

Recommendations by Grierson

De Margerie	} Banque de Paris et des Pays-Bas
Henri Haas	

# Suggestions by Ronald Grierson

## Italy

Bombieri

Managing Director

Banca Commerciale Italiana

Lolli

Managing Director

Banca de Lavoro

## France

De Lrièges

Managing Director

Suez Company

## Parr

Carlos Ferreyros, President, Banco de Credito  
Chairman, Banco Industrial

At Sr. Regis Hotel from March 21.

## Venezuela

Vollmer

Int. Advisory Bd of Chase Manhattan

## Ceylon

Deputy Gov. of Central Bank & Project Director for

Asian Dev. Bank : check name w. P. de S.



Dr. Brunner

Feb. 28 1966

Difficult to Pfeiderer to  
Dr. Klaus Dohrn

Berliner Handelsgesellschaft

Frankfurt  
Vice-President and  
Member of the Board

Prefer a bit later than April 18.

Victor Arguendi }  
Alfredo Navarrete }

Nacional Financiera

Luna LATA 1961 299  
1964 558

U.K.

1. Shelbourne of

Rothschilds

Working also acceptable.

Grierson most easily available  
acceptable.

a. Questionnaire

Abdul

Prof.



Agnew's Suggestions 8/3/66

Germany

Kommerzbank  
Deutsche Bank  
Former Finance Director, ECSC

Lichtenberg

Krebs  
Skribanowitz

France

Banque de Paris et des Pays-Bas

Pierre  
Haas

Leahy, bank

De Margerie

Credit Lyonnais

Schlogel

Not as good

USA

Kuhn Loeb

Max Samuels

Penn

Let admin board of bank  
Equity Chairman of  
Banco de Credito

Ferreyros

Consult

Dauphinot re

Latin American financial people

Deltac Corporation.

Agnew's Secretary

JV6-4420

White ~~Weld~~ Weld & Co.


~~Geni~~ L

Genillard  
probably Swiss

Schumann Bros Lucius Clay

1. Petriccidi for Payments?
2. Márquez for Homidity?  
or Counselor Rodrigo Gaudy?
3. Representations
4. Staff meeting
5. Batizguin
6. Gal. Edd



- 1. Wriston Natl City US. 
- 2. Menlaun Banker UK
- 3. Fouchier Director France  
Compagnie Bancaire
- 4. Pfeiderer Germany  
Landeszentralbank Stuttgart
- ~~5. Ferriccoli Bank of Mexico~~
- ~~6. ~~Manquey~~~~
- 5. Manquey Mexico
- 6. Chief Adels Africa
- 7. Sixto K. Roxas Philippines
- 8. Mendel <sup>US State Dept</sup> Turkey  
Kurtas
- 9. Romania

Dennett  
opposes  
as nationalist

First Boston } IBRD Bankers  
Morgan, Stanley }  
Investment Bankers

Nat Samuels of  
Kuhn Loeb — Dennett

~~Andrew D. Young~~

For Mr. Dell:

MR. SIXTO K. ROXAS,  
President of BANCOM, Inc.,  
and former Chairman  
National Economic Council,  
MANILA.

from: Mr. R. Krishnamurti.

Shelburne & Rothschilds

Kurtas OK but better wd. be.

Memduh Aydur Under-Secretary in charge of State Planning Bureau  
Ankara.

Investment Banker

Kemal Kurdas

Director of Middle East Technical University  
Ankara

Mr. Walter Winslow

First National Bank



Figueroa Recommendations

Payments among LDCs

George Marshall, Director, Division de Estudios  
Central Bank

Gustavo Petriccioli Bank of Mexico

Honoring

México ok but consider Rodrigo Gomez.



ZY 640 GENEVA 712/708 21 1313Z \*

*unetad*

*JK*  
81 APR 1966

OMNIPRESS

NEWYORK \*

*TDS 213 (1)*  
*received, 21/4/66*

UNPSS 152

CENTRAL PRESS DESK FROM MENDE

THE COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE  
YESTERDAY EVENING CONCLUDED ITS RESUMED FIRST SESSION, WHICH  
OPENED ON 13 APRIL 1966, AFTER DECIDING TO ESTABLISH A 13  
TO 15-COUNTRY GROUP TO EXAMINE , IN THE LIGHT OF THE \*

P2/52/51 \*

DISCUSSION THAT TOOK PLACE DURING THE SESSION, THE SCHEME  
OF SUPPLEMENTARY FINANCING MEANS PREPARED BY THE STAFF OF  
THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
BRACKET TD/4/43 UNBRACKET PARA DISCUSSION OF THIS SCHEME,  
IN WHICH THE SECRETARY OF UNCTAD AND THE REPRESENTATIVE OF THE  
INTERNATIONAL BANK TOOK PART, \*

P3 \*

WAS THE MAIN BUSINESS OF THE RESUMED SESSION , PARA THE  
COMMITTEE S DECISION, WHICH IS IN THE FORM OF A RESOLUTION  
JOINTLY SPONSORED BY BRAZIL, ECUADOR, INDIA, SWEDEN, THE UAR,  
THE UNITED KINGDOM, UGANDA AND YUGOSLAVIA, IS SUBJECT TO APPROVAL  
BY THE TRADE \*

P4 \*



AND DEVELOPMENT BOARD. THE RESOLUTION WAS FORMALLY ADOPTED BY A VOTE OF 38 IN FAVOUR, NONE AGAINST, WITH 5 BRACKET CZECHOSLOVAKIA, POLAND, ROMANIA, UKRAINIAN SSR, AND USSR UNBRACKET AGAINSTEEEEEEEE ABSTENTIONS. PARA THE RESOLUTION HEADS AS FOLLOWS COLON PARA THE COMMITTEE ON INVISIBLES AND =

P5/51/30 =

FINANCING RELATED TO TRADE COLON PARA TAXING NOTE OF RECOMMENDATION A.IV.18 OF THE FIRST UNCTAD AND HAVING REGARD TO THE DISCUSSIONS OF THE COMMITTEE DURING ITS RESUMED FIRST SESSION, PARA EXPRESSING ITS CONSIDERABLE APPRECIATION FOR THE STUDY PREPARED BY THE STAFF OF THE IBRD, IN RESPONSE TO THE =

P6 =

INVITATION OF THE FIRST UNCTAD UNDER PART AAA OF THAT RECOMMENDATION, PARA NOTING THAT THE EXISTING INTERNATIONAL FINANCIAL MACHINERY DOES NOT INCLUDE A MECHANISM DESIGNED TO DEAL WITH PROBLEMS ARISING FROM ADVERSE MOVEMENTS IN EXPORT PROCEEDS WHICH PROVE TO BE OF SUCH A NATURE OR DURATION THAT THEY CANNOT =

P7 =

ADEQUATELY BE DEALT WITH BY SHORT TERM BALANCE OF PAYMENTS SUPPORT, AND TO PROVIDE LONGER TERM ASSISTANCE TO DEVELOPING PROGRAMMES AND TWA, ACCORDINGLY, APPROPRIATE MEASURES SHOULD BE INTRODUCED, PARA WITHOUT PREJUDICE TO CURRENT AND FUTURE WORK =

P8 =



TOWARDS AGREEMENT ON INDIVIDUAL COMMODITIES IN INTERNATIONAL TRADE AND OTHER PRACTICAL MEASURES TO ACHIEVE A STABILIZATION OF COMMODITY MARKETS, INCLUDING THE PROCESS OF ORGANIZATION OF MARKETS, EXPRESSES THE HOPE THAT THE RELATIONSHIP OF ANY MEASURES TAKEN UNDER THE RECOMMENDATION IN QUESTION WITH THIS OTHER WORK WILL BE STUDIED \*

P9 \*

IN THE COMMITTEE ON COMMODITIES AND IN OTHER COMPETENT ORGANS OF THE UNCTAD SEMICOLON PARA NOTING THE CONSIDERABLE MEASURE OF SUPPORT IN THE COMMITTEE FOR THE CONCEPT OF SUPPLEMENTARY FINANCIAL MEASURES ELABORATED IN THE IBRD STAFF STUDY SEMICOLON PARA AGREES THAT THE SCHEME OF SUPPLEMENTARY FINANCIAL MEASURES SET OUT IN \*

P10 \*

THE STUDY PREPARED BY THE STAFF OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT IN ACCORDANCE WITH THAT RECOMMENDATION SHOULD BE FURTHER STUDIED AND ELABORATED IN THE LIGHT OF THE DISCUSSIONS OF THIS COMMITTEE, AS A MEANS OF DEALING WITH THIS QUESTION, AND THEREFORE PARA DECIDES FOR THIS \*

P11 \*

PURPOSE, SUBJECT TO THE APPROVAL OF THE BOARD, TO ESTABLISH UNDER RULE 43 OF THE RULE OF PROCEDURE OF THE COMMITTEE A SMALL GROUP OF REPRESENTATIVES OF GOVERNMENTS, WITH THE REQUISITE EXPERTISE, CONSISTING OF 13 TO 15 MEMBERS BRACKET NAMELY ARGENTINA, BRAZIL, Ceylon, \*



P12 \*

FEDREP OF GERMANY , FRANCE, GHANA, INDIA, JAPAN, SWEDEN,  
UAR, UNITED KINGDOM, USA AND YUGOSLAVIA, IF ONE OR TWO MEMBERS  
OF THE GROUP DASH EASTERN EUROPEAN SOCIALIST COUNTRIES UNDAWN WISH TO  
THESE COUNTRIES WOULD BE ADDED TO THE LIST OF MEMBERS \*

P13 \*

UNBRACKET, TO STUDY AND REPORT ON THIS MATTER TO THE SECOND  
SESSION OF THE COMMITTEE, WITH THE TERMS OF REFERENCE SET  
OUT IN THE ANNEX TO THIS RESOLUTION SEMICOLON PARA INVITES  
REPRESENTATIVE OF THE STAFF OF THE IBRD AND THE IMF AS WELL  
AS REPRESENTATIVES OF SUCH OTHER \*

P14/58/57 \*

BODIES AS THE GROUP MAY CONSIDER APPROPRIATE TO ASSIST  
IN THE WORK OF THE INTERGOVERNMENTAL GROUP AND IN PARTICULAR  
TO PREPARE SUCH FACTUAL MATERIAL AS MAY BE REQUIRED TO ENABLE  
THE GROUP TO ACCOMPLISH ITS TASK. PARA AN ANNEX TO THIS  
RESOLUTION LAYS DOWN THE TERMS OF REFERENCE FOR THE ABOVEMENTIONED  
13 TO 15-COUNTRY GROUP ..... ENDALL +

COL 152 13 1966 13 15 TD/4/43 38 9 18 63 13 15 13 15 +

V

P12 \*

FEDREP OF GERMANY , FRANCE, CHINA, INDIA, JAPAN, SWEDEN,  
UAR, UNITED KINGDOM, USA AND YUGOSLAVIA, IF ONE OR TWO MEMBERS  
OF THE GROUP D DASH EASTERN EUROPEAN SOCIALIST COUNTRIES UNDAASH  
WISH TO JOIN,  
THESE COUNTRIES WOULD BE ADDED TO THE LIST OF MEMBERS\*

P13 \*



Robert L. Genillard

General Partner  
White Weld & Co. -  
25 Clarendon Street  
8032 ZURICH - Tel 23 04 36

AIDE-MEMOIRE

Mr. Robert L. Genillard of White Weld and Co. is of the opinion that, subject to the necessary governmental guarantees being available, it would be possible for a properly constituted international agency to raise substantial funds in the international free market. He estimates that about \$1½ billion were raised on this market in 1965. While it would not be possible to raise an amount as large as that envisaged by Governor Horowitz - \$600 million a year - it might be feasible to raise \$100 or 200 million,

The principal sources of funds on the international free market are the offshore holdings of companies, pension funds, insurance companies and foundations. In addition, substantial resources can be mobilized from the Middle East and Latin America. Mr. Genillard estimates that the interest rate payable on a properly guaranteed issue at the present time would be 6 per cent.

20 April 1966

Sidney Dell



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AIDE-MEMOIRE

Conversation with Mr. Genillard on 20 April 1966

Mr. Genillard said that the bulk of funds available in the international bond market were private in origin, but that an issue by the World Bank, IDA or IFC would probably be taken up substantially by institutions with offshore funds. For example, if the proportions of funds in the market were 70% private and 30% institutional, a issue of this type might be taken up, say, by 50% private and 50% institutional buyers.

No doubt efforts to advance the idea of a World Bank floatation on the international bond market would encounter the difficulty that national governments might consider that it would make it more difficult for their own companies to raise money internationally, and this would tend to have an indirect effect on the balance of payments. However, he did not think that this should be a decisive consideration.

The reason why he felt that an agency other than the World Bank might have to raise the money (e.g. IDA or IFC) is that the World Bank might have some hesitation in paying 6% on money raised in the international bond market when it was paying 5% in the United States market.

I asked Mr. Genillard whether he would have any objection to my putting his ideas to the Horowitz Group for discussion as coming from him, and he said that he would not. I further suggested that we would like to ask him to prepare a memorandum setting out his ideas, which we would circulate to the members of the group for comment individually at a later stage. We would collect the comments together, and give him a further opportunity for adding any observations he considered appropriate. Subject to the concurrence of the group, we would propose to publish this exchange as an addendum to the report of the group. Mr. Genillard said that he would be happy to co-operate in such a procedure, and asked that he be sent a copy of the group's report for guidance in writing his own memorandum.

