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CAMACHO

# Director Tells Rotarians About World Bank Work

By CLARK WOODROE  
Of The Daily Mail Staff

Charleston Rotarians — many of whom are successful businessmen — yesterday learned some facts about a bank "without windows and without deposits", which lends where conventional banks balk and still makes a substantial profit.

Dr. Jose Camacho y Lorenzene, from Colombia in South America, described some of the operations of the World Bank. Dr. Camacho is the representative of six Latin American states on the Bank's board of directors.

The Bank specializes in loans to governments and government-approved industries in underdeveloped countries. Here private institutions can provide funds, the Bank does not compete with them, Dr. Camacho said.

It is one of the two international agencies which pay for themselves, he declared. Profits from the Bank's operations average around \$60 million a year.

"We don't lend much money," Dr. Camacho remarked, "but the results are amazing."

He cited the example of the \$500,000 lent to Nicaragua to build grain storage facilities. Before the bins were built, grain flooded the market at harvest time and could scarcely be obtained the rest of the year.

Prices consequently fluctuated wildly, skyrocketing in non-harvest seasons. When farmers marketed their corn, such a glut occurred that many got almost nothing for their crop.

Once the storage bins were built, however, grain remained in constant supply all year. Prices remained steady, and farmers could be sure of a return on their investments.

Dr. Camacho attributed much

of the bank's success in making money and in benefitting borrower countries to the tight control it keeps over expenditures of its funds.

When the Bank is requested to make a loan, he said, its experts first check to see how feasible it is and set conditions regarding engineering, materials, etc. It requires monthly progress reports once the project is under way. Finally, instead of giving cash to its borrowers, it pays their bills through its own offices, which makes sure materials meet specifications and prevents waste.

"The Bank gives away no money," Dr. Camacho declared, "but we do give away services." It sends out teams of experts who study a country's entire economy and make recommendations.

Although the Bank is an international institution governed by public officials, only 20 per cent of its capital is provided by the world's taxpayers. The rest, the Colombian said, is raised by floating bond issues.

## CAN'T AFFORD GOOF

The bank has been so successful that its bonds are valued almost as much as U. S. Government issues. And the need to borrow from private sources requires the Bank to be financially careful. "If we goofed off," Dr. Camacho remarked "nobody would buy our bonds."

A native of Bogota, Columbia, Dr. Camacho started work as a journalist. He later moved into politics and diplomacy, and has served as a consul and attache in Colombian legations throughout the world. He was educated at the National University of Columbia, and now lives in Washington, D. C.

The Financial Times (London)  
August 15, 1960

# Indo-Pakistan Water Tr

From Our Own Correspondent

LAHORE, August 14.

People on both sides of the border are anxiously waiting as Mr. W. A. B. Iliff, vice-president of the World Bank, confers with President Ayubkhan of Pakistan to smooth any last minute ruffles in the proposed treaty to end the 13-year-old Indo-Pakistan water dispute.

Arriving with two engineering advisers at the Federal capital on Friday after "pleasant and agreeable" talks with the Indian Premier, Mr. Nehru, Mr. Iliff said:

"I am not pessimistic." He was referring to prospects of complete agreement between the two countries which will culminate in Mr. Nehru coming to Rawalpindi in September to sign the treaty.

## Transitional Period

Mr. Iliff would not describe the present stage as crucial. His optimism is based on the fact that the treaty has been approved in essentials by both countries. What remains is agreement on a water supply from the Indian rivers during the 10-year transitional period until replacement works are completed in Pakistan.

Mr. Iliff's current efforts are "to

meet the needs of both countries from the limited water available in three Indian rivers." He has given Pakistan an Indian document on the disputed points apparently concerning transitional arrangements.

He has ruled out the need for going to New Delhi again and his optimism is shared by the Pakistan leaders. He had hinted the last phase of the tripartite talks would be in Washington, but he could not firmly say when.

Mr. Iliff returns to Washington on Tuesday. Indications are that the date for signing the treaty will be announced there.

## 9 Years' Endeavour

Mr. Black, president of the World Bank, might himself see the treaty signed after nine years' patient endeavour by the Bank. These negotiations have been on the rocks many times and the treaty will doubtless be a triumph of the Bank's efforts to reduce Indo-Pakistan strife.

The division of the Punjab on partition of the sub-continent in 1947 left India control of three eastern rivers other than the three falling within West Pakistan. In April, 1948, India closed the supply in the canals emanating in her territory, but irrigating Pakistan lands.