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THE WORLD BANK  
Washington, D.C.

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President G.D. Woods Travel Files Vol 1 Argentina, May 1965



The Woods Bank Group  
**Archives**  
1770008  
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President George D. Woods Travel Files: Argentina - Travel file 01

**DECLASSIFIED**  
WBG Archives

Mrs. Woods:

July 9, 1965

Here are the names you will want for your account of our recent trips:

BRAZIL

President Castello Branco  
President of the Republic of Brazil

He gave a lunch for Mr. Woods;  
also performed the opening  
ceremony at FURNAS

Dr. Octavio Gouvea de Bulhoes )  
Minister of Finance )

Roberto de Oliveira Campos )  
Minister of Economic Planning and )  
Coordination )

These Ministers accompanied  
us to FURNAS

Mauro Thibau )  
Minister of Mines and Energy )

Octavio Marcondes Ferraz  
President of ELECTROBAS--the parent  
company of FURNAS

Also accompanied us to SANTOS

John R. Cotrim  
President of FURNAS

Adolpho Bloch  
Printer and Publisher

Gave us lunch at his house at  
Teresopolis

Dr. Otto Cyrillo Lehmann  
President of USELPA

Arranged our visit to Sao  
Paulo

Dr. Adhemar de Barros  
Governor of Sao Paulo State

Mr. and Mrs. Adhemar de Almeida Prado

with whom we stayed at FAZENDA  
RIO DAS PEDRAS

ARGENTINA

President Arturo Umberto Illia  
President of the Republic of Argentina

Mr. Woods had a meeting with him

Dr. and Mrs. Felix Elizalde  
President of the Central Bank

Dr. Juan Carlos Pugliese  
Minister of Economy

Gave a cocktail party and  
dinner for Mr. Woods

Dr. Jorge A. Nunez  
President of SEGBA

Gave a luncheon for Mr. Woods

Rear Admiral Lorenzo J. Arufe  
President, Banco de la Nacion

Gave a luncheon for Mr. Woods

May 24, 1965

Dear Dr. Nunez:

On my return to Washington, I write to thank you and your colleagues on the Board of SEGBA for the courtesy shown to me and my party when we visited you in Buenos Aires. I enjoyed the opportunity of getting a firsthand impression of your great undertaking and of visiting with you and your colleagues. In particular, I thank you for the luncheon you gave us at Porto Nuevo--a very pleasant occasion and enlightening for me with its discussion regarding the future power expansion needs of Argentina.

I shall look forward to renewing our acquaintance at a later date, perhaps in Washington. Please convey my thanks and good wishes to all at SEGBA, especially to Admiral Favaron.

Very sincerely yours,

((Signed) George D. Woods

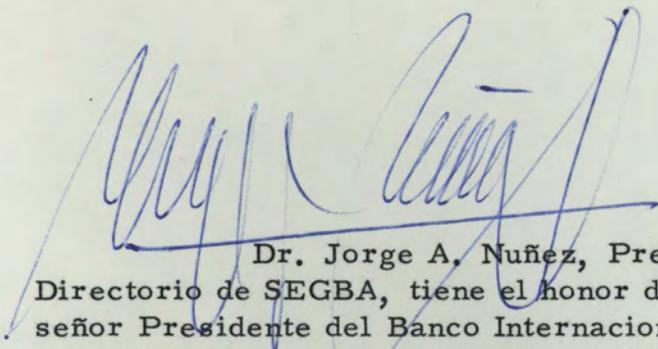
George D. Woods

Dr. Jorge A. Nunez  
President  
Servicios Electricos del Gran  
Buenos Aires  
Balcarce 184  
Buenos Aires, Argentina

GCW:GDW:ml





  
Dr. Jorge A. Nuñez, Presidente del Directorio de SEGBA, tiene el honor de invitar al señor Presidente del Banco Internacional de Reconstrucción y Fomento, D. George D. Woods, al almuerzo que le ofrecerá en la Central Puerto Nuevo el día martes 18 del corriente, a las 13.

Buenos Aires, 17 de Mayo de 1965. -

Al Sr. George D. Woods,  
Presidente del Banco Internacional  
de Reconstrucción y Fomento  
P R E S E N T E

*GCW*  
*All return a  
Thank you note  
for lunch today  
Woods 5/18*



Dr. Jorge A. Nuñez, Presidente del Directorio de SEGBA, tiene el agrado de invitar al Señor George Wishart al almuerzo que ofrecerá en honor del Presidente del Banco Internacional de Reconstrucción y Fomento, Dr. George D. Woods, en la Central Puerto Nuevo el día martes 18 del corriente, a las 13.

Buenos Aires, 17 de Mayo de 1965. -

Al Señor George Wishart  
P R E S E N T E

May 24, 1965

Dear Mr. Pryor:

I was glad that my brief visit to the Argentine, busy as it was with official appointments, enabled me to make your acquaintance and provided an opportunity for an interesting discussion. I write to send you my thanks for a pleasant lunch and also for your thoughtfulness in giving me a bottle of scotch. I trust that we shall renew our acquaintance sometime in the future. Warm regards.

