris en portefeuille, il est nécessaire que ceux-ci soient négociables, c'est-à-dire aient un revenu suffisant.
- Pour le public et les tiers, la viabilité des entreprises que la C F D finance est en relation directe avec sa propre rentabilité.
- Pour stimuler le secteur privé et les milieux financiers, la C F D doit accepter des capitaux à des conditions en rapport avec leur coût et avec les risques courus qui sont fonction de la conjoncture. Elle doit ainsi prouver par son propre exemple que l'investissement à long terme est sain et rentable.

Ainsi la C F D, devant mener une politique orientée sur le profit, comment doit-elle utiliser celui-ci ? Il existe deux voies, menant, l'une à l'accumulation des réserves, l'autre à la distribution de dividendes.

La constitution de provisions pour risques connus et prévisibles et de réserves pour risques non encore définis est indispensable. Au-delà, les surplus mis en réserve s'analysent comme un prolongement du capital auquel ils s'ajoutent. Ils constituent une garantie supplémentaire de bonne fin des fonds empruntés et permettent ainsi à la C F D d'accroître sa capacité d'investissement et d'entreprendre des opérations qu'elle n'eût pu envisager de mener aux premiers temps de son existence.

Toutefois, un équilibre judicieux doit être maintenu entre les différentes parties en présence et les actionnaires de la C F D doivent recevoir une juste rémunération, fonction du volume de profit réalisé.

La distribution de dividendes est une rémunération servie à des capitaux à risques, par opposition au paiement d'un intérêt fixe et déterminé à l'avance, servi à des prêteurs d'argent dont le rôle est essentiellement passif. Il ne serait pas rationnel que ceux-ci soient privilégiés par rapport à ceux-là.

En fait, la capital " actions " doit être régulièrement rémunéré, à hauteur convenable, en fonction des multiples facteurs qui interviennent dans l'exploitation de la C F D ; faute de quoi on tend à décourager l'esprit d'initiative et de création.

Quel peut être le taux du dividende ? Il ne peut être fixé que de façon pragmatique, et pour chaque exercice, après pondération des coefficients objectifs d'exploitation de la C F D et des éléments subjectifs qui peuvent jouer un rôle non négligeable.

Il ne semble pas utile de fixer un plafond pour limiter les dividendes. Le Conseil d'Administration doit en effet disposer d'une autorité suffisante pour résister aux contraintes d'actionnaires peu avertis qui exigeraient une distribution disproportionnée à la quote part de profit mis en réserve.

On peut exprimer de façon générale que la dividende doit tendre à s'harmoniser avec ceux que distribuent des affaires ayant des activités similaires aux entreprises que finance la C F D et à se stabiliser à une valeur de moyenne pondérée. C'est dans cette perspective d'obtenir un dividende au moins égal à celui qu'ils pourraient exiger ailleurs de façon raisonnable, que les investisseurs privés ne se détourneront pas de la C F D.

Il n'est pas anormal pour un exercice exceptionnel de fixer un taux de dividende ou en dessous ou au-dessus de la moyenne pondérée. En admettant que celle-ci oscille autour de 6 % du nominal de l'action, le dividende peut ainsi varier entre des limites approchées de quelque 3 % à 10 %.

Si le milieu est inflationniste, un chiffre qui peut sembler raisonnable condamne en fait l'actionnaire étranger à recevoir une rémunération plus faible, eu égard à la valeur réelle de sa souscription.

d) Traitement fiscal en relation avec la politique des dividendes et des réserves.

L'un des objectifs essentiels d'une C F D est bien de faciliter la création d'entreprises et la production de nouveaux produits. Dans un pays qui subit obligatoirement diverses contraintes de caractères divers, les opérations menées par la C F D pour coopérer aux actions de développement de l'économie, dans le cadre de l'intérêt général du pays, n'ont pas toutes une rentabilité immédiate, ou directe ou suffisante. Comme la rémunération demandée par la C F D est nécessairement conditionnée par les caractéristiques mêmes de l'opération, l'Etat doit obligatoirement intervenir pour soulager la C F D de diverses charges.

Les avantages que l'Etat peut accorder et qui ont une incidence directe sur le volume des revenus sont de deux sortes :

- exonérations fiscales,
- et garantie de dividende.

La garantie de dividende peut être à l'origine d'une libéralité de l'Etat. Il est préférable, dans le cas où elle s'avérerait nécessaire qu'elle soit limitée dans le temps et qu'elle ne donne lieu qu'à une avance temporaire qui devra être remboursée au Trésor au fur et à mesure que la C F D fera des bénéfices.

Les exonérations fiscales peuvent être envisagées sous de multiples formes :

- exonération ou limitation des impôts sur les bénéfices affectés à diverses catégories de provisions et de réserves, à préciser ;
- exonération ou limitation de l'impôt sur les sommes distribuées pendant une période fixée à quelques années (par exemple 7), et jusqu'à un taux de dividende déterminé (par exemple 5 %) ;
- exonération de l'impôt sur la partie des revenus de la C F D provenant des produits bruts de son portefeuille - ce qui tend à éviter une double imposition au moment de la distribution des dividendes ou de la constitution de réserves taxables ;
- exonération de l'impôt sur les plus values que la C F D réalise par la vente de titres qui composent son portefeuille ;
- on peut envisager aussi que de telles mesures ne seront prises que lorsque la C F D oeuvrera à la réalisation d'un plan de développement national, sectoriel ou régional.

e) Gamme des taux.

Dans une économie de marché, il y a inter-dépendance entre les taux de l'argent sur le marché monétaire et ceux pratiqués sur le marché financier.

X // Dans le marché monétaire, le taux pivot est le taux d'acompte de la Banque centrale dont les fluctuations en hausse et en baisse rejaillissent sur les taux effectifs des capitaux en quête de placement.

Dans le marché financier, les taux de l'argent varient en fonction de l'échéance des capitaux empruntés et des avantages qui peuvent assortir une opération déterminée, par exemple la garantie de l'Etat.

La liberté de manoeuvre laissée aux parties intéressées par l'offre ou la demande de capitaux, sur les marchés tant financier que monétaire, est toute relative, en raison des mesures prises par les Etats qui disposent d'un arsenal technique suffisamment approvisionné pour drainer les disponibilités là où ils souhaitent les affecter.

Néanmoins, c'est en fonction de ces taux du marché que les taux des prêts d'investissements doivent être fixés. Ils sont par ailleurs formés à partir de plusieurs facteurs indépendants:

- le coût des fonds empruntés,
- les risques courus,
- les dépenses de gestion, dont les caractères et les incidences sont multiples,
- la marge optimale de constitution de réserve et la rétribution du capital-actions.

Ainsi la C F D ne peut pas fixer le niveau des taux de ses prêts en toute indépendance.

Normalement la C F D ne désire pas écartier la clientèle des autres institutions financières. On doit venir à elle parce qu'elle seule rend un service spécialisé et qu'elle satisfait à un besoin.

L'entreprise emprunteuse n'acceptera pas de payer un taux d'intérêt au-delà d'une certaine limite. Comme la C F D bénéficie la plupart du temps de fonds à des taux privilégiés, elle peut consentir des prêts à de meilleures conditions que les banques commerciales, si sa politique est bien celle d'être un "prêteur bon marché". De la sorte, elle ne soulèvera pas de critique de la part du public qui ne comprendrait pas qu'elle pratique des taux élevés, même s'il y a une pénurie de capitaux.

Dans une telle voie, la circonspection s'impose toutefois. Il ne conviendrait pas en effet que la solvabilité de l'entreprise ne soit fonction que de l'existence d'un " prêt bon marché ". Faire reposer son avenir sur l'obtention des fonds à faible coût, c'est s'interroger sur la valeur économique du projet.

De plus il est important que la C F D ne soit pas considérée comme l'intermédiaire de l'Etat pour subventionner des entreprises non économiquement rentables.

La C F D peut également se poser la question de savoir si elle rémunère ses dépenses de recherches et d'études, ses fonctions de conseiller financier et économique, au moyen du produit fourni par l'intérêt de ses prêts, ou bien au contraire si elle demandera des honoraires ou une commission spécifique.

De même, quand elle acceptera de financer un investissement particulièrement aléatoire, inclura-t-elle la prime pour risques exceptionnels dans le taux d'intérêt ou bien exigera-t-elle une commission séparée qui est justifiée par le risque ?

En fait, les deux positions de principe :

- politique de taux uniforme valable pour tous les emprunteurs,
- et gamme de taux variables entre un maximum et un minimum représentant un point et demi à deux points de pourcentage ,

sont justifiables.

On peut adopter la première formule parce que l'on craint que la pratique de taux variables ne favorise les pressions et les privilèges non justifiés et partant, fasse l'objet de critiques. On accorde ainsi une subvention indirecte aux projets aventureux.

On dispose par contre d'un instrument plus harmonieux et plus adapté à chaque cas d'espèce, en adoptant une politique de taux flexibles et variables en fonction :

- de la nature des investissements,
- de la durée des prêts consentis,
- de la rentabilité immédiate et lointaine des projets.

On peut ainsi servir plus étroitement les objectifs de la Puissance publique en orientant de façon sélective les crédits. En même temps, on peut plus facilement couvrir, pour chaque opération spécifique, les charges et les frais de gestion qu'elle entraîne.

Par une procédure particulière on peut atteindre, avec la pratique d'un taux fixe, les avantages apportés par celle des taux variables. On peut par exemple exiger de l'entreprise emprunteuse, en sus du taux fixe d'intérêt :

- une rémunération pour études, conseils ou contrôle,
- une commission pour risque exceptionnel, laquelle peut varier, et même en tout état de cause, de quelques dixièmes de point à plus d'un point, et dont le produit est affecté à un fonds spécial de garantie.

Dans le principe, le taux moyen des prêts consentis par une C F D se place à un niveau de deux à trois points de pourcentage supérieur au coût moyen de l'argent pour la C F D et à un niveau sensiblement égal à celui du taux des découverts consentis par les banques commerciales à un client de qualité, dans des conditions normales.

A noter que les taux d'intérêt ont tendance à s'élever dans les économies inflationnistes où le marché tient compte des risques attachés à la monnaie.

Applications à la B.N.D.E.

La B.N.D.E. est une Institution mixte dans laquelle l'Etat détient près de 43 % du capital, avec l'intention de réduire sa participation à quelque 37 % par cession de titres à des actionnaires privés. Elle bénéficie d'une forte participation d'actionnaires étrangers, y compris la Société Financière Internationale, approchée de 48 %. Son capital propre de 30 millions de dirhams est prolongé par quelque 6,3 millions de réserves et provisions, soit près de 21 % du capital, et par un prêt spécial du Trésor à 15 ans au taux de 4 %, d'un montant de 20 millions.

S/h
Au bilan arrêté au 31 décembre 1964, les emprunts obligataires émis auprès d'établissements institutionnels et le prêt de la S.F.I. dépassent ensemble 39 millions, tandis que les bons de caisse à court terme réunissent 9,5 millions (1).

La ratio d'endettement ressort donc en nombre rond à 1/1 compte tenu de quelque 8 millions de dépôts gérés par la Banque pour le compte de tiers et des exigibilités courantes reportées d'un exercice sur l'autre.

La position de la B.N.D.E. est donc très forte et sa capacité d'emprunt pratiquement disponible.

La B.N.D.E. poursuit une politique délibérée de constitution de réserves et de provisions. En dehors de la réserve légale, exonérée d'impôt, de 5 % de bénéfice net (2), sur celui-ci est également prélevée une somme correspondant au 1/7 des intérêts versés sur prêts en cours, exonérée d'impôt, pour être affectée à un fonds spécial de garantie, tandis que des provisions sont également constituées sur risques non définis attachés aux crédits à moyen terme mobilisables et sur risques déclarés, par exemple liés aux participations que possède la Banque, provisions en partie détaxées.

Les statuts de la B.N.D.E. prévoient un dividende de 5 %, après constitutions des réserves et provisions. Le Conseil d'Administration peut décider d'un dividende supérieur ou inférieur.

Pour la première fois en 1965, des dividendes ont été distribués sur les bénéfices de l'année 1964. Le taux du dividende a été fixé à 3 %.

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(1) ou ayant atteint une échéance rapprochée.

(2) jusqu'à un plafond de 10 % du capital.

La B.N.D.E. ne peut éviter la double imposition sur les revenus des titres qu'elle détient en portefeuille que si elle possède au moins 20 % du capital.

Elle a pratiqué jusqu'ici un taux uniforme de 7 % d'intérêt sur ses prêts, chiffre qui tient compte des positions respectives actuelles des Autorités financières du Pays.

V - RELATIONS AVEC LE GOUVERNEMENT.

Que la C F D soit une institution à capitaux entièrement privés ou mixtes, il est nécessaire qu'elle entretienne des relations suivies avec les Pouvoirs publics en coopérant avec eux, puisqu'aussi bien elle oeuvre dans le sens de l'intérêt général.

Plus l'Etat aura une participation importante dans le capital et plus il accordera de moyens de financement et consentira des avantages à caractère fiscal ou de sûreté, plus il se croira habilité à intervenir dans la politique de la C F D.

Sans doute, l'expérience révèle qu'il est difficile d'empêcher un Etat d'infléchir les décisions de la C F D quand il y est décidé, et il n'est pas contradictoire avec une saine gestion de la C F D qu'il le fasse. Néanmoins celle-ci possède des atouts pour sauvegarder son indépendance de jugement et pour mesurer son action à l'élaboration et à la réalisation d'opérations somme toute ~~à~~ bénéficiaires pour le développement du pays. Il existe peu de cas où il ne soit possible de modifier la texture d'un projet pour le rendre acceptable par tous les intéressés ; c'est une question de technicité, de connaissances sûres et d'autorité bienveillante.

Ainsi, l'équilibre à rechercher entre la mise en oeuvre d'une politique d'investissements axée sur des principes d'orthodoxie financière et économique et d'une politique de " service public " définie par l'Etat, peut-il se dégager d'autant plus facilement :

- que la C F D a un nombre d'actionnaires privés plus élevé,
- que les participations étrangères et les concours apportés de l'étranger sont plus nombreux,
- que les compétences de la direction générale et des services d'études de la C F D sont moins contestés,
- qu'elle a acquis dans le pays une plus grande autorité par la qualité de ses interventions.

On peut signaler ici que la C F D peut aussi bien subir des pressions de " groupes privés " que de l'Etat. Les méthodes de défense sont analogues dans l'un et l'autre cas.

a) Relations avec le Gouvernement pour assurer des opérations spéciales dans le cadre de la politique nationale de développement.

La C F D doit évidemment oeuvrer dans la ligne tracée par le Gouvernement pour développer l'économie du pays. Elle doit adapter son action à l'exécution du " Plan de développement " quand celui-ci existe.

Un Plan comprend normalement deux parties différentes mais liées :

- un programme de dépenses publiques engagées par les services publics sous contrôle du Gouvernement,
- un ensemble de mesures préconisées pour stimuler les activités productives dans le secteur privé. Elles fixent les orientations que le Gouvernement conseille aux entreprises de prendre parce qu'elles seront encouragées par les Pouvoirs publics et que les investissements, auxquels elles mèneront, seront sources de profits.

La C F D constitue tout naturellement l'interlocuteur valable de négociation avec l'entreprise. Elle a pour mission d'adapter le projet aux contingences, de le modifier éventuellement pour le rendre économiquement et financièrement sain, en prenant les initiatives utiles :

- décider des priorités,
- choisir les entreprises et les hommes,
- fournir les conseils techniques,
- procurer les capitaux.

Dans toute la procédure de choix et d'exécution, il y a un libre échange d'informations et d'idées entre la C F D, l'Administration et les entreprises privées.

C'est à la C F D à prouver au Gouvernement qu'elle a la compétence voulue pour être " un instrument de développement " et non pas un " instrument du Pouvoir ". Si le Gouvernement ne s'en accommodait pas, la C F D ne pourrait exercer efficacement son action.

b) L'existence côte à côte de banques de développement privées ou contrôlées par l'Etat.

La coexistence de plusieurs C F D est fonction tout d'abord de la dimension du pays et de la multiplicité des problèmes spécifiques d'investissements à traiter.

On peut penser que la coexistence d'une C F D à 100/100 privée et d'une C F D à participation étatique serait une bonne formule, en raison de l'émulation qui serait créée. Encore semble-t-il que les activités d'une C F D privée soient liées à un niveau de développement tel que la C F D contrôlée par l'Etat ne pourrait plus exercer ses fonctions dans un éventail aussi large qu'il serait souhaitable et qu'elle serait menacée d'être utilisée comme un " service public ", formule contraire à sa vocation propre. La C F D contrôlée par l'Etat devrait, dans de telles conditions, bénéficier d'un Conseil d'Administration et d'une direction générale particulièrement avertis et dynamiques.

X Une bonne formule, dans un pays aux dimensions limitées est de disposer de plusieurs institutions financières spécialisées, par exemple dans les secteurs agricole, hôtelier, touristique, construction... avec participation étatique éventuelle quand le secteur privé est défaillant.

c) Les différentes catégories appropriées et acceptables d'aides gouvernementales.

Les concours apportés par l'Etat à une C F D seront sans doute d'autant plus importants que sa participation au capital sera plus élevée. Au delà d'une certaine limite, les risques d'entamer dangereusement l'indépendance de la Banque sont grands. Il semble qu'une participation étatique de l'ordre de la minorité de contrôle représente une bonne moyenne (35 %).

Pour ne pas effaroucher d'ailleurs les initiatives privées, toujours sensibilisées aux investigations et contrôles de l'Administration, il semblerait souhaitable, dans l'intérêt de la C F D comme du Pays, que l'Etat n'ait pas la majorité ou même ne possède pas 50 % du capital.

Ceci posé, les moyens qu'il est possible de rechercher et de mettre en oeuvre pour que le Gouvernement facilite les actions de la C F D, sont multiples ; il suffit de les énumérer sans les commenter :

- participation de l'Etat au capital et avances du Trésor à des conditions avantageuses sous forme de " quasi capital ",
- garantie de change pour les emprunts extérieurs,
- garantie apportée à titre de sûreté pour une émission obligataire ou bonification accordée pour le taux d'intérêt de l'emprunt,
- // - allocations forfaitaires, subventions, avances remboursables..., pour projets spécifiques,
- // - facilités accordées par la Banque centrale pour mobilisation d'effets à court et à moyen terme et couverture des pointes de trésorerie,
- avantages fiscaux aux multiples aspects,
- gestion de fonds spécialisés pour le compte d'Institutions gouvernementales, ce qui procure à la C F D des moyens de trésorerie et des profits supplémentaires,
- intervention directe par la prise en charge, en totalité ou en partie :
 - . de frais d'études générales,
 - . de frais d'études particulières pour des projets individualisés qui n'aboutissent pas ou dont la charge ne peut être mutée en frais de premier établissement.

Au-delà de la C F D, et par son canal, l'Etat peut aussi accorder des avantages spécifiques à des projets d'investissements qui lui paraissent particulièrement mériter de l'intérêt. L'éventail en est étendu, depuis la prise en charge de dépenses d'infrastructure jusqu'à l'obtention de ristournes sur frais d'exploitation.

De cette énumération de caractère exhaustif, dont la plupart des rubriques ont déjà été analysées plus haut dans leurs conséquences, il ressort que les instruments dont dispose l'Etat pour aider la C F D, sont abondants.

En dehors des opérations générales de financement en capital et quasi-capital, les mesures sont à étudier et à prendre cas par cas, en fonction tant des circonstances immédiates que de la conjoncture future.

La présence chez la C F D d'administrateurs nommés par l'Etat ou d'un Commissaire du Gouvernement possédant des pouvoirs plus ou moins étendus ; et réciproquement la présence de membres de la C F D dans des assemblées consultatives ou délibératives constituées par la Puissance publique pour orienter la politique économique ou décider des moyens à mettre en oeuvre, sont à encourager pour développer des relations humaines.

De l'échange d'informations et d'idées entre hommes compétents, doit se dégager une voie moyenne et fructueuse de coopération, à la condition d'une part, que la C F D ne soit pas uniquement orientée sur le plus grand profit, d'autre part que le développement économique harmonieux soit le souci majeur du Gouvernement.

Applications à la B.N.D.E.

L'Etat détient 43 % du capital de la B.N.D.E., proportion qui doit tomber à 37 %. Les Institutions étrangères ont une participation globale de 48 %.

Le Trésor lui a accordé une avance du type quasi-capital de dirhams 20 millions (1) représentant les $\frac{2}{3}$ de son capital. En cas de besoin pressant, elle pourrait recourir à une nouvelle ligne d'avance plafonnant à dirhams 30 millions (2).

Elle bénéficie d'exonérations fiscales sur les opérations de constitution de réserves.

Un Commissaire du Gouvernement assiste à son Conseil d'Administration.

./.

(1) taux 4 % - remboursable en 15 années après un différé d'amortissement de 15 ans.

(2) au taux 5 % - utilisable jusqu'au 31-6-66, durée de 9 ans.

X La B.N.D.E. est membre de droit de la Commission des Investissements qui décide des avantages à accorder aux entreprises qui investissent.

La B.N.D.E. est la seule banque de développement du Maroc. A côté d'elle, d'autres établissements financiers exercent des activités spécialisées, tels que :

- La Caisse Nationale de Crédit Agricole,
- La Caisse Marocaine des Marchés,
- La Caisse des Prêts Immobiliers,
- La Caisse de dépôt et de Gestion,
dont un département est affecté aux projets de tourisme.

L'Etat a des participations dans toutes ces Institutions.

VI - EXTENSION ET AMELIORATION DES STAGES.

Il est de commune renommée qu'une C F D a besoin d'un personnel compétent et expérimenté. Ses activités qui ne peuvent aboutir à un travail de routine requièrent les services de divers types de spécialistes : économistes, ingénieurs, financiers, juristes et comptables. Ceux-ci doivent posséder de l'habileté, du jugement, de l'imagination, ainsi que le sens des contingences et le souci réel de l'intérêt général. Ils ont à évaluer avec objectivité, mais aussi intuitivement, la valeur d'un investissement futur ou la capacité d'endettement d'un emprunteur potentiel. Ils sont appelés à la fois à juger des mérites d'un projet, à rechercher les moyens de l'améliorer, à conseiller éventuellement sur les modalités de renforcer la gestion d'entreprises.

Il est difficile de trouver n'importe où un tel ensemble de compétences. Dans un pays en cours de développement, les personnes qui possèdent de telles qualifications sont très sollicitées, et par la haute Administration et par le monde des affaires ; elles sont trop souvent indisponibles pour la C F D.

Il existe des palliatifs :

- recruter pour un temps limité des techniciens étrangers qui sont à la fois des " formateurs " et des conseillers;
- faire appel aux services de bureaux d'experts privés hors du territoire. Cette formule n'est pas des plus heureuses car tout le travail de recherche et d'élaboration de l'expert, reste extérieur à la C F D et le personnel de la Banque ne profite pas de l'expérience et des efforts fournis par l'expert;
- solliciter le concours des Institutions qui sont actionnaires de la C F D et qui toujours effectueront avec plaisir les études, les enquêtes et les travaux demandés.

Cette procédure a des avantages, car un ou plusieurs membres de la C F D peuvent coopérer avec les spécialistes de l'Institution en cause et profiter de ses connaissances.