Sidney Dell  
21.4.66



UNGVA 1324 VITERI FOR JOURNAL FROM CHOSSUDOVSKY UNCTAD.  
AT ITS THIRTY-FIFTH AND THIRTY-SIXTH PLENARY MEETINGS THE  
COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE CONSIDERED  
THE DRAFT RESOLUTION ON SUPPLEMENTARY FINANCIAL MEASURES  
(TD/B/C.3/L.32). IT WAS DECIDED THAT THE GROUP OF REPRESENTA-  
TIVES OF GOVERNMENTS TO STUDY

P2

AND REPORT ON THE SCHEME FOR SUPPLEMENTARY FINANCIAL MEASURES SET  
OUT IN THE STUDY PREPARED BY THE STAFF OF THE IBRD SHOULD CONSIST OF  
THIRTEEN TO FIFTEEN MEMBERS. THE FOLLOWING COUNTRIES WERE  
NOMINATED TO BE MEMBERS OF THE GROUP: ARGENTINA, BRAZIL, CEYLON,  
FEDERAL REPUBLIC OF

P3

GERMANY, FRANCE, GHANA, INDIA, JAPAN, SWEDEN, UNITED  
ARAB REPUBLIC, UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,  
UNITED STATES OF AMERICA AND YUGOSLAVIA. TWO PLACES WERE  
RESERVED FOR COUNTRIES FROM GROUP D. THE REPRESENTATIVES OF  
UGANDA, PERU, ECUADOR

P3

AND EL SALVADOR DECLARED THAT THEY WISHED TO BE CO-SPONSORS  
OF THE DRAFT RESOLUTION. PARA IT WAS ALSO DECIDED THAT MEMBERS  
OF UNCTAD WOULD BE INVITED TO SEND OBSERVERS TO THE GROUP MEETINGS  
UNDER RULE 76 OF THE RULES OF PROCEDURE OF THE COMMITTEE AND THAT  
DOCUMENTATION AND OTHER

P4

RELEVANT DATA BE SENT TO ALL MEMBERS OF UNCTAD. PARA, THE



COMMITTEE ADOPTED THE DRAFT RESOLUTION ON SUPPLEMENTARY FINANCIAL MEASURES, THIRTY-THREE MEMBERS VOTING FOR, NONE AGAINST, WITH FIVE ABSTENTIONS. (IN THE FINAL TEXT, AS ADOPTED, THE FIGURES THIRTEEN TO FIFTEEN HAVE

P5

BEEN INCLUDED IN THE PENULTIMATE OPERATIVE PARAGRAPH, AND AN ALPHABETICAL LIST OF MEMBERS OF THE GROUP GIVEN IN A FOOTNOTE.) (FOR VITERI: ABSTENTIONS WERE MEMBERS OF GROUP D). PARA EXPLANATIONS OF THE VOTE WERE MADE BY THE REPRESENTATIVES OF AUSTRALIA, BELGIUM,

P6

CHINA, FEDERAL REPUBLIC OF GERMANY, FRANCE, GHANA, POLAND, SPAIN, AND UNITED STATES OF AMERICA. THE SECRETARIAT MADE STATEMENTS ON FINANCIAL IMPLICATIONS AND ON THE QUESTION OF THE TIME-TABLE INVOLVED IN THE WORK OF THE GROUP. PARA THE COMMITTEE TOOK NOTE OF THE

P7/57/50

PROVISIONAL AGENDA FOR THE SECOND SESSION OF THE COMMITTEE (TD/B/C.3/L.25/REV.1) AND ADOPTED THE REPORT OF THE BUREAU OF THE COMMITTEE ON CREDENTIALS (TD/B/C.3/21). THE COMMITTEE CONSIDERED AND ADOPTED THE DRAFT REPORT OF THE COMMITTEE PRESENTED BY THE RAPPORTEUR (TD/B/C.3/L.31 AND ADD.1.) THE RESUMED FIRST SESSION

P8/51/50

OF THE COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE CONCLUDED AT SEVEN FIFTEEN PM. PARA FRENCH TEXT OF RESOLUTION FOLLOWS: MESURES FINANCIERES SUPPLEMENTAIRES LA COMMISSION DES INVISIBLES ET DU FINANCEMENT LIE AU COMMERCE: PRENANT NOTE DE LA RECOMMANDATION A.IV.18 DE LA PREMIERE CONFERENCE DE L'UNCTAD ET



P9

TENANT COMPTE DES DEBATS DE LA COMMISSION DURANT LA REPRISE DE SA PREMIERE SESSION, EXPRIMANT SA VIVE GRATITUDE AUX SERVICES DE LA BANQUE MONDIALE POUR L'ETUDE QU'ILS ONT ETABLIE A LA SUITE DE L'INVITATION QUI LEUR AVAIT ETE ADRESSEE, LORS DE LA PREMIERE CONFERENCE DE L'UNCTAD, DANS

P10

LA PARTIE A DE CETTE RECOMMANDATION, NOTANT QUE LE DISPOSITIF FINANCIER INTERNATIONAL EXISTANT NE COMPREND PAS DE MECANISME VISANT A RESOUDRE LES PROBLEMES POSES PAR LES MOUVEMENTS DEFAVORABLES DES RECETTES D'EXPORTATION QUI, EN RAISON DE LEUR NATURE OU DE LEUR DUREE, NE PEUVENT PAS ETRE CORRIGEEES PAR

P11

DES MESURES DE SOUTIEN A COURT TERME DE LA BALANCE DES PAIEMENTS ET A FOURNIR AUX PAYS EN VOIE DE DEVELOPPEMENT UNE ASSISTANCE A PLUS LONG TERME QUI LES AIDERAIT A EVITER L'EFFONDREMENT DE LEURS PROGRAMMES DE DEVELOPPEMENT, ET QU'IL CONVIENT DONC DE PRENDRE DES MESURES APPROPRIEES A CETTE

P12

SITUATION, SANS PREJUDICE DES TRAVAUX ACTUELS ET FUTURE VISANT AL' ETABLISSEMENT D' ACCORDS SUR LES PRODUITS DANS LE COMMERCE INTERNATIONAL NI DES AUTRES MESURES PRATIQUES PROPRES A REALISER LA STABILITE DES MARCHES DE CES PRODUITS, Y COMPRIS LE PROCESSUS D'ORGANISATION DES MARCHES, EXPRIME L' ESPOIR QUE LES RAPPORTS ENTRE

P13

LES MESURES QUI SERAIENT PRISES CONFORMEMENT A LA RECOMMANDATION EN QUESTION ET CES AUTRES TRAVAUX SERONT ETUDIES PAR LA COMMISSION



DES PRODUITS DE BASE ET PAR LES AUTRES ORGANES COMPETENTS DE L'UNCTAD  
SEMICOLON NOTANT QUE LE CONCEPT DES MESURES FINANCIERES SUPPLEMENTAIRES  
ELABORE DANS L'ETUDE DES SERVICES DE LA BANQUE MONDIALE

P14

A REUNI DE NOMBREUX SUFFRAGES A LA COMMISSION SEMICOLON  
ESTIME QUE LE MECANISME DE MESURES FINANCIERES SUPPLEMENTAIRES  
EXPOSE, DANS L'ETUDE DES SERVICES DE LA BANQUE MONDIALE,  
ETABLIE CONFORMEMENT A LADITE RECOMMANDATION, DOIT ETRE ETUDIE  
PLUS AVANT ET MIS AU POINT A LA LUMIERE DES DEBATS DE LA

P15

COMMISSION COMME ETANT UN DES MOYENS DE RESOUDRE CETTE QUESTION,  
ET, EN CONSEQUENCE, DECIDE A CET EFFET, SOUS RESERVE DE  
L'APPROBATION DU CONSEIL, DE CONSTITUER, CONFORMEMENT  
A L'ARTICLE 63 DU REGLEMENT INTERIEUR DE LA COMMISSION,  
UN PETIT GROUPE DE REPRESENTANTS GOUVERNEMENTAUX QUALIFIES,

P16

COMPOSE DE ... MEMBRES, CHARGE D'ETUDIER CETTE QUESTION ET DE  
FAIRE RAPPORT A SON SUJET A LA DEUXIEME SESSION DE LA COMMISSION,  
CE GROUPE AYANT POUR MANDAT CELUI QUI EST ENONCE DANS L'ANNEXE A LA  
PRESENTE RESOLUTION SEMICOLON  
INVITE DES REPRESENTANTS DES SERVICES DE LA BIRD ET DU

P17

FMI, AINSI QUE DES REPRESENTANTS DES AUTRES ORGANISMES QUE LE  
GROUPE POURRA DESIGNER, A APPORTER LEUR CONCOURS AUX TRAVAUX DU  
GROUPE INTERGOUVERNEMENTAL ET NOTAMMENT A PREPARER LA DOCUMENTATION  
QUI POURRA ETRE NECESSAIRE AU GROUPE POUR MENER A BIEN SA TACHE.

ANNEXE MANDAT DU GROUPE INTERGOUVERNEMENTAL

1.



P18

LE GROUPE EXAMINERA L'ETUDE PRESENTEE AU SECRET GENERAL PAR LES SERVICES DE LA BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DEVELOPPEMENT A LA LUMIERE DU DEBAT DONT ELLE A FAIT L'OBJET A LA COMMISSION. LE GROUPE PRESENTERA UN RAPPORT SUR CETTE ETUDE (AVEC LES MODIFICATIONS AU MECANISME QU'IL

P19/51/50

JUGERA APPROPRIEES) COMME MOYEN D'ATTEINDRE L'OBJECTIF ENONCE DANS LA PARTIE A DE LA RECOMMANDATION A.IV.18 DE LA PREMIERE CONFERENCE. ETANT DONNE LA DATE ENVISAGEE POUR LA PROCHAINE CONFERENCE, LE GROUPE S'EFFORCERA DE PRESENTER SON RAPPORT SUFFISAMMENT A TEMPS POUR QUE LA COMMISSION PUISSE L'EXAMINER A SA DEUXIEME

P20

SESSION, EN NOVEMBRE 1966.

2. LE GROUPE ACCORDERA UNE ATTENTION SPECIALE AUX POINTS SUIVANTS :

I) LES QUESTIONS RELATIVES A LA PORTEE DU MECANISME, NOTAMMENT LA FACON DE TRAITER LES EXCEDENTS ET L'ATTENTION A ACCORDER AUX PRIX DES IMPORTATIONS. II) LA FORME, LES CONDITIONS

P21

ET LES MODALITES DE L'OCTROI D'UNE AIDE FINANCIERE AUX PAYS PARTICIPANT AU MECANISME. III) LES MESURES A PRENDRE EN VUE D'ETABLIR UNE RELATION ENTRE LES RESSOURCES DISPONIBLES ET LES RESSOURCES NECESSAIRES SEMICLN A CET EGARD, LE GROUPE EXAMINERA LES CONSEQUENCES QU'AURAIT, POUR LE MECANISME, L'HYPOTHESE OU

P22

DES RESSOURCES DE L'AMPLEUR SUGGEREE DANS L'ETUDE DES SERVICES



DE LA BANQUE (COMPTE TENU DE TOUTES MODIFICATIONS QUE LE GROUPE POURRAIT SUGGERER) SONT DISPONIBLES. IV) LA NECESSITE D'ETABLIR UNE DELIMITATION, POUR L'ADMINISTRATION DE TOUT MECANISME, ENTRE LES PROBLEMES DE CARACTERE ECONOMIQUE ET LES PROBLEMES RELEVANT DU

P23

DOMAINE POLITIQUE. V) LES QUESTIONS RELATIVES AUX METHODES A SUIVRE POUR L'ELABORATION DES PROJECTIONS ET POUR L'EVALUATION, SUR LE PLAN TECHNIQUE, DES POLITIQUES QUI SONT A LA BASE DES PLANS DE DEVELOPPEMENT DES DIVERS PAYS, LES CIRCONSTANCES DANS LESQUELLES UN PAYS POURRA PRETENDRE AU BENEFICE DU

P24

MECANISME ET LES CONSIDERATIONS DONT L'INSTITUTION ADMINISTRANTE DEVRA TENIR COMPTE EN EXAMINANT DE TELLES DEMANDES. VI) LA DUREE QUE DEVRAIENT COUVRIR LES PROJECTIONS PERTINENTES DES EXPORTATIONS ET POUR LAQUELLE L'INSTITUTION ADMINISTRANTE ET LE PAYS EN VOIE DE DEVELOPPEMENT RESPECTIVEMENT, DEVRAIENT PRENDRE LES OBLIGATIONS CONCOMITANTES. VII) LE RAPPORT

P25

ENTRE LES MESURES FINANCIERES SUPPLEMENTAIRES ET LES AUTRES TYPES D'ASSISTANCE ECONOMIQUE, MULTILATERALE ET BILATERALE, EU EGARD NOTAMMENT A LA COMPATIBILITE A ASSURER ENTRE LES UNES ET LES AUTRES DU POINT DE VUE DES CONDITIONS, MODALITES ET CRITERES D'OCTROI. VIII) LES EFFETS DU MECANISME PROPOSE SUR LE

P26

DEVELOPPEMENT ECONOMIQUE, PAR COMPARAISON AVEC CEUX D'AUTRES METHODES QUI POURRAIENT ETRE EMPLOYEES AUX MEMES FINS, COMPTE DUMENT TENU DE LA TACHE PREMIERE ENONCEE DANS LES CINQUIEME ET SIXIEME ALINEAS DE LA RESOLUTION A LAQUELLE EST ANNEXE LE

PRESENT MANDAT. IX) LE STATUT, LA COMPOSITION ET LES

P27/48/47

FONCTIONS DE L'INSTITUTION ADMINISTRANTE ET SES RELATIONS AVEC  
D'AUTRES ORGANISMES INTERNATIONAUX, COMPTE TENU DES PARA-  
GRAPHES 7 ET 8 DE LA PARTIE A DE LA RECOMMANDATION A.IV.18.