Sincerely,

((Signed) George D. Woods

George D. Woods

Mr. Keith C. Pryor  
Managing Director  
International Packers Limited  
Maipu 88  
Buenos Aires, Argentina

GCW:GDW:ml



KEITH C. PRYOR

INTERNATIONAL PACKERS LIMITED  
135 SOUTH LASALLE STREET  
CHICAGO 3, ILLINOIS

MAIPÚ 88  
30-7211  
BUENOS AIRES

INTERNATIONAL PACKERS LIMITED

MAIPÚ 88  
BUENOS AIRES

KEITH C. PRYOR  
MANAGING DIRECTOR

14th. May, 1965

Mr. George D. Woods,  
Plaza Hotel,  
BUENOS AIRES

*KCW*  
*Thank you note  
for lunch + bottle  
of Scotch plus  
opportunity  
interesting  
discussion  
Good  
5/18*

Dear Mr. Woods,

I have received a cable from Mr. A. T. Taylor our Chairman, advising me that you will be visiting Argentina next week for a period of three days during which you have very kindly agreed to see me. Mr. Taylor has suggested that I prepare a brief memorandum on our basic problems in Argentina, which I am very glad to do. I think, however, by way of a start, that you should read the attached free translation of a letter the meat packing companies of Argentina sent to the President of the Nation a short while back. Although I admit it is not brief, nevertheless, it will give you the background to our situation in Argentina.

Insofar as our particular company is concerned, on an annual turnover of approximately 200 million U.S. dollars, we export approximately 60% of this, which means that a realistic rate of exchange is imperative to our financial results. In November, 1963, the rate of exchange was 143 pesos to the dollar and although in subsequent months the exchange rate varied from approximately 131 pesos up to 138 pesos, it was not until August of 1964 that it reached 143 to 144 pesos. In November of 1964, the peso devalued to approximately 151 pesos per dollar and remained at this level until April 19th. of this year when it was once again devalued to 171 pesos per dollar. I am referring to the "official" free rate of exchange because when the official free rate was around 151 pesos per dollar there was a parallel market rate at approximately 210 pesos and now that the official free rate has gone to 171 pesos, the parallel market rate is today 225 to 230 pesos per dollar. This should clearly indicate to you that the "official" free rate of exchange is in reality a "controlled" rate of exchange. The "controlling" is of course exercised by the Central Bank of the Argentine Republic who not only buys and sells

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Mr. George D. Woods

14th. May, 1965

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dollars on the local market but also sees to it that import duties are imposed in such a manner as to considerably reduce the demand for dollars.

If all controls were removed today, the rate would be in all probability around the 200 peso mark rather than the parallel market rate of 225 to 230 pesos. In other words, a realistic exchange rate today would be 200 pesos to the dollar rather than the 171 pesos now in effect.

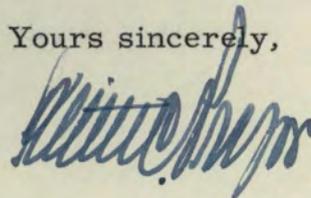
Our problem in this unrealistic exchange rate is that our costs of industrialization since November 1963 have increased approximately 45%, whereas the Argentine peso has only depreciated in value approximately 20%.

It is well worth noting, however, that in the latest devaluation of the peso on April 19th., a 9½% retention was imposed on the export of other than processed meats which, means that, instead of receiving 171 pesos for every dollar exported, we actually receive less than 155 pesos. This represents a devaluation of less than 10%. In this connection, we think you should also read an "Aide Memoire" drawn up by us on May 10th. of this year which deals mainly with the importance of the elimination of these retentions in the very near future.

Please forgive me for making this letter so lengthy but it is difficult to express our problem to you in a few words. I will leave this letter at the Plaza Hotel so that it will be waiting for you on your arrival and, early next week, I will be getting in touch with you.

Looking forward to meeting you and with best personal regards, I remain,

Yours sincerely,



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Encls.

v.

Buenos Aires, April 1965.

To H.E. the President of the Nation,  
Dr. Arturo U. Illia.

Sir:

The undersigned meat packing companies are honored to come to H.E. the President with the object of conveying to him the expression of what, in their view, represents the most solid future for our country, and of pointing out some of the circumstances which, regrettably, are capable of spoiling those prospects.

The country with its great opportunity before it.

All the peoples of the world, in larger or lesser degree, raise their living standards by the incorporation of technology in the gross product of their fundamental activities and this results in the consumption of more and better articles of food. Proteins of animal origin and, among these, beef, are the most highly desired.

World consumption of meats constantly increases, and the only obstacle to a faster expansion lies in the geonatural difficulties to be encountered in the massive production of cattle.

It can be stated that countries like Brasil, Uruguay, Mexico, Canada and France will be able to supply only small exportable surpluses; Australia and New Zealand will experience serious limitations in their exports for climatic and soil reasons and to the extent their respective rates of internal consumption increase; the whole African continent has but very few places suitable for an intensive development of quality animal productions. Only two countries remain, Argentina and the United States, that could raise their present volumes to unsuspected limits.

The United States has an enormous domestic consumption and its production costs are very much higher than our country's, elements both of which place us in an advantageous position to be the main suppliers of meat of the highest quality to a world hungry for it.

All these positive factors, fully confirmed by the meat industry, constitute, without any fear of error, the basis on which Argentina is to find the elements for her development and expansion and at the same time they point to the urgency of preparing a plan for the purpose of fostering animal production based on a solid meat export policy that, ensuring the presence of Argentine meat in all and each one of the markets, will discourage subsidized productions of other countries and break the barriers that are opposed to our access to those markets.

With a realistic price policy allowing the producer to receive, not only a satisfactory return, but also to provide for a progressive capitalization that will act as a stimulus to his growth, it can be said that Argentina will witness an extraordinary increase of her present animal stocks in the space of a few years, so that, after taking good care of her internal consumption, she may rise from an exportable surplus of 500,000 tons to one three or four times greater.