Si les nationaux, membres de la C F D, doivent être en nombre limité, au moment où la Banque commence ses activités, car il y a avantage à ce qu'ils s'instruisent à fond de toutes les méthodes de travail et de leurs applications -, par contre, au fur et à mesure que le volume des affaires s'accroît, il y a intérêt à ce que les spécialistes, dans chaque département de la C F D, soient en léger surnombre. De la sorte :

- on peut établir un roulement entre les divers départements, ce qui est la source d'un enrichissement de connaissances (1) ;
- on peut perdre, sans dommage pour la C F D, ceux des spécialistes qui passent dans l'industrie privée ou dans l'administration, pour des motifs personnels ;
- on peut se séparer, pendant un temps, de spécialistes que la C F D détache dans des entreprises où elle possède des intérêts ; ces spécialistes devenant conseillers de l'entreprise et complétant en même temps leur formation par leurs contacts avec les éléments concrets de l'entreprise.

a) Moyens disponibles dans les pays développés.

Les pays développés et industrialisés disposent de nombreux moyens :

- pour apporter une aide technique à la C F D,
- et pour concourir à la formation de son personnel.

Il existe des bureaux d'ingénieurs, d'économistes, d'experts en toutes disciplines ; ils sont ou bien indépendants ou bien liés à de grandes firmes. Ils sont prêts à effectuer n'importe quelle étude et peuvent accepter de prendre à cette occasion un ou plusieurs membres de la C F D en stage.

Souvent, ces bureaux créent une " succursale " dans le pays qui recherche leurs services quand la durée de leur intervention est suffisamment longue.

(1) De plus, chaque membre d'un Département sait ce que fait son collègue du Département voisin et peut ainsi suivre du début à la fin une opération d'investissement et de prêt, et satisfaire ainsi une saine curiosité.

Dans le premier cas, l'étude qui est réalisée pour le compte de la C F D risque de ne pas être parfaitement adaptée aux contingences du pays. De toute façon, elle est peu formatrice vis-à-vis du personnel de la Banque. Plus encore, elle est dangereuse, car elle peut conduire à donner des notions erronées de facilité d'élaboration et peut apporter des idées fausses sur les solutions à apporter aux problèmes posés. En effet, l'expert, étranger au pays, peut n'avoir pas suffisamment analysé tous les facteurs qui ont une incidence sur le projet dont l'étude lui a été confiée. Le stagiaire de la C F D n'a pas l'autorité nécessaire pour le ramener au sens des réalités.

Dans le deuxième cas, le travail effectué par un personnel étranger établi sur place a toutes les raisons d'être bien exécuté. Il serait alors du plus grand intérêt pour la C F D que des membres de son personnel en suivent l'élaboration et la rédaction avec continuité et application.

Les Institutions étrangères qui ont acquis une participation dans le capital de la C F D sont également à sa disposition pour recevoir ses membres en stage ou pour envoyer sur place des spécialistes qui seront pendant un certain temps les " conseillers techniques " de son personnel.

La plupart possèdent des services qui ont les mêmes préoccupations que certains départements de la C F D. Plusieurs d'entre elles sont même en quelque sorte des banques de développement, car elles ont pour activités entre autres, de promouvoir un programme d'investissements dans une région à ressources limitées, ou à croissance retardée, ou à croissance ralentie, ou à structure vieillie, ou dans une zone de déséquilibre ou déprimée.

Cette formule est préférable à la précédente. Sur le plan des relations humaines, on se trouve en effet presque " en famille ". Sur celui de la technique - prise dans un sens élargi - on est habitué aux mêmes méthodes d'approche des problèmes et on cherche à les résoudre dans une optique sensiblement analogue.

Quelle est la meilleure voie à suivre ? Envoyer à l'étranger des stagiaires nationaux ou recevoir des conseillers techniques étrangers qui seront des formateurs ? Il semble que l'une et l'autre possèdent leurs avantages spécifiques.

Le stagiaire national, détaché à l'étranger, devrait avoir acquis une solide expérience dans son propre pays pour bénéficier parfaitement de son stage qui a essentiellement pour objet un complément de formation, une ouverture sur des horizons nouveaux.

L'envoi d'un spécialiste de l'Institution étrangère auprès des membres de la C F D, le " conseiller technique " suivant l'appellation traditionnelle, représente pour la Banque un bénéfice appréciable par rapport à la formule précédente. Il peut former plusieurs membres de la Banque en même temps et successivement ; le rendement est ainsi affecté d'un coefficient multiplicateur élevé.

|| Encore faut-il que le conseiller technique soit efficace et utilisé pour ses compétences.

La littérature est abondante sur les difficultés que rencontre souvent un assistant technique exerçant à l'étranger, dans un pays qui peut ne pas lui plaire, auprès de personnalités dont il peut ne pas comprendre toute la complexité des réactions, ayant comme collaborateurs des jeunes hommes dont les sentiments vis-à-vis de lui, tels qu'il croit les saisir, peuvent lui causer des déceptions pénibles.

Compétences techniques certes, mais aussi et surtout qualités humaines spécifiques, plus encore que celles-là. Le plus difficile est sans doute de bien tracer le profil de l'assistance technique demandée, dans le milieu où elle s'exercera.

b) Moyens disponibles dans les C F D.

^ Ce qui vient d'être exprimé dans le chapitre précédent s'applique aux C F D. Celles-ci ont sans doute l'avantage d'être en tous points les homologues de l'Organisme qui recherche à étendre le nombre des stages de son personnel et à les améliorer.

On peut penser que les prises de contact entre les interlocuteurs seront plus rapides, que les relations seront plus faciles, que les compréhensions réciproques sur les méthodes de travail et sur les modalités d'exécution seront plus proches.

On peut craindre aussi que les mêmes erreurs d'interprétation, que les mêmes déviations d'optique, que les mêmes lacunes de raisonnement ne se rejoignent, ce qui concourerait à confirmer et à consolider des positions inconfortables.

Ainsi, faudrait-il au moins que le stage soit exécuté auprès d'une C F D plus expérimentée ou bien que l'assistant technique, détaché auprès de la C F D demanderesse, ait acquis des connaissances éprouvées.

Applications à la B.N.D.E.

La B.N.D.E. a eu plusieurs membres de son personnel détachés auprès d'Institutions étrangères qui sont ses actionnaires, et en particulier auprès de la Société Financière Internationale.

Parallèlement, elle bénéficie des conseils d'assistants techniques étrangers.

VII - FINANCEMENT CONJOINT D'OPERATIONS PARTICULIERES AVEC LE GROUPE DE LA BANQUE MONDIALE.

La C F D qui a comme actionnaire une Institution faisant partie du Groupe de la B.I.R.D., ou qui l'a pour partenaire ou pour interlocuteur dans une opération de financement ou d'investissement, a tout intérêt à collaborer avec elle dans l'étude, la mise au point et la réalisation d'un projet. C'est de cette manière que l'on rapproche, face à des éléments concrets, les points de vue, les méthodes d'approche, les modalités d'application. Il se crée, dans la coopération sur une même étude, une mutuelle compréhension qui est largement bénéfique pour la C F D, tout particulièrement quand celle-ci entretient avec la B.I.R.D. des relations professionnelles suivies, et par exemple quand elle bénéficie d'une ligne de crédit de sa part, ce qui est de plus en plus fréquent.

Le plus souvent, la C F D se tournera vers la Société Financière Internationale, dont la vocation est essentiellement de faciliter l'expansion industrielle des régions les moins développées au moyen d'investissements effectués dans des entreprises privées rentables.

Parfois, la C F D aura aussi recours à la B.I.R.D., par exemple quand l'Etat aura jugé que son intervention est nécessaire pour mener à bonne fin un projet d'investissement.

Sans doute, l'opération à poursuivre de concert ne peut-elle être de petite envergure ; mais elle doit, ou dépasser les moyens propres de la C F D, ou conduire à des implications complexes et soulever des questions connexes qui tendent à la placer à la limite d'une intervention de la seule C F D, laquelle recherche alors un appui chez le Groupe de la B.I.R.D.

Ainsi, le projet étudié en commun sort des normes traditionnelles connues de la C F D et l'enrichissement que celle-ci retire de sa collaboration avec l'Institution spécialisée est-il riche d'enseignements.

La C F D demande la collaboration de la S.F.I ou de la B.I.R.D. quand elle a fait le tour du projet ; elle en souligne l'importance ou la complexité à l'Institution internationale qui accepte alors de mener une étude préalable.

Il paraît souhaitable que, dès le départ, le travail des deux organismes soit exécuté en commun et non pas séparément. L'un apporte son expérience multiforme et ses techniques averties, l'autre ses connaissances du pays et des hommes.

Deux écueils sont à éviter :

- Tout d'abord, il est nécessaire que les experts du Groupe de la B.I.R.D. puissent vraiment coopérer avec ceux de la C F D, ce qui nécessite une langue de travail commune tout d'abord, puis une volonté effective et continue de collaboration, laquelle ne devrait pas s'émousser devant les obstacles rencontrés.

- Il est souhaitable aussi que les experts du Groupe de la B.I.R.D. s'efforcent d'avoir leurs entretiens avec les tiers, - industriels, commerçants, banquiers et hommes d'affaires, fonctionnaires et même personnalités appartenant à des instances élevées-, en présence de membres de la C F D.

C'est autre chose en effet, de travailler avec un expert qui a les mêmes préoccupations que soi-même ou de défendre une position vis-à-vis d'interlocuteurs dont les soucis et les intérêts sont différents.

Sans doute est-il normal que l'Organisme du Groupe de la B.I.R.D. laisse à la C F D le soin de mener les opérations qui sont limitées **au pays** et liées étroitement à l'évolution du milieu dans lequel elles seront poursuivies, tandis que ses propres spécialistes s'intéresseront plutôt aux questions d'une portée plus large, mettant en cause des incidences extra-territoriales.

Ce serait une erreur néanmoins de ne pas se communiquer de façon constante les résultats de ses propres études et de ses démarches respectives, de ne pas se faire part des obstacles rencontrés ni des moyens utilisés pour les surmonter et même de ne pas effectuer ensemble les tâches que nécessitent la recherche des informations et l'élaboration des mises au point utiles.

Applications à la B.N.D.E.

La B.N.D.E. a la chance de bénéficier d'une ligne de crédit auprès de la Banque Mondiale et d'être au courant de ses méthodes de surveillance. Elle dispose également d'une participation de la Société Financière Internationale.

Elle mène en ce moment une opération d'investissement avec la Société Financière Internationale, sur un projet de caractère agro-industriel difficile dont les incidences sont complexes.

Elle a conduit, avec des experts du Groupe de la B.I.R.D. , une enquête sur une opération importante de financement d'une sucrerie dont les conditions d'exécution méritaient un examen approfondi.

Rev. B - Conf.

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Manizales

DATED

Aug. 21, 1965

SUBJECT

Attaches Agenda for Meeting of
Dev. Finl Companies.

REFERRED TO

Mr. Diamond

DATE RECEIVED

Aug. 24, 1965

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Mr. Blondel

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INCORPORATED IN THE STATES OF MALAYA

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OUR REF:

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KUALA LUMPUR

P. O. BOX 2110

August 19, 1965.

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.
WASHINGTON D.C.

Dear Bob,

Thank you for your letter of August 5 concerning the submissions for the development finance companies conference in Washington. Meanwhile, I have sent you our Commentary Note on the proposed items of the agenda as requested. I am sorry for the inavoidable delays in submitting this note which, I hope, have not caused you too great complications.

As regards MIDFL representation in the conference, you are correct in assuming that I am to participate. I will be glad to take on the lead of one of the discussions if you so wish and, if a selection is possible of the subject, then organisation and training would be one of particular interest to me.

In the past few weeks I have had an extremely busy time with the preparation of the Board and Annual Meetings of both MIDFL and MIEL on top of some operational pressure work. With these meetings now out of the way, I am getting ready for my trip to the United States planned for early September. As you know, both the Chairman and Dato Ismail will be attending the Annual Meeting of the Bank. Moreover, Dato Ismail will participate in the International Industrial Conference in San Francisco, September 12 - 18, to which I have also received an invitation.

The recent constitutional change and emergence of Singapore as an Independent Sovereign State has come as a surprise and shock to us and we are trying now to assess the general economic effects of these developments and their implications on MIDFL operations. At present the situation is still pretty much confused to express any considered judgment on this matter.

Looking forward to seeing you soon in Washington,

Yours sincerely,

L. M. SVOBODA
General Manager



BANGUNAN HWA-LI
63-65 JALAN AMPANG
KUALA LUMPUR
P. O. BOX 2110

Malaysian Industrial Development Finance Limited
INCORPORATED IN THE STATES OF MALAYA
مالية صناعية وخدماتية

OUR REF:
YOUR REF:

August 19, 1965.

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.
WASHINGTON D.C.

Dear Bob,

Thank you for your letter of August 5 concerning the submissions for the development finance companies conference in Washington. Meanwhile, I have sent you our Commentary Note on the proposed items of the agenda as requested. I am sorry for the unavoidable delays in submitting this note which, I hope, have not caused you too great complications.

As regards MIDFL representation in the conference, you are correct in assuming that I am to participate. I will be glad to take on the lead of one of the discussions if you so wish and, if a selection is possible of the subject, then organization and training would be one of particular interest to me.

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Looking forward to seeing you soon in Washington.

Yours sincerely,
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L.M. SVOBODA
General Manager

26371/8
TELEPHONE 8111-2222
TELEGRAMS "MALINDEV"
KUALA LUMPUR
CODE BENTLEY'S SECOND

Log 8/23

DR. WILHELM TEUFENSTEIN

GENERALDIREKTOR - STELLV. UND VORSTANDSMITGLIED DER
ÖSTERREICHISCHEN INVESTITIONSKREDIT AKTIENGESELLSCHAFT

August 18, 1965

Mr. Robert Skillings
Deputy Director
International Finance Corporation

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

Lhr
Mr. Blaudel
for action

Dear Mr. Skillings,

With reference to your letter ✓ from August 6th
and my letter from August 18th I am handing you
now the statistical information on IVK's annual
approvals of loans and disbursements thereof.
There have been no other investments than loans.
The non-Schilling disbursements were in US-Dollar
and in Swiss Franks.

I remain,

Very sincerely yours,

Teufenstein

1222 AVE S1 6H S: 50

COMMUNICATIONS
GENERAL LINES
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✓ 1 Annex

1008/23

ÖSTERREICHISCHEN INVESTITIONSKREDIT AKTIEGESELLSCHAFT
GENERALDIREKTOR - STELLV. UND VORSTANDSMITGLIED DER
DR. WILHELM TEUFENSTEIN

August 18, 1965

Mr. Robert Skillings
Deputy Director
International Finance Corporation

Mr. Robert Skillings
Deputy Director
International Finance Corporation

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

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I remain,

Very sincerely yours,

W. Teufenstein

1965 AUG 21 PM 2:20

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✓ I Annex

ÖSTERREICHISCHE INVESTITIONSKREDIT, AG

APPROVALS

(In million Austrian Schillings)

| <u>Year</u> | <u>Long-term
Foreign
Currency
Loans</u> | <u>Long-term
Schilling
Loans</u> | <u>Investments
in Shares</u> | <u>Other
Financing</u> | <u>Total</u> |
|-------------|---|--|----------------------------------|----------------------------|--------------|
| 1960 | 102 | 14 | - | - | 116 |
| 1961 | 72 | 25 | - | - | 97 |
| 1962 | 221 | 59 | - | - | 280 |
| 1963 | 108 | 69 | - | - | 177 |
| 1964 | 68 | 242 | - | - | 310 |

Similar table of "Disbursements"

| | | | | | |
|---------|-----|-----|---|---|-----|
| 1960 *) | 139 | 33 | - | - | 172 |
| 1961 *) | 110 | 24 | - | - | 134 |
| 1962 *) | 214 | 51 | - | - | 265 |
| 1963 *) | 127 | 51 | - | - | 178 |
| 1964 *) | 74 | 242 | - | - | 316 |

*) The disbursement do not aply in every case to the specific loans approved in this year.

under Aug 18, 1965

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

(INDUSTRIAL DEVELOPMENT BANK OF TURKEY)

Log 8/23

P.O. Box : 17 Galata,
İstanbul, Turkey

Cable Address :
KALKINMABANK, İstanbul

16912

August 18, 1965

File
My-Head
W

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H Street, N. W.
Washington, D. C. 20433

Dear Mr. Skillings :

Mr. Kayalıoğlu is on leave for the present; therefore we take the liberty to answer your letter of August 6, 1965. All our comments concerning the sixth items of the Agenda have been air mailed to you and we hope that the comments and the Annual Reports have reached your office before August 15.

We have no objection to your making TSKB's Policy Statement available as part of the documentation you are distributing. *h*

Please kindly note that Mr. Kayalıoğlu will represent TSKB at the Conference. He would like to lead the discussions on items 2 and 4 if possible. *//*

With best regards,

Sincerely yours,

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

W. S. Göz
İbrahim Özgür

1-10-1965

1-10-1965

1-10-1965

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1965 AUG 23 AM 8:44

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Log 8/18

INCOMING WIRE

DATE OF WIRE: AUGUST 18, 1965 1140

LOG NO.: RC 8

TO: SKILLINGS CORINTFIN

FROM: BANGKOK

TEXT:

| ROUTING | |
|-------------------|---------------|
| ACTION COPY: | MR. SKILLINGS |
| INFORMATION COPY: | MR. DIAMOND |
| DECODED BY: | |

Conference DFCS
Oct 1965

Mr. Blouel

✓
REYLET AUGUST 6TH GREENLIGHT TO POLICY STATEMENT
AGENDA ITEMS NO COMMENTS IFCT MEMO CORRECTING

KRAISRI IFCT

FCA

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

| ROUTING | |
|---------------|------------------|
| MR. SKILLINGS | ATTORNEY GENERAL |
| MR. DIAMOND | CHIEF OF BUREAU |

1140

AUGUST 18, 1965

EC 2

SKILLINGS CONTINUED

HANCOCK

THAT ABOUT THE OBLIGATION TO POLICY STATEMENT
ALREADY THERE NO COMMENTS FROM MEMO CONCERNING

REMARKS FROM

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| IDA | | IBRD | | IFC | |
|--|--|----------------------------|--------------------------------|-----|--|
| FORM NO. 92
(10-61) | | CORRESPONDENCE RECORD FORM | | | |
| FROM

A.N.H. James
Industrial Dev. Bank
Montreal | | | DATED
Aug. 18, 1965 | | |
| SUBJECT

Re: letter by Dr. A. Neaman,
Managing Director of Ind. Dev. Bank
of Israel. | | | | | |
| REFERRED TO
Mr. Diamond (Skillings) | | | DATE RECEIVED
Aug. 20, 1965 | | |

Log 8/23

DR. WILHELM TEUFENSTEIN

GENERALDIREKTOR - STELLV. UND VORSTANDSMITGLIED DER
ÖSTERREICHISCHEN INVESTITIONSKREDIT AKTIENGESELLSCHAFT

August 18, 1965

Mr. Robert Skillings
Deputy Director
International Finance Corporation

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

*File
Schmidt
Mr. Skillings
for action*

Dear Mr. Skillings,

Thank you very much for letter from August 6, 1965. I also am looking forward with greatest pleasure to represent the Austrian Invest Corporation at the conference of Development Banks. I would like to accept with great pleasure also Mr. Rosen's dinner on Tuesday, October 12th. I am planning to stay on in Washington until October 15th in order to have the chance of conversations in a more quiet atmosphere than at the time of the conferences.

Our comments to the agenda have left Vienna yesterday. I again apologize for the delay.

We have no objections to your making IVK's policy statement available as part of the documentation.

I shall arrive in Washington on Saturday, September 25th so that I really shall find the time to study the documentation prepared for the I.F.C. - Conference.

If you wish me to lead one of the discussions, I believe that point 3 of the agenda would be best suited because IVK was able to place some types of securities on international markets.

You will receive the statistical data on IVK's annual approvals of loans and disbursements thereof within two or three days.

I remain,

Very sincerely yours,

1322 VNC SI LN 1: 10

RECEIVED
AUG 25 1965
INTERNATIONAL FINANCE CORPORATION
WASHINGTON, D.C.

Teufenstein

August 18, 1965

Mr. Robert Skillings
Deputy Director
International Finance Corporation

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

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I remain,

Very sincerely yours,

1965 AUG 21 PM 1:10

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Handwritten notes:
for Mr. Rosen
for Mr. Skillings

228

159 8/20

בנק לפתוח התעשיה בישראל בערבון מוגבל
INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LIMITED

113, ALLENBY ROAD
TEL - AVIV
TEL. 614771-6
P. O. B. 1462
TELEX 033-646
CABLE ADDRESS: MOSLETAAS

רחוב אלנבי 113
תל - אביב
טל. 614771-6
ת.ד. 1462
מלקט 033-646
כתובת למברקים: מוסלתאס

בתשובה נא להזכיר:
Reference please note:

AE/CL/4/6759

17th August, 1965.

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H, Street N.W.
WASHINGTON D.C. 20433 U.S.A.

[Handwritten signature]

Dear Mr. Skillings,

✓ This is just a short note, because in my letter to you dated the 15th instant, I forgot to mention that I am preparing comments on the Agenda items. However, this preparation will take some time, but I shall send the comments to you as soon as possible.

With best regards,

Yours sincerely,

[Handwritten signature: Dr. A. Neaman]
Dr. A. Neaman
Managing Director

Dr. A. Neaman
Blondel

1202 VNC SO 11 8:15

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ack. Sept. 2/65

8/20

בנק לפיתוח תעשיית הנפט והכימיקלים
INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LIMITED

113, ALLENBY ROAD
TEL-AVIV
TEL. 614771-6
P.O. B. 1462
TELEX 033-646
BANK OF ISRAEL LTD. JERUSALEM

113, ALLENBY ROAD
TEL-AVIV
TEL. 614771-6
P.O. B. 1462
TELEX 033-646
CABLE ADDRESS: MOSLETA2

Reference please note:
46759
AE/EL/4

17th August, 1965.

[Handwritten signature]

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H. Street N.W.,
WASHINGTON D.C. 20433 U.S.A.

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With best regards,

Yours sincerely,
[Handwritten signature]
Dr. A. Neuman
Managing Director

8/20

1965 AUG 20 AM 8:42

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[Handwritten signature]
15/8/65

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: Aug. 17, 1965

TO: Mr. Diamond

FROM: Mr. Blanc (for Mr. Diawara)

FILED UNDER: Ivory Coast Loan 86 (IBRD Operational files)

SUMMARY:

Ack. ltr of August 4, 1965. ✓ Messrs Blanc and Diby will attend Development Banks Conference.

Log 8/20

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

WIEN I, AM HOF 4
TELEPHON 63 46 31 SERIE
CABLE: INVESTCRED
FERNSCHREIBER:
KONTROLLBANK 07-4103
PETERSEN'S CODE 3, ED.

AIR MAIL

August 17, 1965

International Finance Corporation
Attention: Mr. William Diamond, Director
International Finance Corporation
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

File

Dear Mr. Diamond,

With reference to the previous correspondence on the comments on the items in the agenda we are handing you herewith our remarks to the agenda.

We beg to apologize again the delay of our response.

You will receive within two or three days our reactions to Mr. Robert F. Scilling's letter dated August 6, 1965 to Mr. Teufenstein.

We remain,

Very sincerely yours,

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT
Amir *Teufenstein*

✓ Encl.

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REMARKS TO THE AGENDA

1. PROMOTIONAL ACTIVITY

(a) Ways in which a development finance company can appropriately and prudently assist in formulating proposals for, and promoting new enterprises

(b) Costs and risks of promotion

The promotional activity of a development finance company will - in our opinion - be dependent of the status of development in the country in which this company is acting.

