THIS FILE IS CLOSED AS OF
DECEMBER 1968.
FOR FURTHER CORRESPONDENCE SEE:

RECORDS MANAGEMENT SECTION
February 1969
Dear Hashmukhbhai:

Thank you for your letter of October 24, concerning the book of essays, and for your kind remarks on its usefulness. I am sorry that only one copy reached you. I fear the other two must have gone astray and I am today sending two more by airprint.

With all good wishes.

Sincerely yours,

William Diamond
Director
Development Finance Companies

Mr. H.T. Parekh
Managing Director
Industrial Credit and Investment
Corporation of India Limited
163 Backbay Reclamation
Bombay 1, India

cc Mr. Roessner

WDiamond:us
October 24, 1968

Dear Bill:

Thank you very much for your letter of October 11, advising us about your new book based on the proceedings of the Conference which the World Bank had held in 1965. I must compliment you on this publication which makes a very good reading. The get-up of the book is also excellent. You have mentioned that three copies have been dispatched, but I have received one copy. I presume the other copies are on their way. I would also like to acknowledge receipt of one copy in the name of our Chairman, Mr. G.L. Mehta. You may have known that he has unfortunately fallen ill in Mysore. He is making steady progress and expected to return to Bombay by the end of this month.

Our best wishes to Lois and yourself,

Yours sincerely,

H. T. Parekh
Managing Director

Mr. William Diamond
Director
Development Finance Companies
International Finance Corporation
1818 H Street, N.W.
Washington D.C. 20433
U.S.A.
October 24, 1968

Dear Bill:

Thank you very much for your letter of October 11.

Enclosed are your new book based on the proceedings of the conference with the World Bank held in 1965. I must compliment you on this publication which makes a very good reading. The report of the conference has been dispensed with and I have received three copies have been dispatched. I have received one copy in the name of our Chairman, Mr. G. L. Mehta. You may have been informed that the report of the conference is expected to reach Bombay in the near future.

Our best wishes to you and yourself.

Yours sincerely,

H.T. Innes
Managing Director

Mr. William Davidson
Director

Development Finance Company
International Finance Corporation
1818 H. Street, N.W.
Washington D.C. 20438
Dear Sir:

I have to thank you for sending to our Chairman, Shri G.L. Mehta, a copy of the book "Development Finance Companies: Aspects of Policy and Operation" edited by you. Shri Mehta is at present out of Bombay and he has not been keeping well. I am sure Shri Mehta will find this very interesting reading. However, this book will be placed before Shri Mehta on his return.

Yours truly,

V. Mehta
Secretary to Shri G.L. Mehta
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<th>Shri G.L. Mehta</th>
<th>C/o. ICICI Ltd.</th>
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Mr. William Diamond  
Director, Development  
Finance Cos. Deptt.  
International Finance Corporation  
1818 H Street, N.W.  
Washington D.C. 20344  
U.S.A.
Dear Mr. Diamond,

Thank you for sending me a copy of the book entitled "Development Finance Companies: Aspects of Policy and Operation" edited by you. I find the essays included in this compilation very stimulating and thought-provoking.

Kind regards,

Yours sincerely,

(Z. HUQ)

Mr. William Diamond,  
Director,  
Development Finance Companies Department,  
International Finance Corporation,  
Washington, D.C.  
U.S.A.
KARACHI, October 23, 1948

Dear Sir,

Thank you for sending me a copy of the book entitled "Development Finance Companies: Aspects of Policy and Operation" edited by you. I find the essays included in this compilation very stimulating and thought-provoking.

Kind regards,

[Signature]

( )

Mr. William Dimond,
Director, Development Finance Companies Department, Commonwealth Finance Corporation, Washington, D.C., U.S.A.

1949 OCT 23 RN 6:13
Our Ref: LIB/GEN

Mr. William Diamond,
Director
Development Finance Companies Department
International Finance Corporation,
Washington D.C.
U.S.A.

Dear Mr. Diamond,

Thank you for the copy of your book entitled "Development Finance Companies: Aspects of Policy and Operation".

The book will prove a valuable addition to the DFCC Library.

With best wishes,

Yours sincerely,

L.A. Weerasinghe.
Mr. William Diamond,
Development Finance Companies Dept.,
International Finance Corporation,
Washington D.C., 20433,
U.S.A.

Sender's name and address: Development Finance Corporation of Ceylon
P.O. Box No. 1397
Colombo.

AN AIR LETTER SHOULD NOT CONTAIN ANY ENCLOSURE; IF IT DOES IT WILL BE SURCHARGED OR SENT BY ORDINARY MAIL.

Form approved by the Postmaster-General.
Our Ref: 120/10

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

Dear Mr. Diamond,

This is to acknowledge the receipt of "Development Finance Companies" which you sent to us. The book is a good addition to our collection in the Library and we appreciate your generosity in forwarding it to us.

Many thanks indeed.

Yours faithfully,
for: NIGERIAN INDUSTRIAL DEVELOPMENT BANK LTD.

M. O. Adeyinka (Mrs.)

Librarian.
Dear Mr. Dismond,

This is to acknowledge the receipt of "Development Finance Companies" which you sent to us. The book is a good addition to our collection in the Library and we appreciate your generosity in forwarding it to us.

Many thanks indeed.

Yours faithfully,

[Signature]

for Nigerian Industrial Development Bank Ltd.

[Date: 17th October, 1968]
Mr. William Diamond,
Director,
Development Finance Companies Department,
International Finance Corporation,
1818 H Street N.W.,
Washington DC. 20433,
U.S.A.

Dear Mr. Diamond,

Many thanks for your letter of August 12, 1968 enclosing comparative ratios of Development Finance Companies. May I in the first instance compliment you for carrying out this useful exercise which I am sure will provide an opportunity to the development finance companies to cast a second and a closer look at their operational results.

So far as I am concerned I have studied the comparative ratios with great interest and I find them most useful. While I agree that it would be rash to draw conclusions on the basis of the "ratios" the Table does on the whole appear to indicate that PICIC's performance has in many respects been fairly satisfactory as compared to many other banks in the family. This is indeed most rewarding to us here.