The policy on purchases, based on estimated deficits, being drawn up by the countries of the European Common Market, and of which the National Meat Board is a faithful witness, makes it certain that the conjunction of buyer markets for our

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meats is such that, so soon as it can be met, it will transform the structure of our country.

Few nations can boast of possessing a rich land like ours. Its great productivity will be the basis for the development of all the other industries; it will mean more steel, more machinery, electricity, services, roads, new living methods, more comfort, more education for the people and a more solid physical and moral health.

To the extent that we fail to carry out these plans, we will oblige other countries to develop marginal productions, we shall find ourselves forced to labor against interested and directed forms of competition and we shall have lost - who knows for how long - the country's great opportunity to achieve her most cherished aspirations.

The meat industry comes to place at the disposal of the Superior Government of the Nation all its best efforts with the object of attaining the fulfilment of such noble and lofty purposes, in the hope that its collaboration may help to shape the policy and to employ the means that will be conducive to the desired results.

But such a promising prospect can be thwarted by the present plight of the meat industry, to which there are no exceptions. This industry is not in a position to continue operating under present conditions and is, moreover, in grave danger of not being able to participate, under ideal conditions, in the effort the whole country must make in order to achieve this great national objective.

#### Situation of the meat exporting industry in Argentina.

The livestock recuperation is under way. This is a positive fact we are pleased to mention, but it is necessary to strengthen this process so as not to have to go back on the progress made.

The frigorifico industry, instead, is in the throes of a serious crisis, the most acute one of its history, and is struggling under conditions that put its immediate future in peril.

The drastic fall of stocks for slaughter, as a consequence of the recent years' livestock crisis, and the absence of timely measures that might have mitigated the impact it produced, caused the export frigorifico industry to sustain, in 1964, enormous losses running into thousands of millions of pesos, which completely exhausted its financial reserves.

The year 1965, with its first months gone, and prospects analyzed with the elements of judgment in our possession, confronts our industry with a gloomy panorama which is simply alarming.

If the necessary measures are not adopted at once, last year's losses will be repeated this year and it is an absolute certainty that the industry will not be able to survive them this time, hence their bankruptcy will follow, with all the ensuing economic and social consequences.

Although export beef prices went up, this increase was not sufficient to absorb the increases that took place in all factors entering into the cost and the exchange differences.

All this brought on a very great economic and financial imbalance. With the low export volumes foreseen for the current year, according to estimates by the National Meat Board,

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with the steadiness of livestock prices, with the impossibility of expecting further and successive increases in prices in the international markets, with an exchange rate at which the converted earnings in foreign currencies are not sufficient to cover those costs, and with increases in other internal factors, the prospects are those of an industry placed in a situation of progressive bankruptcy, the end of which is easy to foresee in the very near future.

The contrast between the two positions is evident: whereas the whole country has to make and is making a great effort to increase its animal production levels in line with an ever growing domestic consumption and, especially, an ever growing foreign consumption, the frigorifico industry, which has attained a degree of efficiency that places it at least on a par with the most advanced in the world, has lost its economic-financial strength and is reduced to such a condition of weakness that it will doubtless be unable to adapt its rhythm to the requirements of that market, active as it comes into view. There cannot be a prosperous livestock industry with a packing industry in a bankrupt state, or conversely. It is therefore essential that a decision be made to adopt, at once, a number of measures, the most important of which, among others, we take the liberty of recommending to H.E. the President's consideration.

1 - Rate of exchange.

It is not the intention of the industry to discuss the advantages and disadvantages of the system in force; it only wishes to say, with the greatest emphasis, that, with a rigid method that incapacitates it to follow cost fluctuations in a proper manner, it will be impossible for it to honor its engagements.

If, as a result of the almost permanent increase of internal costs and of the local consumer's correlative higher purchasing power, product of unceasing salary adjustments, the export industry is unable to buy competitively in the cattle market, it means that the pesos it receives for the foreign currencies it produces are insufficient, or, what is the same, that the rate of exchange is not realistic.

This is the situation prevailing at this time, and it is what we have been enduring for a long time. Regrettably, we are unable to bear it any longer.

We are not in a position to subsidize the exports of Argentine meats, which in the world markets have reached price levels it can hardly be expected to improve, a thing which would entail a grave risk to our country if we attempted to do it or if we attempted to force those price levels.

2 - Supplying the foreign markets.

In the face of the requirements of the traditional markets, and of the new ones, it would be very dangerous to disappear from some of them or to wait upon them with too low volumes.

This would mean possibly not counting on those markets when production has been fully recovered and great exportable surpluses are available, because we ourselves had encouraged subsidized productions and had made possible the penetration of others who, as in the case of the United States, are making serious efforts to do this.

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Exports must be directed, to the maximum extent possible, towards the classes of meat of the highest value, especially chilled beef, carefully finished select quarters and manufactured products with a high amount of processing involving labor and materials.

3 - Arrangement of exports.

Each one of the undersigned companies is a zealous defender of free competition - freedom within the bounds of order -, in the practice of which they have found the foundations of their own development, but, cognizant of the emergencies the country is faced with, they recognize the need of a system that will avoid sterile sacrifices of markets or prices.