In answering point 1 (a) and (b) of the agenda it should be pointed to Austria's special position. Austria's economy that had been highly industrialized before the second world war, was partly destroyed after this war. Great streams of capital had to be used to reconstruct this economy. In the immediate post-war period, financial assistance in the form of grants only could be used for the reconstruction of the country's economy. After this first period long-term funds could be directed for rapid development of Austria's industry towards pre-war standard and assimilation at the European production level. In the actual period long-term investment capital is raised rather for the modernization, specification and automatization of Austria's industry, than for its development.

The action of Österreichische Investitionskredit Aktiengesellschaft (in the following called IVK)

with Aug 17, 1965

which began in the development period, is now concentrated in assisting in the above described purposes of modernization. IVK has a very important role in the preparation of the integration of Austria's economy in a broader market. IVK's promotional activity, therefore, cannot be so important as in development countries.

IVK was also created in order to fill an institutional function in the Austrian credit organization. Before the foundation of IVK there was no specific institutional approach towards long-term industrial lending. The organizational pattern for long-term credits was mainly developed for housing and non-commercial long-term investment of communities, states and the federal government. The Austrian market for governmental and semi-governmental long-term bonds was used for special purposes, mainly in the field of hydroelectric power and road building. IVK organized within a partly re-established, industrialized economy could build up a fund of claims out of its long-term loans which should serve as a collateral for refinancing in capital markets. Thus IVK is serving as a substitute borrowing sources for an already established industry.

The problems we face in Austria are rather those of re-organization than of the establishment of new industries. The production of many commodities is becoming more and more a question of large-scale production. Large concerns, already established in neighbouring countries are producing at lower costs because their markets allow larger production and, therefore, a better distribution of fixed costs and capital amortization. Should Austria be incor-

porated in a large community it will be necessary to compete with already established larger-scale producers. The activity of IVK in this respect will be to find a new line of production, in which also small-scale enterprises could successfully operate. This could be found in fields where well trained personnel, traditional experience, and technical know-how play an important role.

2. RELATIONSHIP WITH THE MANAGEMENT OF THE ENTERPRISES PROMOTED, SPONSORED OR FINANCED,
(a) Responsibility for, or participation in, management

Under certain circumstances the lending bank should - in our opinion - take a limited influence on the management of the borrower. Special precautions of the lending bank are necessary in the case of firms held in o n e h a n d.

In the opinion of IVK's management an investment corporation operating in a higher developed economy could in some instances take a participation of the borrower and could than also participate in management. Such a corporation should certainly also advise his borrower on problems of a new other partnership.

IVK according to its statutes may finance industrial investments by taking-over participation. No case so far has been financed according to this pattern. Investments were financed exclusively by giving long-term loans.

(b) Representation on board of directors

IVK has developed a policy of non-representation in the board of directors of borrowing firms. The

reason for this policy is that such a representation both on the board of the bank and of the b o r r o w e r may cause collisions of the responsibilities. The fact that IVK has been up to now only a bank for long-term credits resulted to the policy of non-representation in the board of directors of borrowing firms. As can be taken from the policy statement according to which IVK operates also, the company will not take part in the management of a borrower. Furthermore, the company will not delegate any of its representatives to serve as a partner or a member of the board of control in an enterprise which is a borrower. IVK, however, will, if the borrower so wishes give council and services (technical assistance).

3. PROMOTING EXPANDED OWNERSHIP OF PRIVATE SECURITIES

- (a) Creating attractive types of securities
 - (b) Acting as temporary holder for shares subsequently to be more widely sold
 - (c) Underwriting
-

The promotion of expanded ownership of private securities - in our opinion - is highly desirable.

IVK envisages in the future to give its special attention to reach this aim. In order to enable IVK to start all market operations in Austria some Austrian legal provisions regarding the issue of securities and shares and some changes in the policy of taxation of corporate profits should take place.

An attractive type of a private security, are convertible bonds. Convertible bonds are especially interesting because an additional profit can be drawn by selling the option to convert if the investment financed proves profitable.

Attractive other types of securities should be issued by development finance companies in order to procure new financial means for own operations. IVK has already succeeded in placing privately, externally and domestically promissory notes and notes. The potential subscribers of such promissory notes or notes are insurance-companies, trust-funds and other financial corporations.

More potential subscribers could certainly be attracted if the notes or bonds of the corporation could be regarded as liquid assets of a credit institution. Following the Austrian provisions on the holding of liquid assets for banks and savings banks, the securities must be noted at the stock-exchange. The notation on the stock-exchange makes these bonds to negotiable instruments. Only negotiable instruments are adaptable to be presented to the Central Bank for re-financing. Securities which may be presented to the Central Bank may be regarded as liquid assets. A paper that is regarded as liquid asset can attract the prospective institutional subscriber even if bearing lower interests.

An attractive type of security for a development bank would be the mortgage bonds, which are known as bonds secured by first-class mortgages incorporated in the land-register. They generally could be more widely spread as other types of securities. They could be sold from time to time according to the requirements. They are regarded sufficiently safe for investment of trust money. The issue of mortgage-bonds, however, is up to now reserved in Austria to a small group of special mortgage institutes.

4. ASPECTS OF FINANCIAL POLICY

(a) Prudent level of debt for an investment company, in relation to equity

A prudent level of debt in relation to equities - in our opinion - is most important for the structure of any development finance company working in the long-term field of operations.

It might be debatable whether the ratio of 3.5 : 1 is the correct relationship between debt and equity. This probably also depends on the experience of the institution in question and the market conditions in which this institution operates. But one thing is certain - a larger equity or quasi-equity is necessary than customarily is held by other financial institutions which are concerned with commercial operations.

IVK operates under a contractual obligation that the debt-equity ratio of 3.5 : 1 will be maintained. The equity in this ratio, however, is not only the normal type of equity but equity in this sense means also sub-ordinated debt. Interest paid on this sub-ordinated debt is expenditure from the tax point of view and, therefore, not taxable. A large equity share or quasi-equity in form of sub-ordinated debt seems advisable.

(b) Appropriate levels of protective reserves

The operations of an investment bank carry special risks. They call for ample protection by comparatively high reserves. The creation of reserves is also advisable in view of tax privileges accorded to such reserves. This policy finds its limit by the require-

ment of offering to the shareholder an appropriate dividend. If the latter policy is too much neglected this will have an unfavorable influence on the growth of the institute.

(c) Surplus accumulation versus dividends

Whether profits are distributed or not and to what extent they should be distributed is connected with the question whether a development finance company should run on a profitability rate or not. Such company generally should not try to maximize its profits. Dividends should be distributed only to such extent as to pay a profitable rate to the shareholder who has made available the equity. Any profit which is larger than this profit rate should be used to lower the interest rate on the lending operations of the bank.

(d) Tax treatment (of both current income and capital gains) in relationship to dividend and reserves policy

It seems clear that tax treatment will have a great influence on the dividend- and reserve policy of a development finance company in any country.

IVK is subject to normal taxation. It was awarded, however, with other special privileges. Under these legal provisions IVK may maintain a reserve of 3 % of its outstanding loans. This reserve can be financed out of its income free of tax. Should, however, the level of loans outstanding be lower in one year than in the previous year the difference in reserves would constitute taxable profits in this year. From its inception until 1964, the bank was to allot to a

special reserve of 20% of the profit before taxes.

(e) Interest spreads

The spread must be large enough to cover the cost of administration, enable to pay a certain profit rate to the shareholders, and to put a reasonable amount to reserve.

As far as IVK is concerned it is the policy of the bank to try to have a spread of 2.5 % between the average interest received and the average interest paid. In the past we were able to keep this rate. Whether in future we will be able to do so will largely depend on the rate on which we will be able to procure financing for our operations. In the past the maintenance of the spread of 2.5 % as defined was only possible because the bank received over S 200 million out of counterpart from Marshall-Plan-Funds as sub-ordinated debt at a rate of 1 and 2 % p.a. only. This enabled us to arrive at the compound rate of roughly 5 % p.a. for our own borrowing. If in the future we shall not be able to receive further counterpart loans, the tendency might be that we have to depend more on other sources. We shall not be able to procure in the foreseeable future our financial means at an average rate of 5 % p.a.

5. RELATIONSHIP WITH GOVERNMENT

- (a) Relations with government to assure smooth operation within the framework of national development policy
-

It seems not possible for a development finance company to work in opposition to the national development policy of a country. Good relations with the government

seem therefore to be indispensable. Also good relations to the Central Bank are necessary.

The Austrian Central Bank in accordance with the Ministry of Finance is responsible for the monetary policy of the country. In accordance with this policy the Austrian Central Bank has in the previous years frequently prohibited the import of capital in order to fight against inflationary tendencies. This regulations were strictly observed, even in cases where foreign capital could be obtained at lower costs. The Austrian Central Bank has given a support to IVK by allowing foreign capital imports at lower costs on long and medium terms. The Austrian Central Bank gave this allowance taking into account that foreign funds extended to IVK were totally used for productive investments and partly used for imports of capital.

(b) Living side-by-side with government-owned or controlled development banks

A co-existence of a non-governmental development finance company with a government-owned or controlled development bank will - in our opinion - create always difficulties and in some instances unfavorable competition. Also a unification of long-term lending to nationalized and non-nationalized enterprises seems advisable.

(c) Appropriate and acceptable types of government assistance (share participations, loans, guarantees, tax exemptions, discount facilities, subventions, etc.) and their consequences

Acceptable types of government assistance will certainly be government guarantees for World Bank loans.

Governmental participation, governmental loans and governmental subvention in some cases could be followed by the loss of political independence.

6. EXPANDING AND IMPROVING TRAINING FACILITIES AND OBTAINING STAFF FROM ABROAD

- (a) Resources available in and from advanced countries
 - (b) Resources available in and from development finance companies
-

Some members of the staff of IVK received a special and very successful training at the appropriate offices at the World Bank. The knowledge acquired by these contacts could be successfully transferred in the contacts of the corporation with the ultimate borrower. A high spread of know-how and experience was hereby reached.

7. JOINT FINANCING OF SPECIFIC ENTERPRISES WITH THE WORLD BANK GROUP

Joint financing of specific enterprises with the World Bank Group may in many cases be advisable. In all events the selling of early maturities from loans to a development finance corporation brings great advantages to the borrower and hereby also to the ultimate borrower. In the first years after IVK was established the corporation worked in close contact with the World Bank (Bank for Reconstruction and Development). Specific operations were admitted by the staff of the World Bank on the basis of personal inspection and given informations.

conference

OUTGOING WIRE

TO: LYAZIDI
BADEMAROC
RABAT
COUNTRY: (MOROCCO)

RTT

DATE: AUGUST 17, 1965

CLASS OF LT
SERVICE:

TEXT:
Cable No.:

REF. VOTRE LETTRE 13 AOUT VOS COMMENTAIRES AGENDA
NON RECUS SVP FAITES TROISIEME ENVOI URGENCE
CORDIALEMENT

SKILLINGS

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Robert F. Skillings, Deputy
Director, Development Finance
DEPT. Companies, IFG.
SIGNATURE Robert F. Skillings
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

cc Mr. Blondel

For Use by Archives Division

[Handwritten signature]

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: _____

INTERNATIONAL ASSOCIATION
OF AIRCRAFT ENGINEERS

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INTERNATIONAL ASSOCIATION
OF AIRCRAFT ENGINEERS

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DATE AUGUST 17, 1965

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Robert F. Williams, Jr.
Director, Development Division

Robert F. Williams

ORIGINAL (The Copy)

(DISPATCHED ONE DESTROYED (Under the heading form))

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DEVELOPMENT BANK OF ETHIOPIA

ADDIS ABABA
ETHIOPIA

TEL. 13490-96
TELEGRAM: DEVBANK
P. O. BOX 1900

Ref:MAN/83/65

August 16th, 1965.

Mr. William Diamond
Director
Development Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U. S. A.

Dear Mr. Diamond,

I am in receipt of the letter from Mr. Robert F. Skillings, of August 6, 1965 concerning the conference of Development Finance Companies, content of which is noted.

Since our 1964 Annual Report is not yet out from the printing, arrangements were made for the despatch under separate cover of 30 stenciled copies which will be replaced in due course with the printed report.

Sincerely yours,

ARAYA OGBAGZY
MANAGING DIRECTOR

recd,
8/20/65
Sent to
Mr. Blondel/Shen

Log 8/20

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DEVELOPMENT BANK OF ETHIOPIA
ADDIS ABABA
ETHIOPIA

TEL 10400-00
TELEGRAMS: DEVBANK
CABLES: 1000

Ref: M/V/85/62

August 16th, 1965

Mr. William Diamond
Director
Development Finance Corporation
1618 R Street, N.W.
Washington D.C. 20032
U. S. A.

Dear Mr. Diamond,

I am in receipt of the letter from Mr. Robert F. Skillinge, of August 4, 1965 concerning the conference of Development Finance Corporation, details of which is noted. Since our 1964 Annual report is not yet out from the printing arrangements were made for the despatch under separate cover of 20 stenographed copies which will be replaced in due course with the printed report.

Sincerely yours,

C. G. G. G.
MANAGING DIRECTOR
ARAYA OGEMAY

12-16-65
12-16-65
12-16-65

1965 AUG 20 AM 8:42

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DEVELOPMENT BANK OF ETHIOPIA

ADDIS ABABA
ETHIOPIA

TEL. 13490-96
TELEGRAM: DEVBANK
P. O. BOX 1900

Ref:MAN/82/65

16th August, 1965.

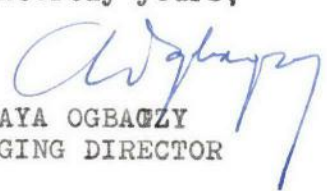
Mr. Robert F. Skillings
Deputy Director
Development Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U. S. A.

Dear Mr. Skillings,

✓ I am in receipt of your letter of August 6, 1965 and I thank you for the information concerning the Conference of Development Finance Companies.

Since our 1964 Annual Report is not yet out from the printing, arrangements were made for the despatch under separate cover of 30 stenciled copies which will be replaced in due course with the printed report.

Sincerely yours,


ARAYA OGBACZY
MANAGING DIRECTOR

DEVELOPMENT BANK OF ETHIOPIA
ADDIS ABABA
ETHIOPIA

BY TELETYPE
TO ADDIS ABABA
FROM ADDIS ABABA
1000

1000/1000

10th August, 1965

Mr. Robert F. Schilling
Deputy Director
Development Finance Corporation
1818 N Street, N.W.
Washington D.C. 20036
U.S.A.

Dear Mr. Schilling,

I am in receipt of your letter of August 4, 1965 and I thank you for the information concerning the Corporation of Development Finance Companies.

Since our 1964 annual report is not yet out from the printing arrangements were made for the Director under separate cover of 10 attached copies. All the enclosed in the course with the enclosed report.

Sincerely yours,

ARAYA GORAGAY
MANAGING DIRECTOR

1965 AUG 20 AM 8:41

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china development corporation



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August 16, 1965

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U. S. A.

Dear Bob :

Upon returning from Bangkok where I had a workshop meeting on Industrial Credit and Financing sponsored by ECAFE for ten days, I was very pleased to find your letter of August 6th. ✓

I think you have made a good decision not to mailing out the documentation prepared by the invited development banks in advance since the materials have become so bulky after compilation and would be burdensome for the participants on their trips to Washington. I will personally represent CDC at the conference sponsored by IFC.

Looking forward to the pleasure of seeing you soon and with best personal regards,

Yours sincerely,

Felix S. Y. Chang
President

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china development corporation



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August 16, 1965

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U. S. A.

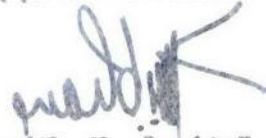
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Looking forward to the pleasure of seeing you soon and with best personal regards,

Yours sincerely,


Felix S. Y. Chang
President

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בנק לפתוח התעשיה בישראל בערבון מוגבל
INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LIMITED

113, ALLENBY ROAD
TEL - AVIV
TEL. 614771-6
P. O. B. 1462
TELEX 033-646
CABLE ADDRESS: MOSLETAAS

רחוב אלנבי 113
תל - אביב
טל. 614771-6
ת.ד. 1462
טלקס 033-646
כתובת למברקים: מוסלתאס

בתשובה נא להזכיר:
Reference please note:

AN/GE/1/ 6704

15th August, 1965.

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H. Street N.W.
WASHINGTON D.C. 20433 U.S.A.

Dear Mr. Skillings,

✓
Thank you for your letter of August 5, 1965.

As you doubtless know, Dr. Foerder has suggested that I participate in the Conference of Development Finance Companies, and I am pleased and grateful to accept your kind invitation.

The Agenda sounds most interesting and I am looking forward to the discussions. I have no additions to make to the draft memorandum. We are airmailing as requested 30 copies of our 1964 Annual Report.

With best personal regards,

Yours sincerely,

Neaman
Dr. A. Neaman.
Managing Director

1965 AUG 18 10 51 AM

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תעודת זהירות
INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LIMITED

משרד: תל אביב
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ב. מ. - ת. פ.
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CABLE ADDRESS: MOSLEYAAS
TELEX 033-646
P. O. B. 1462
TEL. 014771-6
TEL - AVIV
113, ALLEBY ROAD

AN/GI/1/ 6704
Reference please note:
: 014771-6

15th August, 1965.

WASHINGTON D.C. 20433 U.S.A.
1818 H. Street N.W.
International Finance Corporation,
Development Finance Companies,
Deputy Director,
Mr. Robert T. Skillings,

Dear Mr. Skillings,

Thank you for your letter of August 5, 1965.

I participate in the Conference of Development Finance Companies, and I am pleased and grateful to accept your kind invitation.

We are airmailing as requested 30 copies of our 1964 Annual Report. I have no additions to make to the draft memorandum. The Agenda sounds most interesting and I am looking forward to the discussions.

With best personal regards,

Yours sincerely,

Dr. A. Neuman.
Managing Director

1965 AUG 19 AM 8:34

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COMMUNICATIONS

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CORPORACION FINANCIERA NACIONAL

APARTADO AEREO 1039

CABLES: FINANCIERA

MEDELLIN-COLOMBIA

Medellín, Agosto 14 de 1965

No. P-2210

Mr. William Diamond
International Finance Corporation
1818 H Street, N.W.
Washington 25, D.C.

Mr. Blondel
Please prepare
me acknowledgment
for my signature.
WJG

Estimado Mr. Diamond:

De acuerdo con lo ofrecido a usted, tengo el gusto de acompañarle dos ejemplares, en Inglés, del memorándum que hemos elaborado aquí sobre la agenda propuesta por usted para la Conferencia de Instituciones de Fomento, que se reunirá en Washington en el mes de octubre próximo.

Por correo separado le mandaré el lunes entrante la versión en Español, por si usted quiere circular una y otra.

Hemos hecho comentarios de carácter general, sin referencia directa a las actividades de CFN, en vista de que tales actividades quedaron muy bien descritas en el resumen hecho por ustedes.

Estoy esperando con mucho interés sus primeras opiniones sobre el balance y las cifras estadísticas que tuve el gusto de enviarle con mi carta anterior.

Soy su atento amigo y servidor,

Saludos
José Gutiérrez Gómez
José Gutiérrez Gómez,
Presidente

JGG/ead.

Comments upon the Agenda proposed by the International Finance Corporation for the Conference of Development Finance Institutions, that is to be held in Washington from the 11th. through 13th. of October of the current year .

POINT A.

Promotive activities of the Development Finance Corporations

Without any doubt, the promotion of new enterprises is the most important among the functions that fall to the private Finance Corporations to fulfil and also the most arduous and the most subject to risks of various kinds. But this is the field in which they can render the greatest contribution to economic development.

The promotive function comprises various stages and it can assume distinct forms. Fundamentally it amounts to the study of the project and to the supplying or mobilization of resources for the formation of the capital . The promotion does not suppose that the idea of organizing a new company originates, necessarily, from the entity that undertakes this task. The important fact is the acceptance of an idea that should satisfy a combination of essential conditions : that the company being promoted should have priority within the plans for the development of the country; that its products should have a sufficient domestic or export market; that the supply of its raw material should come from the country or that their importation should not affect in a burdensome manner the trade balance; that it should provide employment; that it should be profitable ,

etc. The idea can be, on the other hand, transformed and adapted to the conditions available.

The promotive entity must contract or have at its service the technical personnel necessary to evaluate the project in its three most important phases : the economic, that focuses the plan from the point of view of the market; the strictly technical, that regards it in the light of the process of production, in its various stages; and the accounting, that studies it from the angle of its financial structure and its ability to produce a profit. Similarly, it must dispose, at a very high level, of people with a global vision of the problems inherent to every kind of promotion, who may analyse, coordinate and integrate the economic, technical and financial aspects of the project, and should submit them to the decisions of the Board.

Regarding the mobilization of funds to raise the capital, the Corporations can direct their effort in various manners.

1. - By means of the use of their own resources, converting themselves into an investor of the Company being promoted. This association with their capital is very important, not only because it thus contributes to the financing of the same, but because, upon assuming the risks inherent to the investment, it makes very clear their faith in the project and stimulates the participation of the others ; and

2. - By means of the attraction of resources held by others. This gesture is usually orientated, particularly, to two sectors : to the investors or

private savers, and to foreign capital. The means of doing this are various, but the most helpful are those called "underwriting agreements" and the "best effort commitments" that compromise the Corporations to place the shares in which the capital is divided, within determined periods, with the guarantee, in the first of these cases, that they will retain in their portfolio those that have not been subscribed by the investors.

The risk of the promotion, when it is accompanied by investment, is great, without doubt, and it implies, also, the immobilization of resources during more or less long periods, until the new company may be in a position to return sufficiently the investment. This risk is greater if one takes into account, ordinarily, and for reasons of policy, that the Corporations do not have control of the companies that they are promoting.

It is logical, nevertheless, that the investment will be less fortuitous and uncertain insomuch as the project is better conceived and studied, it may tend to satisfy obvious necessities of the country and may have a solid base of profit yield. This reveals the importance that the studies in their varying aspects should be objective, adjusted to reality and, therefore, trust worthy. For a better caliber of this work, that may eliminate as far as possible the risks of the investment, specialized personnel is needed, that underdeveloped countries are only just beginning to train. The collaboration of entities such as the World Bank, the International Finance Corporation and the Inter-american Development Bank in this field, both in the supplying of technical

assistance and in the training of personnel, can be and has been, from experience, highly valuable.

Another very evident risk, that shows up in costs that the Corporations themselves have to absorb, at least in part, is that, once the project has been adopted, the required financing is not completed, perhaps because it may not have been possible to raise sufficient capital - in countries where the market for this is as yet very precarious - or, perhaps, because they may not have been able to assemble the necessary credit resources and the project ought to be abandoned, after having caused heavy costs and outlays.

To prevent such cases as are being contemplated, it is also essential to count upon the determined cooperation of international organizations that, such as the International Finance Corporation, may be in a position, not only to participate in the equity of the new companies, but to provide them, throughout their lifetime, financial assistance.

It is because of this that we take the liberty of underlining the convenience of this type of collaboration on the part of the IFC.

POINT B.