3. LE GROUPE POURRA AUSSI FORMULER DES SUGGESTIONS A  
SOUMETTRE AUX GOUVERNEMENTS SUR LES MOYENS DE FINANCER LE  
MECANISME+

COL 1324 TD/B/C.3/L.32 TD/B/C.3/L.25/REV/1 TD/B/C.3/21  
TD/B/C.3/L.31 ADD.1 A.IV.18 63 A.IV.18  
1966 7 8 A.IV.18 +

UNITED NATIONS  
1966 APR 20 PM 9:16  
TELEGRAPH UNIT



APR 20 1966

ACTION

TO:	<i>Mr. Prebisch</i>
1	.....
2	.....
3	.....
<input checked="" type="checkbox"/> Action Completed	
<input type="checkbox"/> Acknowledged	
<input type="checkbox"/> - No Action Required	
INITIALS <i>SL</i>	

New York, 18

No

90

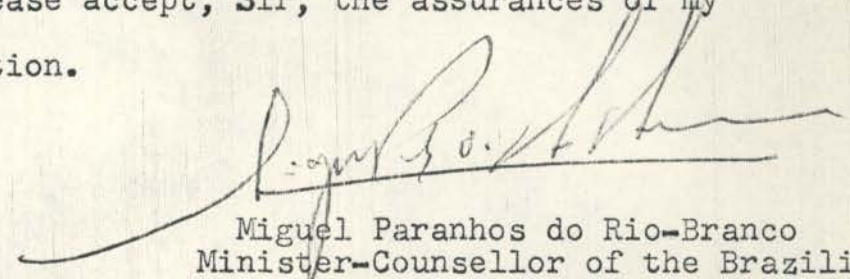
23/3 (2-8)

Sir,

I have the honour to inform you that the Brazilian Government has decided to present its candidature for re-election to the Committee on Invisibles and Financing related to Trade at the elections that will take place during the fourth Session of the Trade and Development Board, to be held in Geneva from the 30th August to the 23rd September 1966.

Please accept, Sir, the assurances of my highest consideration.

18/66  
Prebisch



Miguel Paranhos do Rio-Branco  
Minister-Counsellor of the Brazilian  
Mission to the United Nations  
Chargé d'Affaires a.i.

His Excellency U Thant,  
Secretary-General of the United Nations.

SDV/MLL



APR 9 1966

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TO:	<i>Mr. Prebish</i>
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New York, April 18

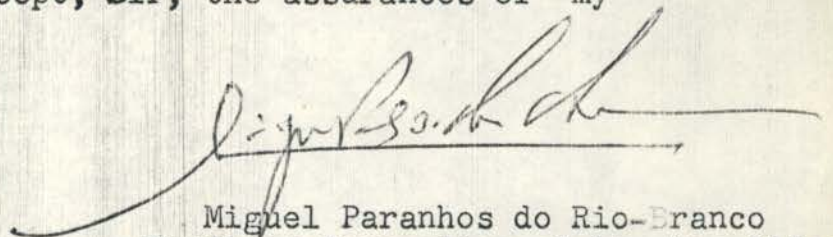
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Please accept, Sir, the assurances of my highest consideration.

  
Miguel Paranhos do Rio-Branco  
Minister-Counsellor of the Brazilian  
Mission to the United Nations  
Chargé d'Affaires a.i.



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UNGVA 1278 VITERI FOR JOURNAL FROM CHOSSUDOVSKY UNCTAD. AT ITS  
THIRTY-THIRD PLENARY MEETING THE COMMITTEE ON INVISIBLES AND  
FINANCING RELATED TO TRADE CONTINUED CONSIDERATION OF AGENDA ITEM 8.  
STATEMENTS WERE MADE BY THE REPRESENTATIVES OF THE UNITED ARAB  
REPUBLIC, BELGIUM, USSR, CZECHOSLOVAKIA, -

P2/16 -

UKRAINIAN SSR, AND BY NIGERIA (UNDER RULE 75 OF THE  
COMMITTEES RULES OF PROCEDURE). - +

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VITERI FOR JOURNAL FROM CMOSSUDOVSKY UNCTAD



AT THE THIRTY-FOURTH PLenary MEETING OF THE COMMITTEE ON  
INVISIBLES AND FINANCING RELATED TO TRADE THE REPRESENTATIVE  
OF THE UNITED KINGDOM MOVED A DRAFT RESOLUTION ON SUPPLEMENTARY  
FINANCIAL MEASURES SPONSORED JOINTLY BY BRAZIL, INDIA,  
SWEDEN, UNITED ARAB REPUBLIC, \*

P2 =

UNITED KINGDOM , AND YUGOSLAVIA . REPRESENTATIVES OF  
YUGOSLAVIA , THE UNITED ARAB REPUBLIC , BRAZIL, SWEDEN ,  
FRANCE AND UGANDA SECONDED THIS DRAFT RESOLUTION  
TEXT FOLLOWS QUOTE

THE COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE :  
TAKING NOTE OF RECOMMENDATION A.IV. 18 OF THE FIRST \*

P2 =

UNCTAD AND HAVING REGARD TO THE DISCUSSIONS OF THE COMMITTEE  
DURING ITS RESUMED FIRST SESSION, EXPRESSING ITS  
CONSIDERABLE APPRECIATION FOR THE STUDY PREPARED BY THE STAFF  
OF THE IBRD, IN RESPONSE TO THE INVITATION OF THE FIRST UNTAD  
UNDER PART A OF THAT RECOMMENDATION,  
NOTING THAT THE \*

P3 =

E

EXISTING INTERNATIONAL FINANCIAL MACHINERY DOES NOT INCLUDE  
A MECHANISM DESIGNED TO DEAL WITH PROBLEMS ARISING FROM ADVERSE  
MOVEMENTS IN EXPORT PROCEEDS WHICH PROVE TO BE OF SUCH A



NATURE OR DURATION THAT THEY CANNOT ADEQUATELY BE DEALT WITH  
BY SHORT-TERM BALANCE OF PAYMENTS SUPPORT, AND TO PROVIDE  
LONGER TERM =

P4 =

ASSISTANCE TO DEVELOPING COUNTRIES WHICH WOULD HELP THEM  
TO AVOID DISRUPTION OF THEIR DEVELOPMENT PROGRAMMES AND THAT,  
ACCORDINGLY APPROPRIATE MEASURES SHOULD BE INTRODUCED ,  
WITHOUT PREJUDICE TO CURRENT AND FUTURE WORK TOWARDS AGREEMENT  
ON INDIVIDUAL COMMODITIES IN INTERNATIONAL TRADE AND OTHER  
PRACTICAL MEASURES TO ACHIEVE A STABILIZATION OF =

P5 =

COMMODITY MARKETS, INCLUDING THE PROCESS OF ORGANIZATION OF  
MARKETS, EXPRESSES HIS HOPE THAT THE RELATIONSHIP OF ANY

P 5 =

COMMODITY MARKETS, INCLUDING THE PROCESS OF ORGANIZATION  
OF MARKETS, EXPRESSES HIS HOPE THAT THE RELATIONSHIP OF ANY  
MEASURES TAKEN UNDER THE RECOMMENDATION IN QUESTION WITH  
THIS OTHER WORK WILL BE STUDIED IN THE COMMITTEE ON COMMODITIES  
AND IN OTHER COMPETENT ORGANS OF THE UNCTAD, NOTING THE CON-  
SIDERABLE =



PS =

MEASURE OF SUPPORT IN THE COMMITTEE FOR THE CONCEPT OF SUPPLEMENTARY FINANCIAL MEASURES ELABORATED IN THE IBRD STAFF STUDY , AGREES THAT THE SCHEME OF SUPPLEMENTARY FINANCIAL MEASURES SET OUT IN THE STUDY PREPARED BY THE STAFF OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT IN ACCORDANCE WITH THAT RECOMMENDATION=

P7 =

SHOULD BE FURTHER STUDIED AND ELABORATED IN THE LIGHT OF THE DISCUSSIONS OF THIS COMMITTEE, AS A MEANS OF DEALING WITH THE QUESTION, A E TTE  
DEIIIESE

LPPPPPPPPP

LEMENTARY FINANCIAL  
MEASURES SET OUT IN THE STUDY



ACCORDANCE WITH THAT RECOMMENDATION=

P7 =

SHOULD BE FURTHER STUDIED AND ELABORATED IN THE LIGHT OF THE  
DISCUSSIONS OF THIS COMMITTEE, AS A MEANS OF DEALING WITH THIS  
QUESTION, AND THEREFORE  
DECIDES FOR THIS PURPOSE

P7 =

SHOULD BE FURTHER STUDIED AND ELABORATED IN THE LIGHT OF THE  
DISCUSSIONS OF THIS COMMITTEE, AS A MEANS OF DEALING WITH THIS  
QUESTION, AND THEREFORE  
DECIDES FOR THIS PURPOSE, SUBJECT TO THE APPROVAL OF THE  
BOARD, TO ESTABLISH UNDER RULE 63 OF THE RULES PROCEDURE=

P8 =

OF THE COMMITTEE A SMALL GROUP OF REPRESENTATIVES OF GOVERNMENTS  
WITH THE REQUISITE EXPERTISE, CONSISTING OF .....  
MEMBERS, TO STUDY AND REPORT ON THIS MATTER TO THE SECOND  
SESSION OF THE COMMITTEE, WITH THE TERMS OF REFERENCE SET



OUT IN THE ANNEX TO THE RESOLUTION, INVITES=

P9 =

REPRESENTATIVES OF THE STAFF OF THE IBRD AND THE IMF AS WELL AS REPRESENTATIVES OF SUCH OTHER BODIES AS THE GROUP MAY CONSIDER APPROPRIATE TO ASSIST IN THE WORK OF THE INTER-GOVERNMENTAL GROUP AND IN PARTICULAR TO PREPARE SUCH FACTUAL MATERIAL AS MAY BE REQUIRED TO ENABLE THE GROUP TO =

P10 =

ACCOMPLISH ITS TASK.

THE TEXT OF THE ANNEX TO THE RESOLUTION IS AS FOLLOWS QUOTE

ANNEX . TERMS OF REFERENCE FOR INTERGOVERNMENTAL GROUP

1. THE GROUP SHOULD EXAMINE THE STUDY PRESENTED TO THE SECRETARY-GENERAL BY THE STAFF OF THE IBRD, IN THE LIGHT OF THE DISCUSSION OF IT =

P11

P11=

IN THE COMMITTEE. THE GROUP SHOULD SUBMIT A REPORT ON THE STUDY (WITH SUCH MODIFICATIONS TO THE SCHEME AS IT MAY CONSIDER APPROPRIATE) AS A MEANS OF ACHIEVING THE OBJECTIVE SET OUT IN PART A OF RECOMMENDATION A.IV.18 OF THE FIRST CONFERENCE. HAVING REGARD TO =

P12=

THE TIMETABLE FOR THE NEXT CONFERENCE, THE GROUP SHOULD ENDEAVOUR TO SUBMIT THE REPORT IN GOOD TIME FOR CONSIDERATION BY THE COMMITTEE AT ITS SECOND SESSION, IN NOVEMBER 1966.



2. THE GROUP SHOULD PAY SPECIAL ATTENTION TO THE FOLLOWING POINTS: (I) QUESTIONS AFFECTING THE SCOPE OF THE SCHEME, =

P13 =

INCLUDING THE TREATMENT OF OVERAGES AND THE REGARD TO BE PAID TO IMPORT PRICES. (II) THE FORM, TERMS AND CONDITIONS FOR THE PROVISION OF FINANCIAL ASSISTANCE TO COUNTRIES PARTICIPATING IN THE SCHEME. (III) MEASURES FOR ESTABLISHING A RELATIONSHIP BETWEEN THE RESOURCES AVAILABLE AND THE RESOURCES REQUIRED, =

P14 =

IN THIS CONNEXION THE GROUP SHOULD EXAMINE THE IMPLICATIONS FOR THE SCHEME OF THE HYPOTHESIS THAT RESOURCES ON THE SCALE SUGGESTED IN THE IBRD STAFF STUDY (TAKING ACCOUNT OF ANY MODIFICATIONS WHICH THE GROUP MAY SUGGEST) WOULD BE AVAILABLE.