I would like to comment on two aspects of PICIC's operations as high-lighted by the "ratios". First of all, the Table demonstrates that PICIC's ratio of debts to equity is one of the highest. Considering that PICIC's main line of business has so far been foreign currency lending which inevitably has to be financed through borrowings I feel that this fact is not such as should be a source of concern. On the other hand the High debt equity ratio has enabled PICIC to earn a satisfactory return on its share capital and equity as reflected by the ratios. Another point which attracts attention is the relatively smaller share of equity investment in the total loan and equity portfolio of PICIC. I am conscious of the fact that as a development bank it is one of our basic functions to promote and stabilise the capital market also. But so long as plant and machinery for industrial projects financed by us
MR. William Drummond  
Director  
International Finance Corporation  
1218 H Street, N.W.  
Washington, D.C. 20433  
U.S.A.  

October 14, 1968  

Dear Mr. Drummond:

Many thanks for your letter of August 15, 1968. May I then reinforce the constructive comment that I would like to complement on the two aspects of PICIC's operations as highlighted by the rate of return on its equity capital and by its earnings performance. I feel that the latter indicates a satisfactory return on the equity capital and equity as delineated by the rate of return on the asset portfolio which attracts attention because of the relatively high rate of return on the portfolio. I am conscious of the fact that as a development agency it is one of its primary functions to promote and build up the capital market and to lend funds and equity portfolio projects financed by us.
have to be procured from outside the country. PICIC has inevitably to be regarded by our entrepreneurs as the principal source of foreign currency assistance. I am afraid that our rupee operations will under the present circumstances have to be limited although I am trying my conscientious best to step up this side of our business. Possibly the form and direction of financing will by itself undergo a change when the capital goods industry in the country is developed. It is gratifying to see that our Government is now giving high priority to this field.

I have a few suggestions to make for your consideration in respect of the format of the "ratios". I think it would facilitate comparative study, if these ratios are grouped either geographically or by size (i.e. total assets of the respective banks) or both. I am prompted to make this suggestion because I notice some homogeneity among banks belonging to some specific geographical regions and among those who have total assets of over $100 million. May I also suggest the addition of information indicating dividend performance of the banks.

The success of a development bank is measured not only by its financial results, but also by the contribution it has made towards the economic development of the country. I would suggest for your consideration the inclusion in your next study of the comparative economic impact of the operations of the various development banks such as capital out-put ratio, employment generated, balance of payment impact, capital mobilisation ratio and so on.

Kind regards,

Yours sincerely,

(SAID AHMED)
Managing Director.
You gave me 49 copies.

I have distributed the following:

a. Casual
   1 Mr. Chung Ta-Chung, Bank of Communications, Taiwan
   1 McNamara, Bank Group
   1 Rosen, IPC
   1 Raj, IPC
   1 Nishihara, IPC
   1 Vas de Costa, BNB, Brazil
   1 Ametier, BDIDC
   1 Simba, East African Development Bank
   1 McCann, LBIDC
   1 C.N. Kim, KDPC
   1 Daniyan, BIDC

b. Authors
   10 Kuiper, Bergen, N.H.
   1 Gustafson (9 to come)
   1 Mathew (9 to come)
   1 Diamond (9 to come)

C. Chairmen (3 each)
   3 Parekh (ICICI)
   3 Uquall, Pakistan
   3 Herrera Carrizosa, Colombia
   3 Gutierrez Gomez, Colombia
   3 Felix Chang, CDC, Taiwan

d. IPC-DFC Staff
   1 Shin
   1 Garcia
3. I have only 3 copies left, which means I've lost 3. I'm sorry.

4. Please note you owe:

    Mathew    9
    Gustafson 9
    Diamond   9

Please send these to the three persons mentioned.

5. I still have five copies, which I shall hold on to for miscellaneous distribution.

6. I believe you have distributed copies already to all Vice Presidents and Department Heads in the Bank Group. You were also to distribute copies to all the members of this Department (except those cited in paragraph 2 above). Please do.

7. You will have received Friday our list of additional requests.

WDiamond: us
October 11, 1968

Dr. Jose Gutierrez Gomez
President
Corporacion Financiera Nacional
Apartado Aereo 1039
Medellin, Colombia

Dear Don Jose:

When you were here last week, I gave you a copy of the book of essays that we have just published, which stemmed from the Conference we held in 1965. You will remember that you were in the chair at one of the meetings at that Conference. We have decided that those of you who did that extra work deserved more than one copy of the book. I take pleasure, therefore, in sending you, by separate airprint, two more copies of it.

With all good wishes.

Sincerely yours,

William Diamond
Director
Development Finance Companies

cc Mr. Roessner

WDiamond:us
October 11, 1968

His Excellency
N.M. Uquaidi
Minister of Finance
Government of Pakistan
Islamabad, Pakistan

Dear Mr. Minister:

It was a pleasure having you with us last week. When we met I told you that the book of essays, written on the subjects discussed during our 1965 Conference, had just appeared in print. I take pleasure in sending for your personal use, under separate cover by airprint, three copies of it.

You have a closer than usual connection with this book. You will recall that you were the "father" of the 1965 Conference, and you did the extra work of chairing one of the meetings. All this, aside from the important contributions which you made to the discussions. Many thanks.

With all good wishes.

Sincerely yours,

William Diamond
Director
Development Finance Companies

cc Mr. Roessner

WDiamond:us
July 24, 1968

Dr. Jose Gutierrez Gomez
President
Corporacion Financiera Nacional
Apartado Aereo 1039
Medellin, Colombia

Dear Don Jose:

Thank you for your letter of July 17.

The essays to which you refer are being published in book form, with introductions which I have written. I am sorry to say that the book will not be available until the end of September, i.e. around the time of the Annual Meeting. Needless to say, you will receive copies when it is published. Meantime, I am sending you herewith a copy of Mathew's essay, but before its final editing.