Taxation

Financial Corporations in Colombia must be organized, by legal ruling, as stock companies and the tax law that governs them is, therefore, that which applies to this type of company. As a brief synthesis, they are sub-

ject to the following taxes :

- a) Income tax on net income, at a progressive rate that reaches 36%, when the cited net income exceeds Col \$ 1 million;
- b) Excess profit tax, for companies with a basic equity of more than Col \$ 100.000. It is considered that there is excess profit when the proportion between basic income and basic equity passes beyond certain limits. For example, when the latter is greater than Col \$ 200.000, there is excess of earnings whenever these exceed 12% of that sum. The rate for this case runs from 20% to 56%, depending upon the magnitude of the excess;
- c) A special housing tax, destined for the construction of houses for the workers, equivalent to 6% of the taxable net earnings greater than Col \$ 20.000, having first deducted the value of the income tax. Companies are permitted to make the payment of 66% of this tax by means of subscription to the bonds of the Banco Central Hipotecario (Central Mortgage Bank), but these cannot be sold for a period of at least 5 years;
- d) A special tax of 3% upon the net income greater than Col \$ 5.000, also with prior deduction of the income and excess profit taxes. This is destined to electrical and steel development of the country. A third part of this tax may be invested in shares of Acerías Paz del Río S.A., at their nominal value of Col \$ 10.00. The present

market value of these shares is Col \$ 2.00, approximately.

These companies are not subject, however, to the complementary equity tax, that only affects persons and unliquidated inheritances.

Stock companies have the advantage, besides, of the exemption upon the dividends received and credited to their account. The importance of this is even greater for Finance Corporations, because an appreciable part of their income is derived from the yields of the investments that they have made. Therefore, since the yields of the latter have the character of dividends, they are not taxable. Also there are two classes of reserves, that Finance Corporations can make, that are exempt :

The so-called "Bad Debts Reserve", that benefits contributors who may have a regular system of operations that produces credits in their favor, which have the right that up to 10% of the portfolio value may be deducted from their gross earnings. This Reserve is charged to the Profit and Loss Account and its formation constitutes an administrative act of the Corporation, that is customarily made without reference to the General Meeting of Shareholders. The part destined to this Reserve is free of taxes, provided that, as was said before, it does not exceed the limit of 10% of the total of the portfolio in each year.

The other, is the "Economic Development Reserve", that can reach up to 5% of the "Net Profits", or, that is of those whose distribution is submitted to the decision of the General Meeting of Shareholders.- This

exemption constitutes an incentive of the production of raw materials and of goods that replace importations and that is considered as profit exempt from taxation, provided that it is effectively appropriated, accounted and invested in enterprises whose development is beneficial in the opinion of the National Council of Economic Policy and Planning.

There is a very important aspect, for which official protection has been suggested without any success. This deals with the tax exemption for the General Guarantee Bonds issued by the Corporations, so that the interest derived from these Bonds and the Equity invested in them should not be taxable for the account of those holding them. This is what happens, for example, with the securities issued by the Banco Central Hipotecario (Central Mortgage Bank), and, in general, by the mortgage banks of Colombia, whose industrial bonds, inspired by the same philosophy as those issued by the Finance Corporations, are in a very much more advantageous situation compared with that of the latter.

The lack of this tax exemption, combined with the progressive devaluation of the weak currencies of these countries, has been responsible for the failure to use one of the most important sources of funds that development finance institutions in other countries have available to them. In fact, the rates of interest that they are in a position to pay on their bonds, cannot compete with those of other securities - also taxable - issued by commercial and industrial companies.

Under these conditions, the market for their bonds is limited to the compulsory investments that insurance and capitalization companies must make in these, by means of the use of their technical reserves, in relatively small amount.

POINT C .

Reserves Policy .

The reserves policy is tightly bound up with the distribution of dividends to the shareholders. The one is closely related to the other. That which tends to the creation of vigorous reserve funds, shall reduce, or at least will delay, the distribution to the shareholders of the earnings of the institution, but will permit its growth and strengthening. That which, on the contrary, tends towards the distribution of a higher percentage of the benefits, will limit the possibilities for rapid development of the financial entity and will deprive it of the solidity that it needs.

Having thus forward the terms of the problem, it appears to be unquestionable the desirability of adopting and conserving, at least in the first stages of the life of the Corporations, a generous reserves policy, that renders easier their development, at the expense of immediate returns to the shareholder.

In countries like Colombia, nevertheless, circumstances arise that make it advisable to moderate the rigor of this principle and to compensate it, soon after the initiation stage has been overcome, thus giving satisfaction

to the shareholder through more or less worthwhile dividends.

One of those circumstances is the limitation of financial resources, that convert equity into its most important source. The other are internal and external - Central Banks Credit, general guarantee bonds, foreign banks facilities, loan from international finance organizations - whose size ordinarily depends on the volume of the equity.

The development of our Corporations, therefore, has been tied, primordially, to successive increases of this latter, in substantial proportions. But it will not be possible to carry on calling upon them, if the investment that the shareholders have made up to the present, with a marked spirit of cooperation, does not prove lucrative. The results of the latest increases made by some Corporations can be taken as a demonstration of what we are affirming.

Naturally the surplus that results from a strong reserves policy must be reflected in the commercial value of the share, with which the owner of the same would have a compensation for the lack of dividends, or for low dividends.

Another peculiar circumstance common to limited capital markets, is the fact that, both the value of the shares, and their negotiability, follow a closer connection with their dividends than with what they represent intrinsically. The relation that is formed between the market price of the share and the dividend, tends to seek the current rate of interest.

The foregoing leads us to think that the equilibrium that it would be, theoretically, desirable to maintain between reserves and dividends, ought to be broken gently to the benefit of the latter, up to the point that could signify an incentive for reinvestment and an encouragement for new capital increases in private financial institutions. Perhaps a proportion of 40% and 60% - and even of 35% and 65% - between one and the other might prove to be the most advisable.

There are four kinds of reserves that are of most interest to Finance Corporations in their actual development stage.

1. The Legal Reserve, of compulsory allocation, whose amount must be equal annually to 10% of the distributable profits, until at least the 50% of the capital stock is completed. Its function is to protect this latter, in the case of eventual losses, which would be charged to the cited reserve and which will only affect the capital stock when the reserve has been used up.

2. Reserve for Economic Development, that can reach, year by year, up to 5% of the distributable profit, as was explained under Point B.- This has importance for the Corporations of rendering exempt from taxation a certain type of investments in which they maintain a permanente interest. Of course, this exemption only benefits them after the investment up to the equivalent of the reserve has been made.

3. Bad Debts Reserve, that has a clear sense of equity reserve and contributes, therefore, in forming the earned surplus of the Institution, since only a small part is effectively destined to protect portfolio risks, which

customarily are very safe on account of the ample guarantees that back them and of the selection to which they are submitted.

The rapid growth of this reserve in the different colombian Finance Corporations corresponds to the desire to take the greatest possible advantage of tax exemption.

4. Reserve for Protection of Investments, Which assumes great importance, if one takes note of the fact that a substantial part of the portfolio of the Corporations is represented by its participation in promoted companies of recent creation, with greater risks than those enterprises with several years of operation. It has been considered wise that the values of the reserve should reach, at least, some 15% of the investments of each Corporation, to which end, year by year the corresponding fund must be increased.

POINT D.

Opportunities of training for the "Staff" of the Development Finance Institutions

The complex functions that the Finance Corporations must fulfil, both in the credit field and in that of promotion, calls for the collaboration of a competent and experienced personnel, not only at the executive level, but also at that of the technicians -economists, analysts, accountants, engineers-. If these cannot be easily obtained in the developed countries, with a tradition in the formation and mobilization of capitals, it becomes singularly difficult in those countries which are only just in process of development, without experience in promotional institutions. What seems to be most advisable under these circumstances is the selection of a team of men of high professional standing, capable of assimilating rapidly the program of training that may be worked out for them.

The development of this program begins with the utilization of the experience accumulated by the Corporation itself, which must be set down in manuals of procedure, drawn up by the various activities.

The initial information that they supply must be complemented with a study of a literature, that is already becoming abundant, upon economic development - particularly in the manufacturing, agriculture and stock-raising, and mining sectors - upon evaluation of projects, upon financial analysis, upon the diverse aspects of industrial engineering, etc.

The knowledge thus acquired can be correlated with the reading of foreign periodical publications on the same themes, that must arrive regularly at the Finance Corporations and be circulated among their personnel.

Upon many of these aspects the Colombian Institute of Administration "Incolda" has the custom of organizing courses of lectures, to which, ordinarily, the functionaries of these entities have access.

Although, on the other hand, it is possible to contract technical commissions to finish the preparation of the personnel, its high cost renders it advisable to promote, rather, in conjunction with other institutions of the same kind and in combination with some international finance organization, the preparation of regional programs for training, that would be able to constitute a joint undertaking, between the multilateral organization and the applying national institutions. The former would bring technical assistance for the preparation and carrying out of the courses, it would supply the instruc-

tors and the experts, it would distribute text-books and, upon occasions, it would prepare manuals for specified subjects. The applicants, in their turn, would take charge of the upkeep of the course, that could last for from 3 to 4 weeks, approximately.

These regional programs would have the advantage of helping directly numerous groups of officers of the various Corporations of the country, without the necessity of journeying abroad and, frequently, without the necessity of breaking off from their customary activities.

The technical teaching programs that some international entities - the World Bank, the International Finance Corporation, the International Development Bank, the Center for Latin-American Currency Studies "CEMLA" - are accustomed to prepare periodically, are another important means of training, which it is convenient to use regularly, by sending rotatively the technical personnel.

For a better and more thorough utilization of the efforts that the development institutions make upon assuming the high cost of the attendance at these courses, it is advantageous to impose upon those who attend them in person, the obligation of rendering a detailed report, that must also circulate among the remainder of the personnel, concerning the different points of the program, and of planning some talks, in round table style, to amplify and discuss the terms of the report.

Finally, it is convenient that the group of executives should have

the opportunity to be present at the annual general meetings of the various international financial organizations. Their participation in these, through offering opinions upon some of the items of the agenda, and through contact with the representatives of other entities, as also the interchange of ideas concerning operational systems, their experiences and problems, have a special importance.

Also the themes that bring up the explanation and the conclusions from these meetings, must be a subject of subsequent discussion with the technical and administrative personnel.

From the progressive application of these means of training, will arise a team of men, more and more skilled, more efficient, better prepared to carry out the functions that challenge them, and apt for converting themselves, according to the ideal proclaimed so often by the experts in industrial relations, into the most valuable of the assets of the institution.

POINT E.

Joint Financial Operations with the IFC and with the World Bank.

The capital deficiencies of the underdeveloped countries make almost impossible the financing of highly ambitious enterprises, necessary to accelerate the process of industrialization, with resources of exclusively domestic scope. These deficiencies are usually, also, technical, because of the lack of skilled personnel to fulfil functions which require high specialization.

For this reason, it is necessary to resort to external aid, with indispensable technical assistance. Institutions such as the World Bank, the International Finance Corporation and the Interamerican Bank are the best equipped to furnish this double cooperation.

In the field of capital supply, IFC principally is able to collaborate with the Development Banks of the countries under development in three different ways :

First. - As an investor, assuming the same risk as the Finance Corporations and, in general, as the other shareholders, by means of the subscription of new shares that may increase the capital of promoted companies or of those that are trying to reorganize.

Second. - Contributing towards the amplification of the ownership of the companies, by means of "underwritings" to be subscribed , in association with the Finance Corporations, with the corresponding societies. This is a form of joint risk, that can facilitate the incorporation of national and foreign capitalists with the group of stockholders with the guarantee that the "syndicate" of stockbrokers will take up for themselves the shares that may not be subscribed within a stated period of time.

Also it can fulfil the same function when seeking sources for the financing of companies promoted by the Finance Corporations, without assuming responsibility of placement as in the case of the " underwritings ". And

Third. - Supplying credit to the same companies, that embodies

in some from the participation in the risk of the proprietors, either because convertibility clauses are included, or because they may involve contingent interests, or because they may be given the right to retain part of the company profits.

Cases such as Forjas de Colombia, a company organized to produce articles of forged steel, with whose destiny the IFC has been bound, illustrate the class of collaboration that this entity can offer in combination with the domestic Finance Corporations.

For each of the three forms of cooperation that have been described, the IFC requires complete studies and well-drawn-up plans. It would be advisable, therefore, that, once their financial participation has been defined, the function of their experts should be extended, not only to the revision and evaluation of the project, but also to its planning, preparation and presentation, in collaboration with the technicians of the Corporations.

The action of the World Bank has been directed, primordially to the financing of the so-called infrastructure projects - railways, highways, hydroelectric plants -, towards which private investment rarely contributes, but which constitutes, nevertheless, the axis upon which the economy of the countries revolves.

Also it has participated in the financing of industrial, farming, and mining projects of great breadth and of slow productivity, in which strong capital investment is necessary, that are not seeking an immediate financial

reward, and the provision of long-term credit. Iron mining, and its industrial beneficiation, just as irrigation or periodical flood-control works, with the object of rehabilitating extensive zones for agriculture, are examples of this type of activity in which the Finance Corporations would be able to undertake risks jointly with the World Bank.

There exists a third type of participation, that appears to be the ideal form of collaboration between the Bank and the Corporations, and it is that of long-term credit in favor of the latter, under the condition of reinvesting it in accordance with a carefully designed plan in the "loan agreement" and of subjecting it to their supervision throughout the duration of the loan. This class of operation permits the resources of the World Bank to be made available to private companies, linked to industrial, farming and mining development of the countries, but whose projects are considered too small when compared with the size of the ordinary operations of the Bank and it is, therefore, impossible to assist and control them from Washington. The Corporations are the most indicated intermediaries in these cases, and, fortunately, this has been duly realized, because the number is at present very considerable of internal development finance societies that in diverse countries have received the help of that entity, in the manner described.

It is not superfluous to emphasize why the Corporations are the most competent means for serving as communicating vehicles between the World Bank and private enterprise, especially the medium and small, that

would never have access in any other way to the funds provided by the former.

In the first place, because they are specialized institutions, with adequate instruments for judging individual projects to which the resources forthcoming from the Bank should be made available.

In the second place, because the direct ties of the Corporations with the companies financed permit them to assure the return of the loan, without risk for the loaning entity.

And in the third place, because its knowledge of the environment in which they are working, facilitates a wide dispersion of the Bank funds and an extensive irrigation of the distinct sectors of private enterprise.

To conclude, it is interesting to single out that the collaboration of the World Bank and of the IFC with the Finance Corporations ought not to be limited to the provision of resources of capital and credit, but ought to be extended, also, to the field of technical assistance. The more difficult and ambitious the projects that are undertaken jointly, the more necessary will be this kind of collaboration. Both entities count upon trained personnel and have at their disposal connections in all the advanced countries, besides prestige and influence that opens the access for them to the most important organizations of the World - both public and private - . Their counsel, therefore, can reach an inestimable value in many fields.

It would be interesting, in consequence, that in every joint financing with the Bank or with the IFC, the Corporations would ask, besides

the economic and financial cooperation of the former, for their technical counsel also.

POINT F.

Participation in the administration of firms promoted and
firms financed

It is not convenient that Finance Corporations should take control of the firms that they promote. In accordance with this principle, they must abstain from subscribing a capital quota that exceeds 50% of the same, on the one hand, and of assuming, upon the other, their direction or their administration.

The foregoing does not imply, nevertheless, that they should not be permitted to participate in their administration. On the contrary, it is advisable that they should do this.

The promotional function of the Corporations does not end with the creation of the new company. There concludes, in reality, one stage, perhaps not the most important one, of the promotion. A period then follows of initiation or of installation, an especially delicate one, in which both technical and financial help of the Corporation are just as indispensable as in the prospect and foundation period. This is the moment in which the necessity arises for financing the project with resources different from those which stem from the capital stock, and the capacity that these entities maintain to furnish and

seek in other sources the medium and long-term credit that is required to complete the acquisition of the fixed assets and to attend to the preoperational outlays that are customarily large, can be very valuable.

Similarly, the help that they can give is of great significance during this stage, drawing upon their experience in dealing with official and foreign organizations to expedite the process of importation of equipment, in its multiple and complex aspects; for the contracting of foreign technical aid; for the establishment of connections destined to the provision of raw materials in the future, etc.

Equally, during the operational period, their knowledge of the markets, their financial capacity for furnishing working capital and their connections with other sectors of production, are of inestimable value for new companies.

The fact is that the promotion of companies with varied objectives and with differing characteristics, gradually accumulates in the Corporations a volume of knowledge, of ties and of influences that become a kind of "know-how" of extraordinary effectiveness, whose utilization is always of advantage to newly-created organizations.

This administrative collaboration, that often is carried out with the presence of representatives of the Corporation on the Board of Directors, but that frequently takes the form of specific services rendered by its specialized personnel for the benefit of the Company, must be maintained while

the promoting entity conserves an interest in the capital of the firm and only up to that moment.

This statement is based upon the criterion that the right to participate in the administration is a consequence of ownership right. When this is suppressed, then the former should therefore cease.

This point of view brings us to consider the inadvisability that the Corporations should form part of the administration of firms in which they have not taken a share of the risk and in those in which no tie exists other than the financial help that they may have rendered to them. There would exist the danger, in these cases, of creating irritating distinctions among the users of their credit facilities and of originating erroneous interpretations regarding the scope of administrative collaboration.

Only in the event that the Corporation should endeavor to prevent portfolio losses, does this type of cooperation with customers whose conditions may run into difficulties up to such a point as to make doubtful the effectiveness of their obligations, appear to be justifiable.

POINT G.

Spreading of the Ownership of Industrial Securities

Perhaps equal in importance to the credit and the promotional functions in new companies that are ordinarily carried out by the Finance

Corporations, is the one they fulfil as intermediaries between savings and investment, because a rational distribution tends to be made with an ample foresight of the requirements of economic development - of the capital resources that the former supply- . From the efficiency with which they fulfil this task of discovering and obtaining savings and of transferring them to the various sectors of production, will result a more or less active capital market which, in its turn, should give more or less fluidity to the financial mechanism.

The absorption of the dispersed savings and their application to programs of industrial, farming or other types of development, comes up against, in countries like Colombia, great difficulties, caused by the tendency of the savers to prefer a high liquidity and a return in accord with the highest rates of interest. To reconcile these objectives with the needs of a long-term financing deal, is a complex task and perhaps in this resides one of the reasons for the slow growth of the capital market in the young nations.

How can the Finance Corporations, within such a frame stimulate this market, for the purpose of spreading the ownership of the companies and attracting an increasing number of savers, especially the medium and small ones ?

The devices with which they have been working to satisfy this end are limited. They amount to the placing of their own shares and obligations; to the sale of securities - bonds and shares - of other companies, making

simply the effort of placement or, even giving a guarantee for the same, that is to say, acting as "underwriters"; and to the alienation of a part of the securities included in their portfolios when they correspond to firms with attractive yields and profits.

Some of these means have not been able to reach in Colombia the transcendancy that they ought to have. It is thus of the general guarantee bonds of the Corporations, that count upon a very reduced market - insurance and capitalization companies - with taking up that is imposed upon them by the law. The reason for these limitations resides in the low interest paid by the bonds and in the impossibility of increasing it.

The good result of the placing of bonds of industrial companies entrusted to the Corporations, depends upon the characteristics that the said bonds show. The terms and interest, the guarantees, the standing of the company and, above all, its liquidity, which is subject, in great measure, to the existence of sufficient and operating supporting funds, are factors that influence the acceptance that the investors accord them.

The participation of the Corporations in the placing of these securities usually is a factor of confidence, capable of overcoming the indecision of the reluctance to invest in them, on the part of the eventual subscribers.

The placement of shares depends upon the prospects of their present and future yield and upon the faith that the persons entrusted with the

direction and administration of the company awaken. But, as in the case of the bonds, the work of the Corporations is very useful in sponsoring an issue of securities of this type, particularly if it pledges the taking up of the unsubscribed ones that remain, which reveals compenetration with the projects and confidence in them.

Nevertheless, it is by means of the gradual renewal of its own portfolio that the Corporations can achieve a greater impact upon the capital market. This means, actually, that their investments are disposed of just as soon as they are able to do this advantageously, taking care, when taking this decision, not only to obtain a profit, but also the spreading of the securities sold.

This alienation is destined to give rotation to the funds of the entity and to provide it with the resources necessary for new investments that, in their turn, should be ceded also.

The spreading of the securities among a greater number of investors seeks various objectives, but the principal one is to extend the base of ownership of the companies, to interest a greater number of people in its fate, to reach a better understanding of the role that they play in the economy and to obtain, therefore, a favorable disposition towards them. Thus the des-concentration of ownership in the companies will be achieved, and the closed groups that frequently finish up by slowing down the initial impetus of companies and by retarding their evolution, will be eliminated.

In order to obtain a wider diffusion of industrial securities ,

- shares and bonds -, besides the methods indicated, it would seem to be advisable to adopt some measures of a legal nature and of an economic policy, that have a tributary character and consist in the acknowledgement of some kind of immunities for investors in shares and bonds. Of the aptness of this method there are good recent examples. The first is that of the Economic Development Bonds, issued for a value of Col \$ 330 million by the Colombian Government during the years 1961/1963. These bonds, that are exempt from every kind of taxes, were taken up rapidly by the investors. Their placement was carried out under the auspices of the National and Colombian Finance Corporations.

The other experience corresponds to the Economic Development Reserve, of which mention was made in Point B. The tax exemption for investments made with the product of this reserve has permitted the formation and financing of companies of extraordinary importance for the country, to which have been tied, right from their initiation, a considerable number of shareholders that, under other conditions, probably would never have felt attracted to put their capital into these companies.

Another factor that would serve to popularize the investment in securities would be the reduction of interest rates. The high cost that money has today in Colombia and in the majority of the countries of Latin America, constitutes an evident brake upon capitalization. Therefore, every effort that may be made on the part of those that have under their charge the direction

and management of money, to reduce the incentives for loaning activity at high rates of interest, will have a favorable reaction on the capital market and will signify a notable contribution to the growth and the spreading out of securities.

12.03 - Meet. ifc
Mr. Blondel

Room 952

C. A. VENEZOLANA DE DESARROLLO
(SOCIEDAD FINANCIERA)

13th August 1965

Mr. Robert F. Skillings,
Deputy Director
Development Finance Companies,
International Finance Corporation,
Washington D.C.

Dear Mr. Skillings,

As instructed by Dr. Vallenilla, I am sending you attached some comments on the points of the Agenda to be discussed at the Meeting of Development Banks that your institution proposes to hold next October.

Very truly yours,

(signed)

Manuel Delgado Rovati
General Manager

Enclosure: As mentioned

TRANSLATION SECTION

1219/65

Translated From: Spanish: 8/19/65 By: GHS/GAG:jn

COMMENTS ON THE POINTS OF THE AGENDA TO
BE DISCUSSED AT THE MEETING OF
DEVELOPMENT BANKS TO BE HELD NEXT OCTOBER

1 - Promotion Work

- (a) Ways in which a development-finance company can contribute to the promotion and development of new concerns:

Our experience has shown that the most rapid means of providing help in the selection of new projects is a study of the list of products imported.

Import substitution offers a wide range of possibilities for the setting up of new enterprises which not only use domestic raw materials and create new job opportunities but also represent a saving of foreign exchange, with the resultant strengthening of the country's balance of payments.

Through its technical department, the development enterprise is able to choose those areas of activity that offer the greatest advantages and in which both at the same time, projects can most easily be carried out, by reason both of the financial resources required and of the availability of raw materials, labour, "know-how", transport facilities, etc..

Once the field has been chosen, the development enterprise will try to interest in the project the present importers belonging to the branch of business in which it is proposed to promote the enterprise, the main consumers or distributors of the product in question and, in general, investors with industrial experience, and will offer them its technical and financial assistance.