(IV) THE NEED TO ESTABLISH A BOUNDARY BETWEEN PROBLEMS OF =

P15 =

AN ECONOMIC NATURE AND THOSE WHICH FALL WITHIN THE POLITICAL SPHERE IN THE ADMINISTRATION OF ANY SCHEME. (V) QUESTIONS RELATING TO THE METHODOLOGY TO BE APPLIED IN THE FORMULATION OF THE PROJECTIONS AND THE TECHNICAL ASSESSMENT OF THE POLICIES ON WHICH THE DEVELOPMENT PLANS OF INDIVIDUAL COUNTRIES ARE BASED, =

P16 =

THE CIRCUMSTANCES WHICH MAY GIVE RISE TO A CLAIM ON THE SCHEME, AND THE CONSIDERATIONS WHICH THE AGENCY SHOULD TAKE INTO ACCOUNT IN DEALING WITH SUCH A CLAIM. (VI) THE APPROPRIATE PERIOD OF TIME FOR WHICH THE RELEVANT PROJECTIONS OF EXPORTS SHOULD BE ESTABLISHED AND THE CONCOMITANT OBLIGATIONS OF =

P17 =

THE AGENCY AND THE DEVELOPING COUNTRY CONCERNED RESPECTIVELY SHOULD BE ASSUMED. (VII) THE RELATIONSHIP BETWEEN SUPPLEMENTARY



FINANCIAL MEASURES AND OTHER TYPES OF ECONOMIC ASSISTANCE,  
BOTH MULTILATERAL AND BILATERAL, WITH PARTICULAR REGARD TO  
THE NEED TO ENSURE COMPATIBILITY BETWEEN THEM AS REGARDS THE  
TERMS, CONDITIONS AND CRITERIA\*

P18\*

ON WHICH THEY ARE TO BE PROVIDED. (VIII) THE COMPARATIVE  
EFFECTS ON ECONOMIC DEVELOPMENT OF THE SCHEME PROPOSED AND OF  
OTHER POSSIBLE METHODS WHICH MIGHT BE EMPLOYED FOR THE SAME  
PURPOSE BUT WITH DUE REGARD TO THE PRIMARY TASK LAID DOWN IN  
THE FIFTH AND SIXTH PARAGRAPHS OF THE \*

P19\*

RESOLUTION TO WHICH THESE TERMS OF REFERENCE ARE ANNEXED.  
(IX) THE STATUS, MEMBERSHIP AND FUNCTIONS OF THE AGENCY AND  
ITS RELATIONS WITH OTHER INTERNATIONAL BODIES, HAVING REGARD  
TO PARAGRAPHS 7 AND 8 OF PART A OF RECOMMENDATION A.IV.18.

3. THE GROUP MAY ALSO PUT FORWARD \*

P20\*

SUGGESTIONS, FOR FURTHER CONSIDERATION BY GOVERNMENTS, OF  
WAYS IN WHICH THE SCHEME MIGHT BE FINANCED. UNQUOTE THE  
DRAFT RESOLUTION WILL BE ISSUED AS DOCUMENT TD/B/C.3/L.32.  
FOR INFORMATION VITERI CONFIDENTIAL NUMBER AND COMPOSITION OF  
THE GROUP IS TO BE NEGOTIATED TOMORROW. DRAFT RESOLUTION LIKELY  
TO BE ADOPTED \*

P21/12\*

WITHOUT DISSENT BUT WITH ABSTENTIONS ON THE PART OF GROUP  
B COUNTRIES+

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A.IV.18 1966 2 7 8 A.IV.18 TD/B/C.3/L.32 D++

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UNPSS 143 RAJASOORIA CENTRAL PRESS DESK FROM BOSS  
UNCTAD'S COMMITTEE ON INVISIBLES AND FINANCING TODAY CONCLUDED  
GENERAL DEBATE ON INTERNATIONAL BANK REPORT ON ITS STUDY OF A  
SCHEME FOR SUPPLEMENTARY FINANCING BASED ON A PROPOSAL BY SWEDEN  
AND UNITED KINGDOM. TODAY'S SPEAKERS WERE REPRESENTATIVES OF TURKEY,  
JAPAN,

P2

MEXICO, UNITED STATES, GHANA, FINLAND, ITALY, CANADA, AUSTRALIA,  
ROMANIA, ARGENTINA AND SWITZERLAND AND THE OBSERVER FROM NIGERIA.  
FOR ALL SPEAKERS SUPPORTED THE PROPOSAL TO SUBMIT THE SCHEME FOR  
FURTHER STUDY TO A WORKING GROUP OF INTERGOVERNMENTAL EXPERTS.  
WHILE HAILING IT AS



A NEW AND CONSTRUCTIVE APPROACH TO INTERNATIONAL ASSISTANCE, THEY EXPRESSED RESERVATIONS AND ASKED FOR CLARIFICATION OF A NUMBER OF ITS PROVISIONS. MANY DELEGATES FELT THAT THE SCHEME, WHICH PROVIDES SUPPLEMENTARY FINANCING TO COVER UNEXPECTED SHORTFALLS IN EXPORT PROCEEDS, WAS TOO LIMITED IN SCOPE, SINCE ITS

P4

RESOURCES WERE INADEQUATE AND IT DID NOT PROVIDE A SOLUTION TO TOTAL PROBLEM OF FLUCTUATIONS IN NET INCOME. OTHERS FEARED THAT IT IMPLIED TOO MUCH CONTROL BY ADMINISTRATIVE AGENCY OVER RECIPIENT COUNTRIES INTERNAL POLICIES. PARA ANOTHER VIEW EXPRESSED WAS THAT THE CONDITIONS FOR GRANTING LOANS AND REPAYMENT TERMS

P5/51

WERE TOO STRINGENT. IT WAS ALSO STRESSED THAT THE SCHEME COULD ONLY BE CONSIDERED AS A SUPPLEMENTARY SOURCE OF AID WHICH MUST NOT BE ALLOWED TO JEOPARDIZE EXISTING FORMS OF DEVELOPMENT FINANCING. PARA REPLYING TO SOME OF THE POINTS RAISED DURING THE DEBATE THE REPRESENTATIVE OF INTERNATIONAL BANK,

P6

IRVING SSS FRIEDMAN, POINTED OUT THAT THE PURPOSE OF THE SCHEME WAS TO PROVIDE ADDITIONAL FOREIGN EXCHANGE TO HELP ENSURE THAT DEVELOPMENT PLANS WERE NOT DISRUPTED BY UNEXPECTED SHORTFALLS IN EXPORT EARNINGS. HE ASSURED PARTICIPANTS THAT THE SCHEME WOULD BE OPERATED THROUGH A CLOSE EXCHANGE OF VIEWS BETWEEN

P7

DONORS, RECIPIENTS AND ADMINISTERING AGENCY, WHICH WOULD NOT EXERCISE CONTROL OVER INTERNAL POLICIES, AND WHICH WOULD BE AN INTERNATIONAL BODY ACCOUNTABLE TO THE COMMUNITY OF NATIONS. THE SCHEME'S APPROACH WAS PRAGMATIC AND NOT RIGID, HE SAID, ~~AND DID NOT CONFLICT WITH OTHER MEASURES TO~~

P8/54

SOLVE BALANCE OF PAYMENTS PROBLEMS. ITS CONTRIBUTION COULD NOT BE MEASURED IN TERMS OF FUNDS ALONE, BUT IN THE VALUE OF COLLABORATION BETWEEN DONORS AND RECIPIENTS AND IN THE CONFIDENCE THAT DEVELOPMENT PLANS COULD GO FORWARD UNHAMPERED PARA ON MONDAY COMMITTEE WILL BEGIN EXAMINE VARIOUS ASPECTS OF SCHEME IN GREATER DETAIL ENDALL+



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AT ITS THIRTY-FIRST AND THIRTY-SECOND PLENARY MEETINGS THE  
COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE CONTINUED  
CONSIDERATION OF AGENDA ITEM 8. STATEMENTS WERE MADE BY THE  
REPRESENTATIVES OF TURKEY, JAPAN, MEXICO, USA, GHANA,

P2/37

FINLAND, ITALY, CANADA, NIGERIA (UNDER RULE 75 OF THE  
COMMITTEE'S RULES OF PROCEDURE), AUSTRALIA, ROMANIA, ARGENTINA,  
SWITZERLAND, AND BY THE ECONOMIC ADVISER TO THE PRESIDENT OF  
THE IBRD+

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TWENTYNINTH AND THIRTIETH PLENARY MEETINGS THE COMMITTEE ON  
INVISIBLES AND FINANCING RELATED TO TRADE BEGAN CONSIDERATION OF  
THE REPORT OF THE IBRD ON ITS STUDY OF A SCHEME FOR SUPPLEMENTARY  
FINANCING (TD/B/43), ITEM 8 OF THE AGENDA,=

P2/59=

TD/B/C.3/13. STATEMENTS WERE MADE BY THE REPRESENTATIVES  
OF SWEDEN, UNITED KINGDOM, INDIA, FRANCE, ISRAEL,  
BRAZIL, NETHERLANDS, YUGOSLAVIA, FEDERAL REPUBLIC OF  
GERMANY, AND CHINA. THE INTERNATIONAL MONETARY FUND AND THE  
INTERNATIONAL TIN COUNCIL ALSO MADE STATEMENTS (UNDER RULE  
77 OF THEIR RULES OF PROCEDURE OF THE COMMITTEE).+

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UNPSS 139 RAJASOORIA CENTRAL PRESS DESK FROM DOSS  
UNCTAD'S COMMITTEE ON INVISIBLES AND FINANCING TODAY BEGAN  
ITS CONSIDERATION OF THE REPORT OF THE INTERNATIONAL BANK  
ON ITS STUDY OF A SCHEME FOR SUPPLEMENTARY FINANCING PARA  
FIRST TO SPEAK WERE THE ORIGINAL CO-SPONSORS OF THE SCHEME COLON  
SWEDEN AND

PAGE2

UNIKINGDOM.PARA H. LUNDSTROM BRACKET SWEDEN UNBRACKET DESCRIBED  
THE SCHEME AS THE MOST REALISTIC ATTEMPT SO FAR MADE TO SOLVE  
THE PROBLEM OF SHORTFALLS IN EXPORT EARNINGS.  
IT WAS A NEW INITIATIVE TO SUPPLEMENT INTERNATIONAL AID,  
WHICH HAD BEEN LOSING MOMENTUM.  
QUOTE THE TIME FOR

PAGE3

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CONSTRUCTIVE ACTION. AS COME UNQUOTE, HE ADDED,  
QUOTE AND WE SHOULD NOT LET THIS OPPORTUNITY PASS BY UNQUOTE.  
PARA AS REGARDS THE RELATIONSHIP BETWEEN SUPPLEMENTARY FINANCING  
SCHEME AND PROJECTED INTERNATIONAL COMMODITY AGREEMENTS,  
LUNDSTROM CONSIDERED THAT WHILE THE TWO SYSTEMS WERE COMPLEMENTARY,  
THE SCHEME COULD BE

PAGE 4

ACTIONED UPON SEPARATELY AND WITHOUT  
DELAY. ITS VALUE, HE DECLARED, LIES NOT IN THE ACTUAL VOLUME OF  
ASSISTANCE OFFERED, BUT IN THE ASSURANCE IT PROVIDES TO ALL DEVELOPING  
COUNTRIES THAT THEIR DEVELOPMENT EFFORTS WILL NOT BE FRUSTRATED  
BY SHORTFALLS IN EXPORT EARNINGS. PARA IN CONCLUSION,

PAGE 5

HE ANNOUNCED THAT DENMARK, FINLAND AND NORWAY ALSO TOOK QUOTE  
A POSITIVE VIEW UNQUOTE OF THE SCHEME, AND APPEALED TO THE  
COMMITTEE NOT TO REOPEN THE QUESTION OF PRINCIPLE,  
BUT TO DISCUSS THE OPERATIONAL ASPECTS OF THE SCHEME, WHICH  
SHOULD BE SUBJECT TO PERIODIC REVISIONS.