I believe that arrangements are being made for a Spanish translation as well.

I am looking forward to seeing you at the Annual Meeting.

With best regards.

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosure (Essay (unedited) by Mr. Mathew "Relations between Govts. & DFCs")

cc Mr. O'Brien
Mr. Garcia with copy of incoming ltr.

WDiamond:us
July 26, 1949

To: [Name]

Department

Re: [Subject]

Dear [Name],

Thank you for your letter of July 18.

The purpose of this letter is to request your assistance in obtaining a refund for merchandise that was purchased on June 15, 1949. The item was purchased from [Company] and was delivered on the same day.

Unfortunately, when I received the merchandise, I found that it was defective and did not meet the specifications detailed in the order. As a result, I have decided to return the item and seek a full refund.

I have attached a copy of the sales receipt and a description of the issue with the merchandise. I hope that you will be able to process my request promptly.

I appreciate your attention to this matter and look forward to hearing from you soon.

With best regards,

[Signature]

[Name]

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

Dear Bill:

Last January you told me that three people had been asked to write some essays on five of the subjects discussed at the Development Banks Conference which you directed in Washington in 1965.

Being extremely interested in using those essays to help shape internal legislation in Colombia, I would appreciate your sending me by air mail those that are already finished, and to tell me when the remaining ones will be ready. I am especially interested in Mr. P. M. Mathew’s, for obvious reasons.

With my warmest personal regards, I remain.

Sincerely yours,

Jose Gutierrez Gómez
President

JGG/deh.
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<td>Mr. Diamond</td>
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February 2, 1968

Dear Bill:

I thank you for your letter of January 23. I am glad that you are following up our conference of October 1965 by bringing out an interesting book. I have seen with interest your introductory note.

As regards distribution, it would be very useful if copies could be sent to various financial institutions in India, including all State Finance Corporations and commercial banks who are doing some work in the field of development finance. Should you so desire, we would be willing to distribute copies to institutions in India and shall let you have a list of such institutions.

With warm personal regards,

Yours sincerely,

(H. T. Parekh)

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

P.S. 1) On page 89 of Introduction in line 5, the first three words are "nationally financed growth"; I assume that you referred to "internally financed growth".

2) On page 89, two lines from the bottom, the first 7 words should read "finance company to go to the market...."
2.84.1888

Dear Sir:

I thank you for your letter of January 25. I am glad that you are following up our conference of October 16th by printing out aninteresting book. I have seen with interest your introduction note.

As regards distribution, it would be very useful if copies could be sent to various financial institutions in India, including all State Finance Corporations and commercial banks who are doing some work in the field of redevelopment. Should you so desire, we would be willing to distribute copies to institutions in India and South Africa. You have a list of such institutions.

With warm personal regards,

Yours sincerely,

(H.T. Terepk)

(Handwritten)

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

F.S.1) On page 80 of Introduction in Line 2, the first three words state "eventually financed growth." I assume that you refered to "eventually financed growth." I think the word "eventually" should read "finance company; go to the market."
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**Remarks:**

*Bill Thanks*
November 29, 1968

Dear Mr. Diamond,

Thank you very much for your letter of 23rd instant regarding the publication of a book which will contain essays on five of the subjects discussed at the last conference of Development Finance Companies organised under the auspices of the World Bank.

I think this is a useful effort and I will be glad to receive a copy of the book, when published. In Pakistan you might like to send copies of the book to:

i) Secretary, Ministry of Industries and Natural Resources, Islamabad;
ii) Secretary, Planning Division, Government of Pakistan, Rawalpindi;
iii) Secretary, Economic Affairs Division, Government of Pakistan, Islamabad;
iv) Department of Industries, Government of West Pakistan, Lahore;
v) Department of Industries, Government of East Pakistan, Dacca; and
vi) Development Finance Companies in Pakistan such as, PICIC, IDBF, Agricultural Development Bank, Karachi, and Small Industries Corporations at Lahore and Dacca.

These are the names which suggest to me.

With my best wishes,

Sincerely yours,

(N.M. Uqaili)

Mr. William Diamond,
Director,
Development Finance Companies,
International Finance Corporation,
1818 H Street, N.W.,
Washington DC 20433, USA.
Dear Bill,

It was very good to have your letter. I'd rather lost sight of the piece for the DFC book. While I'm glad to know the project itself is going ahead, I had a number of reservations regarding my own contribution: quite frankly, I concur with the Committee's decision. The only thing I can say is that if it can be re-hashed in some way by someone else, please do what you feel fit. As you may know, I joined Hambros shortly after getting back; and my contract with them precludes publication of any work of any kind.

Both Janet and I felt many, many regrets about leaving Washington and it wasn't an easy decision to make. But I feel very much at home in the City and I know that as a family we're becoming better acclimatized. Our five-year old was due to go to Washington Cathedral School last Fall but we seem to have made a successful transition even in this respect. By the way, I do hope that if you are ever in London, you will not forget to give me a call at Hambros. The address is 55 Bishopsgate, London E.C.2 and the phone number is LONDON WALL 2851, Ext. 513.

Please remember me to the group -- with all good wishes,

Yours sincerely,

[Signature]
You will recall the conference we held in October 1965, which you attended with almost all the other development finance companies associated with the World Bank group. Everyone involved thought the experience was worth while, and the proceedings which we prepared and sent to each participant was certainly a stimulating document. However, its circulation was strictly limited to participants in the conference; and a broad public which, I am sure, would have benefitted from your discussions, could not do so.

A year or so ago we thought of a device for making, at least some aspects of the discussion available to that broader public. We invited three persons to write essays on five of the subjects discussed at the conference. Those persons are Ego T. Kuiper, long associated with us and well-known to you, and P.M. Mathew and Douglas Gustafson of our staff. Our thought was that their essays would represent the reflections of three experienced persons, taking account not only of their experience but also of the discussions at the conference of October 1965.