To give a start to the project, an attempt will be made to form, together with the parties interested in the scheme, a "studies company" which will undertake the task of carrying out the feasibility study and of planning the basis on which the new undertaking will be set up if that study leads to favourable conclusions. Using this formula, C.A. Venezolana de Desarrollo has undertaken the promotion of several concerns in the fields of forging and casting, furfuraldehyde manufacture, components for the petroleum industry and sheet-metal work.

- (b) Promotional costs and risks:

The development financing company should be prepared to run certain risks and to incur certain initial promotion expenses, such as the cost of the preliminary studies, which expenses it would bear in their entirety should the proposal not be carried out.

If the plan is put into effect, these initial expenses will be

borne by the new company as organization expenses.

2 - Relationship with the directors of the enterprise promoted or financed:

(a) Participation in the direct administration of the business:

The finance company should refrain from taking an active part in the direct conduct of the business, except in cases where this is considered essential.

(b) Representation on the Board of Directors:

In this connection a distinction should be drawn between concern where there is actual participation in the capital and firms that have only been given financial assistance.

In the case of the first-named group of companies, the development financing company should be represented on the Board of Directors, with the object of guiding the firm's activities towards the achievement of its objects, but without seeking to secure absolute control, since the finance company ought not to assume the role of an administrator of companies.

As regards the second group of concerns, the finance company should restrict its function to keeping itself sufficiently informed concerning the firm's activities and the results of its operations, maintaining strict supervision over faithful compliance with the terms of the loan agreement, and providing guidance and advice when circumstances so demand.

3 - Development of the market for the securities of private companies

(a) Creating attractive securities:

There is a close line between the creating of securities attractive to investors and the great task of building up a capital market. This task, again closely connected with the institutional development of each country, should constitute one of the most important aims of the finance companies, and CAVENDES has initiated an experiment in this direction. One of the basic factors involved in making securities attractive is that of their "liquidity", within the limits of a reasonable degree of stability in their market quotations. In the case of countries where the capital market is in the embryonic stage, this function can only be performed fully and on any considerable scale by institutions that have specialized in the stabilization of securities.

(b) Temporary purchase of shares that will later be offered to the public:

By purchasing the shares of industrial companies, the finance company can make an effective contribution to the expansion of the securities market. It should only acquire the shares of companies offering good prospects.

The finance company can acquire the shares in two ways:

- (1) by means of convertible loans; and
- (2) by direct purchase of the shares.

When the companies have reached the stage of full development, so that their shares represent an attractive investment, the finance company should try to offer them for sale to the public, in such a way as to secure their distribution among the greatest possible number of small investors.

(c) Underwriting:

The underwriting of shares and bonds, and of shares and bonds combined, is an effective means of expanding the securities market. The finance company will seek to invite the participation of other financial institutions as "co-underwriters".

The success of the underwriting will depend upon the reputation of the group of underwriters guaranteeing the issue, the price at which the securities are offered for sale, which will have to be fixed in accordance with the conditions and requirements of the market, and also upon the record and prospects of the issuing concern, the lay-out of the prospectus giving the potential investor information concerning the issue, and the market conditions.

C.A. Venezolana de Desarrollo is carrying out a programme of underwriting the securities issued by firms engaged in industrial manufacture. It has successfully underwritten an issue of industrial mortgage bonds, ~~has~~ participated in three as a "co-underwriter", and at present has under study operations to the value of about Bs 40 million, which it plans to carry out in the near future.

4 - Financial policy

(a) Ratio between liabilities and assets:

In Venezuela, under the General Law relating to Banks and Other Credit Institutions, the direct liabilities of finance companies may not exceed six times their paid-up capital and reserves. In view, however, of the risks inherent in long-term industrial financing, the Declaration of Policy of C.A. Venezolana de Desarrollo limits its liabilities to a maximum of three times its net assets.

(b) Level of reserves

The finance company should try to build up the reserves needed to cover specific risks, plus supplementary reserves to reinforce its capital.

(c) Accumulation of ~~surplus~~ surplus and dividends

The "Declaration of Policy" of C.A. Venezolana de Desarrollo provides that it may not distribute cash dividends to a value greater

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than 50% of its net profits until it has built up its reserves for investment purposes to a level of at least 15% of the book value of its investments.

(d) Taxes and their connection with dividend and reserve policy:

In Venezuela the payment of tax is not connected to any important degree with the formation of reserves or the payment of dividends.

(e) Level of interest:

As a development institution, the finance company should maintain its interest rate at the level prevailing on the market. Moreover, the difference between the interest paid on loans received and that charged for loans made should be sufficient to enable operating costs to be covered, the necessary reserves to be set aside and a reasonable dividend to be paid to shareholders.

5 - The finance company's relations with the Government

(a) For the purpose of ensuring that its operations are carried out within the framework of the national policy:

C.A. Venezolana de Desarrollo maintains amicable relations with the various official bodies that are directly engaged in the various programmes of industrial development, and tries to complement the activities of those bodies, without competing with them. The Company's policy is directed towards attainment of the goals set in the National Development Programmes ("National Plan").

(b) Relations with Venezuelan development banks:

The Corporación Venezolana de Fomento is among the shareholders of C.A. Venezolana de Desarrollo, and the two concerns co-operate fully and effectively.

(c) Appropriate and acceptable forms of assistance from the Government:

Any assistance that the Government can render to the finance company, whether in the form of a capital participation, direct loans exemption from taxes, etc., should be welcomed, provided that such aid does not involve commitments or political implications that restrict the company's freedom of action in carrying out its operations.

Up to the present time, C.A. Venezolana de Desarrollo has obtained financial assistance from the Government, by means of fixed-term deposits (C.V.F.) and through the Fund for the financing of medium-sized industry of the Ministry of Development, which supplies funds at interest of 3% per annum. The question of the possibility of securing the co-operation of the Government in the form of

exemption from income tax of any bonds issued by C.A. Venezolana de Desarrollo, is under study, as is also that of obtaining a line of credit for the purpose of stabilizing industrial mortgage bonds, with a view to reinforcement of the capital market.

6 - Availability of Technical Staff

(a) Experts available in the country and abroad:

C.A. Venezolana de Desarrollo has at its disposal the advisory services of qualified professional staff of both Venezuelan and foreign nationality. In addition, its shareholders include several institutions that provide full co-operation in reinforcing the technical assistance resources required. The services of two financial experts of great experience and international repute have been enlisted for the carrying out of a study of the problems connected with the development of the capital market.

Special stress has been laid on the training of Venezuelan staff to meet the needs of the organization.

(b) Assistance from finance companies in Venezuela and abroad:

Within the country, C.A. Venezolana de Desarrollo is able at any time to call on the banks and other financial institutions for assistance, while abroad it has at its disposal the assistance offered by, among other institutions, I.F.C., I.D.B., and A.D.E.L.A., and also by a considerable number of private companies.

7 - Financing in conjunction with the World Bank Group

We have no experience of this.

BANCO DEL DESARROLLO ECONÓMICO ESPAÑOLSOME ASPECTS OF FINANCIAL POLICY

- (a) If, in the case of a private development bank, we fix the rate of the return that the shareholders expect to obtain on the capital they have invested, and define the margin between the rates of interest payable and receivable, the ratio between the bank's own capital and outside capital is, in theory, fixed automatically.

If, on the other hand, we establish a ratio between the bank's own capital and outside capital, and define the margin between the rates of interest payable and receivable, the rate of return on the bank's own capital will, in theory, have been fixed.

Providing maximum security for the outside capital presupposes a minimum level of return on the bank's own capital, and vice-versa, assuming that the margin between interest payable and interest receivable is fixed.

Opposing interests, are thus at work in a bank; on the one hand, the desire to secure a satisfactory return on its own capital and, on the other, the need to provide adequate security for the outside funds entrusted to it.

The ideal method of resolving this conflict of interests and securing a maximum rate of return on the bank's own capital, thus providing an indirect guarantee in respect of the repayment of the outside funds received, is, in theory, to make loans involving no risk at all. It may well be asked, however, whether a development bank that followed such a policy exclusively would in fact be making an effective contribution to a country's development, even assuming that a sufficient number of projects could be found in that particular country for investment of the funds in schemes involving, in theory, no risk.

We believe that it is impossible to lay down an ideal ratio between an institution's own capital and outside capital that would be applicable to all development banks throughout the world. The ideal ratio will be different for each country and, within each country, for each bank; were this not so, it would be tantamount to assuming that the economic conditions of all countries are identical, that all banks follow the same policy and that similar standards are applied in appraising projects.

Nowadays, the practice of laying down various ratios to which the banks must conform has become general among the monetary authorities of the world; these ratios are made to vary according to circumstances, but more for reasons of monetary policy than for reasons of safety. The safety factor is provided by the control that the Central Bank of each country exercises over all the banks in that country.

The monetary authorities cannot, however, impose a basic ratio that is absurd, but have to take into account the general opinion prevailing in financial circles. The ratio laid down will therefore possibly not be the average ratio that is the ideal one for application to all banks, and certainly not to one bank in particular, but at least it will be reasonable. In Spain, outside funds may not exceed 6.6 times an institution's own funds. Whether adequate or not, this figure of 6.6 is of course more sensible than a ratio of 1 or 15 would have been, and approximates to what would in my opinion be the prudent figure for Spain, with its special monetary problems, so far as the majority of banks are concerned.

- (b) In my opinion it is a wise policy to place each year in the contingency or special reserve fund amounts equal to the total of all the loans that have run into difficulties or investments that have proved unsatisfactory. There will be time later to transfer from this special reserve fund to the general reserve fund any sums that are recovered. If this is not done a false impression may be created of the actual return obtained, and there may be a tendency to decapitalize the bank through the distribution of dividends that are out of line with the true profit obtained.
- (c) How the choice between the alternatives of true reserves and dividends is made will largely depend on the composition of the Bank's list of stockholders. The bank itself is not, basically speaking, affected by it since, a ratio between its own capital and outside capital having been laid down, the bank's capital will have to be increased by a specific proportion as the institution develops. If reserves have been built up it will not be necessary to demand of the shareholders so great an effort in the form of fresh contributions of capital. Of course, if the bank's own funds are already, and are expected for some time to remain, unduly in excess of its outside funds, it will appear advisable to distribute a dividend.

If the bank's shareholders are financial institutions they will, at least during the initial period of its operations, incline to a policy of placing all the profits to reserve. This is a more conservative course of action and the result is the same (total dividends = capital increments), but affords an advantage in favour of the development bank. This latter will improve its image if it can show sizable reserves in its balance sheet and, when the financial institutions sell all or part of their shares on the stock exchange, they may well do so at a price considerably above par.

This policy is more difficult to follow if a major part of the shares is held by a large number of individual shareholders, and there is not a fluid market for these shares.

- (d) The tax system may also affect the problem dealt with in the foregoing paragraph. In some countries capital appreciations are not taxable as income and, of course, this method encourages companies to create reserves. I believe that this fiscal policy is a sound one in developed countries with a similarly developed capital market. In places where the capital market is very weak, the small shareholder may find himself compelled to sell his securities at a price below that appropriate to the true value of the company.

Although it does not come within the scope of this paragraph, I wish to point out an interesting aspect of the Spanish system of taxation. Capital appreciations obtained when the investments of development banks are sold on the market are not subject to the general tax on the profits earned by the enterprise, provided that those appreciations are realized before the end of four years following the date of the investment. For appreciations realized at the end of five years, 25% of the tax is paid, after six years 50%, and after seven years 75%; thereafter, the capital appreciations are treated in the same way as profits obtained from other sources. Thus the development banks are given an incentive to sell their investments as soon as possible, and not to immobilize them and convert them into holdings.

- (e) The margin between interest payable and interest receivable should be determined freely by the market. However, in assigning a social role to the development banks, the Governments will have a tendency to bring into being a "political price". In Spain the margin fixed by the Government between the interest receivable and interest payable is 2-1/2%.

Madrid, 13th August 1965.

Dev. B. - Conf.
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NIGERIAN INDUSTRIAL DEVELOPMENT BANK LIMITED

DIRECTORS:

CHIEF MATHIAS NWAFOR UGOCHUKWU (CHAIRMAN)
MATTHEW AJAYI ADEJORO
JOHN GROSVENOR BEEVOR
ALHAJI AMINU DANTATA
DANIEL GILLET
DR. WOLFGANG JAHN
DONALD ALEXANDER MACLEOD
EDWARD CONOR MCNESTRY
PETER MEINERTZHAGEN
PRINCE MICHAEL ADEDIPO OGUN
CHIEF GEORGE BRASS OMETAN
VICTOR ERSKINE ROCKHILL



M. & K. HOUSE,
96/102 BROAD STREET,
LAGOS.
P. O. Box 2357.

TELEPHONE: 27181-27186 (6 LINES)
TELEGRAMS: NIDBANK. LAGOS.

Our Ref: 100/047

13th August, 1965.

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.,
Washington D.C. 20433,
U. S. A.

Dear Bob,

✓
Thank you very much for your letter of August 6 about the conference of development finance companies in October. The procedure which you now propose to follow for supplying all participants ~~for~~ in the conference with material relating to development finance companies is quite all right. I look forward to receiving the documents when I arrive in Washington.

I confirm that Mr. Daniyan and myself will both represent NIDB at the conference.

I have noted Mr. Rosen's intention to give a dinner on October 12 and will keep that date free. Since Mr. Daniyan should already be in Washington with IFC by now, you may wish to alert him also.

With kind regards,

Yours sincerely,

James

JSR/IO

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James S. Raj
General Manager.

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*Sen. Morris Osunmilola
Blondel*

NIGERIAN INDUSTRIAL DEVELOPMENT BANK LIMITED

M. & K. HOUSE,
96/102 BROAD STREET,
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DIRECTORS:
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MATTHEW ALAYI ADELOJO
JOHN GROSVENOR BEVOR
ALHAJI AMINU DANTATA
DANIEL GILLET
DR. WOLFGANG JAHN
DONALD ALEXANDER MACLEOD
EDWARD CONOR MCNEERY
PETER MEINERTZHAGEN
PRINCE MICHAEL ADEGBOYEGA
CHIEF GEORGE BRASS OMETAN
VICTOR ERSKINE ROCKHILL

17th August, 1965.

Our Ref: 100/047

Mr. Robert F. Skillings,
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Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.,
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Yours sincerely,

James

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General Manager.

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RABAT, LE 13 Août 1965

البنك الوطني للائتمان الاقتصادي
BANQUE NATIONALE POUR LE DEVELOPPEMENT ECONOMIQUE

CAPITAL 30 MILLIONS DE DIRHAMS
BOITE POSTALE 407 - RABAT - TEL. 264.41.42
& 43 ADRESSE TELEGRAPHIQUE BADEMAROC

Monsieur Robert F. SKLLINGS
Deputy Director
Development Finance Corporation
1818 H. Street N.W.
WASHINGTON 25 D.C.

P/RT. n° 103

LE PRÉSIDENT

Cher Monsieur SKILLINGS,

J'ai bien reçu votre lettre du 6 août relative à la préparation de la Conférence des banques de développement en octobre.

En ce qui concerne l'envoi des documents pour lequel un délai de grâce nous avait été accordé par Monsieur Diamond, je vous confirme qu'une première expédition en a été faite le 28 juillet 1965 suivie d'une autre, à titre de précaution, le 3 août.

J'espère qu'entre-temps ces documents sont bien arrivés à Washington.

Quant à la documentation que vous vous proposez de nous remettre sur place, étant donné son poids, je crains que nous ne soyons pris de court pour pouvoir en faire une étude sérieuse; surtout que ces documents seront, je pense, rédigés en anglais et qu'une traduction préalable en français serait nécessaire.

Aussi nous vous demandons de nous les faire expédier, malgré leur poids impressionnant.

Vous me demandez si personnellement je compte assister à la Conférence. Je ne peux, pour le moment, vous le confirmer.

*Mr. Diamond
track
down*

ack. Sept. 17/65

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En tout état de cause je vous informe que c'est Monsieur Mohamed Benkirane, qui a pris la succession de Monsieur Amine Bengeloun à la direction générale de la B.N.D.E., qui assistera à cette Conférence et qui se propose, par ailleurs, d'exposer plus particulièrement le point 4. de notre document "Aspects de la politique financière".

J'espère pouvoir me rendre libre pour prendre part à la Conférence et aussi avoir le plaisir de vous revoir et de revoir mes nombreux amis de Washington.

Croyez, cher Monsieur Skillings, à l'expression de mes sentiments les meilleurs. /

Le Président



A. LYAZIDI.

BANDESCO

BANCO DEL DESARROLLO ECONOMICO ESPAÑOL

EL DIRECTOR GENERAL

JOSE MARIA MARZO CHURRUGA

Madrid, 13th August 1.965

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1.818 H. Street, N.W.
WASHINGTON D.C. 20.433

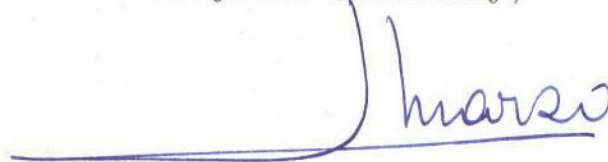
Dear Mr. Skillings,

Herewith I enclose further comments about
the Agenda.

Though it is my intention to provide you
with all the information you ask for, however, under
present circumstances that is all that I can do
squeezing my time the most.

With best regards,

I am yours sincerely,



Recd. Mr. Bland
the 18th Aug 5:13
COMMERCIAL LIFE
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BANDESCO

BANCO DEL DESARROLLO ECONOMICO ESPAÑOL

EL DIRECTOR GENERAL

JOSE MARIA MARZO CHURRUGA

Madrid, 13th August 1965

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H. Street, N.W.
WASHINGTON D.C. 20433

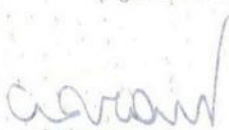
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1965 AUG 16 PM 2:15

ASPECTOS DE POLITICA FINANCIERA

- a) Si fijamos en un Banco de Desarrollo privado, la rentabilidad que los accionistas esperan obtener a su capital invertido y establecemos el margen entre los intereses acreedores y deudores, la relación entre capital propio y ajeno queda en teoría fijada automáticamente.

Si por el contrario establecemos una relación entre capital propio y ajeno y fijamos el margen entre intereses acreedores y deudores, queda fijada en teoría la rentabilidad del capital propio.

Maximizar la seguridad al capital ajeno supone minimizar la rentabilidad del capital propio y viceversa, suponiendo fijo el margen entre intereses acreedores y deudores.

Existen por tanto en un Banco intereses contradictorios, buscar una rentabilidad satisfactoria al capital propio y establecer una garantía adecuada para los fondos ajenos confiados.

Para salvar este conflicto de intereses y maximizar la rentabilidad del capital propio, garantizando indirectamente la devolución de los fondos ajenos, el ideal es conceder créditos con riesgo teóricamente nulo. Sin embargo cabe preguntarse si en un Banco de Desarrollo utilizando exclusivamente esta política, está realmente contribuyendo efectivamente al desarrollo del país. Esto en el caso de que en ese determinado país encontremos suficientes proyectos para colocar los fondos en proyectos de riesgo teóricamente nulo.

Creemos imposible establecer una relación ideal entre capital propio y ajeno que se pueda aplicar a todos los Bancos de Desarrollo en el mundo. Para cada país y dentro de él para cada banco la relación ideal será diferente, pues lo contrario equivaldría suponer que las condiciones económicas de todos los países son equivalentes, que la política de todos los bancos es la misma y que el criterio al examinar los proyectos es similar.

Hoy día se ha generalizado entre las autoridades -

.../...

united letter Aug. 13, 1965

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monetarias del mundo, el establecimiento de diferentes - coeficientes a la banca que hacen variar según las circuns tancias, pero más por razones de política monetaria que por seguridad. Para seguridad existe el control que el - Banco Central de cada país ejerce sobre todos los bancos del mismo.

Sin embargo, las autoridades monetarias no pue den imponer un coeficiente base absurdo, sino que tiene que responder a una opinión generalizada entre los medios financieros. Por tanto no será quizás el coeficiente me dio ideal para aplicar a todos los bancos y seguro que - no para un banco en particular, pero al menos, será razo nable. En España los recursos ajenos no pueden exceder - de 6,6 los propios. Adecuado o no, este 6,6 es desde lue go más lógico que si se hubiera establecido 1 ó 15, y se acerca en mi opinión a lo que sería prudente en España, con sus problemas monetarios específicos, para la genera lidad de los bancos.

b) Soy de la opinión de que es política prudente dotar anualmente el fondo de previsión o de reserva especial con cantidades equivalentes a la suma de todos los crédi tos dificultados o inversiones poco satisfactorias. Tiem po habrá de pasar de este fondo de reserva especial al - de reservas generales las sumas recuperadas. De no hacerlo así puede crearse una falsa imagen de la rentabilidad real obtenida y una propensión a la descapitalización del Ban co a través del reparto de unos dividendos que no corres ponderían al beneficio real obtenido.

c) La resolución de la disyuntiva entre reservas rea les o dividendos, depende en gran parte de la composición del accionariado del Banco. Al Banco en sí no le afecta esencialmente, ya que habiéndose establecido un nivel en tre el capital propio y ajeno, a medida que el Banco se desarrolle tendrá que aumentar su capital en una determi nada proporción. Si se han acumulado reservas se precisa rá exigir menos esfuerzo a los accionistas en forma de - nuevos desembolsos de capital. Naturalmente, si existiera y se previera que durante un cierto tiempo de relativa - consideración, que el margen de capital propio sobre los

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recursos ajenos sea excesivo, parece aconsejable repartir dividendo.

Si los accionistas del Banco son Instituciones financieras, al menos, en el periodo de lanzamiento del Banco, tenderán a una política de aplicación total de beneficios a reservas. Es más conservador y el resultado el mismo (suma de dividendos = incremento de capital) pero con una ventaja en favor del Banco de Desarrollo. La imagen de este último mejorará si puede lucir en balance unas reservas considerables, y que al colocar las Instituciones financieras todas o parte de sus acciones en Bolsa, puedan hacerlo a un tipo bastante más elevado que al de la par.

Esta política es más difícil de seguir si gran parte de las acciones están en poder de un gran número de accionistas individuales y no hay un mercado fluido para estas acciones.

- d) El sistema impositivo puede igualmente tener repercusión en el problema considerado en el párrafo anterior. En algunos países los incrementos de capital no están sujetos a gravamen por renta, y claro, este sistema fomenta la creación de reservas por las Sociedades. Creo que esta política fiscal es sana en los países desarrollados y que tienen un mercado de capitales también desarrollado. Allí donde exista un mercado de capitales muy débil puede forzarse a que el accionista modesto se vea obligado a realizar sus valores a un tipo de cambio inferior al equivalente al valor real de la Sociedad.

Aunque no encaja exactamente en este apartado, deseo señalar un aspecto interesante del sistema fiscal español. Los incrementos de capital producidos al realizar en el mercado las inversiones de los Bancos de Desarrollo no están sometidos al impuesto general sobre los beneficios obtenidos por la empresa, siempre y cuando se realicen antes de los cuatro años a contar desde la fecha de la inversión. A los cinco años solamente se tributa un 25%, a los seis un 50%, a los siete un 75% y a partir de dicho año los incrementos de capital tienen la misma consideración que los beneficios obtenidos de otro origen.

.../...