PAGE 6

PARA J. MARK BRACKET UNIKINGDOM UNBRACKET SAID THAT WHAT MUST  
NOW BE DONE WAS TO EVALUATE THE EFFECTS OF UNEXPECTED SHORTFALLS.  
THE SCHEME, IN HIS VIEW, PROVIDED A SOLUTION ACCEPTABLE TO THE DONORS



AND VALUABLE TO THE RECIPIENTS, AND THOUGH CERTAIN DETAILS MIGHT BE MODIFIED

PAGE 7

AFTER FURTHER CONSIDERATION, HE HOPED THAT THE PRESENT DISCUSSION WOULD REMAIN WITHIN THE FRAMEWORK OF THE ORIGINAL RECOMMENDATION. PARA WHILE RECOGNIZING THAT THE SCHEME WAS ONLY ONE OF A NUMBER OF POSSIBLE IMPORTANT NEW DEVELOPMENTS IN THE FIELD OF MULTILATERAL AID, MARK URGED THAT ANY GROUP OF

PAGE 8

GOVERNEMENTAL EXPERTS SET UP TO STUDY IT SHOULD BE GIVEN CONCRETE TERMS OF REFERENCE AND NOT ASKED TO CONSIDER GENERAL RELATED ISSUES. PARA K.G. VAIDYA BRACKET INDIA UNBRACKET ACCEPTED THE NEED FOR SUCH A SCHEME, BUT WAS OF THE OPINION THAT IT WAS TOO LIMITED IN SCOPE

PAGE 9

HE ALSO STRESSED THE NEED FOR CLOSE COORDINATION AMONG ALL THE PARTICIPANTS IN THE SCHEME COLON DONORS, RECIPIENTS AND ADMINISTERING AGENCY. PARA J. NEBOT BRACKET FRANCE UNBRACKET WHILE STATING THAT STABILIZATION AND DEVELOPMENT AID WERE HIS COUNTRY'S LONG-STANDING OBJECTIVES, EXPRESSED A NUMBER OF RESERVATIONS CONCERNING THE NEW



SCHEME FOR SUPPLEMENTARY FINANCING. HE SAID IT WAS QUOTE NOT A  
REMEDY , BUT ONLY A PALLIATIVE UNQUOTE. THE TRUE SOLUTION WAS THE  
ORGANIZATION OF COMMODITY MARKETS, AND WHILE THE SUPPLEMENTARY  
FINANCE SCHEME WAS NOT INCOMPATIBLE WITH THIS,  
THE QUESTION WAS ONE OF PRIORITY BETWEEN THE

PAGE11

TWO TYPES OF ACTION. THE PROBLEM MUST BE STUDIED CAREFULLY BY  
ALL CONCERNED,  
INCLUDING THE COMMITTEE ON COMMODITIES. PARA FRENCH REPRESENTATIVE  
ALSO WARNED AGAINST THE RISK OF INTERFERENCE IN THE INTERNAL  
FINANCIAL POLICIES OF RECIPIENT COUNTRIES. THERE WAS A DANGER,  
HE SAID , OF QUOTE

PAGE 12 =

TECHNICAL PATERNALISM UNQUOTE WHICH WOULD ENCROACH ON ALL  
LEVELS OF A COUNTRY'S POLITICAL LIFE AND THE SCHEME CALLED  
FOR CAREFUL STUDY RATHER THAN HASTY ENDORSEMENT. PARA MISS  
F. GINOR BRACKET ISRAEL UNBRACKET SUPPORTED SCHEME IN  
GENERAL BUT STRESSED THAT IT WAS PURELY SUPPLEMENTARY AND MUST  
DEPEND LARGELY FOR SUCCESS =



ON OTHER FORMS DEVELOPMENT FINANCING.

IN THIS CONNECTION SHE MENTIONED ISRAEL'S QUOTE HOROWITZ PROPOSAL UNQUOTE WHICH COULD OVERCOME MANY OBSTACLES INHERENT IN PRESENT SCHEME. THOUGH PRINCIPLE OBJECTIVE OF HOROWITZ PROPOSAL REMAINED PROVISION FUNDS FOR BASIC DEVELOPMENT, THE FUNDS MOBILISED COULD ALSO BE USED FOR SUPPLEMENTARY FINANCING

PAGE14

SHE ADDED PARA JJJ MMM FLEMING (IMF) THEN TOOK FLOOR TO DESCRIBE PRESENT STATUS AND MAIN FEATURES IMF'S COMPENSATORY FINANCE ARRANGEMENTS WHICH WERE ESSENTIALLY DESIGNED MEET SHORT TERM DEFICITS. PARA M.SANTO MAIOR BRACKET BRAZIL UNBRACKET FELT URGENT NEED FOR SURVEY OF WHOLE INDEBTEDNESS AND PAYMENTS POSITION DEVELOPING

PAGE15

COUNTRIES. HE CALLED FOR FURTHER CONSIDERATION AND CLARIFICATION OF SEVERAL ASPECTS NEW SCHEME INCLUDING VOLUME OF FUNDS REQUIRED AND RELATIONSHIP BETWEEN DONORS, RECIPIENTS AND ADMINISTERING AGENCY. PARA J .KAUFMAN (NETHERLANDS) DESCRIBED HIS GOVERNMENT'S REACTION TO SCHEME AS QUOTE POSITIVE UNQUOTE AND COMMENDED THE FLEXIBILITY THAT

PAGE16



WAS ITS GUIDING RU\_\_\_\_, PARA MIRKO MARMOLJA (YUG\_\_\_\_AVIA)  
ALSO ENDORSED SCHEME IN PRINCIPLE BUT FELT IT PROVIDED SOLUTION  
TO ONLY ONE ASPECT OF AN IMPORTANT PROBLEM.  
FURTHER STUDY WAS ALSO NECESSARY IN ORDER ESTABLISH CLEARLY  
RESPONSIBILITIES OF ADMINISTERING AGENCY AND AVOID INTERFERENCE  
INTERNAL AFFAIRS DEVELOPING COUNTRIES PARA HHH

PAGE17

KOINZER (FEDEREP GERMANY) ALSO DESIRED FURTHER STUDY IN ORDER  
ELIMINATE QUOTE CERTAIN WEAKNESSES UNQUOTE.  
SCHEME MUST CONSTANTLY BE ADJUSTED TO CHANGING CIRCUMSTANCES,  
HE SAID, AND AT PRESENT ONLY APPROXIMATE ESTIMATE OF FINANCIAL REQUI-  
REMENTS WAS POSSIBLE PARA PETER CHANG (CHINA) STATED BOTH PRESENT  
SCHEME AND HOROWITZ

PAGE18

PROPOSAL MERITED CAREFUL ATTENTION AND HE HOPED COMPENSATORY  
FINANCING WOULD SOON BECOME A REALITY PARA DISCUSSION WILL BE  
RESUMED TOMORROW MORNING ENDALL



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UNATIONS NEWYORK

NGVA 1213 VITERI FOR JOURNAL FROM CHOSSUDOVSKY UNCTAD.

THE RESUMED FIRST SESSION OF THE COMMITTEE ON INVISIBLES AND  
FINANCING RELATED TO TRADE (TWENTY-EIGHTH MEETING)

WAS OPENED AT 11 A.M. BY THE CHAIRMAN, MR. J. EVERTS.

THE SECRETARY-GENERAL OF UNCTAD MADE A STATEMENT.

COL 1213 .

UNITED NATIONS  
1501 APR 13 PM 12 59  
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## *A New Leak?*

*Geneva*

SOME of the European branches of American banks have reportedly found a way of purchasing foreign securities for American clients without attracting interest equalisation tax. This is how it works. When an American client wants to buy foreign bonds, he deposits a certain amount in the bank in the United States. He then gives a quiet order for foreign bonds to be bought with this money. The order is passed on to the branch in Europe, which in turn buys the bonds in its own name. (Presumably, there is some kind of future purchase agreement with the American customer). The corresponding amount is debited to the American's account in his bank in the United States. But the branch in Europe finances the purchase with its own funds or by borrowing on the Euro-dollar market. So for the time being no funds leave the United States.

A bank told your correspondent that it levied a 10 per cent commission on this kind of operation (less than the 15 per cent tax); and that purchases generally ran to \$20,000 to \$30,000. In some cases, the 10 per cent commission is split between the branch and the bank in the United States. It is possible that similar arrangements have been made between American banks and European banks which are not juridically linked.

Presumably, most banks would undertake such operations only under considerable pressure from important clients. Not only does this round-about smack of collusion in tax evasion. Also, bank examiners might question any large scale purchases of long-term investments with money borrowed at short-term in the Euro-dollar market. Nonetheless, operations of this type on behalf of Americans have apparently assumed considerable proportions. Moreover, bankers say that Americans turn up with pockets full of dollars to invest in Europe, so as not to have to declare them to the American tax men. The big Swiss banks say that they do not accept such money. But the small banks are only too happy to take it in.

It is surprising that the American authorities should not yet have reacted against these practices, which, according to some estimates, run into tens of millions of dollars. Switzerland's position could become difficult since the American government has on several past occasions criticised Switzerland's statutory protection of bank secrecy.



new Opel Kadett, the Ford Cortina, and others, have pointed the way for Fiat which until now has been reluctant to join in the general European melée. It has always relied on its dominance of the Italian market, with which it has led up the scale very successfully. Now that the pattern of the 500 traded in for the 850 traded in for the 1100 is established, the 124 (like the 600) appears as an intruder. From the point of view of the Italian market it may be; but in a wider European context, whether as a car to be exported or made abroad, it makes very good sense.

## KENNEDY ROUND

### *Six Slowly Forward*

KENNEDY round prospects brightened a little this week. France, playing the old game of tit-for-tat with the Five in Brussels, decided it had been given enough assurances on farm financing to lift its "reserve" on the Community's negotiating position on aluminium and chemicals. But the outlook for the agricultural side of the negotiations remains obscure. A new divergence has crystallised between French ideas for a world wheat agreement and the Commission's plan, which the other five think is more or less satisfactory. Britain will dislike both schemes for their obvious impact on Britain's balance of payments; the final negotiation looks like being thorny.

The Commission's present plan is fairly radical. A world reference price would be fixed between \$3 and \$5 a ton above the cost price of the most efficient producer (Canada), the difference to compensate for the cost of transport to Europe (the biggest import market) and storage. Production would then be regulated for the main wheat exporting and importing areas by negotiating a "self-sufficiency percentage" for each of them. (This might be 90 per cent for a net importer like the Common Market, perhaps 140 per cent for a net exporter like the United States.) If an importing area's domestic production exceeded this percentage in any one year, it would pay a forfeit, proportional to the excess, into a fund whose function would be to subsidise wheat exports to poor countries. Equally, if an exporting country exceeded its percentage, it would be obliged to either store the excess or dispose of it through a multilateral food aid programme.

Faced with this, the French delegation was apparently divided. It is reported that while the foreign minister, M. Couve de Murville, thought the Commission's scheme acceptable, the minister for agriculture, M. Faure, believed it would perpetuate the artificial situation in the world wheat market

## Canadian Switch-back

THE full measure of the sharp impact of President Johnson's voluntary restraints on flows of short-term funds across the Atlantic last year is only now becoming clear. The first to feel the pinch of the President's crack-down on foreign investments by United States companies—and the ensuing scramble at least to pull back liquid funds—were not the banks in London and Euro-dollar centres on the Continent, but the Canadian banks. Only the most financially sophisticated of American companies and their overseas subsidiaries, even as late as 1964, ever discovered the Euro-dollar market in a big way. Most American firms that sought slightly better employment for their liquid funds than that offered at home looked no further than Canada. But there they placed vast sums—and the Canadian banks in turn channelled short-term deposits to London and the Continent. Or so they did until February, 1965. According to figures now published in the latest annual report of the Bank of Canada, in the months following President Johnson's bombshell and complementary instructions from the Canadian Finance Minister, Canadian banks pulled back over £300 million of short-term funds from Europe, four-fifths of the total by June. Just over half of this financed the withdrawal of American funds from Canada, showing up as a £175 million plus for the American balance of payments. The rest, some £140 million, benefited the Canadian balance of payments itself, a useful contribution to set against a larger current account deficit.

The figures underscore just how lucky the Euro-dollar market was to absorb the impact with so little fuss at the time—a sharp, brief, jump in rates and a pruning of “names” in the second quarter of last year were the only signs. The turnabout of the Italian banks from being large net borrowers of Euro-dollars to net suppliers, and a continuing large supply of dollars through Swiss accounts, alone all but offset the reflux of funds over the Atlantic. The Bank of England data on the foreign currency deposits of London banks showed a fall in London's total foreign currency liabilities in the second quarter of last year of just £68 million and a strong rise thereafter as withdrawals by Canadian banks gradually tapered off and then ceased entirely. But all this may merely have bought time. Rates are now at a near 6 per cent peak, and there is no reason to expect the pressure on the market to ease. American companies looking for an alternative to the clogged market for longer-term dollar borrowings in Europe are already discreetly canvassing for short-term money.



Economist

April 9 1966

Economist

April 9 1966

# International Bond Market

*Economist*  
24 Apr 1966

SIR—Much space has been devoted in your publication to the international bond market, which indeed recently reached a condition of near saturation. However, in many quarters the gloom has been overdone. Before further preparations take place for the funeral may I point out that the patient is taking a short stroll outside the clinic. My firm has managed \$56 million of straight debt and convertible debenture offerings in Europe in the last few weeks for European and United States borrowers. These and various other recent issues are presently bid at offering price or in several cases at fair premiums.

Without wishing to oversimplify a complex subject I feel compelled to point out that no proper distinction is being made between the effect on the market of the volume of offerings and faulty techniques of syndication and placement. While the tempo of issues has been very quick, bond prices have been depressed beyond the normal incidence of supply and demand by over-ambitious offerings and at times a poor understanding of the composition of the audience and its psychology. With borrowers often in one country, underwriters in other locations and ultimate buyers in different places still, the feel of the market is elusive. Yet the recent

quick recovery in price of many bonds in the face of a lighter issuing calendar shows that money is not as scarce as often mentioned. On the other hand bankers and borrowers are gaining valuable experience and the market is clearly expanding.

Such problems are bound to occur with so many newcomers in the market. However, whatever its shortcomings it remains one of the most competitive and independent markets in today's financial world, rewarding imagination and competence, and possibly serving as an example to those who have not come to accept as yet that raising of capital should be ruled by the same interplay of free forces as the purchasing of equipment or the merchandising of consumer goods.

Any attempt at regulation, given the lack of a common denominator between national policies in this field, is premature and possibly self-defeating.—Yours faithfully,

Zürich

ROBERT L. GENILLARD



# International Bond Market

SIR—As the author of the proposal concerning the international bond market referred to in your issue of February 26th, I feel I should not let *The Economist* bear the full brunt of the criticisms contained in Mr Strauss's letter published in your issue of March 12th.