We are about to publish their essays. The title of the book and its contents are shown in Annex 1. I have taken the liberty of writing a general introduction to the essays, and an introduction to each one individually. The general introduction refers to the 1965 conference and to its value, both in illustrating the common denominators in the problems of development finance companies, and in showing the diversity of solutions required in solving these problems. I also note that the essays are the individual work of their authors; not a summary of the conference discussions but the reflection of an experienced individual.

In my introductions to the individual essays I have referred to the summing up by the participants who chaired the conference discussions of that particular subject. You are one of those chairmen; you led the discussion on "Promoting Broader Ownership of Private Securities". Annex 2 is the text of my introduction to Mr. Gustafson's essay on that subject. You will see that the reference to your summing up is drawn from the report we submitted to our Board of Directors in May 1966, and does not in any sense involve you in the views expressed in Mr. Gustafson's essay that follows the introduction.

We are expecting the book to be published in about three months. We would appreciate any suggestions you might have regarding its distribution.
Annex I

Some Aspects of Policy and Operation of Development Finance Companies

INTRODUCTION


2. Promoting Broader Ownership of Private Securities, by Douglas Gustafson

3. Relationship between a Development Finance Company and the Management of Enterprises it Promotes, Sponsors or Finances, by E.T. Kuiper.


5. Relations between Governments and Development Finance Companies, by P. M. Mathew

...
(all in italics)

Introductory Note

Nearly all the development finance companies associated with the World Bank Group have the objectives of promoting the broader ownership of enterprise by encouraging the distribution of private securities. They are supposed to stimulate the growth of the capital market in the countries in which they operate: to find ways of mobilizing savings, to facilitate the flow of those savings by devising types of securities which will be both suitable to the enterprise that needs financing and at the same time attractive to the investor who has the savings, and by encouraging the investor to transform his savings into those securities.

Mr. James Raj, then General Manager of the Nigerian Industrial Development Bank and now Vice President of IFC, led the discussion on this subject. He organized the discussion under four broad headings.

The first was the subject of developing institutional arrangements needed for the growth of a capital market. There must be some method and
marketplace for buying and selling before security ownership can be expanded to any significant extent. The second problem to be faced was that of developing different types of securities to fit the particular conditions of the country. This depended on the demand and supply of funds and the requirements of investors; various types of securities needed to be designed to fit their specific needs. The third problem was that of developing an orderly market for securities in order to build public confidence in their ownership. This related to assuring reasonable stability in the market, once shares are widely distributed. The fourth problem concerned the participation of development finance companies in these activities without undue risk. This involved the question of the role of development finance companies in underwriting.

Mr. Raj identified several points on which there seemed to be general agreement among participants at the meeting:

-- First, before wide distribution of stocks and expanding ownership was possible, there must be a basic company law, acceptable and qualified accounting, honesty in public disclosure and so forth, which existed in the more developed countries. It was generally felt that development finance companies could play a useful role, if only by requiring such standards from their own clients.

-- The second point was that, before a wide capital market could be established, the government's monetary and fiscal measures must be regarded as avoiding hyperinflation. Once the individual investor developed confidence in the value of his money, liquidity and debt instruments suited to the particular environment could be developed.
A third matter concerned competition between government and private enterprise for funds in the capital market. In some countries, there was a question as to how far the government was prepared to tolerate competition from private enterprise for funds which the government wanted.

A final point of agreement, and a vital one, was that in helping to maintain an orderly market, a development finance company must not go against the market. There was a case for making a market and, to some extent, being a buyer or seller of last resort, but there was not a case for supporting prices.
January 23, 1968

Dr. José Gutiérrez Gómez
President
Corporación Financiera Nacional
Apartado Aéreo 1039
Medellín, Colombia

Dear Don José:

You will recall the conference we held here in October 1965, which you attended with almost all the other development finance companies associated with the World Bank group. Everyone involved thought the experience was worthwhile and the proceedings which we prepared and sent to each participant was certainly a stimulating document. However, its circulation was strictly limited to participants in the conference; and a broad public which, I am sure, would have benefitted from your discussions, could not do so.

A year or so ago we thought of a device for making, at least some aspects of the discussion available to that broader public. We invited three persons to write essays on five of the subjects discussed at the conference. Those persons are Eego T. Kuiper, long-associated with us and well-known to you, and P. M. Mathew and Douglas Gustafson of our staff. Our thought was that their essays would represent the reflections of three experienced persons, taking account not only of their experience but also of the discussions at the conference of October 1965.

We are about to publish their essays. The title of the book and its contents are shown in Annex 1. I have taken the liberty of writing a general introduction to the essays, and an introduction to each one individually. The general introduction refers to the 1965 conference and to its value, both in illustrating the common denominators in the problems of development finance companies and in showing the diversity of solutions required in solving these problems. I also note that the essays are the individual work of their authors for which no one but the authors are responsible.
In my introduction to the individual essays I have referred to the summing up by the participant who chaired the conference discussions of that particular subject. You are one of those chairmen; you led the discussion on "Relationship Between a Development Finance Company and the Management of the Enterprises it Promotes, Sponsors or Finances". Annex 2 is the text of my introduction to Mr. Kuiper's essay on the subject. You will see that the reference to your summing up is drawn from the report we submitted to our Board of Directors in May 1966, and does not in any sense involve you in the views expressed in Mr. Kuiper's essay that follows the introduction.

We are expecting the book to be published in about three months. You and your chairman will of course get a copy. But I'd be grateful if you would let me know of any suggestions you might have for distribution in Colombia.

With best personal regards.

Sincerely yours,

William Diamond
Director
Development Finance Companies

Attachments

cc: Mr. Kuiper

Messrs. O'Brien
García Rayneri

WDiamond/val
Introductory Note

When a development finance company promotes, sponsors or finances an enterprise, it risks its capital and reputation; and it often influences others, both individuals and institutions, to risk their capital as well. This is a grave responsibility, which requires continuing vigilance on the part of the finance company.