We must necessarily arrange ourselves in an orderly way, and to this end we feel that we have a right to participate in the formulation of those plans and to share the responsibilities for the alignment. Only in this manner it will be possible to make the necessary adjustments that will enable us to keep our plants operating and to maintain the activity of the sources of employment of our thousands of workers and employees.

4 - Internal consumption.

If the country has to make a sacrifice involving all its inhabitants, it is necessary to maintain the indices of internal consumption at suitable levels and, to accomplish this purpose, we know of no better way than to continue with the present restrictions by which two prohibition days a week are in force.

A price consonant with the real costs of production will render possible the development of other lines of exploitation, such as pork, chickens and fish, which in the past were not able to resist the competition of beef, which in any part of the world is substantially more expensive.

5 - Dishonest practices.

Controls that pretend to subject an economic act give rise, regrettably, to the advent of unscrupulous commercial practices which, possessing an advantage inaccessible to the honest and responsible, dislocate the foreign markets, break all policies and programmes, defraud the government's treasury and with it the country, provoke violent alterations in the internal markets and livestock supply markets, with their stronger purchasing power, and destroy the faith that must govern all practices and activities, transcending the private profit motive.

In order to abolish these unscrupulous practices, it is necessary to tighten the control on the quality and quantity of what is actually exported with the active participation of the industry.

6 - Decree No. 46/65.

We think it is urgently necessary to proceed to apply decree No. 46/65 strictly to the exportation of products processed with a high content of national labor and raw materials.

7 - Renewal of labor agreements.

The frigorifico industry is faced at this time with the need of renewing the labor agreements in force. While at this moment the salaries and wages of

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the workers of the railways, telephone services, ports and many other official and civil activities are being raised, the frigorifico industry is in the lamentable position of not being able even to stand the present rates.

Thus we enter upon an additional problem of extreme gravity for our already precarious economic and financial situation. In the same way as we think that it is necessary to remove, urgently and energetically, the disturbing factors that militate against a normal progress of meat exports, we think it is equally necessary to create effective means so that the personnel of the frigorifico industry will not have their occupations curtailed, with the new social problems that would follow in such a case, and not only this, but so that they may receive pay increases accordant with the cost of living and with the wages other workers are getting.

#### CONCLUSIONS

It has been our purpose to inform H.E. the President that, while on one hand we are convinced that nothing will produce bigger and better dividends for the country than applying the wholehearted endeavors of its inhabitants, government, public and private institutions, to the accomplishment of an effort that will result in a substantial increase in meat production, we wish, on the other hand, to show, in contrast with this optimistic line of thought, the situation of the industry which, for reasons completely beyond its power, is now in an extremely difficult and dangerous plight.

We reiterate, despite all this, our decision to work to the end and to collaborate with the country and its authorities so that that goal may be reached and, conscious likewise of the responsibility that is ours, we come also to petition that the measures we propose, and all those that may be conducive to our necessary stability, be adopted in the shortest time possible.

Concretely, we suggest:

- a) That immediate and urgent measures be devised in order to alleviate our economic-financial situation, which, we reiterate - at the risk of our insistence being burdensome - is of a seriousness so extreme that it bears comparison with no similar situation in past times.

We think it is essential, in this matter, to adopt a series of measures, and, included in these, those conducive to an adjustment in the exchange relation between foreign currency earnings and Argentine pesos, and direct and concrete financial support by the financial institutions concerned.

- b) That the authorities be good enough to accept the collaboration the industry reiterates with the object of assisting, together with the competent official organisms, in the planning of beef exports in such a way that, in doing so, all and each of the interests at stake will be considered.
- c) That legal instruments be contrived and applied with extreme zeal and rigor in order to put an end to dishonest practices.
- d) That the decision of H.E. the President to consult the industry in the adoption and application of measures aimed at remedying the distressing situation it is going through, be implemented.

Yours respectfully.

10th. May, 1966

AIDE MEMOIRE

The meat industry in Argentina is going through the most critical period of its history, the losses we have had for some time now are enormous (estimated at m\$ 4.000 million for the industry including CAP during the calendar year 1964) situation which so far this year has not been corrected.

The industry is already faced with serious problems in connection with delays in the payment of livestock as well as the payment of taxes and social laws. This situation will be aggravated as our costs of industrialization increase. An important part of these increasing costs will be the results of the new labour contract which we are negotiating at this moment and which the industry will have difficulty in meeting under existing circumstances.

From all of this, it is obvious to gather that if the necessary measures are not taken to correct the situation, the industry will be on the verge of bankruptcy. It should not be necessary to point out what this will mean 1) for livestock production in Argentina, fomenting the production of which, the export of meat products and by-products is basic 2) for the country's foreign exchange, meat having no real marketing problems in this respect,

..//.

10th. May, 1965

3) for the heavy investments made by the industry to modernize their operations and 4) for thousands of people, workmen, employees and their families who will find themselves without a job.

As you well know, the meat industry for some time has repeatedly requested a realistic exchange rate in order to reflect the increase in the cost of industrialization and thus permit it to avoid the losses which are taking the industry to the brink of bankruptcy.

The recent devaluation of the peso, which insofar as meat exports are concerned we consider insufficient, was fortunately fully reflected with regard to canned and cooked meats but not so to chilled and frozen meats because of the 8½% retention imposed. A step in the right direction at this very moment would be the elimination of this retention in order that we may continue operating and so continue purchasing livestock and absorbing our increased cost of industrialization.