The fact that "the type of investor who buys bonds usually does not wish to purchase equities," as Mr Strauss correctly points out, is not, I think, a valid criticism of my proposal, far from it. In fact it is the very cornerstone of my suggestion, which aims at taking the heat off the badly strained international bond market, by recruiting new suppliers of funds with the offer of forms of placement other than bonds. Even the convertible debentures which seemed so popular have suffered badly from the recent events in Wall Street. Would this not be the time to try a new tack, by the flotation of share issues? I must ask to sign myself—Yours faithfully,  
C. S.  
Brussels

by no means assured. General business reaction to the budget is favourable, most people realising that any major tax changes will have to wait for the next budget, after the Carter royal commission on taxation has reported.

## WORLD FINANCES

### *Don't Cartelise Euro-bonds*

CONCERN over the strains on the international bond market is growing week by week, and has evoked a call for action from an influential quarter. Mr S. G. Warburg, whose bank in London has played a dominant and founding role in the creation of this market, gave a sharp warning in a special article in *The Times* on Tuesday. The "too rapid" succession of recent issues can "result in a breakdown unless decisive corrective measures are now taken." Accordingly, Mr Warburg proposes some kind of international regulation of these issues. He cites as an example the "queue system" used for foreign issues on the Swiss market; Mr Warburg wants to regulate Euro-bond issues too in both timing and in size, with a maximum of, say, \$30 million. He recognises the impossibility of forming a European capital issues committee (perish the thought); but suggests two alternative policing authorities. The first is a small committee sponsored by the six or seven leading central banks of Europe; the second is the Bank for International Settlements. In both cases, policing would be on an informal basis. Essentially, the aim would be to spread across international frontiers the kind of informal co-operation in the arrangement and timing of issues that exists in nearly all national money markets, usually through an efficiently working old boy network.

Mr Warburg's proposal, which has not been discussed with the BIS, has already attracted support in the international financial community; it follows in the lines of a more general suggestion recently made by Mr Jacob Rothschild. But lingering doubts remain. It has been the great merit of the Euro-bond market, along with its predecessor in short-term money, the Euro-dollar market, that it has cut clear across restrictions in national financial markets. This has created some problems for national credit control; but it has also had a very healthy influence in bringing the force of international competition against the national cartel arrangements to which financial markets are peculiarly subject.

If all that is now intended is international registration to smooth the flow of these



international issues, then well and good. But the queue must be kept short and kept moving. A limitation in the size of issues would in effect amount to a rationing system. On just what grounds this would be operated internationally is difficult to imagine. It should not be attempted. In a world of artificially rationed credit, let at least the international market be open to any borrower who can pay his way. In these international markets, interest rates have proved fairly effective in balancing supply and demand. This week itself prices of Euro-bond issues have at last turned upward, following the reduction and cancellation of a number of intended issues. The market is still under strain and the strain is apparent in the yields of up to 7 per cent. But that strain reflects, at bottom, the general strain on international liquidity at large. The way to overcome that is to cure the disease by getting results from the current official studies for international monetary reform; not to break the Euro-bond thermometer.

## ***Dangerous Notions***

*Geneva*

**T**HE signs are that Switzerland is falling in behind France in its intransigent line on international monetary reform. Dr W. Schwegler, president of the Swiss National Bank and the country's monetary policy maker, made the position clear at the bank's annual assembly held on March 26th. Having praised international economic collaboration through the Organisation for Economic Co-operation and Development, he said that this method was preferable to the creation of artificial monetary reserves. "According to the Americans and the English," said M. Schwegler accusingly, this creation should be envisaged as quickly as possible. "Instead of rejoicing to find that inflationary pressures are diminishing in the West, these countries are today demanding additional monetary reserves artificially constituted and created with paper and ink and without real collateral." (Whatever that may be.) The building up of "a gigantic machine" to enlarge the international monetary mass is being contemplated. Dr Schwegler called for each country to observe greater monetary and financial discipline and to endeavour to maintain internal and external economic equilibrium—presumably a dig at Swiss economic policy. Finally, on international monetary reform, Dr Schwegler quoted Talleyrand: "It is urgent to wait."

### **COMPUTERS**

## ***Will America Sell East?***

**T**HE Cocom committee, co-ordinating western trade with eastern Europe, has been sitting in Paris since last autumn thrashing out item by item what may or may not be sold behind the Iron Curtain.

Emilio Menzies 1966



# INDIGESTION ON EUROPEAN CAPITAL MARKET

## B.I.S. TO CONTROL QUEUE?

By S. G. Warburg

It is now almost four years since Mr. Douglas Dillon, as American Secretary of the Treasury, expressed strong views that the leading European nations had a duty to develop a European capital market which would take part of the load off the American capital market.

Long before these admonitions were uttered the European capital market had absorbed substantial parts and often even the bulk of international issues arranged in and distributed from New York. However, it was only from 1963 onwards that such issues began to be managed in Europe and to be distributed from European centres such as London, Frankfurt and Brussels on a larger scale. The amount of international issues managed and offered through European banking consortia increased from more than \$800m. in 1964 to more than \$1,000m. in 1965. As we approach the end of the first quarter of 1966 it can be assumed that during that quarter the amount will be more than \$400m., indicating an annual rate of, say, \$1,600m.

### IRONIC OUTCOME

It is significant that the rapid rhythm of offerings has put bond prices under such heavy pressure that borrowers of high grade have had to agree to terms which only a few months ago would have been unthinkable. For instance, the recent European issue of \$15m. for New Zealand had to be made on a yield basis of 6.87 per cent (6½ per cent at 96), while only in July, 1965, New Zealand successfully issued \$20m. of bonds on a 5.97 per cent yield basis (5½ per cent at 97½).

Several of the convertible bonds issued within the past six to 12 months are standing below their issue prices. If this development becomes more accentuated, it will be increasingly difficult to carry through any further issues of convertible bonds. Moreover, the terms for non-convertible bonds—expensive as they already are for borrowers—will become still more costly. Altogether it seems obvious that offers of new issues in a falling market can take place only on terms progressively more unfavourable to the borrower, which is contrary to sound marketing practice.

Some European bankers and institutional investors blame the present state of indigestion in the European capital market on the fact that too many American borrowers have had recourse to the European capital market, and this has stirred up a considerable amount of anti-American feeling. But this feeling seems to me unjustified, bearing in mind that the use of the European capital market by American borrowers is prompted solely by the American balance-of-payments difficulties and that these difficulties arise from the immense defence and aid burdens carried by the United States on behalf of the western world.

### EXCESSIVE ZEAL

It is certainly ironic that after Mr. Dillon's challenge to the Europeans in 1962 to develop a strong capital market, the deterioration of this same market has been caused largely by the flood of issues on behalf of American borrowers. Be that as it may, a situation has now arisen in the European capital market which could have a disturbing effect on its development instead of sustaining its desirable steady growth. The strain imposed on the European capital market by too rapid a suc-

cession of issues and by making some issues far too large has led in recent months to a state of affairs which can result in a breakdown unless decisive corrective measures are now taken.

When a patient who is otherwise healthy suffers from indigestion, poor circulation or high blood-pressure, a good doctor should be careful not to ascribe the troubles in a one-sided way to one specific cause. Similarly in the case of the European capital market it would be wrong to blame either the American issuing houses or the European issuing houses or the American borrowers or the European borrowers. Mistakes have been made on all sides and most of the mistakes have been due to excessive zeal.

### SWISS LESSON

What seems to be necessary is to establish a better balance than hitherto between demands made on the European capital market on the one hand and the funds available in that market on the other hand. To establish such a balance some kind of a queue system should be introduced similar to that which has been operated so successfully in Switzerland with regard to foreign issues placed on the Swiss market. It would also be desirable to limit the size of issues—again as in Switzerland—and to fix a maximum of, say, \$30m. as experience has shown that international bond issues in the European market in the range \$15m.-\$30m. have been better received than larger offerings.

It is obviously impossible to visualize the formation of a European capital issues committee which would have any legally enforceable powers. However, if under the sponsorship of, say, the six or seven leading central banks of Europe, a small committee of representatives of these banks were established, it should be possible to arrange for the issuing houses concerned to register with such a committee the issues they are planning, and to be guided by the committee in regard to the timing and the maximum size of these issues.

It can be assumed that once such an authority were recognized voluntarily by the issuing houses active in the international bond business—independent of whether these are American or European houses—the necessary modicum of order would be introduced into the present situation.

### CONFUSION TO CHAOS

It is conceivable that the central banks—for reasons which can well be understood—would prefer not to be drawn into this matter. In that case perhaps the Bank for International Settlements would take on this job as a sort of unofficial clearing house, or possibly some other instrument could be created which would not require any elaborate organization.

These thoughts are not put forward in the expectation that a perfect, or near-perfect, solution to the problem can be found. The purpose of my observation is solely to point out the increasing dangers which will follow if the present drift from confusion to chaos continues and to indicate the lines on which an improvement can perhaps be brought about.

No doubt there are many ways other than those I have mentioned by which we could achieve a more orderly development of the European capital market. What is essential is that the issuing houses on both sides of the Atlantic should realize that by one method or another they must impose on themselves measures of self-discipline.



# ANGLO AMERICAN CORP OF SOUTH AFRICA LIM

## Gold Mining Companies in the

(All companies mentioned are incorporated in the Republic of South

### EXTRACTS FROM THE STATEMENTS OF M CHAIRMAN OF THE COMPAN

Issued with the Annual Reports for the year ended 31st Dec

#### Daggafontein Mines Limited

**O**PERATIONS at our company's mine during the year under review were chiefly notable for the high level at which the mine management succeeded in maintaining the milling rate. My previous review made it clear that the mine was entering the last phase of its life, during which production would decline with increasing rapidity. Compared with the 2,639,500 tons milled in 1964, the original target was accordingly set at the lower figure of 2,400,000 tons and this target was revised in the course of the year to 2,340,000 tons. In the event 2,269,000 tons were milled which, in view of the increasingly difficult mining conditions, is a most commendable achievement.

Average recovery grade, at 3.96 dwt. per ton, was slightly higher than the 1964 figure of 3.78 dwt. per ton. On the other hand working costs rose to R3.96 a ton milled (1964, R3.54 a ton milled). The reasons for this were: first, the decline in milled tonnage; secondly, the greater attention which had to be paid to the maintenance of haulage and travelling ways as the extraction of pillars progressed and, thirdly, the general increases in salaries and wages in the mining industry. The net effect was the lowering of working profit on gold production from the 1964 level of R3,205,000 to R2,333,000. Sulphuric acid production yielded a profit of R98,000 (1964, R93,000).

Net sundry revenue amounted to R167,000 and the total surplus for the year was R2,598,000 (1964, R3,479,000). Taxation and the State's share of profits absorbed R995,000.

Dividends totalling 30 cents a share were paid in 1965. This distribution necessitated a further drawing on unappropriated profit and in consequence the unappropriated profit of R973,000 brought forward from 1964 has been reduced by an amount of R414,000, leaving a balance of R559,000 to be carried forward into 1966.

#### CAPITAL STRUCTURE CHANGES

As members were told in my last review, it was the board's intention that the nominal value of the company's 50 cent

#### East Daggafontein Mines Limited

**T**HE principal feature of operations at our company's mine during the past year was the milling for the second year in succession of a record tonnage. The 1964 figure of 1,373,000 tons milled was improved by nearly five per cent to 1,439,000 tons in 1965.

The mill capacity made available at East Daggafontein is being taken up by the supply of gold-bearing material from the waste rock dump. In effect our company has thus obtained additional reduction plant facilities which will permit of a progressive and profitable increase in its milled tonnage to approximately 150,000 tons a month by the end of 1967. With the rise in tonnage milled during the year there was a reduction in the working cost per ton milled which, despite the increase in salaries and wages in the gold mining industry, fell from R4.38 in 1964 to R4.29 in 1965. The average yield for the year at 4.11 dwt per ton was above the target figure for 1965 but was lower than the 1964 yield of 4.22 dwt. per ton. The net result was a working profit of R1,281,000 which was virtually the same as in 1964 (R1,301,000). Net sundry revenue amounted to R63,000 and the total surplus for the year was R1,344,000. Of this, taxation absorbed R457,000 and R161,000 was appropriated for capital expenditure. A distribution to members of 20 cents a share (R746,000) was made during the year, and the unappropriated profit carried forward into the current year was R270,000 (1964, R337,000).

#### RIETFontein SHAFT

The total development footage driven increased from 42,788 feet in 1964 to 49,072 feet in 1965. The programme of exploratory development on the Main Reef Leader horizon was continued in the north-west corner of the Rietfontein portion of the company's lease area. This part of the programme was completed by June, 1965, and revealed no new payable zones. Thereafter development on this horizon was concentrated on the preparation for stoping of known small blocks of ground.

As in 1964, by far the larger proportion of development was done on the Kimberley Reef horizon. This amounted to

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## *European Seizure—American Impasse*

ALL too predictably, the European markets for new international bond issues are now beginning to burst at the seams. It looks very much like a case of last in first out for the big American business borrowers who began flooding into these markets last year. United States overseas subsidiaries raised about \$150 million on foreign bond issues in the third quarter last year and another \$250 million in the fourth. So far this year, 11 more such issues have been made or announced for a total of \$210 million, and that excludes two for \$75 million postponed or withdrawn. As a result, total borrowing on foreign bond issues has shot up to an annual rate of about \$2 billion over the past six months from an actual rate of \$1.4 billion last year and \$900 million in 1964.