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De este modo se crea un incentivo para que los Bancos de Desarrollo vendan sus inversiones lo antes posible y no se inmovilicen y conviertan en holdings.

- e) El margen entre los intereses acreedores y deudores debería estar fijado libremente por el mercado. Sin embargo al señalar a los Bancos de Desarrollo una función social, existirá por parte de los gobiernos una tendencia a crear un "precio político". En España el margen establecido por el Gobierno es el 2,5% para los intereses deudores sobre el pagado a los acreedores.

Madrid, 13 de Agosto de 1.965



log 8/17

C. A. VENEZOLANA DE DESARROLLO
(SOCIEDAD FINANCIERA)

CAPITAL SOCIAL: Bs. 36.503.500
CAPITAL PAGADO: Bs. 30.297.905

APARTADO 113-41-CHACAO-CARACAS
CABLES: CAVENDES - TELFS. 32.72.30 - 32.66.30

Agosto 13, 1965

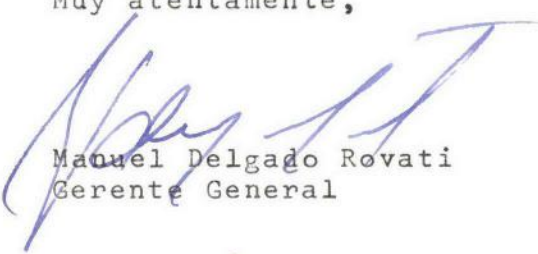
Sr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H. Street, N. W.
Washington, D.C. 20433

Estimado Sr. Skillings:

Atendiendo instrucciones del Dr. Vallenilla, le envío anexo Comentarios a los Puntos de la Agenda que habrá de discutirse en la Reunión de Bancos de Desarrollo que se propone realizar esa Institución en el próximo mes de Octubre.

Sin más a que referirme, me suscribo de Ud.

Muy atentamente,


Manuel Delgado Rovati
Gerente General

León. Mr. Blandel

MDR:md
Anexo: Lo citado.

1965 AUG 16 PM 2:16

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COMENTARIOS SOBRE LOS PUNTOS DE LA AGENDA QUE HABRA DE
DISCUTIRSE EN LA REUNION DE BANCOS DE DESARROLLO QUE
TENDRA EL PROXIMO MES DE OCTUBRE

1. Actividad Promocional.

- a) Formas en que una empresa financiera de desarrollo puede contribuir a la formulación y desarrollo de nuevas empresas:

La experiencia nos ha demostrado que el camino más expedito para ayudar en la selección de nuevos proyectos lo ofrece la lista de los diversos productos que se importan.

La sustitución de importaciones ofrece una variada gama de posibilidades para el establecimiento de nuevas empresas, que a la vez de utilizar materia prima nacional y crear nuevos empleos, constituyen ahorro de divisas con el consiguiente fortalecimiento de la balanza de pagos del país.

La empresa de desarrollo, a través de su departamento técnico, puede seleccionar los campos que ofrezcan mayores ventajas y que, a la vez, sean de más fácil realización, tanto por los recursos financieros que se requieran como por la disponibilidad de materia prima, mano de obra, "know-how", facilidades de transporte, etc.

Una vez seleccionado el campo, la empresa de desarrollo tratará de interesar en el proyecto a los actuales importadores del renglón objeto de la promoción, los principales consumidores o distribuidores del mismo, y, en general, a inversionistas con experiencia industrial, ofreciéndoles su asistencia técnica y financiera.

Para impulsar el proyecto se procurará formar con las partes interesadas una Sociedad de estudio, la cual se encargará de llevar a cabo el estudio de factibilidad y de proyectar las bases para la nueva empresa si las conclusiones del estudio son favorables. Siguiendo esta fórmula, la C. A. Venezolana de Desarrollo ha iniciado varias promociones en los siguientes renglones: Forja y Fundición, Furfuraldehído, Piezas para la Industria Petrolera, y Hojalata.

With Aug. 13, 1965

b) Costos y riesgos de promoción:

La empresa financiera de desarrollo debe estar dispuesta a correr ciertos riesgos y gastos iniciales de promoción, tales como el costo de los estudios preliminares, los cuales asumiría completamente en caso de que el proyecto no llegue a realizarse.

Si el proyecto se lleva a cabo, estos gastos iniciales se cargarán a la nueva empresa como gastos de organización.

2. Relación con los administradores del negocio promovido o financiado:

a) Participación en la administración directa del negocio:

La financiera debe abstenerse de tomar parte activa en la conducción directa del negocio, salvo en casos en que ello se considere indispensable.

b) Representación en la Junta Directiva:

Con relación a este punto debe distinguirse entre las empresas en las cuales se tiene participación de capital y las empresas a las cuales, únicamente, se les ha prestado ayuda financiera.

En el primer grupo de empresas, la financiera de desarrollo debe tener representación en la Junta Directiva, con el fin de orientar sus operaciones hacia la consecución de sus objetivos básicos, pero sin pretender tener el control absoluto, ya que la financiera no debe convertirse en administradora de empresas.

En el segundo grupo de empresas, la financiera debe limitarse a estar suficientemente informada sobre las actividades de la empresa y los resultados de sus operaciones; a ejercer una vigilancia estricta del fiel cumplimiento de los términos del contrato de préstamo y a suministrar oportuna orientación y consejo cuando las circunstancias así lo requieran.

3. Desarrollo del mercado de valores de empresas privadas.

a) Creación de valores atractivos:

La creación de valores atractivos está estrictamente ligada a la gran tarea de crear un mercado de capitales. Esta labor, muy vinculada al desarrollo institu-

cional de cada país, debe ser uno de los más importantes objetivos de las financieras. Cavendes ha iniciado una experiencia en tal sentido. Uno de los aspectos básicos para crear valores atractivos, se refiere a la "liquidez" de los mismos dentro de una razonable estabilidad en sus cotizaciones. Esta función sólo puede lograrse cabalmente y en escala importante en países con mercado incipiente de capitales, a través de Instituciones especializadas en la estabilización de valores.

b) Adquisición temporal de acciones que serán luego ofrecidas al público:

La financiera por medio de la adquisición de acciones en empresas industriales puede contribuir eficazmente en la ampliación del mercado de valores. La financiera debe adquirir acciones únicamente en empresas que ofrezcan buenas perspectivas.

Las acciones las puede obtener la financiera de dos modos:

- 1) Por medio de préstamos convertibles.
- 2) Por medio de la adquisición directa de acciones.

Cuando las empresas hayan llegado a un grado total de desarrollo que sus acciones constituyan una inversión atractiva, la financiera debe procurar ofrecerlas en venta al público, en forma tal, que sean distribuidas entre el mayor número de pequeños inversionistas.

c) Underwriting:

El underwriting de acciones, bonos y acciones y bonos combinados ofrece una forma efectiva de ampliar el mercado de valores. La financiera procurará invitar a participar como "co-underwriter" a otras instituciones financieras.

El éxito del underwriting reside en el prestigio del grupo de "underwriters" que garantice la emisión, en el precio de venta, el cual debe ser fijado atendiendo a las condiciones y exigencias del mercado, en la tradición y perspectivas de la empresa emisora, en la presentación del material de información que se ofrezca al inversionista potencial, y en las condiciones del mercado.

La C. A. Venezolana de Desarrollo desarrolla un programa de "underwriting" de valores industriales emitidos por empresas industriales manufactureras. Realizó con éxito un "underwriting" de bonos industriales hipotecarios, ha participado como co-underwriter en tres operaciones y tiene actualmente en estudio operaciones por Bs. 40 millones aproximadamente, los cuales proyecta realizar en un futuro próximo.

4. Política Financiera.

a) Relación entre deudas y patrimonio:

En Venezuela, de acuerdo con la Ley General de Bancos y Otros Institutos de Crédito, las sociedades financieras no pueden tener obligaciones directas por una suma mayor de seis (6) veces de su capital pagado y fondos de reserva. Sin embargo, en vista de los riesgos inherentes al financiamiento industrial a largo plazo, la Declaración de Política de la C. A. Venezolana de Desarrollo limita sus deudas a un máximo de tres (3) veces su patrimonio neto.

b) Nivel de Reservas.

La financiera debe procurar acumular las necesarias reservas para cubrir riesgos específicos y, además, reservas adicionales para robustecer el capital de la Compañía.

c) Acumulación de Superávit y Dividendos.

La "Declaración de Política" de la C. A. Venezolana de Desarrollo establece que la Compañía no distribuirá dividendos, en efectivo, superiores al 50% de sus utilidades netas, hasta que la Compañía haya acumulado reservas para inversiones hasta un nivel no inferior al 15% del valor según los libros de las inversiones de la Compañía.

d) Impuestos y sus relaciones en la política de dividendos y reservas:

En Venezuela el pago del Impuesto no tiene relación de importancia con la formación de reservas o el pago de dividendos.

e) Nivel de los Intereses:

La financiera, como institución de desarrollo, debe mantener sus intereses al nivel prevaleciente en el mercado. Por otra parte, la diferencia entre el interés pagado por préstamos recibidos y el interés recibido por préstamos concedidos, debe ser lo suficiente para permitir cubrir los gastos de operación, hacer las necesarias reservas y pagar un dividendo razonable a los accionistas.

5. Relaciones de la financiera con el Gobierno.

a) Para asegurar el desarrollo de sus operaciones dentro del mercado de la política de desarrollo nacional:

La C. A. Venezolana de Desarrollo mantiene cordiales relaciones con los diferentes organismos oficiales que actúan directamente en los programas de desarrollo industrial y trata de complementar la acción de tales organismos sin competir con ellos. Su política está orientada al logro de los objetivos de los Programas Nacionales de Desarrollo ("Plan de la Nación").

b) RELACIÓN con los bancos nacionales de Desarrollo:

Entre los accionistas de la C. A. Venezolana de Desarrollo figura la Corporación Venezolana de Fomento. Las relaciones entre ambas entidades son de amplia y efectiva cooperación.

c) Apropiada y aceptable ayuda del Gobierno.

La ayuda que el Gobierno puede prestar a la financiera bien sea en la forma de participación de capital, préstamos directos, exención de impuestos, etc. debe ser bien recibida siempre que tal ayuda no conlleve compromisos o implicaciones políticas que dificulten el libre curso de sus operaciones.

Hasta el presente la C. A. Venezolana de Desarrollo ha obtenido ayuda financiera del Gobierno, mediante depósito a plazo fijo (C.V.F.) y a través del Fondo de Financiamiento a la Mediana Industria del Ministerio de Fomento, el cual suministra fondos al 3% anual. Se estudian las posibilidades de cooperación gubernamental en la exoneración del impuesto sobre la renta para emisiones de Bonos Financieros que emita la

C. A. Venezolana de Desarrollo, como también la obtención de una línea de crédito para estabilizar bonos hipotecarios industriales, en beneficio del fortalecimiento del mercado de capitales.

6. Disponibilidad de Personal Técnico.

a) Recursos en el País y en el Exterior:

La C. A. Venezolana de Desarrollo cuenta con la asesoría de calificados profesionales tanto nacionales como extranjeros. Entre sus accionistas figuran varias instituciones que cooperan ampliamente para fortalecer los recursos de asistencia técnica requerida. Para estudiar los problemas relacionados con el desarrollo del mercado de capitales se han contratado los servicios de dos expertos financieros de gran experiencia y reconocida competencia internacional.

Se ha puesto particular énfasis en preparar personal venezolano para atender las necesidades de la organización.

b) Asistencia por parte de Compañías Financieras dentro y fuera del País.

Dentro del país, la C. A. Venezolana de Desarrollo puede recurrir, en un momento dado, a los bancos e instituciones financieras; en el exterior cuenta, entre otros, con la asistencia ofrecida por la IFC, BID, ADELA y un importante número de empresas privadas.

7. Financiamiento conjunto en el Grupo del Banco Mundial.

No se tiene experiencia a este respecto.

Malaysian Industrial Development Finance Limited

INCORPORATED IN THE STATES OF MALAYA

شركة تمويل كاجوان تراوسهان مليسيان برحد

OUR REF:

YOUR REF:

Log 8/17 26371/5
TELEPHONE 81144/5-22271/2

TELEGRAMS "MALINDEV"
KUALA LUMPUR
CODE BENTLEY'S SECOND

MIDFL

BANGUNAN HWA-LI
63-65 JALAN AMPANG
KUALA LUMPUR
P. O. BOX 2110

August 12, 1965.

Mr. William Diamond,
International Finance Corporation,
1818 H Street, N.W.
WASHINGTON, 25 D.C.

Dear Bill,

Re: Conference of Industrial Development
Finance Companies in Washington

.... Enclosed please find two copies of a Commentary
Note on the seven points of the proposed agenda for the
Conference.

I am not too happy with the paper but considering
the time element involved in its preparation, I feel,
that this is the best I could accomplish under the heavy
pressures of our operational pre-occupation. In drafting
the comments, we have put on paper in rather loose forms
some of our thoughts and experience in regard to the
subject matters without attempting in each case to go
into an analysis of the particular point in question.
Consequently, there may be more questions raised than
answered, which nevertheless, I feel, should be useful
in stimulating further discussions on the subject under
review.

I noted that some items of your list had been
dealt with on previous occasions, others having received
little attention in discussions so far. I presume that
more subjects will be raised by the participants during
the meeting to the benefit of all concerned. From the
point of view of MIDFL's, as yet, brief operational
experience, the following are some of the points of
particular interest to MIDFL:-

- 1) Scope and limitations of private industrial
development finance companies in the financing
of small industries.

* 1 copy is enclosed with this letter
and 2 copies will be forwarded under
separate cover.

2/...

MIDEL

BANGUNAN HWA-LI
63-65 JALAN AMPANG
KUALA LUMPUR
P. O. BOX 2110

Malaysian Industrial Development Finance Limited
INCORPORATED IN THE STATES OF MALAYA
شركة تمويل للصناعة الماليزية

OUR REF:

YOUR REF:

August 12, 1965

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WASHINGTON, 25 D.C.

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point of view of MIDEL's, as yet, brief operational
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- 1) Scope and limitations of private industrial
development finance companies in the financing
of small industries.

* 1 copy is enclosed with this letter
and 2 copies will be forwarded under
separate cover.

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- 2) The role which these companies can play in the development of industrial estates.
- 3) The practical application of protective loan covenants in the operations of industrial development finance companies.
- 4) Income policy and principles and methods of determining interest rates, loan charges and fringe benefits.

Incidentally, during my visit to the Kuwait Fund last May, Mr. Abdlatif Al-Hamad, the Director-General of the Kuwait Fund expressed keen interest in attending the Conference after the Annual Meeting in which he will participate as Deputy Governor for Kuwait. Douglas Fontein, at that time, promised to arrange for Al-Hamad an invitation which I understand has not reached him todate. I believe Al-Hamad would benefit greatly from this meeting and I would be grateful to you if you could arrange for him to participate.

With kind personal regards,

Yours sincerely,



L.M. SVOBODA
General Manager

For Mr. Al-Hamad will be back on August 25. I have agreed with Doug we would await his return and consult him then.

Log 8/16

PRIVATE DEVELOPMENT CORPORATION
OF THE PHILIPPINES
CBTC BUILDING
AYALA AVENUE, MAKATI, RIZAL

VICENTE R. JAYME
EXECUTIVE VICE PRESIDENT

August 12, 1965

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H Street, N. W.
Washington, D. C. 20433
U. S. A.

Dear Mr. Skillings:


This has reference to your letter of August 6, 1965, regarding the forthcoming conference of the development finance companies in October.

I should like to confirm that I shall personally be representing the Private Development Corporation of the Philippines in the conference. Either Item 3 or 5 of the Agenda would be of interest to me and am, therefore, making myself available if your plans call for it to initiate discussions on either items.

I am not definite yet as to the exact date of my arrival in Washington, but will write you regarding this as soon as my plans are finalized.

With warm regards,

Sincerely yours,


VICENTE R. JAYME

VRJ:mrl

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FORM NO. 92

(1)

CORRESPONDENCE RECORD FORM

Wash.

FROM:

L ED

Aug. 11, 65

PAKISTAN INDUSTRIAL CREDIT & INVESTMENT CO.

SUBJECT

Re: Conference of Development Finance Companies.

REFERRED TO

Mr. Diamond (Skillings)

DATE RECEIVED

Aug. 16, 65

Log 8/16

BANDESCO

BANCO DEL DESARROLLO ECONOMICO ESPAÑOL

EL DIRECTOR GENERAL

JOSE MARIA MARZO CHURRUGA

Madrid, 11th August 1.965

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1.818 H. Street, N.W.
WASHINGTON D.C. 20.433

Dear Mr. Skillings,

✓
Thank you for your letter of August 6th. I hope you have received the letter I wrote to Mr. Diamond on August 2nd.

There is no objection for distributing among the assistance of the conference both, our Policy Statement and our descriptive memorandum.

I have been absent for a few days to take care of some private business. You ask me to send you some comments about the Agenda, before August 15th. Part of our small personnel is on holidays and the remaining bear a little more strain than usual. The result is a lack of time. Therefore I have been able to write in Spanish my opinion about "Promotional activities" only, which I think is the subject that concerns me the most. Please excuse me and I expect to discuss the rest with you in Washington.

With kind regards,

I remain yours sincerely,



1222 AUG 14 1965

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GENERAL FILES
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BANDESCO

BANCO DEL DESARROLLO ECONOMICO ESPAÑOL

EL DIRECTOR GENERAL

JOSE MARIA MARZO CHURRUGA

Madrid, 11th August 1965

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H. Street, N.W.
WASHINGTON, D.C. 20433

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I have been absent for a few days to take care of some private business. You ask me to send you some comments about the Agenda, before August 15th. Part of our small personnel is on holidays and the remaining bear a little more strain than usual. The result is a lack of time. Therefore I have been able to write in Spanish my opinion about "Promotional activities" only, which I think is the subject that concerns me the most. Please excuse me and I expect to discuss the rest with you in Washington.

With kind regards,

I remain yours sincerely,

Marzo

1965 AUG 14 AM 10:22

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ACTIVIDAD PROMOCIONAL

La actividad promocional está condicionada a las circunstancias específicas de cada país.

En gran número de países, junto a sectores económicos altamente desarrollados, encontramos otros francamente subdesarrollados.

En España, junto a un sistema bancario que goza - de un gran prestigio tanto dentro de sus fronteras como fuera de ellas, nos encontramos con un mercado de capitales poco desarrollado.

A este último mercado le falta transparencia. El inversor potencial, compuesto en su gran mayoría de propietarios agrícolas o de profesionales, carece de conocimientos básicos financieros. Por otro lado las empresas españolas se limitan a facilitar el mínimo de datos, por razones de tipo fiscal, competencia, etc. Si la Banca comercial no llenase este foso entre la demanda y oferta de capitales, - no existiría en España tal mercado, a no ser que su función la desarrollaran otras instituciones.

El inversor potencial suele normalmente mantener depósitos bancarios, y prácticamente solo después de haber considerado el consejo del Director de la Sucursal Bancaria donde opera, y que tiene su confianza, decide invertir. Es decir, la Banca comercial tiene no solo un acceso directo y casi exclusivo a la oferta, sino que a través de su consejo canaliza en buena parte las inversiones. Hay que tener también en cuenta que el inversor deposita en su Banco los valores adquiridos, y cede a éste, en la mayoría de los casos, el derecho de asistencia a las Juntas Generales de Accionistas, por lo que el criterio del Banco en dichas asambleas, pesa considerablemente.

Por otro lado, los Bancos comerciales españoles - han participado en la promoción de la mayor parte de las empresas de cierta importancia desde principios de siglo, y - están estrechamente conectados con los grupos promotores. - Si estos grupos son extranjeros sin conexión en España, suelen pedir normalmente una introducción a su banquero habitual que los pone en contacto con el Banco correspondiente en

.../...

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España. De esta manera también tienen un acceso fácil a la demanda de capitales.

Los Bancos comerciales españoles no tenían limitación alguna para invertir sus fondos, propios y ajenos, en valores industriales, hasta que recientemente ha quedado limitado a sus fondos propios, es decir capital y reservas. No hay que olvidar que los Bancos españoles se encuentran entre los primeros del mundo, (dentro de los cien primeros encontramos a tres) por lo que pueden promocionar cada uno de ellos independientemente o sindicándose proyectos de gran envergadura.

En este marco irrumpen los Bancos de desarrollo con la función de promover nuevas empresas industriales o la modernización de las ya existentes, participando en el capital social y prestando ayuda en forma de créditos a medio plazo. Desde 1.963 hasta la fecha se han creado 15 Bancos de desarrollo. Uno de ellos procede de la conversión de un Banco comercial muy ligado a la industria en Banco de desarrollo, seis han sido promovidos por otros tantos grandes Bancos comerciales, uno por un pequeño Banco comercial y los restantes seis por grupos promotores independientes. Esta promoción de Bancos de desarrollo, puede servir como ejemplo para juzgar el papel que la Banca comercial desempeña en la promoción de empresas.

Si en términos absolutos es ya importante la participación de la Banca comercial en la promoción de los Bancos de desarrollo, en términos relativos resulta casi aplastante. Los Bancos de desarrollo para financiar sus actividades, además de su propio capital precisan de recursos ajenos estables. La legislación española ha permitido especialmente y únicamente a estos Bancos, establecer depósitos a dos años y emitir Bonos de Caja a 10 años, además de los depósitos a la vista y a plazo que permite a los Bancos comerciales. Los recursos más adecuados para llevar a cabo la función asignada a los Bancos de desarrollo son los Bonos de Caja. Pues bien, solamente uno de los seis Bancos independientes ha emitido Bonos de Caja por 400 millones, los restantes Bancos con conexiones bancarias han realizado todas emisiones, por un importe global de 7.150 millones de pesetas y es que volvemos otra

.../...

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vez a enfrentarnos con el problema de que prácticamente la - Banca comercial es la única institución que tiene acceso a - la oferta de capital.

Creemos que no será preciso resaltar que los Bancos de desarrollo se enfrentan en su actividad promocional con un poderoso competidor, que es la Banca comercial con gran tradición en nuestro país en este campo.

Los resultados prácticos hasta el momento han sido que los Bancos de desarrollo se han mostrado muy activos en préstamos a medio plazo, actividad que no estaba cubierta en España sino parcialmente por un Banco estatal dedicado exclusivamente a este fin, y muy modestamente en el campo de la - promoción de empresas.

Por estas circunstancias, los proyectos de inversión a los que los Bancos de desarrollo tienen acceso, no diremos que sean en general solamente aquellos que entrañan un riesgo mayor que el normal, pero sí en casi todos los casos, que precisan un mayor estudio, y por tanto una mayor especialización y dedicación que el que pueden prestar usualmente - los Bancos comerciales.

Esto se traduce en un riesgo superior al normal en la mayoría de las inversiones y siempre en un costo elevado de los gastos de explotación. Este último factor, el de costo, a su vez tenderá frecuentemente a forzar el ritmo de las inversiones que efectuen los Bancos de desarrollo con capital privado, porque hay que retribuir adecuadamente a este capital a partir de un tiempo prudencial que es relativamente - corto. Con esto queremos señalar únicamente el peligro de - caer en la tentación de efectuar inversiones en nada prudentes.

Un aspecto que también creemos interesante en la - actividad promocional, es la dimensión de la inversión. Es - difícil colocar en las Bolsas españolas acciones hasta tanto la Sociedad de que se trate presente unos resultados satisfactorios o al menos unas perspectivas próximas prometedoras, y al mismo tiempo es preciso que el importe colocado lo sea entre un amplio número de accionistas que asegure posterior-

.../...