We understand perfectly the necessity to avoid that any devaluation in the exchange be reflected in a drop in the realization prices of our products or an increase in the cost of our livestock. However, we believe, as we will explain further down that insofar as meat products are concerned it was not necessary to impose retentions to avoid such possibilities whereas, without a doubt, the imposition of these retentions will undoubtedly result in very dire consequences. The control action exercised by the Argentine Government through the medium of the National Meat

..//.

Board is such that export prices can be maintained in two different ways: 1) by limiting the amount to be exported and 2) through the fixing of minimum prices for sales abroad which will not permit the industry to sell at a low price. In other words, it is not necessary to rely on retentions to avoid the devaluation of the peso distorting meat prices in the international markets because the National Meat Board has the wherewithal to control this.

In synthesis:

- 1) The meat industry has been suffering for some time now considerable losses due to the increased cost of industrialization as well as the increased cost of raw material which was not reflected in the exchange rate;
- 2) In order to continue operating, the meat industry most definitely needs without delay the total benefit of the devaluation of the peso from 151 to 171 pesos per dollar, which we still consider insufficient.
- 3) Retentions which were imposed simultaneously with the devaluation of the currency practically annul the effects of the modification of the exchange rate placing the industry in a very serious position which could result in the total bankruptcy of the meat industry in the very near future;
- 4) It is not necessary to impose retentions to avoid distortions in the commercialization of meat, both internally and externally, as a possible result of the devaluation of the peso.

Without doubt Argentina is looking forward to an increased supply of livestock commencing in the last two or three months of this year, far superior to what we have known for some time. In order to market this meat, it

it will be indispensable to count on an industry that is organized, healthy, aggressive and properly equipped technically. If the necessary measures are not taken to correct the situation in the very near future, Argentine livestock production may find itself without the necessary efficient packing houses to industrialize their product for best marketing and widest distribution and the country's national economy will suffer accordingly.

The above is our immediate and most urgent problem but does not eliminate our many other problems which are:

- 1) Export Quotas which under decree No. 3288 virtually allows the National Meat Board to use their own discretion in distributing the export business amongst the various packing house companies. While the total exports of meat from Argentina are the patrimony of Argentina, we maintain that the individual quotas are the patrimony of each individual company. In the distribution of the French and Spanish quotas, the National Meat Board have without doubt discriminated against the traditional packers. This is a follow-up of the U.K. chilled beef quota distribution early in 1964 as a result of our having closed down the La Blanca plant. We consider this was definitely discrimination against U.S. capital.
- 2) Ceiling prices on beef and vegetable oil which do not permit us to cover our costs;
- 3) Meat Law which gives CAP enormous funds without any strings attached and is therefore discriminatory.

INTERNATIONAL PACKERS LIMITED

135 SOUTH LA SALLE STREET  
CHICAGO 3, ILLINOIS  
U. S. A.

A. THOMAS TAYLOR  
CHAIRMAN AND PRESIDENT

May 10, 1965

Mr. George D. Woods  
Plaza Hotel  
Buenos Aires, Argentina

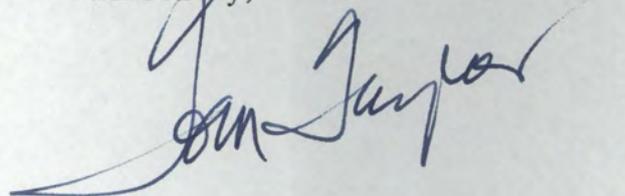
Dear George:

It was very nice to have the opportunity of traveling with you from Washington to the Hot Springs meeting and to hear your address Friday night, which I thought was excellent.

You will recall that I asked if you would have time to meet our top representative in the Argentine, Mr. Keith C. Pryor, to get a briefing on our situation there. Mr. Pryor will be calling you for an appointment after your arrival and I would very much appreciate your making a little time for him in what I know will be a very busy schedule. He is very knowledgeable not only on our own situation but on general conditions in the Argentine as well.

Hoping that you are having a pleasant trip,

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Thomas Taylor". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

May 24, 1965

Dear Rear Admiral Arufe:

I write on my return to Washington to thank you sincerely for the most enjoyable lunch which you offered to me and my associates on the final day of my recent visit in Buenos Aires. It was an exceedingly pleasant occasion and I appreciated the opportunity of joining in the interesting discussion around the luncheon table--especially hearing the view of your "young" board member when he drew on his 73 years of experience.

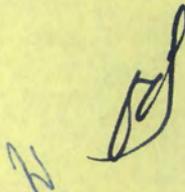
With renewed thanks to you and your colleagues, with every good wish for your continuing success in the discharge of your vitally important responsibilities at the Bank, and with kind personal regards,

Sincerely,

(Signed) George D. Woods

George D. Woods

Rear Admiral Lorenzo J. Arufe  
President  
Banco de la Nacion  
Buenos Aires, Argentina

  
GCW:GDW:ml

May 24, 1965

Dear Mr. Ambassador:

On my return from Argentina, I want to let you know how very much my wife and I enjoyed our all too brief visit to Buenos Aires. The arrangements for the visit were excellent and the visit wholly enjoyable. President Illia received me for a talk of about one and one-half hours and I also had several useful conversations with Minister Pugliese and Dr. Elizalde. I was entertained at lunch by both SEGBA and the Banco de Nacion and at dinner by Minister Pugliese and Dr. Elizalde.

Let me say that I considered the visit extremely useful and I hope that it helped to further a continuing and cordial relationship between the World Bank group and your fine country.