About two weeks ago, the cracks began

to show. Joy Manufacturing, the Pittsburgh mining machinery company, postponed a proposed \$25 million issue, with a 4½ per cent coupon and a share conversion option. Last week, Chrysler withdrew a large \$50 million issue. On Tuesday of this week W. R. Grace, the American chemical company, finally got a \$15 million issue off the ground, but only after offering an unprecedented 5.13 per cent issuing yield on a convertible; and even then it took the underwriters an extra week to drum up the investors needed.

Despite widespread reports to the contrary, there seem to have been no formal "protests," official or otherwise, from Switzerland or Germany against these American issues. The markets were plainly overburdened. And the strain has now been intensified by the forced withdrawal of

(Aluminium Company of America) as the largest producer, reports record profits in 1965. But the report adds that the previous high point was in 1956. In the nine years in between ingot capacity throughout the world out-stripped demand and with falling prices and high depreciation charges Alcan's profits tumbled from 1.90 Canadian cents a share in 1956 to 0.80 in 1958 and were still only at 1.07 cents a share in 1963. That they have now risen by 80% in two years is due to two factors. Although American producers at the end of 1965 failed to lift the ingot price still higher (which Alcan would have almost certainly followed) the price had already gone up 10% in the eighteen months before November, 1964. Increased sales were not matched by increased capacity, and American producers found nearly all their past slack taken up. Only Alcan of the leading producers had any capacity left. It exploited the advantage by lifting exports to the United States by nearly a half in 1965.

With a cash flow bolstered by high depreciation, and little additional ingot

they have paid little or no tax because their heavy capital programmes have offset their liability, and their dividends were paid net. Paying dividends gross from income already taxed at 35-40% sharply raises their tax bill.

Waterworks companies, like the normal companies, would prefer to raise money by issuing debentures, but their borrowing powers are limited legally. The Ministry of Housing and Local Government has said that it would be prepared to raise the limit and Bristol Waterworks is to send a petition asking for specific borrowing powers.

In time the higher gearing through debentures will benefit the companies' customers who at present are subsidising the exchequer which is shortly to subsidise their rates. There will be less tax to pay than there would have been under even the old tax system while the companies relied on preference shares. Preference share issues by the companies are likely to become very rare in future as new money is raised by debentures. In safety, though not in ease of dealing, a waterworks debenture is as safe as gilt edged, and yields more.



# *The Fifteen Mile Rule*

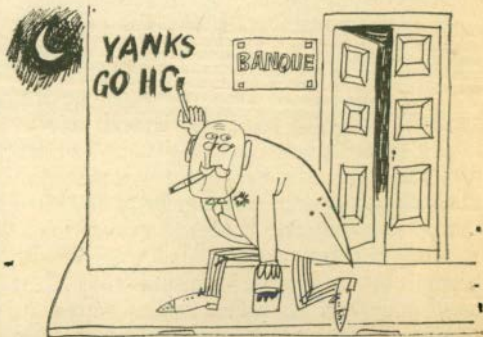
THE future shape of the stockbroking trade (or profession as it will soon be) in Great Britain is slowly becoming clear. In a thoughtful speech in Edinburgh the chairman of the London Stock Exchange argued that:

there must exist hope that this Federation [of Stock Exchanges] will evolve in a relatively short space of time into one Stock Exchange. Federation as such is designed to secure an important service to the investing public and to provide more efficient means for the general public to transact business irrespective of where they live.

But some brokers in small provincial centres are still trying to ward off the evil day by taking advantage of the rule that no London firm can have a branch office within fifteen miles of an existing exchange or in any town that already has one broker, however small.

This ensures that there will be no branch broking under present rules. At least one large London broker found its plans upset by a defensive merger in a

Canadian investors who, by some accounts, took up some 15 per cent of all new foreign bond issues in Europe and a rather greater share of new American issues. Last week, Mr Mitchell Sharp, the Canadian finance minister, formally "requested" some 450 Canadian institutional investors not to buy any more dollar bonds issued by United States companies outside Canada. But even before this publicised request Canadian investors seem to have been under some pressure to hold off: their sudden, forced with-





Communist March 26 1966

drawal was in fact the main reason for the postponement of the W. R. Grace issue so that other buyers could be found. Here, the Canadian authorities have clearly given a *quid pro quo* for last week's raising of Canadian discount rate; but they seem to have been responding too to American complaints that Canadian investment trusts were increasingly dumping their holdings of American securities acquired in New York in order to finance purchases of higher-yielding American convertible bonds issued in Europe. In addition, some guesses are that perhaps \$20 million has "leaked" out of the US over the past six months to finance purchases of American issues in Europe by US residents through Canadian intermediaries.

## Difficult Choice

WITH this loophole closed, American borrowers face an even bleaker prospect than other potential borrowers in Europe's foreign bond markets. They have lost an important source of investment capital in the banishment of the Canadian institutions. Their sheer size and the size of their demands is a major disadvantage in a crowded market. And the uncertainty clouding Wall Street has robbed American convertibles of their recent glamour. As a result, a number of proposed issues are said to have been shelved, or about to be shelved, not on protests from European bankers, but on their advice to American clients that it is becoming increasingly difficult to place new issues with the relatively specialised investors ready to take them up. "Even higher yields would not help all that much now," said one Zurich banker this week. "About 60-70 per cent of these issues have to be swallowed by Swiss banks, and we are simply choked." Moreover, no viable secondary market has yet evolved where European dollar bonds can readily be resold.

Some American borrowers have instead been seeking medium-term credits of three to five years with European banks in the hope of consolidating these later when pressures in the capital markets ease; but even these are now becoming more difficult to secure, precisely because many bankers are unwilling to assume that these pressures will ease. As a result, some American companies have taken to living hand to mouth off the Euro-dollar market, where they have been partly responsible for the recent sharp rise in rates to an unprecedented  $5\frac{1}{4}$  per cent on three months' deposits.

For the American authorities, this seems to mark the end of another phase in the long, devious manoeuvring to reduce capital outflows without currency restrictions. The struggle so far has not been a total failure by any means. But it has not been an unqualified success either. Now, American companies seem to be facing a choice between curbing their overseas expansion and once more exporting funds directly to their subsidiaries abroad. What if enough

of them decide or are forced to decide that their first, legal duty is to their shareholders rather than to obey President Johnson's request for "voluntary" restraint on capital exports? In a suit now before the courts, a shareholder of one big American oil company is claiming damages from the directors for alleged breach of their legal obligation to stockholders by raising money more expensively in Europe than they might have done in the United States.



used something like 165,000 tons of steel in 1964. RISCO makes sections (20,000 tons a year) but could not justify the plant to make flat products; the difference is made up of imports of such products unobtainable in Rhodesia, much of them coming from ISCOR.

It might just be logical for ISCOR to move into this neighbouring market; but what would it do once it got there? The Rhodesian market is—in steel terms—tiny and under present conditions far too far away (16 a ton from Beira) to become a

could be mobilised quickly and silently.

For the banks, this financing of commodity purchases marks a departure from common practice. If the buffer stock buys tin in the market to prop the price, it will first use the initial £10 million now being contributed by its member countries. If further intervention is necessary, the buffer stock will use its bank credit. Here it will pledge as collateral first, the tin it bought in the market to prop the price; second, the tin due from its member countries as the second instalment of their contribution to the stock. In a falling market the member countries would obviously choose to provide tin rather than cash. Commonly, banks require commodity collateral to exceed by 25 per cent at prevailing prices the amount of any credit granted, though in this particular instance the details of the collateral that would be required have not been disclosed.

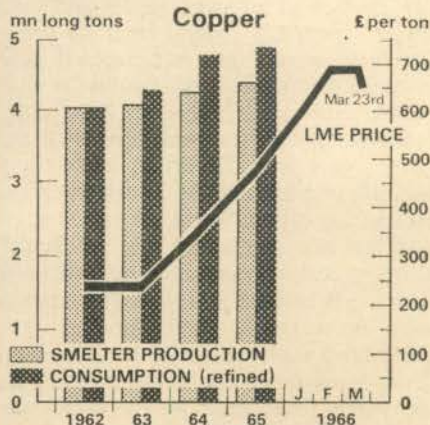
## KEY INDICATORS

### WORLD COMMODITY PRICES

Our all-items indicator fell by 0.3 point in the week to March 23rd. Copper, tin, zinc and rubber were mainly responsible.

Producer price of zinc has come down at last.

**Copper** fell sharply on Tuesday—by £27 a ton—on release of 200,000 tons from the United States stockpile. By Thursday there had been some recovery. There is still a world shortage, but with prices still so high, substitution (e.g., of aluminium or plastics) should soon make itself felt.



	Index 1958=100		Percentage change on*	
	Mar. 16	Mar. 23	One month ago	Twelve months ago
ALL ITEMS	108.6	108.3	-0.6	+2.0
Food	95.3	96.3	-0.8	-4.0
Fibres	105.7	105.7	+1.2	+7.9
Metals	286.9	275.9	-1.3	+25.3

\* Changes relate to this week's figures, but these, except for the metal group, are provisional because quotations for tea and wool are not yet available beyond last week.



# EUROPEAN FINANCIERS PROTEST AT U.S. LOAN INVASION

One of the less obvious reasons behind the weakness of the pound is the persistent strong demand for dollars. When dollars are badly wanted there is always a tendency for the Continent to sell pounds to buy the dollars. This is happening now, and it has contributed to the fall in the sterling-dollar rate. Recently part of the dollar demand has been directly attributable to the flow of euro-dollar bond issues by American companies through the European capital market, which has become so strong that in recent weeks it has caused considerable irritation on the Continent. Now the irritation is being reflected in official action. Swiss bankers are believed to have already asked their Government to protest to Washington. German bankers are understood to be considering making a similar move. And bankers in other countries may well follow their example.

## Limited Funds

Their irritation is easy to understand, even though it may not be fully justified. During the past year so many major American companies have raised loans in Europe that Continental undertakings maintain insufficient funds are left to meet their legitimate needs. As a German banking house recently put it, *Frankfurt* raids on the local money market have now become a very disturbing matter for German and European financial circles: there is only so much liquidity available and these American issues are soaking up investment funds that might otherwise go into German business ventures.

What irritates European banks so much is that the Americans are invading, almost monopolizing, a new market they themselves urged should be created for a different purpose. During the past decade Germany and several other continental countries have been generating a great deal of capital but, as it was not mobilized properly, they continuously raised funds in the United States. The resulting additional strain on the American balance of payments prompted Mr. Dillon, the former United States Secretary of the Treasury, to suggest in 1962 that Europeans should establish a capital market of their own sufficient to meet the demands of continental industries. Now the newly created market is being denuded of its funds by American companies (or their subsidiaries) who have been exhorted by their Government not to raise in New York the capital they need to expand their foreign interests. From the European point of view, the Americans are thus trying to eat their cake and keep it.

In theory the American companies compete on equal terms with European

companies for the capital funds available in the European market. But in practice the American companies are so big, so well known, so credit worthy, that they are in a privileged position. Their issues are much more attractive than those by local borrowers—and the conversion option makes them more attractive still, especially when Wall Street is strong. Accordingly continental borrowers are either squeezed out entirely, or else they have to pay interest rates appreciably higher than would have been necessary in the absence of the Americans. The rise in interest rates is also currently irritating many of the investors who take up loans raised through the European market because it has depressed market prices of bonds issued before the rise began.

The plain fact is that the European market is not yet sufficiently developed to meet all the demands now being made on it. This would probably have become evident much earlier had it not been for the fact that American loans floated in Europe have in part been subscribed by funds raised through the sale in New York of existing United States securities held by European investors. But taking a long-term view, the overstrain should be relieved by the further development of the mechanisms for mobilizing funds generated in Europe. And some relief should soon be forthcoming from interest and sinking fund payments on loans already floated in Europe. Stockbrokers Strauss, Turnbull have calculated that interest payments on the loans currently outstanding will amount to about \$175m. per annum. In addition around \$60m. of stock will be retired from the market this year through sinking fund operations. This total will increase annually to \$175m. in 1970. It is reasonable to assume that the bulk of these funds will be reinvested in similar issues, thus supporting the market and providing a source of demand for future new issues.

## Local Action

However, that is looking far ahead. So, too, is the claim that the European market will benefit from United States ideas, such for instance as the use of convertible stock. But the irritation arises from the immediate problem. If American companies continue to invade the market on the grand scale—and present indications are that they will—more protests may be made to Washington and, perhaps, local action taken temporarily to curb the American appetite for European capital, or at least ensure more time between the appearance of new loans.