That responsibility calls, in the first place, for the careful selection of investment proposals. No factor in selection is more important than a judgment regarding management, and a decision that management is satisfactory—technically, commercially, administratively, and in terms of honesty. But satisfaction with management before the investment is made is not enough. Management remains a matter of continuing concern thereafter. This is important when a development finance company has given a loan to the enterprise; it is critical when the enterprise is a promotion of the company.

Dr. Jose Gutierrez Gomez, President of the Corporation Financiera Nacional of Colombia, who was chairman of the discussion, pointed out at least three aspects of this Agenda item. One concerned the financiera's problem of
obtaining full and timely information on the affairs of his client; another involved taking a seat on the board of directors of the client enterprise; a third was involvement in day-to-day decision making. On the first, there was no dissent on the fundamental importance of having at all times a current knowledge of the situation of a client enterprise and of establishing a close and constructive relationship with it. And on the third, there was a strong reluctance against participating in management. But on the taking of a board seat, opinions differed widely, from the completely negative through abstemiousness to a positive conviction that a board seat established a desirable relationship not otherwise possible.

Dr. Gutierrez Gomez felt that conventional end-use, supervision and board representation could be equally effective in establishing the right kind of relationship between a development finance company and the management of its client enterprise. A director could do much effective missionary work, but a great deal depended on luck in the selection of a director and on the habits and procedures of the board on which he sat. Many participants shared his concern about the difficulty of finding qualified outside directors and the risks of taking directors from inside - risks of overburdening management, creating conflicts of interest, and compromising the future business of the development finance company. Then risks were magnified when a company took on managerial responsibilities. In general a tendency to abstain pervaded the discussion, despite recognition of the need to go the limit in cases of jeopardy and in some cases of promotion.
January 23, 1968

Mr. Felix S. Y. Chang
President
China Development Corporation
181-5 Chung Shan Road N., 2nd Sec.
Taipei, Taiwan
Republic of China

My dear Felix:

You will recall the conference we held here in October 1965, which you attended with almost all the other development finance companies associated with the World Bank Group. Everyone involved thought the experience was worthwhile and the proceedings which we prepared and sent to each participant was certainly a stimulating document. However, its circulation was strictly limited to participants in the conference; and a broad public which, I am sure, would have benefited from your discussions, could not do so.

A year or so ago we thought of a device for making, at least some aspects of the discussion available to that broader public. We invited three persons to write essays on five of the subjects discussed at the conference. These persons are Eggo T. Kuiper, long-associated with us and well-known to you, and P. M. Mathew and Douglas Gustafson of our staff. Our thought was that their essays would represent the reflections of three experienced persons, taking account not only of their experience but also of the discussions at the conference of October 1965.

We are about to publish their essays. The title of the book and its contents are shown in Annex 1. I have taken the liberty of writing a general introduction to the essays, and an introduction to each one individually. The general introduction refers to the 1965 conference and to its value, both in illustrating the common denominators in the problems of development finance companies and in showing the diversity of solutions required in solving these problems. I also note that the essays are the individual works of their authors, for which no one but the authors are responsible.

In my introduction to the individual essays I have referred to the summing up by the participant who chaired the conference discussions of that particular subject. You are one of those chairmen; you led the discussion on "Relations between Government
Better yet I assume language arts of nonconformity

I hate the idea of being anything but myself. I am who I am, and I think that's what life is all about.

I don't want to conform to anyone else's expectations or standards. I want to be true to myself and live life on my own terms.

I believe that true freedom lies in embracing our uniqueness, not trying to fit into a mold. Each person is different, and that's okay.

I choose to follow my own path, even if it means going against the grain. I'm not afraid of being different, because I know that's what makes me who I am.

I encourage others to do the same. Don't be afraid to be yourself, to live life on your own terms. The world is better for all of us when we embrace our individuality.

I believe that true happiness comes from being true to oneself, not trying to please others. I want to be free to be who I am, without fear of judgment or condemnation.

I hope that others will join me in this quest for self-acceptance and freedom. Together, we can create a world where everyone is free to be who they are, without fear of judgment or prejudice.

I end my letter with this: OA 0J 09
and Development Finance Companies". Annex 2 is the text of my introduction to Mr. Mathew's essay on that subject. You will see that the reference to your summing up is drawn from the report we submitted to our Board of Directors in May 1966, and does not in any sense involve you in the views expressed in Mr. Mathew's essay that follows the introduction.

We are expecting the book to be published in about three months. You and your chairman will of course get a copy. But I'd be grateful if you would let me know of any suggestions you might have for distribution in China.

With best personal regards.

Sincerely yours,

William Diamond
Director
Development Finance Companies

Attachments

cc: Messrs. O'Brien, Pollan, Mathew

WDiamond:1gs
Annex 1 is similar to that attached to memorandum from Mr. Diamond to Mr. Raj 1/23/68.

(appplies also to letters of same
date to Messrs. Gutierrez Gomez,
Parekh and Uquall)
Introductory Note

Most of the development finance companies associated with the World Bank Group have been sponsored and initially all have been financed or otherwise supported by their governments. This fact places upon them a responsibility - even if their own objectives did not - to behave in the public interest as well as in the interest of their own shareholders. It also exposes them to the dangers of political pressures, which could severely inhibit their ability to act in the interest either of the general public or of their shareholders. What course of behavior will assure a smooth relationship with government within the framework of national policy and at the same time discourage or resist misguided governmental efforts to influence selection of personnel, administration and, most of all, particular investment decisions?

One conference participant noted, early in the discussion of this subject, the paradox that development finance companies were private institutions and yet were called upon to work for very much the same
objectives as governments with respect to economic development. The companies represented at the Conference that had government help desired to maintain their independence from government, not because they did not want to work with government but because otherwise a political color might be injected into their operations thereby making them inefficient. They thought it was important to make this distinction; otherwise the government would get the impression that a development finance company enjoyed the benefits of government assistance without having a sense of responsibility to it.