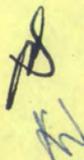
With best personal regards,

Sincerely,

(Signed) George D. Woods

George D. Woods

His Excellency  
Dr. Norberto M. Barrenechea  
Ambassador of Argentina  
Embassy of Argentina  
Washington, D. C.



GCW:GLW:ml

Agg.

*GDW*  
*Brief note*  
*Saying arrangements*  
*Excellent and visit*  
*Wholly enjoyable*

April 22, 1965

*GDW 5/19*

Dear Mr. Ambassador:

I refer to my very pleasant meeting with you and Dr. Elizalde on the afternoon of Thursday, April 15, at which you conveyed to me an invitation from your Government for me to visit Argentina in the week beginning May 16. I said that I expected to be able to firm up my plans within a week or so and would then let you know whether or not I would be able to accept.

I am pleased now to be able to let you know that I can accept the invitation and will plan to arrive in Buenos Aires on Sunday, May 16. Unfortunately, I will not be able to stay beyond Wednesday, May 19, as other pressing business will require me to be back in Washington before the week-end. Mr. Orvis Schmidt, who will be delivering this letter to you, will show you the type of plan that was tentatively discussed with Minister Pugliese and Mr. San Miguel by Mr. David Knox of our staff during his recent visit to Buenos Aires. Mr. Schmidt is leaving tomorrow for Asuncion but plans to be in Buenos Aires on Thursday, May 6, for any last minute discussions that may be required about arrangements. I, myself, will be away from Washington during the coming weeks so if there are any points to be discussed in the meantime I suggest you or someone from your staff take them up with Mr. Joseph Fajans of the Western Hemisphere Department.

I am looking forward with pleasure to this opportunity to visit Argentina and to renew the very pleasant contacts I have had with Minister Pugliese, Dr. Elizalde and other key officials of your Government.

With best personal regards,

Sincerely yours,

(Signed) George D. Woods

George D. Woods

His Excellency  
Dr. Norberto M. Barrenechea  
Ambassador of Argentina  
Embassy of Argentina  
Washington, D. C.

OASchmidt/GDW/s  
cc: Messrs. Schmidt, Alter, Fajans

May 24, 1965

Dear Mr. Minister:

On my return to Washington, I write to thank you for your many courtesies during my recent visit to Buenos Aires. Mrs. Woods and I thoroughly enjoyed our visit. In particular, the reception and cocktail party you arranged at the Alvear Hotel was a fine occasion and gave me an opportunity of meeting with many of the bankers and private businessmen of Buenos Aires. I thoroughly enjoyed the dinner that evening with your colleagues from various planning, economic and financial sectors of the government. The discussion while wholly relaxed was interesting and informative.

I feel that the visit gave me a much clearer insight into the problems which you are facing and the resolute measures you are taking to deal with these. If we in the World Bank can properly be of assistance to you, it would be our duty and pleasure to do so.

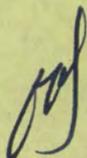
With renewed thanks and kind personal regards,

Sincerely,

(Signed) George D. Woods

George D. Woods

Dr. Juan Carlos Pugliese  
Minister of Economy  
Buenos Aires, Argentina



GCW:GDW:ml

May 24, 1965

Dear Dr. Elizalde:

On my return here, Mrs. Woods and I want to thank you and your wife for your many kindnesses and courtesies shown to us during our visit to Buenos Aires. We enjoyed ourselves very much indeed--on the social side the functions were friendly and delightful. Mrs. Woods appreciated your wife's friendship and her assistance in ransacking the antique shops.

Particularly, I appreciated the opportunity of getting to know you better and to understand more about the problems with which you are faced and the resolute steps you are taking to deal with them. Let me repeat that I hope you will count on me and the World Bank as among your friends, ready to assist you as far as we possibly can in carrying out your objectives and responsibilities. Please take advantage of this and do not hesitate to write to me, on a personal basis, if you are troubled about anything and would wish to consult with me.

Again, our warm thanks for your kindness and with very best regards to your wife in which Mrs. Woods joins.

Cordially,

(Signed) George D. Woods

George D. Woods

Dr. Felix Elizalde *Wife*  
Presidente  
Banco Central de la  
Republica Argentina  
Buenos Aires, Argentina

  
GDW:GDW:ml

May 24, 1965

Dear Mr. President:

On my return to Washington, I write to express my thanks for the many courtesies extended to my wife and me during our recent visit to Buenos Aires. I particularly enjoyed the opportunity of making your acquaintance and of having a personal discussion with you. I came away from our talk much heartened and impressed and I am hopeful and confident that the World Bank group can play a useful role in rendering further assistance to Argentina.

I take this opportunity of sending you my personal regards and my best wishes in the exercise of your heavy responsibilities. I am,  
Mr. President,

Sincerely yours,

(Signed) George D. Woods

George D. Woods

His Excellency  
Senor Dr. Arturo Umberto Illia  
President of the Republic of  
Argentina  
Casa de Gobierno  
Buenos Aires, Argentina

  
GCW:GDW:ml  


S

Presidential Suite - Hotel  
Suite no 5

Mr. & Mrs. George Woods

Mr. George Wishart,  
Personal Assistant

~~Apt. 4~~ 508 "

Mr. Orvis Schmidt

Apt. 37

Mr. Gunter Wiese

Apt. 53

Mr. Jorge Bravo

Apt. 38

Mr. Jorge Mejia Palacio  
Executive Director for Brazil

Apt. 17

Mr. Enrique Lopez Herrarte

Apt. 66

Miss Virginia Sladen,  
Secretary

Apt. 72

MONDAY, MAY 10th - AFTERNOON - YACHT CLUB

LEAVE COPACABANA HOTEL - 4:45 p.m.