11.3	23.0	11.9	Sains & Williams	12.1/2	-4d	5.9	2/6	Stowe & Bowden	2.10/2	31.0	20.3	P	
12.10/1	38.3	76.6	Nat. Canning	35.0	..	136.10/1	2.16	Osstrand Hotel, 7%	126.0	+1.0	24.0	19.3	P
15.10/1+3d	37.1	20.6	Nat. Star Brick	26.0	..	6.0	4/6	Stringer Motors	5.0	..	23.9	20.2	P
12.5	14.3	9.9	Neg. Zambra A.	13.0*	..	11.6	7.0	Stroud Riley	8/3	..	15.0	13.6	P
9.7/1	12.2	8.9	Newbold & Bn.	8.10/2	..	13.7/1	10/3	Sturge (J. & E.)	11.4/1	..	41.6	28.0	P
1.10/1	8.3	4.11	New Day Hldgs.	8.0	..	4.9	3/6	Sturla (George)	3/6	..	22.10/1	15.0	P
16.3	23.0	17.7/2	Newman Ind.	21/3	-3d	37.0	30/3	Stutford	34.9	..	11	7.8	P
6.1/2 +11d	16.6	13.0	Newmark (L.)	15.9	..	10.6	6/0	Stylo Shoes	7.6/3	-21d	5.1	4	P
21.9	4.7	3.3	Newirth Group	3.6/3	+11d	6.7	5.0	Sudgen (Wm.)	5.11/2	..	12.9	8.6	P
18.6	30.6	20.6	News of W.N.V.	23.4/1	-41d	37.6	19.0	Sugg (W.)	31.0	..	81.3	62.0	P
19.6	19.9	15.0	Newton Chamb.	18.1/2	..	12.3	2/10	Summer (F.)	1.10/2	..	40.7/2	30.9	P
12.9	4.1	7.1	Newton (J. M.)	3.0	..	6.10/1	4.11	Super Oil Seals	6/3	..	64	51	P
11.10/1	9.3	7.1	Nig. Securities	8.6	..	46.6	32/6	Swan & Egar	45.7/2	-41d	69.3	52.9	P
17.0	14.10	11.0	Norcorcs	11.1/3	..	15.0	9.0	Swears & Wells	11.0	..	31.6	28.0	P
12.8/4	10.4	5.6	N.E. Timber	6.11/2	..	16.1	12.16	Swed. Match B.	16.4	+1	37.9	31.3	P
16.9	13.9	8.6	North (James)	9.9	..	28.0	19.3	Sykes (W.E.), B.	28.0	..	67.0	49.0	P
2.6	6.6	4.9	North (M.F.)	5.0	+11d	15.3	9.0	Symington, R.V.	10.0	..	105.0	71.0	P
13.4/2	16.10	11.10	Northern Dairies	12.6	..	8.0	4.8	Symmonds Eng.	7.3	-3d	23.9	15.0	P
40.0*	10.9	7.6	Northgate Eng.	9.9	..	34.4/2	20.9	T.W.W. N.V.	33.11/2	+11d	90.6	72.0	P
39.9*	5.1	3.7	Norton Inds.	3.10/1*	..	14.9	1.16	Tap & Die	35.7/2	-11d	55.0	45.4/2	P
84.6	6.11/2	3.4	Norton (W.E.)	4.10/2	..	36.0	27.4	Tarmac	31.3*	-3d	54.0	35.0	P
27.9*	11.7	7.3	Norvic Shoes	7.3	-3d	35.10/1	28.1/2	Tate & Lyle	30.9	..			
	41.2	31.9	Nott (G.) Inds.	34.10/1*	-11d	10.0	7.3	Taylor (C. F.)	8.3/3	..			
	50.0	33.9	Nott Mfg. "A"	48.4/1	..	9.3	6.9	Taylor Pallister	9.3	..			
	12.6		Nor-Swift Inds.	8.9/4	+21d	28.10/2	20.4/2	Taylor Woodrow	23.11/2	..			
	69.6		O.K. Baz., "A"	66.3	..	15.0	10.6	Tecalemit	12.10/1	+11d			
	6.0		Ocean Wilsons	5.3	+3d	12.4	8.4/2	Teleflex Prod.	8.4/2	..			
	24.6		Office and Elect.	21.6	..	24.6	18.0	Telefusion	18.6	..			
	3.7		Oldham & Sons	2.10/2	..	28.3	23.4	Tele. Rentals	23.7/2	..			
	11.10		Olympia	9.6	-11d	26.6	17.9	Templeton (J.)	17.9	-3d			
	3.5		Opperman Gear	2.3/4	-11d	11.1/2	6.4	Tern Consulate	11.3	..			
	16.3		Owen, Owen	15.4/3	..	12.6	6.3	Textilose	9.7/1	..			
	27.9		21.4/2 Oxalid	24.6	+11d	10.6	6.9	Thames Plywd.	7.7/2	-11d			
	25.9		25.9	25.6*	..	76.6	51.3	Thorn Elec. Ind.	68.6	+1.0			
	5.1		Panda Shoes	4.3	..	6.6	5.6	Thomson-Reid	6.0	..			
	9.0		Pantiva Elec.	8.1/2	+11d	23.10	17.9	Thomson Org.	21.6*	..			
	32.4		Parmler Hope	1.7/2	..	34.0	23.9	Do., "A"	58.0	+6d			
	22.0		Parsons (C. A.)	59.0	..	7.7/2	5.1/1	Ultra Electric	6.10/2	-11d			
	14.1/2		Phillips (J. & M.)	10.1/2	..	15.1/2	11.0	Ueanda Co.	11.6	-11d			
	43.6		Phillips (G. Troy)	65.0	..	20.0/4	14.6	Unicorpora Ind.	14.3*	..			
	66.6		Phillips Soles	24.9	..	9.10	7.7	Vantona	7.9	+11d			
	11.0		Phoenix Timber	7.0	-3d	14.3	11.4/2	Unizeat	11.7/2	..			
	16.9		Photo-Me Int.	7.9	..	36.3	29.10/2	Universal Asbes.	14.3*	..			
	13.3		Pierced Hldgs.	13.0	+21d	17.4	16.3	Vauxhall, 6 1/2%	18.9	..			
	13.6		Pickford H'land	12.0	..	19.3	18.6	Venesta	58.3	..			
	3.6/2		Pickles (Wm.)	2.11/4	..	24.7/2	22.6	Verecencing Brk.	38.6	..			
	27.6		Pitard (C.W.)	13.10/2	..	15.7	9.10	Viavella Int.	15.5/4	+3d			
	21.7/2		Pitchards Clnrs	19.0	..	16.0	10.1	Vokes Group	20.6	..			
	17.3		Productofam	15.1/2	..	27.10/2	23.0	Wagon Repairs	27.0	..			
	19.7		Pyrami Group	7.3	..	18.9	12.4/2	Wadhams Hldgs	17.9	+3d			
	15.6		Pyrene Co.	13.3	..	17.0	11.1/2	Wagon Repairs	17.9	..			
	24.1/2		Pyrotenax	19.1/2	..	27.10/2	23.0	Wagon Repairs	27.0	..			

## INVEST

23.10	12.6	7/3	N.K. Bazz.	8.9/4	+24d	10/0	7/3	Taylor (C. F.)	8/3	..	..	..
6/9.6	55.9	0	O-Swift, Ind.	66/3	..	9/3	6.9	Taylor Pallister	9/3	..	..	..
6.0	4.11/2	..	Ocean Wilsons	5/5	+3d	28.10/2	20.41/2	Taylor Woodrow	22.10/1	+13d	..	..
24.6	15.0	..	Office and Elect.	21/6	..	15.10	10/6	Teaculmit	12.10/1	..	..	..
21.0	21.2	..	Oldham & Sons	2.10/1	..	12/4	8.1/2	Tele. Prod.	8.41/2	..	..	..
14.0	+3d	..	Oldham Twist	4/6	..	24/4	18.0	Telefusion	18/6	..	..	..
13/6	6/3	4.6	Olympia	9/6	-13d	28.3	23/4	Tele. Rentals	23.7/2	..	..	..
27/6	+6d	..	Opperman Gear	2/34	-2d	23/6	17/9	Templeton (J.)	17/6*	-3d	..	..
4.9/4	..	3.5	2/3	15.41/2	..	15.9	11/3	Tern Consulate	11/3	..	..	..
102.0	16.3	10.10/2	Owen Owen	15.41/2	..	11.1/2	6/4	Tesco Stores	9.11/4	..	..	..
41.3	27.9	16.3	Oxley Inds.	16/6	-44d	12/6	6/3	Textilose	7/3	..	..	..
1.11/1	25.9a	21/4	2aOzalid	24/6	+13d	10/6	6.9	Thames Plywd.	7.7/2*	-13d	..	..
1.11/1	29.0	23/6	Painton & Co.	25/6*	..	14/6	8/0	Thermal Synd.	9.0*	..	..	..
16.6	5/1	3.9/4	Panda Shoes	4/3	..	8.7/2	5.7/2	Thomson (J.)	6.4/2	..	..	..
5.9/4	9.0	6/3	Pantiva Elec.	8.1/2	+13d	23/10	17.9	Thomson Org.	21/6*	..	..	..
3.7/2	3.2	2/3	Paquin	2.6/4	..	76/6	51/3	Thorn Elec. Ind.	68/6	+10	..	..
3.3/4	15.9	11.9	Park	14/9	..	66/6	45/0	Do., "A"	..	+6d	..	..
3.10/1	3.4	2.0/4	Park Chok. Bak.	2.0/4	..	35/0	28/3	Thorn Oats	35/0	..	..	..
4.4/1	11.11/2	7.0/4	Park (W.) Forge	9.11/4	-3d	48.9	40.0	Tilbury Const.	46/0	..	..	..
..	13.9	9.8	Parker Knoll-A	10/0	..	25.7/2	20.9	Tilling (Thos.)	23/0	+73d	..	..
..	87.0	56.3	Parkins, Cowan	7/6	+1/6	34.0	23.9	Tillotson, "A"	27/3*	..	..	..
..	32.4	25.0	Parkinson (Sir L.)	27/3	..	8/3	6/0	Time Products	6/0*	..	..	..
..	16.0	11.9	Park'd Mfg. A.	14.3	-3d	8/6	6.11/2	Times Furn. Ord.	7/9	..	..	..
..	2/1	1/3	Parmlter Hope	17/1	..	7.7/2	5.11	Do., "A"	7/0	..	..	..
..	64.3	43.5	Parsons (C. A.)	59/0	..	14/10	9.6	Timpon (Wm.)	10.11/2	..	..	..
..	14.11/2	8.4	Parsons (F. J.)	13.9	..	3.1	2.3	Tissus Michels	2.63/4*	..	..	..
..	54.0	40.0	Pasolds	43/0	..	27.9	22.0	Tizer	23/0	..	..	..
..	25.0	12.6	Paterson Laing	18/9	..	25.6	14.11/2	Tob. Sec. Tst.	22.0	..	..	..
..	12.3	8.10	Pateron (R. J.)	12.0	..	6.6	4.9	Tobenolt	5.10/2	+13d	..	..
..	25.6	18.3	Pateron Zoch	23.7/2	..	18.9	29.6	Tozer, Kemsley	34.9	..	..	..
..	12.3	8.10/4	Pauls & Whites	9.4/2	-13d	15.0/4	10.2	Trans. Pap.	15/9	..	..	..
..	26.0	16.9	Pawsons Leafs	25.9	..	3/4	1/10	Transport Dev.	14/9	..	..	..
..	10.3	8.3	Peck (Joseph)	8/9	..	15.10	11.9	Triplex Sundry	2.6/4	..	..	..
6.11/2	21.7/2	15.4/2	Peck Winch	20/9*	..	31/0	21/6	Triplex Hides	22.3	..	..	..
17/0	38.10/2	29.6	Peglers, A.	32/0	..	19.7	15.9	Trollope & Colls	17/3	..	..	..
6.4/2	38.0	28.6	Do., B"	30/9	..	11/10	6/9	Truscon	7/3	..	..	..
6/6.4	5/7	4/3	Pelephap Invest.	4/6*	..	15.12	12.0	Trust Houses	12.9*	+13d	..	..
6.11/2	32.6	23/6	Penguin Books	29/9	..	74.9	56.9	Tube Invest.	62.6	+9d	..	..
6.0	19.6	11/0	Penn Elastic	15/9	..	52.6	37.0	Tunnel Cement	39.9	+3d	..	..
41.10/1	32.4/2	23/6	Pergamon Pbs.	30.11/2	-13d	44.0	34.4/2	Turner & Newall	37/0	+43d	..	..
13.10/1	30.3	23.3	Perrins (D.)	25/6	..	46.3	22.9	Turriff Constr.	24.3	..	..	..
801*	4.2	2.11	Permutit	3/6	..	13.9	9.4	Twyfords	9.10/2	..	..	..
9.4/4	24.0	17.9	Permanite	19/9	..	27.3	20.3	Tyne Tees, "A"	11.9	..	..	..
18.2	17.3	8/8	Permutit	14.11/2	..	..	..	Typhoo Tea	25.7/2*	..	..	..
11.7/3	24.6	20.0	Peters (G. D.)	24.0	..	..	..	..	..	..	..	..
64.3	15.8	10.6	Peters, Furn.	10/6	..	..	..	..	..	..	..	..
15.4/2	29.10/2	19.3	Philblack	29/9	..	..	..	..	..	..	..	..
7.0	11.10	8.3	Phillips (J. & M.)	8/6	-13d	..	..	..	..	..	..	..
15.11/2	3.9	2.6	Phillips Furn.	2.10/2	..	..	..	..	..	..	..	..
3.0*	66.6	34.9	Phillips (G'frey)	65/0	..	..	..	..	..	..	..	..
8.7/1	43.6	24.9	Phillips Soles	24/9	..	..	..	..	..	..	..	..

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