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mente una contratación frecuente. Esto supone que el Banco ha de adquirir una participación, mantenerla en su cartera por el tiempo preciso para que la Sociedad esté en marcha y colocarla en todo o en parte en Bolsa posteriormente. Como los Bancos empiezan con capitales propios reducidos, en este periodo de su existencia solo podrán tomar participaciones modestas en términos absolutos. Si el capital de la Sociedad promovida es importante, entonces la participación del Banco será también modesta en términos relativos, y tanto en la promoción como en la posterior colocación de las acciones en el mercado, desempeñará en la mayoría de los casos un papel secundario y subordinado. Si el capital de la Sociedad promovida es pequeño, la intervención del Banco puede ser decisiva en la etapa de promoción, pero luego se ve imposibilitado de poder colocar las acciones en Bolsa. Normalmente tiene que limitarse a vender las acciones entre los restantes socios, en cuyo caso su contribución para el desarrollo del mercado de capitales es nulo.

Los problemas que he señalado no implican que vea con pesimismo el futuro de los Bancos de desarrollo en España. Por lo pronto y como ya indiqué en otro lugar, han venido a cubrir una necesidad, la del crédito a plazo medio. Con esta actividad se están cubriendo dos objetivos: el de aumentar los recursos propios y ajenos, es decir la dimensión del Banco, situándole en mejores condiciones de competencia dentro del sistema bancario y, el de obtener unos beneficios aceptables que le permiten estudiar sin pausa pero sin precipitación operaciones de promoción y los medios para desarrollar esta actividad en el futuro.

Por otra parte, existen siempre necesidades que no se han cubierto e iniciativas que no se han estudiado debidamente. Hay campo para todos los que prueben ser eficientes.

OB - Copy.

Log 8/16

**THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION
OF INDIA LIMITED**

163, BACKBAY RECLAMATION, BOMBAY 1
GRAMS: 'CREDCORP (FT)' BOMBAY

OUR REF:

Secd/12303

PHONE: 245081
245478
245485
245939

YOUR REF:

August 11, 1965

MS

Dear Mr. Skillings:

Thank you for your letter of August 6, regarding the notes on the Agenda items for the conference of development banks in October. I am coming to Washington to attend the Bank/Fund Meetings and I can have the papers at that time.

I am glad to know that Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. I look forward with pleasure to this function.

With best regards,

Yours sincerely,

H. T. Parekh

H. T. Parekh
General Manager

Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U.S.A.

202 AUG 16 1965

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GENERAL MANAGER
AUG 16 1965

THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION
OF INDIA LIMITED

153, BACKBAY RECLAMATION, BOMBAY 1
GRAMS: 'CREDICORP (PVT) BOMBAY'

PHONE: 245081
245478
245485
245539

OUR REF: 222/12303
YOUR REF:

August 11, 1965

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Mr. Robert F. Skillings
Deputy Director
Development Finance Companies
International Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U.S.A.

965 AUG 16 1965

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Log 8/16

**PAKISTAN INDUSTRIAL CREDIT
& INVESTMENT CORPORATION LIMITED**

Jubilee Insurance House,
McLeod Road,

P. O. Box. No. 5080 Karachi-2

Telephones: { 227171
227172
227173

Cable "PICICORP"

August 11, 1965

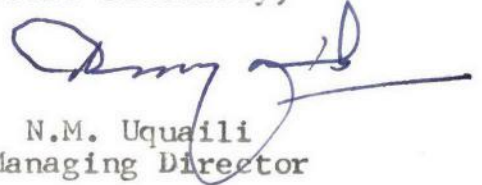
Dear Mr. Skillings,

Re: Conference of Development
Finance Companies.

Thank you very much for your letter of August 5, 1965. I have noted that the necessary documentation will be delivered to the participants when they are in Washington at the time of the annual meetings. This is a right decision. We would still have enough time to go through this documentation before the Conference opens. ✓

With my best wishes,

Yours sincerely,



N.M. Uquaili
Managing Director

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.,
Washington D.C. 20433,
U.S.A.

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WASHINGTON



PAKISTAN INDUSTRIAL CREDIT
& INVESTMENT CORPORATION LIMITED

Jubilee Insurance House,
McLeod Road,
P. O. Box No. 5080 Karachi-2

Cable "PICICORP"

Telephone: 22171
22172
22173

August 11, 1965

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Yours sincerely,

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Managing Director

Mr. Robert F. Skillings,
Deputy Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.,
Washington D.C. 20433,
U.S.A.

1965 AUG 16 AM 11:49

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GENERAL FILES
COMMUNICATIONS

Log 9/3
D.B. Conf.

בנק לפתוח התעשייה בישראל בערבון מוגבל
INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LIMITED

113, ALLENBY ROAD
TEL - AVIV
TEL. 67636-7
P.O.B. 1462
CABLE ADDRESS: MOSLETAAS

9th August, 1965

רחוב אלנבי 113
תל - אביב
טל. 67636-7
ת.ד. 1462
כתובת למברקים: מוסלטהאס

בתשובה נא להזכיר:
Reference please note:

Mr. William Diamond
Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.
Washington D.C. 20433

Dear Mr. Diamond,

Thank you for your letter dated July 20, 1965, regarding
the Conference of Development Finance Companies which have been
financed by the World Bank.

I appreciate very much your thoughtfulness in including
the Industrial Development Bank of Israel in the list of participants.
Unfortunately, I shall be unable to attend the Conference because of
prior engagements, but I have suggested to Dr. A. Neaman, the Managing
Director of the Bank, that he should participate in this Conference.

Dr. Neaman will write to you personally regarding the Notes
on the Agenda, and at the same time will forward you the necessary
copies of our 1964 Annual Report.

Thanking you for your kind co-operation.

With warm personal regards,

Yours sincerely,

Dr. Y. Hoerder
Chairman of the Board

082 512 41 43
RECEIVED
AUG 11 1965

לְבַחֲכֶם יְהוָה אֱלֹהֵינוּ יִשְׂרָאֵל

ΓΝΙΕ ΧΥΙΕ' ΕΙΙ

9th August, 1965

113, ALLENBY ROAD

ע"פ חז"ל אין ע"פ חז"ל

MT Willis Millis

Dear Mr. Diamond,

Thank you for your letter dated July 20, 1965. regarding

I appreciate very much your thoughtfulness in including

Dr. Newman will write to you personally regarding the Notes

Thanking you for your kind co-operation.

With warm personal regards,

Yours sincerely,

Dr. Y. A. Hoerder

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COMMUNICATIONS

log 10
TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

(INDUSTRIAL DEVELOPMENT BANK OF TURKEY)

16243

P.O. Box : 17 Galata,
İstanbul, Turkey

Cable Address :
KALKINMABANK, İstanbul

August 7, 1965

Mr. William Diamond
Director
Development Finance Companies
International Finance Corporation
1818 H Street, N. W.
Washington, D. C. 20433

Dear Mr. Diamond:

This is to acknowledge receipt of your
letter of August 2, 1965.✓

The comments on item 6 of the agenda have✓
been air mailed to you with our letter of August 6.

The Annual Reports have also been air mailed
on July 16, 1965.✓ We hope that they reach your office
before August 15.

With best regards,

Sincerely yours,

TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

ceş. ZR
G3. Karahioğlu

TÜRKİYE İNŞAAT KALKINMA BANKASI A.Ş.

(TÜRKİYE İNŞAAT KALKINMA BANKASI A.Ş.)

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16243

1965 AUG 10 AM 8:46

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*S.N.I.
Dev. Bank - conference*

INCOMING WIRE

DATE OF WIRE: AUGUST 6, 1965 2100
LOG NO.: RC 22
TO: ROSEN CORINTFIN
FROM: TUNIS
TEXT:

| ROUTING | |
|-------------------|-----------|
| ACTION COPY: | MR. ROSEN |
| INFORMATION COPY: | |
| DECODED BY: | |

Mr. Shelly's

*Rosen will see that he is invited.
No*

PRIERE INTERVENIR AUPRES SECRETARIAT POUR LE MONSIEUR
AZZOUZ MATERI PRESIDENT SNI SOIT INVITE A PARTICIPER CONFERENCE
ANNUELLE BIRD FMI AINSI QU'AU SEMINAIRE BANQUE DEVELOPPEMENT MEME
EN TANT OBSERVATEUR. ESTIME PRESENCE MATERI UTILE POUR RELATION
SNI IFC. PRIERE ME FAIRE CONNAITRE DE VOTRE RESPONSE AMILCAR
HOTEL SIDIBOUSAID TUNIS. REMERCIEMENTS ET MEILLEURS SENTIMENTS

TAZI

MRS. SEAL TELEPHONED DURING WEEKEND.

2194.

EGC

TÜRKİYE SİNAİ KALKINMA BANKASI A. Ş.

(INDUSTRIAL DEVELOPMENT BANK OF TURKEY)

Lug. 9/10

16023

P.O. Box : 17 Galata,
İstanbul, Turkey

Cable Address :
KALKINMABANK, İstanbul

August 6, 1965

Mr. William Diamond
Director
Development Finance Companies
International Finance Corporation
1818 H Street, N. W.
Washington, D. C. 20433

Dear Mr. Diamond:

This is in reference to our letter
of July 23, 1965, No. 15217.

We are enclosing herewith two copies
of the comments on item 6 of the agenda attached
to your letter of April 5, 1965.

Sincerely yours,

TÜRKİYE SİNAİ KALKINMA BANKASI A. Ş.

Os. Bol
Os. Kaya

✓ Encl. 2

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1965 AUG 10 AM 8:45

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Expanding and Improving Training Facilities
and Obtaining Staff from Abroad

In building up its expert staff, the practice of Türkiye Sınai Kalkınma Bankası A. Ş. up to the present has been the following:

1. Transfer of expert staff from the State sector
2. Training of junior staff members within the Bank

Trained expert staff transferred from the State sector constitutes the great majority of the Bank's technical personnel. The practice of transferring expert staff from the State sector was rather a necessity at the initial stage. Such transfer was facilitated by our relatively higher pay to technical experts as compared to the salaries in the State sector.

Although the training of junior staff members has rather been limited in scope, progressive efforts in this respect have been made in recent years by the Bank.

Acquisition of expert staff at present continues to be practiced in the above-mentioned ways.

It will, however, be useful to elucidate certain points in the practice of developing technical qualifications of the present expert staff and of training junior staff within the Bank.

First, in the case of expert staff transferred from other institutions, adaptation to the particularities of Development

with letter Aug 6, 1965

Banking and of Project Evaluation is not directed according to a program, but these staff members are, so to speak, left alone to train themselves in the Services where they work. Although this may seem to be a matter of minor importance, certain disadvantages of it are observed in practice. For instance, differences of views among experts exist on many evaluation problems of a clearly self-evident nature and even on such simple technical matters as methods and systems of analysis.

On the other hand, since no periodical meetings of a seminar type are held among the senior staff members to exchange ideas and discuss the problems, the aforementioned disadvantages cannot be eliminated, nor can adequate progress be made on the standards of technical qualifications.

As for the junior staff members, their situation is even more difficult. No plan or program is followed for their training. They have to depend on their own efforts and the senior staff's kindness and consideration while working in the Services. The heavy load of work, of course, prevents the Service heads and the senior staff from sparing sufficient time for the juniors.

The conclusion to be deduced from the above explanation is that a two-way training program may be adopted to improve the present training system.

1 - Training within the Bank:

a - Juniors:

Juniors, in conformity with their on-the-job-

training in the Services, should also attend formally organized courses.

b - Seniors:

It is necessary to hold seminar-type meetings regularly to ensure an accord of view-points among the expert staff and to make possible the sharing of one's knowledge and experience with others in the group. Such meetings should be held regularly among the members of one particular Service, and from time to time, among the experts from all services as a general staff meeting.

2 - Training abroad:

In addition to the regular meetings (seminars) within the Bank, a two-sided outside training program may be employed for the senior staff of the Bank.

a - Exchange of expert staff between development banks:

Research by technical personnel from different countries on local practices and on different ways of investigation, discussion and analyzing of similar problems in regard to Development Banking and Project Evaluation in various underdeveloped countries will add to the researchers' knowledge and experience.

A training of this kind is being utilized recently by technical staff from Cento countries. Two members of the Industrial Development Bank of Pakistan have worked with our Bank as trainees for periods of four to six months each year for the past three years. Also in the year 1964, a member of the Industrial Development Bank of Iran has worked with our Bank as a trainee for a period of four months.

It will be useful to send senior members of our Bank to other development banks in the same manner.

b - Another possibility would be to send senior members to Development Finance Companies in developed countries and also to International Financial Institutions to let them benefit from the knowledge and experience of the staff members of such institutions.

International Financial Institutions organize various courses for training senior members, and such courses are open to the benefit of the members of development banks.

Another possible way of training would be to invite a foreign adviser. However, this might not be of much use for the following reasons:

- a) A foreign adviser has not sufficient knowledge of the local conditions.
- b) We will not be able to overcome the above difficulty easily and quickly due to his language handicap.
- c) Since he cannot be qualified to deal with various subjects equally, his contribution will have to be limited.
- d) His assistance might be limited to theoretical fields.

August 6, 1965

Mr. Jose Maria Marzo Churruca
Director General
Banco del Desarrollo Economico Espanol
Apartado de Correos 50460
Principe 12
Madrid, Spain

Dear Mr. Marzo:

I am writing to thank you for your letter of July 30 to Mr. Diamond, who is away from Washington at present. We are very happy to read that you will represent BANDESCO at the conference of development finance companies.

Referring to the preparations that we are making for the conference and to Mr. Diamond's telegram of August 2, we hope very much that we will receive your comments on the Agenda items by August 15. We have had to set that deadline because the work of preparing the Agenda documents for the conference is quite time-consuming.

Also we would like to know whether you have any objections to our making BANDESCO's Policy Statement available as part of the documentation we are distributing. Would you be good enough to let us know as soon as possible? I am enclosing herewith a copy of the Agenda, as requested.

We would also like to know as soon as possible what subject on the Agenda is of sufficient interest to you to make you want to lead the discussion of it. You will recall that Mr. Diamond raised this question in his letter to Don Jaime of April 5.

One other question that was asked by Mr. Diamond, this time in his letter of June 29, was if you could let us know which parts of the descriptive memorandum on BANDESCO you consider to be confidential and wish to have us cut out from the copy that we are distributing at the conference. Would you be good enough to let us know this as soon as possible?

ack. Aug 11/65

Mr. Jose Maria Marzo Churruca

- -2- -


Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know who they are, we will be sending a personal invitation.

With kind regards,

Sincerely yours,

Robert F. Skillings
Deputy Director
Development Finance Companies

Enclosure


RFSkillings:RBlondel

cc: Mr. Jeffries ^{RB-}

D.B. Peng.

August 6, 1965

Mr. Kraisi Nimmanahaeminda
General Manager
Industrial Finance Corporation of Thailand
491 Silom Road
Bangkok, Thailand

Dear Kraisi:

In Bill Diamond's absence, I am writing to you about the preparations that we are making for the conference of development finance companies in October.

Referring to Bill's letter of June 25, we are anxious to have your comments on the Agenda items and the descriptive memorandum on IFCT by August 15. We have had to set that deadline because the work of putting together the documents for the conference is quite time-consuming. Also, we would like to know whether you would have any objections to our making IFCT's Policy Statement available as part of the documentation we are distributing. Would you be good enough to let us know as soon as possible.

Referring now to Bill's letter of April 5 to Phya Srivisar, he said that he would send the documents which we are assembling (the basic data about each institution involved and the notes on the Agenda items) to all the participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky: it is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

We are still proceeding under the assumption that you will be able to come to the conference. I wish to emphasize that we very much hope that you will reconsider your decision set forth in your letter of July 27. If this is possible, we should like to know what subject on the agenda is of sufficient interest to you to make you want to lead the discussion of it.

ack. Peng. 18/65

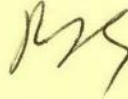
Mr. Kraisi Nimmahaeminda

- 2 -

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With warm personal regards,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

cc: Mr. Mathew

RB

August 6, 1965

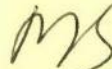
Dear Casem:

In Bill Diamond's absence, I am writing to you about the preparations that we are making for the conference of development finance companies in October. In Bill's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind in our schedule. We also find that the documentation had become very bulky: it is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in October for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

Marty Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With warm personal regards,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

Mr. A. Casem Kheradjou
Managing Director
Industrial and Mining Development Bank of Iran
P. O. Box 1801
Tehran, Iran

cc: Mr. Hanh

RElondel:jr

RB-

August 6, 1965

Mr. Ahmed Lyazidi
President
Banque Nationale pour le
Developpement Economique
Boite Postale 407
Rabat, Morocco

Dear Mr. Lyazidi:

In Mr. Diamond's absence, I am writing to you about the preparations that we are making for the conference of development finance companies in October.

Referring to Mr. Diamond's telegram of August 2, we are anxious to have your comments on the Agenda items by August 15. We have had to set that deadline because the work of preparing the Agenda documents for the conference is quite time-consuming.

In Mr. Diamond's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky: it is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

We are proceeding on the assumption that you personally will represent BNDE at the conference. Is this correct? We should also like to know what subject on the Agenda is of sufficient interest to you to make you want to lead the discussion of it. Would you be good enough to let me know this as soon as possible.

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With kind regards,

Sincerely yours,

RS

Robert F. Skillings
Deputy Director
Development Finance Companies

cc: Mr. Hanh

RB -

ack. Carg 13/65

August 6, 1965

Dear Felix:

I wish to thank you for your letter of August 2 about the conference of development finance companies and for the two items of the Agenda that were still missing from our collection.

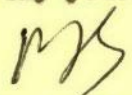
In Bill Diamond's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky: it is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

We are proceeding on the assumption that you personally will represent CDC at the conference. Is this correct?

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With warm personal regards,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

Mr. Felix S.Y. Chang
President
China Development Corporation
181-5 Chung Shan Road N., 2nd Sec.
Taipei, Taiwan
Republic of China

RBlondel/mp

cc: Mr. Mathew

ack. Aug 16/65

August 6, 1965

Dear Dr. Vallenilla:

In Mr. Diamond's absence, I am writing to you about the preparations that we are making for the conference of development finance companies in October.

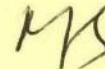
Referring to Mr. Diamond's telegram of August 2, we are anxious to have your comments on the Agenda items by August 15. We have had to set that deadline because the work of preparing the Agenda documents for the conference is quite time-consuming.

In Mr. Diamond's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky: it is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With kind regards,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

Dr. Luis Vallenilla
President
C.A. Venezolana de Desarrollo
Apartado 11341
Chacao, Caracas
Venezuela

RBlondel:mp

RB

cc: Mr. Mejia

August 6, 1965

Dear Mr. Kayalioglu:

In Mr. Diamond's absence, I am writing to you about the preparations that we are making for the conference of development finance companies.

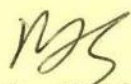
Referring to Mr. Diamond's letter of August 2 and to his telegram of the same date, we are anxious to have your comments on the sixth item of the Agenda by August 15. We have had to set that deadline because the work of preparing the Agenda documents for the conference is quite time-consuming. Also, we are looking forward to receiving the 30 copies of your 1964 Annual Report, and to know whether you would have any objections to our making TSKB's Policy Statement available as part of the documentation we are distributing. Would you be good enough to let us know this as soon as possible?

We are proceeding on the assumption that you personally will represent TSKB at the conference. Is this correct? We should also like to know what subject on the Agenda is of sufficient interest to you to make you want to lead the discussion of it. You will recall that Mr. Diamond raised this question in his letter of April 5.

Mr. Rosen is planning to give a dinner on Tuesday, October 2 for all the participants in the conference. As soon as we know exactly who they are, we will be sending a personal invitation.

With warm personal regards,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

Mr. Bahaeddin Kayalioglu
Assistant General Manager
Industrial Development Bank of Turkey
P. O. Box 17, Galata
Istanbul, Turkey

cc: Mr. Jeffries
RELondel:jr

RAB -

ack. Aug 18/65

August 6, 1965

Dear Mr. Konttinen:

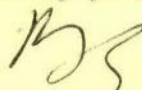
In Mr. Diamond's absence, I am writing to you about the preparations that we are making for the conference of development finance companies in October. We were very happy to read in Governor Waris' letter, dated July 10, that you will represent the Industrial Fund of Finland at the conference.

We should like to know what subject on the Agenda is of sufficient interest to you to want to make you lead the discussion of it. Would you be good enough to let us know this as soon as possible?

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With warm personal regards,

Sincerely yours,




Robert F. Skillings
Deputy Director
Development Finance Companies

Mr. Seppo Konttinen
Teollistamisaikahasto Oy
Lonnrotinkatu 13, V krs.
Helsinki, Finland

cc: Mr. Jeffries

RBlondel:jr

RFB - 

ack. Aug. 30/65

August 6, 1965

Excellency:

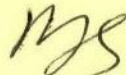
In Mr. Diamond's absence, I am writing to you about the preparations that we are making for the conference of development finance companies.

Referring to Mr. Diamond's letter of July 29, we are anxious to receive the thirty copies of your 1964 Annual Report by August 15. We have had to set that deadline because the work of putting together the documents for the conference is quite time-consuming.

In Mr. Diamond's letter of April 6, he said that he would send the two sets of documents which we are assembling (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind in our schedule. We also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know who they are, we will be sending a personal invitation.

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

His Excellency
Oto Araya Ogbagzy
Managing Director
Development Bank of Ethiopia
P. O. Box 1900
Addis Ababa, Ethiopia

cc: Mr. Hanh
RBlondel/agr.

RB -

ack Aug. 16/65

August 6, 1965

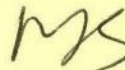
Dear Mr. Parekh:

In Bill Diamond's absence, I am writing to you about the preparations that we are making for the conference of development finance companies in October. In Bill's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind in our schedule. We also find that the documentation had become very bulky: it is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in October for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With warm personal regards,

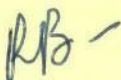
Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

Mr. H. T. Parekh
General Manager
Industrial Credit and Investment Corporation
of India Ltd.
163 Backbay Reclamation
Bombay 1, India

cc: Mr. Jeffries
RBlondel/agr.



August 6, 1965

Dear James:

In Bill Diamond's absence, I am writing to you about the preparations that we are making for the conference of development finance companies in October.

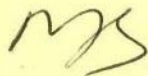
In Bill's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

We are proceeding on the assumption that both you personally and Mr. Daniyan will represent NIDB at the conference. Is this correct?

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With warm regards,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

Mr. James S. Raj
General Manager
Nigerian Industrial Development
Bank Limited
M & K House
96/102 Broad Street
P.O. Box 2357
Lagos, Nigeria

cc: Mr. Mathew

RElondel:lv

RB-

ack Aug 13/65

August 6, 1965

Dear Dr. Gutierrez Gomez:

In Mr. Diamond's absence, I wish to thank you for your letter of July 27 about the conference of development finance companies and for your correction of the descriptive memorandum on CFN.

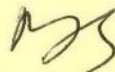
Referring to the preparation of the conference and Mr. Diamond's telegram of August 2, we are anxious to have your comments on the Agenda items by August 15. We have had to set that deadline because the work of preparing the Agenda documents for the conference is quite time-consuming. Also we should like to know whether you would have any objections to our making CFN's Policy Statement available as part of the documentation we are distributing. Would you be good enough to let me know this as soon as possible.