Secondly, even though development finance company had to align itself with the general policies of the government, it ought not to become involved in the task of economic planning, otherwise it would become politically exposed and face interference. Thirdly, a government should not enter into unfair competition with a development finance company in regard to raising capital internally in a country. Lastly, the informal relations with government agencies were important; the development finance company could greatly influence government policy.

Underlying the discussion was the uneasy feeling that, in the words of one participant, most development finance companies were "basically quasi-governmental institutions" since, directly or indirectly, they received a substantial part of their resources from governments. One wondered whether they could long remain really private, if in fact they were private now; for in each instance the private capital and the capital received from the World Bank Group were small compared with the capital provided by government. This state of affairs was justifiable in the early years of a development finance company when it was necessary to protect an infant industry. But when would they be able to stand on their own feet and develop their independent sources of finance?
This was obviously a difficult and delicate subject. Mr. Felix Chang, President of the China Development Corporation, who led the discussion, concluded that relations with government were essentially a matter of give and take. In this continuing relationship, the development finance company had to maintain its independence. It could do so if it established a condition of mutual confidence with government (which close contacts with government officials and agencies would encourage) and if it worked over the years to decrease its reliance on government by building up alternative sources of finance.
January 23, 1968

Mr. H. T. Parekh
Deputy Chairman and Managing Director
Industrial Credit and Investment
Corporation of India
163 Backbay Reclamation
Bombay 1, India

Dear Hashmukhbbhai:

You will recall the conference we held here in October 1965, which you attended with almost all the other development finance companies associated with the World Bank group. Everyone involved thought the experience was worthwhile and the proceedings which we prepared and sent to each participant was certainly a stimulating document. However, its circulation was strictly limited to participants in the conference; and a broad public which, I am sure, would have benefited from your discussions, could not do so.

A year or so ago we thought of a device for making, at least some aspects of the discussion available to that broader public. We invited three persons to write essays on five of the subjects discussed at the conference. Those persons are Ego T. Kuiper, long-associated with us and well-known to you, and P. M. Mathew and Douglas Gustafson of our staff. Our thought was that their essays would represent the reflections of three experienced persons, taking account not only of their experience but also of the discussions at the conference of October 1965.

We are about to publish their essays. The title of the book and its contents are shown in Annex 1. I have taken the liberty of writing a general introduction to the essays, and an introduction to each one individually. The general introduction refers to the 1965 conference and to its value, both in illustrating the common denominators in the problems of development finance companies experience, and in showing the diversity of solutions required in solving these problems. I also note that the essays are the individual works of their authors, for which no one but the authors are responsible.

In my introductions to the individual essays I have referred to the summing up by the participant who chaired the conference discussions of that particular subject. You are one of those chairmen; you led the discussion on "Financial Policy Problems of Development Finance Companies."
Annex 2 is the text of my introduction to Mr. Gustafson's essay on that subject. You will see that the reference to your summing up is drawn from the report we submitted to our Board of Directors in May 1966, and does not in any sense involve you in the views expressed in Mr. Gustafson's essay that follows the introduction.

We are expecting the book to be published in about three months. You and the Chairman will of course get a copy. But I'd be grateful if you would let me know of any suggestions you might have for distribution in India.

With best personal regards.

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures
WDiamond: dll

Mr. H. T. Parekh
- 2 -
January 23, 1968
Introductory Note

The Agenda of the Conference called for a discussion of the financial policy of development finance companies. Included were such diverse matters as the level of debt a development finance company can prudently incur, policy towards the establishment of reserves to protect the company against specific expected losses, how much of profits should be paid out and how much retained, the effect of taxation on reserves policy and dividend payments, and interest rate policy. Thus "financial policy" was not "a subject", but a package of subjects.

It was also a complex and important package of subjects, especially for institutions which were approaching maturity - for they were fundamental to decisions on how the growth of development finance companies was to be financed. They were also subjects on which there
could be conflicts of interest among interested parties - certainly between shareholders and creditors; and perhaps also governments, if governments were providing important financial resources or incentives.

The chairman of the discussion of financial policy was Mr. H. T. Parekh, General Manager of the Industrial Credit and Investment Corporation of India. The largest part of the discussion concerned the level of debt. Mr. Parekh noted that, if a development finance company is to make satisfactory profits, its ratio of debt to equity must be weighted in favor of its shareholders. As a lender, he insisted that his borrowers maintain a 1:1 ratio, but as a borrower he preferred to have no limit. Such a stand was not defensible; there had to be some check. On the other hand, development finance companies could not afford to close their doors; business had to be increased. If so, they needed resources. Local currency funds had been relatively easy to raise, for governments were not bothered about debt/equity ratios. But the World Bank and other conventional lenders did ask questions which, while relevant, were sometimes disagreeable. In the past, the World Bank had been most helpful by relaxing the limitation, when the situation justified a relaxation. Still, financial institutions had to recognize that there were limits to the debt they could incur, even from the point of view of their own prudence. Mr. Parekh pointed out that part of the difficulty lay in the fact that raising equity capital was the most expensive form of financing and that it was difficult to go to the market for new capital until additional capital could be serviced without reduction of reserves.
On another aspect of financial policy, Mr. Parekh called attention to the difficulty of establishing a "right" balance between retention of earnings and payment of dividends. The former encouraged creditors, the latter encouraged investors. The former was needed for nationally financed growth; the latter for external financing. In either case the attitude of the shareholders was crucial: how and at what price did he want to finance the growth of the development finance company? Mr. Parekh felt that a 50-50 distribution was a reasonable rule-of-thumb. Regarding interest spreads, the general feeling was that a spread of 2-1/2 per cent to 3 per cent was reasonable. As to whether the interest charged should be above or below the prevailing market rates, Mr. Parekh thought a lower interest might attract bad projects while a higher rate might adversely affect a development finance company's public image. On the question of taxation, Mr. Parekh considered it politically inexpedient to ask for total tax exemption, although a case could be made that, since a development finance company's operations involved large risks, profits put to reserve should not be taxed to the same extent as distributed profits. There is another tax concession that in many cases would be very beneficial in the raising of new resources. This would be tax exemption for development finance company bond issues. Clearly, the crucial question a development finance company would face over the years was that of raising resources, both loan and equity, in order to continue to expand operations. Although financial assistance could be expected for some time from governmental sources and international institutions it would become necessary for a development finance company to go the market at some stage, and it was thus essential to gear financial policies to facilitate this objective.
The discussions and Mr. Parakh's summing up made it clear that there were no easy or universal answers to the questions that had been raised.
January 23, 1968