Host & Hostess - Mr. & Mrs. Paulo Geyer  
(Friend of Campos - business man)

Brazilian Guests

Roberto Campos (Minister of Planning)  
and daughter - Sandra Campos de Moraes

Mauro Thibau (Ministry of Mines and Energy)  
Mrs. Thibau

Octavio Gouveia de Bulhões (Minister of Finance)  
Mrs. Bulhões

Denio Nogueira (President of Central Bank)  
Mrs. Nogueira

John Cotrim (President of FURNAS)

Benedicto Dutra (Vice President of Furnas and Chef de  
Cabinet to Thibau)

Artur Amorim (Chef du Cabinet to Roberto Campos)

From Bank

Mr. & Mrs. George D. Woods

Jorge Mejia Palacio

Orvis A Schmidt

Gunter Wiese

George Wishart

Enrique Lopez Herrarte

Miss Virginia Sladen

Part of the party will leave at 5:00 p.m. to start the trip and see the sunset. The Ministers will join the party around 7:00 p.m. for dinner, which will be served on board.

Guests are expected to wear sports clothing.

PROGRAM FOR TUESDAY, MAY 11th

Morning free

12:05 - The following members of Mr. Woods' party  
leave for lunch with the President:

Mr. George D. Woods  
Mr. Jorge Mejia Palacio  
Mr. Orvis A. Schmidt  
Mr. Gunter Wiese

Lunch will be served at the Palacio das Laranjeiras  
at 12:30.

Brazilian guests at the luncheon will be:

Roberto Campos, Minister of Planning  
Octavio Gouveia de Bulhões, Minister of Finance  
Vasco Leitão da Cunha, Minister of Foreign Affairs  
Juarez Tavora, Minister of Transportation and  
Public Works  
Mauro Thibau, Minister of Mines and Energy  
Dr. Denio Nogueira, President, Central Bank  
of Brazil  
Dr. Luiz Moraes Barros, President, Bank of Brazil

The Bank members attending the luncheon will go directly  
from the Palace to the Santos Dumont Airport to leave at  
3:00 p.m. for Furnas.

It is suggested that Mrs. Woods, Mr. Wishart and Mr. Lopez  
Herrarte leave the Copacabana Hotel at 2:30 p.m. to join  
them at the Airport.

Persons traveling on the 3:00 p.m. flight to Furnas are  
named on the attached list A. The entire group will  
spend the night at Furnas and return on the same plane  
Wednesday after the ceremonies. The ceremonies to be  
held Wednesday are briefly described on the attached  
list B.

PERSONS LEAVING ON THE 3 P.M. PLANE FOR FURNAS

John R. Cotrim, President of FURNAS

Benedicto Dutra and Mrs. Dutra (Vice President of Furnas  
and Chef de Cabinet to Thibau)

Octavio Gouveia de Bulhões and Mrs. Bulhões  
(Minister of Finance)

Roberto Campos and Mrs. Campos  
(Minister of Planning)

Mauro Thibau and Mrs. Thibau  
(Minister of Mines and Energy)

Octavio Marcondes Ferraz and Mrs. Ferraz  
(President of Eletrobras)

Ronaldo Moreira da Rocha (Administrative Director of Eletrobras)

George D. Woods and Mrs. Woods

Jorge Mejia Palacio

Orvis A. Schmidt

Gunter Wiese

Jorge Bravo

Enrique Lopez Herrarte

Ambassador Lincoln Gordon and Mrs. Gordon  
(American Ambassador)

Lucas Lopes and Mrs. Lopes (Former Minister of Finance)

Mauricio Bicalho (Executive Director I.M.F.)

Victor A. da Silva (Executive Director IDB)

Arthur S. Amorim (Chef de Cabinet to Roberto Campos)

George C. Wishart

Ceremonies to be held at Estreito and Furnas on  
WEDNESDAY, May 12th

8:00 a.m. depart for Estreito  
World Bank group and selected group of other guests

9:00 a.m. Ceremony at Estreito

Speakers will be:

Marcondes Ferraz, President of Eletrobrás

Mr. George D. Woods, President of IBRD

President Castelo Branco

10:30 a.m. Party returns to Furnas

11:00 a.m. Ceremony at Furnas:

Speakers will be:

John Cotrim, President of Furnas

President Castelo Branco

12:30 p.m. Luncheon

3:00 p.m. Guests on special plane depart for Rio.

THURSDAY, MAY 13th, 1965

The party will leave the Hotel at 10:30 a.m. to go to  
TERESÓPOLIS - Granja Comari

Host and Hostess - Mr. and Mrs. Adolpho Bloch

Guests from World Bank:

Mr. and Mrs. George D. Woods

Mr. Jorge Mejia Palacio

Mr. Orvis Schmidt

Mr. Gunter Wiese

Mr. Enrique Lopez Herrarte

Mr. George Wishart

Mr. William Diamond (IFC)

Mr. Hernan Mejia (IFC)

Guests from Brazilian Government

Minister Bulhões

Minister Vasco Leitão da Cunha

Minister Juarez Tavora

Minister Daniel Faraco (Industry and Commerce)

Minister Mauro Thibau

Minister Hugo Leme (Agriculture)

Minister Roberto Campos

Dr. Denio Nogueira (President, Central Bank)

Dr. Luiz Moraes Barros (President, Bank of Brazil)

Guests from Private Sector

Gastão Vidigal (From São Paulo - Banker - member Monetary Council)

Ruy Castro Magalhães (From Minas Gerais - Banker - member Monetary Council)

Walter Moreira Salles (Banker - former Ambassador - former Minister of Finance)

Fernando Portella

Dr. Sant'Anna - (Secretary General, PLANNING MINISTRY)

FRIDAY, MAY 14th, 1965

The party will leave the Hotel at 8:15 a.m. to go to the Santos Dumont Airport  
(SADIA AIRLINE)

The party will fly by DC-3 leaving at 9 a.m., arriving in Santos about 10:30 a.m.