In Mr. Diamond's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With warm regards,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

Dr. José Gutierrez Gomez
President
Corporación Financiera Nacional
Apartado Aéreo 1039
Medellín, Colombia

cc: Mr. Mejía

RBlondel:lvr

RB-

August 6, 1965

Dear Mr. Jayme:

In Mr. Diamond's absence, I am writing to you about the preparations that we are making for the conference of development finance companies in October.

In Mr. Diamond's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

We are proceeding on the assumption that you personally will represent PDCP in the conference. Is this correct? We should also like to know what subject on the Agenda is of sufficient interest to you to make you want to lead the discussion of it. We take it from Mr. Montinola's letter of April 27 that you would be interested in initiating discussions on Items 3 and 4.

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With warm regards,

Sincerely yours,

Robert F. Skillings
Deputy Director
Development Finance Companies

Mr. Vicente R. Jayme
Executive Vice President
Private Development Corporation of
the Philippines
CDTC Building
Ayala Avenue, Makati, Rizal
Manila, The Philippines

cc: Mr. Mathew

RElondel:jr

RFB-

ack. Aug 12/65

August 6, 1965

Dr. Wilhelm Teufenstein
Assistant General Manager
Oesterreichische Investitionskredit, A.G.
Am Hof 4
Vienna 1, Austria

Dear Dr. Teufenstein:

We were very happy to read in your letter dated July 29 to Mr. Rosen that you will represent Oesterreichische Investitionskredit, A.G. at the conference of development banks in October. Mr. Rosen is giving a dinner on Tuesday, October 12, for all the participants and we are very much looking forward to seeing you there.

Referring now to the preparation of the conference and to Mr. Diamond's telegram of August 2, we are anxious to have your comments on the Agenda items by August 15. We have had to set that deadline because the work of preparing the Agenda documents for the conference is quite time-consuming. Also, I would like to know whether you would have any objections to our making IVK's Policy Statement available as part of the documentation we are distributing. Would you be good enough to let me know as soon as possible?

In Mr. Diamond's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

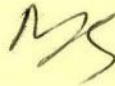
There are still two other matters that we would like to ask. First of all, what subject on the Agenda is of sufficient interest to you to make you want to lead the discussion of it (you may recall

ack. Aug 18/65

that Mr. Diamond raised this question in his letter of April 5 to Dr. Kastner). Secondly, would you be kind enough to let us have as soon as possible statistical information on IVK's annual approvals of loans and other investments, and disbursements thereof. The figures might be set forth as in the attached proforma. We would like this information in order to add one or two paragraphs to the memorandum on IVK to demonstrate the development of its operations during the past five years. I would appreciate receiving this if possible not later than August 15.

With kind regards,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

Enclosure

cc: Mr. Jeffries

RFSkillings/RBLondel:lvr

RB-

August 5, 1965

Dear Mr. Uquaili:

In Bill Diamond's absence, I am writing to you about the preparations that we are making for the conference of development banks in October.

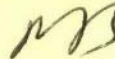
In Bill's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

We are looking forward very much to seeing you here at the conference.

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With warm regards,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

Mr. N. M. Uquaili
Managing Director
Pakistan Industrial Credit and Investment
Corporation Limited
P. O. Box 5080
Karachi, Pakistan

cc: Mr. Hanh
RBlondel:agr.

RB-

1022 VNC -E BW V. 18

COMMUNICATIONS
GENERAL FILES
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ack. Aug. 11/65

August 2, 1965

Dear Mr. Upastil:

In Bill Diamond's absence, I am writing to you about the preparations that we are making for the conference of development banks in October.

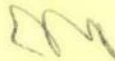
In Bill's letter of April 2, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

We are looking forward very much to seeing you here at the conference.

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With warm regards,

Sincerely yours,



Robert W. Killings
Deputy Director
Development Finance Committee

Mr. M. N. Upastil
Managing Director
Pakistan Industrial Credit and Investment
Corporation Limited
P. O. Box 5080
Karachi, Pakistan

cc: Mr. Hanb
RMH:del:agr.

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GENERAL FILES
COMMUNICATIONS

1965 AUG - 6 PM 4:46

48 -

August 5, 1965

Mr. Ladislav M. Svoboda
General Manager
Malaysian Industrial Development
Finance Limited
Hwa-Li Building
63-65 Jalan Ampang
Kuala Lumpur, Malaysia

Dear Lada:

In Bill Diamond's absence, I am writing to thank you for your letter of July 16 about the conference of development finance companies and for your correction of the descriptive memorandum on MIDFL.

Referring to the preparations for the conference and to Bill's telegram of July 23, we hope very much that we will receive your documents on the Agenda items by August 15. We have had to set that deadline because the work of preparing the Agenda documents for the conference is quite time-consuming.

In Bill's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

We are proceeding on the assumption that you personally will represent MIDFL at the conference. Is this correct? We should also like to know what subject on the Agenda is of sufficient interest to you to make you want to lead the discussion of it. You will recall that Bill raised this question in his letter of April 5.

1022 WNC - E 04 11: 18

COMMUNICATIONS
GENERAL LINES
RECEIVED

ack. Aug. 19/65

August 2, 1965

Mr. Ladislav M. Svoboda
General Manager
Malaysian Industrial Development
Finance Limited
Hwa-Li Building
63-65 Jalan Ampang
Kuala Lumpur, Malaysia

Dear Lada:

In Bill Diamond's absence, I am writing to thank you for your letter of July 16 about the conference of development finance companies and for your correction of the descriptive memorandum on MIDPL.

Referring to the preparations for the conference and to Bill's telegram of July 23, we hope very much that we will receive your documents on the Agenda items by August 15. We have had to set that deadline because the work of preparing the Agenda documents for the conference is quite time-consuming.

In Bill's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

We are proceeding on the assumption that you personally will represent MIDPL at the conference. Is this correct? We should also like to know what subject on the Agenda is of sufficient interest to you to make you want to lead the discussion of it. You will recall that Bill raised this question in his letter of April 5.

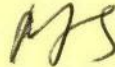
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- 2 -

Marty Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know who they are, we will be sending a personal invitation.

With warm personal regards to both Marie and you,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

cc: Mr. Mathew
RFSkillings/RBlondel:mb

RB —

August 5, 1965

Dear Dr. Neaman:

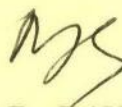
As you doubtless know, we have had the pleasure of extending an invitation to the Industrial Development Bank of Israel to participate in the conference of development finance companies that will take place here in Washington early next October. Mr. Diamond wrote to Dr. Foerder on this subject on July 20, and I am enclosing a copy for your ready reference.

In the hope that Dr. Foerder or you will be able to come, I am enclosing for your consideration the draft memorandum which Mr. Diamond mentioned in his letter, describing the structure, operations and financial results of IDBI. If IDBI is going to participate, would you be kind enough to review the draft memorandum carefully and send it back to us with whatever corrections you see fit to make, for inclusion in the set of documents that we are distributing to all the participants. When you return this document, I would be grateful if you could also send with it thirty copies of your 1964 Annual Report and your comments on the agenda items.

Would it be possible for you to airmail these documents not later than August 15?

With warm personal regards,

Sincerely yours,



Robert F. Skillings
Deputy Director
Development Finance Companies

Enclosures

Dr. A. Neaman
Managing Director
The Industrial Development Bank
of Israel Ltd.
113 Allenby Road
Tel Aviv, Israel

cc: Mr. Jeffries

RSkillings/RB1ondel:lvr

ack. Aug 15/65

August 5, 1965

Dear Dr. Herrera Carrizosa:

We were glad to learn from your letter of July 26, about the conference of development finance companies, that you have no comments on the draft memorandum on CFC.

Referring to the preparation of the conference and Mr. Diamond's telegram of August 2, we hope very much that we will receive your comments on the Agenda items by August 15. We have had to set that deadline because the work of preparing the Agenda documents for the conference is quite time-consuming. Also, we should like to know whether you would have any objection to our making CFC's Policy Statement available as part of the documentation we are distributing. Would you be good enough to let me know this as soon as possible? I would be very much obliged if you would send at the same time 10 extra copies in English of CFC's 1964 Annual Report.

In Mr. Diamond's letter of April 5, he said that he would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. We now find that we have fallen behind schedule. We also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, we are now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

We are proceeding on the assumption that you personally will represent CFC at the conference. Is this correct?

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will send a personal invitation.

With warm regards,

Sincerely yours,

RF

Robert F. Skillings
Deputy Director
Development Finance Companies

Dr. Guillermo Herrera Carrizosa
President
Corporación Financiera Colombiana
Edificio Banco de Bogotá, Carrera 10

cc: Mr. Mejía

RFSkillings/RBlondel:lv

Bogotá, Colombia

RB-

August 4, 1965

Dear Mr. Diawara:

Thank you very much for your letter of July 13 about the conference of development finance companies and for your correction of the memorandum about BIDI.

I can understand your feeling that, since BIDI has been in operation only since the beginning of this year, you do not feel able to provide detailed written comments on the Agenda. I am sure, however, that the oral contribution of BIDI's representative will be a valuable one. Incidentally, you have not yet informed us who will be BIDI's representative. I should appreciate your letting me know as soon as possible so that we can issue a list of participants.

In my letter of April 5, I said that I would send the documents which we are putting together (the basic data about each institution involved and the notes on the Agenda items) to all participants around the end of August. I now find that we have fallen behind schedule. I also find that the documentation is becoming very bulky. It is likely to total ten pounds in weight, which would be burdensome to you to have to bring back to Washington in your baggage. Accordingly, I am now planning to give the documents to each participant when he arrives in Washington for the Annual Meeting. Since everyone will be here at least two weeks before the conference, there should be enough time to study the documents before the conference starts.

Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will be sending a personal invitation.

With best personal regards,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Mr. M. T. Diawara
Governor
Banque Ivoirienne de Developpement
Industriel S.A.
B.P. 4470
Abidjan, Ivory Coast

cc: Mr. Hanh

RBlondel:lvv

1002 VNC - 25-11

COMMUNICATIONS
GENERAL LINES
RECEIVED

ent. Aug. 17/65

August 14, 1965

Dear Mr. Diawara:

Thank you very much for your letter of July 13 about the conference of development finance companies and for your correction of the memorandum about BIDI.

I can understand your feeling that, since BIDI has been in operation only since the beginning of this year, you do not feel able to provide detailed written comments on the Agenda. I am sure, however, that the oral contribution of BIDI's representative will be a valuable one. Incidentally, you have not yet informed us who will be BIDI's representative. I should appreciate your letting me know as soon as possible so that we can issue a list of participants.

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Mr. Rosen is planning to give a dinner on Tuesday, October 12, for all the participants in the conference. As soon as we know exactly who they are, we will be sending a personal invitation.

With best personal regards,

Sincerely yours,

William Diamond
Director
Development Finance Companies

cc: Mr. Hanh

RHB:del:ivr

1965 AUG - 25 PM 4:58

RECEIVED
GENERAL FILES
COMMUNICATIONS

Abidjan, Ivory Coast
B.P. 4470
Industriel S.A.
Banque Ivoirienne de Developpement
Gouverneur
Mr. M. T. Diawara

Dev B. Conf.

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INCOMING WIRE

DATE OF WIRE: **AUGUST 4, 1965** **950**

LOG NO.: **TELEX**

TO: **CORINTFIN**

FROM: **VIENNA**

TEXT:

| ROUTING | |
|-------------------|--------------------|
| ACTION COPY: | MR. DIAMOND |
| INFORMATION COPY: | |
| DECODED BY: | |

FOR WILLIAM DIAMOND

YOU SHALL RECEIVE DOCUMENTS IN QUESTION BEFORE AUGUST 15.

THEY WILL BE DISPATCHED AT THE END OF THIS WEEK.

DR. TEUFENSTEIN, INVESTORED

FCA

INCOMING WIRE

ROUTING

MR. HANCOCK

ACTION COPY
INFORMATION
COPY
DECISION COPY

200

AGENCY 1, 2000

SECRET

CONFIDENTIAL

URGENT

DATE OF
WIRE

OF NO. 1

TO

FROM

TEXT

FOR WILLIAM HANCOCK

NEW SPANISH LANGUAGE INFORMATION IN CURRENT INFORMATION 12.

THIS WILL BE DISCLOSED AT THE END OF THIS YEAR.

BY TELETYPE, INFORMATION

JUN 4 8 20 AM 1965

GENERAL FILE
COMMUNICATIONS

TYPE

DUPLICATE

INCOMING WIRE

DATE OF WIRE: **AUGUST 3, 1965**
LOG NO.: **RC 6**
TO: **CORINTFIN**
FROM: **TAIPEI**
TEXT:

1737

| ROUTING | |
|-------------------|--------------------|
| ACTION COPY: | MR. DIAMOND |
| INFORMATION COPY: | |
| DECODED BY: | |

WILLIAM DIAMOND
✓
REURTEL 2ND HAVE AIRMAILED YESTERDAY OUR VIEWS ON
ITEMS 6 AND 7 REGARDS

TCPAN

FCA

INCOMING WIRE

ROUTING

ACTION COPY: MR. BLANK
INFORMATION
COPY
RECEIVED BY

TEST

ADHUNT, J. 1965

NO 6

COMMUNIST

WALSH

DATE OF
WIRE

DC NO:

TO:

FROM:

TEXT:

URGENT 100 1000Z AUGUST 3 1965
TO DIRECTOR AND SAC NEW YORK
FROM NEW YORK 100 1000Z AUGUST 3 1965
SUBJECT: [REDACTED]

END

AUG 4 - 8 20 AM 1965

COMMUNICATIONS
GENERAL FILE

DATE

Log. 8/5

china development corporation

P.B. Conf.

CABLE ADDRESS
CHIDEICO TAIPEI

August 2, 1965
File Ref. 54-E-0402

Mr. William Diamond
International Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U. S. A.

Dear Bill :

On the eve of my leaving for Bangkok to attend a ECAFE meeting for a few days, I hasten to forward herewith our comments on Item 6 and 7 of the proposed Agenda in response to your letter of July 23rd. The Items were left out at first because the matter appeared as of less concern to us.

With very best wishes,

Sincerely yours,



Felix S. Y. Chang
President

✓ 1 Encl.

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GENERAL INVESTMENT
DIVISION
AUG 11 1965

ack. Aug. 6/65

china development corporation



CHIDECO TAIPEI
CABLE ADDRESS

August 2, 1965
File Ref. 24-E-0402

Mr. William Diamond
International Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U. S. A.

Dear Bill :

On the eve of my leaving for Bangkok to attend a ECAFE meeting for a few days, I hasten to forward herewith our comments on Item 6 and 7 of the proposed Agenda in response to your letter of July 23rd. The items were left out at first because the matter appeared as of less concern to us.

With very best wishes,

Sincerely yours,

Felix S. Y. Chang
President

✓ Encl.

1965 AUG -5 PM 3:24

RECEIVED
GENERAL FILES
COMMUNICATIONS

6. Expanding and improving facilities and obtaining staff from abroad.

Development financing is a new enterprise. The staff of a development company or bank should not only possess a sound financing background but also good knowledge and ability to keep abreast with industrial development. Personnel with such qualifications is usually not available, especially in developing countries.

On-the-job training is perhaps the only way to solve the problem. It is a slow and sometimes costly process. Under certain circumstances, it may be necessary to recruit foreign staff at the initial stage at least. The most appropriate source of supply for such trained personnel is from the development companies. However, in our opinion, a foreign staff should come from a country with more or less similar background so that the suggestions offered by such foreign staff may be found practical and workable. Technicians from highly advanced countries may be recruited as consultants but should not take part in the day-to-day operations because different mentality and way of doing things may cause unnecessary friction and impede the normal progress of a development company.

Frequent gathering of development company staff members on regional basis, to us, is most useful. Free exchange of views and experience are mutually beneficial and may also help to upgrade the quality of the staff of each participating company.

7. Joint financing of specific enterprises with the World Bank group.

Joint financing on regional basis is very useful for development of certain projects if (a) the carrying out of the project will have to draw resources from a number of countries; (b) the benefits derived from such project could be shared by the participating countries; and (c) the investment involved is too substantial to be extended by any single development company. Joint financing with the World Bank group in such cases is definitely superior to a joint financing by a group of heterogeneous financial institutions for the simple reason that the World Bank group can serve as an impartial party seeing that each development company takes a fair share of the risks and get a fair share of the fruit.

CDC has not had any experience in this kind of joint venture as the Republic of China is not yet a member of IFC.

with letter Aug. 2, 1965

August 2, 1965

Mr. Bahaeddin Kayalioglu
Assistant General Manager
Industrial Development Bank of Turkey
P. O. Box 17, Galata
Istanbul, Turkey

Dear Baha Bey:

I wish to thank you for your letters of July 13 (No. 14190),
July 16 (No. 14731 and 14788) and July 23 (No. 15217), enclosing
comments on items 1, 2, 3, 4, 5, and 7 of the Agenda of the conference
of development finance companies. I am now awaiting your views on item
No. 6 of the Agenda.

We have still not received the thirty copies of your 1964
Annual Report which, according to your letter 14788 of July 16, were
air mailed on that date.

Because of the work that needs to be done in preparation for the
conference, I hope that both the remarks on the Agenda and the Annual
Report arrive by August 15.

With best personal regards,

Sincerely yours,



William Diamond
Director
Development Finance Companies

RElondel/WDiamond:clf

RB-
cc: Mr. Jeffries

ack. Aug. 7/65

OUTGOING WIRE

TO: CHANG

CHIDELCO

TAIPEI, TAIWAN

COUNTRY: CHINA

TEXT:

Cable No.:

DATE: AUGUST 2, 1965

CLASS OF ~~NIL~~
SERVICE:

IFC GOVT

RECH

REURLET JULY 17 AND OURS OF 23RD YOUR VIEWS ON AGENDA ITEMS SIX AND
SEVEN WERE MISSING FROM COLLECTION STOP PLEASE SEND DUPLICATES
SOONEST POSSIBLE STOP NEED TO HAVE OUR COLLECTION COMPLETE BY
AUGUST 15

DIAMOND

ack. Aug. 5/65

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME William Diamond
Director

DEPT. Development Finance Companies

SIGNATURE *W. Diamond*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

W.Diamond/R.Blondel:mbc

MB

For Use by Archives Division

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Checked for Dispatch: _____

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

OUTGOING WIRE

DATE: AUGUST 2, 1965

TO: CHANG

CHIBENGO

TAIPEI, TAIWAN

COUNTRY: CHINA

TEXT:
Cable No.

CLASS OF
SERVICE: *190 Govt*

REURTEL JULY 17 AND OURS OF 23RD YOUR VIEWS ON AGENDA ITEM SIX AND
SEVEN WERE MISSING FROM COLLECTION STOP PLEASE SEND DUPLICATES
SOONEST POSSIBLE STOP NEED TO HAVE OUR COLLECTION COMPLETE BY
AUGUST 15

DIAMOND

NOT TO BE TRANSMITTED

CLEARANCES AND COPY DISTRIBUTION

MESSAGE AUTHORIZED BY:

W. Diamond/H. Alondel:mbo

NAME: William Diamond

Director

DEPT: Development Finance Committee

SIGNATURE

INITIALS
DATE: 8/2/65
RECEIVED
WILLIAM DIAMOND

For Use by New York Division

ORIGINAL FILE COPY

IMPORTANT: See Section 4 (Guide for preparing form)

Check for Duplication

OUTGOING WIRE

TO: MARZO

DATE: AUGUST 2, 1965

BANDESCO

RCM

CLASS OF

SERVICE: NLT

MADRID

COUNTRY: (SPAIN)

TEXT:

Cable No.:

✓ ✓
REOURLETS JUNE 25 AND JULY 29 NEED TO RECEIVE YOUR AGENDA COMMENTS BY
AUGUST 15 STOP HOPE YOU CAN MANAGE IT

DIAMOND

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME William Diamond, Director

DEPT. Development Finance Companies

SIGNATURE *W Diamond*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

RBlondel:vmv

RB

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(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Blondel

For Use by Archives Division

Checked for Dispatch: _____

OUTGOING WIRE

DATE: AUGUST 2, 1967

CLASS OF SERVICE: MT

TO: MARZO
HANDS CO
MADRID
COUNTRY: (SPAIN)

TEXT
CODE NO.

RECEIPTS JUNE 25 AND JULY 29 NEED TO RECEIVE YOUR AGENDA COMMENTS BY
AUGUST 15 STOP HOPE YOU CAN MANAGE IT
DIAMOND

NOT TO BE TRANSMITTED

RECEIPTS AND COPY RETURNED

MESSAGE AUTHORIZED BY

cc: Mr. Blondel

NAME: William Diamond, Director

DEPT: Development Finance Committee
DATE: 8/8/67
SIGNATURE: [Signature]
DESPATCHED AFTER HOURS

Blondel:vmv

ORIGINAL (file copy)

Checked for dispatch

REPORT: See Secretary's Guide for reporting form

OUTGOING WIRE

TO: KAYALIOGLU

DATE: AUGUST 2, 1965

KALKINMABANK

RCM

CLASS OF
SERVICE:

ISTANBUL

COUNTRY: (TURKEY)

TEXT:
Cable No.:

RE YOUR LETTERS NEED TO HAVE YOUR REMAINING AGENDA COMMENTS BY AUGUST
15 STOP ITEM SIX STILL MISSING

DIAMOND

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME William Diamond, Director

DEPT. Development Finance Companies

SIGNATURE *W Diamond*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

RBlondel:vmv

RB

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cc: Mr. Blondel

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COMMUNICATIONS

INTERNATIONAL TELEGRAPH
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INTERNATIONAL TELEGRAPH
COMMUNICATIONS

OUTGOING WIRE

DATE: AUGUST 2, 1962

CLASS OF
SERVICE

TO: KAYALLOU

KALININABANK

ISTANBUL

(TURKEY)

COUNTRY

TEST

Radio No.

RE YOUR LETTERS NEED TO HAVE YOUR REMAINING JORDAN COUPONS IN AUGUST

IS STOP THEM SIX STILL MISSING

DIAMOND

cc: Mr. Blomfield

Director, William Diamond

Development and Finance Companies

INITIALS
DATE 8/2/62
DESPATCHED AFTER HOURS

Rebanded: vny

OUTGOING WIRE

TO: KASTNER

DATE: AUGUST 2, 1965

INVESTCRED

275

CLASS OF
SERVICE: NLT

VIENNA

COUNTRY: (AUSTRIA)

TEXT:

Cable No.:

✓
REOURLET JUNE 24 NEED TO RECEIVE YOUR AGENDA COMMENTS BY AUGUST 15 STOP
HOPE YOU CAN MANAGE IT

DIAMOND

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME William Diamond, Director

DEPT. Development Finance Companies

SIGNATURE W Diamond
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

RBlondel:vmv

RB-

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(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Blondel

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Checked for Dispatch: _____

OUTGOING WIRE

DATE AUGUST 2, 1982

CLASS OF
SERVICE NET

TO: KASTNER
INVESTMENT
VIRNA
COUNTRY (AUSTRIA)

TEXT
Cable No.

REBOURNT JUNE 21 NEED TO RECEIVE YOUR AGENDA COMMENTS BY AUGUST 15 STOP

HOPE YOU CAN MANAGE IT

DIAMOND

NOT TO BE TRANSMITTED

RECEIVED AND COPY
cc: Mr. Blondel

Development Finance Companies
Director

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DATE 8/2/82
DESPATCHED AFTER HOURS

Blondel:vmv

ORIGINAL (this copy)

UNCLASSIFIED AND DECLASSIFIED (for preparation)

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