His Excellency
N. M. Uquialli
Minister of Finance
Pak Secretariat II
Rawalpindi, Pakistan

My dear Mr. Minister:

You will recall the conference we held here in October 1965, which you attended with almost all the other development finance companies associated with the World Bank Group. Everyone involved thought the experience was worthwhile, and the proceedings which we prepared and sent to each participant was certainly a stimulating document. However, its circulation was strictly limited to participants in the conference; and a broader public which, I am sure, would have benefited from your discussions, could not do so.

A year or so ago we thought of a device for making, at least some aspects of the discussion available to that broader public. We invited three persons to write essays on five of the subjects discussed at the conference. Those persons are Eego T. Kuiper, long-associated with us and well-known to you, and P. M. Mathew and Douglas Gustafson of our staff. Our thought was that their essays would represent the reflections of three experienced persons, taking account not only of their experience but also of the discussions at the conference of October 1965.

We are about to publish their essays. The title of the book and its contents are shown in Annex I. I have taken the liberty of writing a general introduction to the essays, and an introduction to each one individually. The general introduction refers to the 1965 conference and to its value, both in illustrating the common denominators in the problems of development finance companies and in showing the diversity of solutions required in solving these problems. I also note that the essays are the individual work of their authors, for which no one but the authors are responsible.

In my introductions to the individual essays I have referred to the summarizing up by the participant who chaired the conference discussions of that particular subject. You are one of those chairmen; you led the discussion on "The Promotional Role of a Development
His Excellency
N. M. Uqualli

January 23, 1968

Finance Company”. Annex 2 is the text of my introduction to Mr. Kuiper’s essay on that subject. You will see that the reference to your summing up is drawn from the report we submitted to our Board of Directors in May 1966, and does not in any sense involve you in the views expressed in Mr. Kuiper’s essay that follows the introduction.

We are expecting the book to be published in about three months; you will of course get a copy. But I’d be grateful if you would let me know of any suggestions you might have for distribution in Pakistan.

With best personal regards,

Sincerely yours,

[Signature]

William Diamond
Director
Development Finance Companies

Attachments

cc: Messrs. O’Brien, Sekse, Kuiper

WDiamond:1gs
January 15, 1968

Mr. David Grenier
36 Raines Road
Lee-on-Solent
HANTS, ENGLAND

Dear David:

I write to tell you, very belatedly, where we stand on the book of essays on development finance companies.

You will recall my work, during last summer's holiday, to recover the essays from the work of the "editor". Subsequently, in mid-November, just before I went off to Africa, the Publications Committee met to consider whether the manuscript was worth publishing. The consensus was, that it was. However, in addition to both editorial and substantive comments throughout, the Committee made two important decisions. The first was that Kuiper's speech delivered during the conference itself, which I had included in the final manuscript, should be dropped. The second was that your essay should be dropped. The reason for this was not any criticism of the content of your essay; it was, rather, that it fell into a different category from the rest of the manuscript. Yours was the one essay in the text which was not devoted to "some aspects of the policy and operations of development finance companies". The Committee was right about that and I had no choice but to comply with their recommendation.

My principal object in writing at this time is to tell you about that decision. My second is to say that you should feel free to do what you wish with your essay. I imagine, indeed I hope, that you will find some other use for it. But in this connection let me suggest that, if you do decide to do something with it, you write to ask the comments of von Hoffman, Paterson and Richards; each of them had some comments to make about your essay, and many of their comments were well taken.

You will be interested to know that the essays are now getting their last, finishing polish and I hope that the manuscript will go to press soon.
January 15, 1968

How are you and your wife getting on in England? We all miss you and hope we shall have an opportunity to see you soon. In the meantime I would very much welcome news about you.

With best personal regards.

Sincerely yours,

[Signature]

William Diamond

c.c. Mr. O'Brien

WDDiamond/Jm
Some weeks ago I sent you the manuscript of a group of essays on development finance companies. I asked for any comments you might have, particularly on the essay regarding joint financing by IFC and development finance companies.

I should very much appreciate hearing from you.

The Publications Committee will meet early next week. Revisions will have to be made, and it would be helpful to have your suggestions at the same time.
Mr. Richard H. Demuth

Michael L. Hoffman

Essays on Development Finance Companies

As I will probably not be able to attend the meeting of the Publications Committee on September 13 to discuss this manuscript, I have set down a few comments for your consideration.

1. I think the manuscript as a whole is quite good and I like the general format, which is more interesting and readable than the usual report on proceedings.

2. I would drop Kuiper's "address." The flavor of Kuiper's experience comes through much better in his two essays. Also the address seems to me to rehash many of the generalities about development finance companies that the readers of this book can be presumed to be familiar with. It just is not of the same quality as the essays and doesn't seem to fit.

3. The one essay that strikes me as weak is the one on promoting broader ownership of securities, especially its first eight pages. These seem to me discursive and not particularly helpful. Nor does the essay as a whole reflect the conference discussions or the experiences of development finance companies. It is full of "mights" and "coulds" rather than experience. In fact, it sounds more like a paper prepared for discussion at a meeting than one reflecting such a discussion. I would be inclined to drop it, particularly as I have a feeling this is one of the less important aspects of development finance company operations. There is certainly no evidence in the essay that they have in practice played an important role in this field.