Bank members will be:

Mr. and Mrs. George D. Woods

Mr. George Wishart

Mr. Orvis Schmidt

Mr. Gunter Wiese

Mr. Enrique Lopez Herrarte

Miss Virginia Sladen

Ministers Campos and Bulhões will probably fly with the group to Santos, but will leave to attend the inauguration of a petrochemical plant.

The group will be accompanied by Marcondes Ferraz, President of Eletrobrás.

In Santos, the group will be met by Otto Cyrill Lehmann, President of USELPA (recipient of three loans from the World Bank, the most recent of which was a twenty million dollars loan for Chavantes Hydroelectric Plant:

The party will drive leisurely to São Paulo, passing by

A) CODIPA Steel mill (without entering)

B) The Cubatão underground power plant (financed by the World Bank)

entering São Paulo through the industrial section:

The party should arrive at the Jaraguá Hotel between 12:30 and 1:00 p.m.

Lunch and afternoon free.

Dinner at Palace (informal). Definite time not known, but probably around 8 o'clock. Wives included.

Host for the dinner: Governor of São Paulo - Adhemar de Barros

Minister Roberto de Oliveira Campos will be present.

**A. A. ROLLINSON**

**CONSORCIO BTH-ICL  
BUENOS AIRES**

**BOUCHARD 644  
32-7792**

Dear Mr Woods

I represent the British  
Group building the 'Central  
Costanera'.

If I can be of any  
assistance during your  
visit do not hesitate to  
call me.

Yours Sincerely

A A Robinson

GCW

Phone

"Thanks etc"

GCW 5/17

Done. Speak with  
Mr. ROZLINSON who  
quite understands.

Jun 18 MAY 9:10 pm

**MERZ AND MCLELLAN**  
(OVERSEAS)  
CONSULTING ENGINEERS

PARTNERS

T. KENNETH A. DOUGLAS, O.B.E., M.I. MECH.E., M.I.E.E.  
RESIDENT PARTNER

PETER W. WOODS, M.I.E.E., M.I.E. (AUST.)  
AND  
THE PARTNERS OF MERZ AND MCLELLAN

CASILLA CORREO CENTRAL 5446

BUENOS AIRES - ARGENTINA

TELEGRAMS: AMBERTINA BAIRE

TELEPHONE: 33 - 2548

HEAD OFFICE:

CARRIER HOUSE, WARWICK ROW,  
WESTMINSTER, LONDON S.W.1., ENGLAND

YOUR REFERENCE.....

OUR REFERENCE TKAD/EG. 17th May, 1965.....

Mr. George Woods,  
President,  
International Bank for Reconstruction and Development,  
Plaza Hotel,  
BUENOS AIRES.

Dear Mr. Woods,

As you are no doubt aware, Merz and McLellan are acting as Consulting Engineers to SEGBA for their Costanera Power Station. We have also prepared a report (submitted about two years ago) on SEGBA's distribution and transmission requirements. We have therefore a considerable knowledge of the problems which confront SEGBA in both these fields.

The purpose of this letter is to offer you any assistance we can give during your visit to Buenos Aires, which we understand is largely in connection with past and possible future loans to SEGBA.

Yours sincerely,

*T.K.A. Douglas.*

T.K.A. Douglas.

*Done. Spoke with Mr. Mookie the accountant who will pass the message to Mr. Douglas.*

*Phone & say "Thanks but Jim here for a very brief visit and*

*all taken care of"*

*WWD 5/17*

*for 18 MAY. 9:15 AM*

OFICINA DE PRENSA

BOARD OF DIRECTORS OF SEGBA

President: Doctor Jorge A. Núñez  
Members : Rear admiral (retired) Pedro Favaron  
          Engineer Francisco González Zimmermann  
          Engineer Carlos Nelson Lainz  
          Engineer Jorge Juan Carlos Riva  
          Mister Federico R. Ovejero -also Secretary to the Board-.  
          Mister Marcelo A. Mirandou  
          Mister Orlando Mattei  
Auditor : Doctor Alberto J. Martínez Prado

EXECUTIVE COMMITTEE OF SEGBA

President: Rear admiral (retired) Pedro Favaron #  
Members: Engineer Francisco González Zimmermann  
          Engineer Carlos Nelson Lainz  
          Mister Federico R. Ovejero  
          Mister Orlando Mattei

MANAGEMENT OFFICES OF SEGBA

The Management Offices of SEGBA are in charge of members of the Board as follows:

Administrative management: Engineer Francisco González Zimmermann  
Technical management: Engineer Carlos Nelson Lainz  
Bid and Supply management: Mister Orlando Mattei  
General Affairs management: Mister Federico R. Ovejero  
Commercial and Internal Organization management: Engineer J. J. C. Riva