4. I find the Mathew piece extremely interesting but it needs editing to eliminate repetitious statements.

5. On page 94 there is reference to the fact that shareholders in development finance companies realise corollary benefits on their investment and purchase shares in this knowledge. We have been repeating this for quite a long time. There is no doubt that most American and British banks or Edge Act companies gave corollary benefits as the main reasons they invested in our development finance companies some years ago. But has anybody ever tried to find out whether in fact these investors did derive corollary benefits and, if so, whether they have any idea how significant these benefits are? Maybe this conference didn't produce any evidence on this matter but if it had, it would be interesting to know what it was.

6. In his introduction, Mr. William Diamond gives us the credentials of everyone concerned with the operation except Mr. William Diamond. A title at least would seem to be called for.
I suppose there is no use refighting a battle which was lost long ago, but I cannot refrain from pointing out how awkward the term "development finance companies" is in writing about these creatures as compared to "development banks," particularly when one has of necessity to continue to refer to the people who run them as development bankers.

cc: Mr. Diamond
   Members of Committee
August 11, 1967

Essays on Development Finance Companies

I'd be grateful for any comments you might wish to make on the attached MS.

I'd particularly appreciate your suggestions on the last chapter.

W.Diamond: gb
August 10, 1967

Mr. David Grenier
38 Raines Road
Lee-on-Solent
Hants.
England

Dear David,

Attached is the manuscript. Would you be good enough to review your essay as quickly as possible and let me have any thoughts that come to you on the subject? If you have any views on the manuscript as a whole, they will be no less welcome.

I hope your wife and you are enjoying England. Best wishes to you both.

Sincerely yours,

[Signature]

William Diamond
Director
Development Finance Companies

Attachment

WDiamond:gb
August 10, 1967

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

Dear Esgo,

I wrote to you last week to say that I had revised the revision of your two essays so as to bring back into them your own thought, and I said that I would let you have them as quickly as possible for review.

Enclosed is the full manuscript of the "book". Please review as quickly as possible your parts of it and let me know what thoughts or suggestions you have. Needless to say, I hope this will be the last go-around on them. If you have any thoughts or suggestions on the other parts of the "book" or with respect to the manuscript as a whole, please do not hesitate to pass them on.

With best personal regards.

Sincerely yours,

William Diamond
Director
Development Finance Companies

WDiamond: gb

Attachment
Mr. P.M. Mathew; Mr. D. Gustafson
William Diamond

August 10, 1967

Essays on Development Finance Companies

Attached, at long last, is the MS.

Please review your part carefully and let me have, as soon as possible, your final revision.

If you have any suggestions on other parts, or on the MS as a whole, they will be welcome.

Attachment

WDiamond:us
Mr. R. H. Demuth, Chairman, Publications Committee

William Diamond

August 9, 1967

Essays on Development Finance Companies

Attached is a draft MS entitled Some Aspects of Policy and Operation of Development Finance Companies.

As you will see from the Introduction, it consists principally of six essays written by four individuals, reflecting their views and conclusions about the six principal items discussed at the Conference of Development Finance Companies, held here in October 1965. Each of the essays is introduced by a short Note, and the whole collection has an Introduction telling what it is all about. I have written both the Introduction and the Notes.

My recommendation is that the ensemble be published by the World Bank in book form, for sale. An alternative is to publish some or all of the individual essays separately, in pamphlet form; but I think this alternative is definitely second best.

Some editing will still be required, but no extensive rewriting.

I should be grateful if you and your Committee would consider the MS and this recommendation.

cc Mr. Rosen
Mr. Raj

WDiamond:us
July 31, 1967

Mr. E. T. Kuiper
Wiartdijkje 8
Bergen N. H.
The Netherlands

Dear Esgo,

Some time ago, I acknowledged your letter of May 1 and May 17 regarding the "edited" versions of your two essays. In the first, you left it to me "to evaluate style and composition" of one revised essay. In the second, you rejected the job done on your second essay. I now understand your question in the first case, and agree with your conclusion in the second.

While on holiday, during the past fortnight, I have gone over all six essays. Our editing job was not very good in your case. I have redone your two essays, both recovering your thought and bringing back some of your style - I hope to your satisfaction. Although you have said you did not need to see the MSS. again, I shall send them to you for review as soon as they have been stencilled.

I'm sorry about the long delay.

All the best.

Sincerely yours,

William Diamond
Director
Development Finance Companies
Dear Bill:

With reference to my letter of May 1, I am now writing about the essay on "Management".

The draft on "Promotion" suffered from an excess of elaboration and flowery stuffing and I am grateful for the trimming done by the editor. But "Management" was drafted in rather a concise manner and the fact that the editor has subjected this MS to a similar exercise in trimming and amputation, has not led to a happy result and has here and there somewhat distorted my views.

As far as "Management" is concerned, I would prefer that my original draft is followed, with the following provisions:

1. The transcription of this particular tape was very poor—I used a worn-out battery at the time—and it is therefore necessary that the draft is corrected on punctuation and on idiom.

2. Although the essay is rather short, I do not feel that further elaboration is necessary and I would only make two additions:
   - Page 2, line 6, after "ventures": "New attitudes towards management problems are indicated because as the enterprise grows, capital has to be attracted from outsiders and new techniques may necessitate the employment of foreign technicians". Thereafter start new paragraph with "Nevertheless" i.e., "Anyhow".
   - Page 5, line 12, after "record": "Another advantage of having your own director on the board, has to do with the timing of information and possible intervention. Follow-up control and other methods of general supervision, are retroactive, but the board is informed before decisions are taken and board meetings may offer opportunities for the development bank representative to put in a word at a most opportune moment."

3. I would be grateful if you, or one of our colleagues, who has the necessary know-how, could read the draft and make whatever alterations and/or additions as he thinks appropriate, without feeling obliged to pass these on to me for further comment.

Best regards,
yours sincerely
Dear Bill:

This is with reference to the re-written essay about "Promotion" forwarded with your letter of March 24. I leave it to you to evaluate style and composition, but the new draft continues to reflect my general thinking on the subject. For this, probably last round in the preparation, I only make a few minor remarks.

Page 2 "Mechanics of Promotion" It might be expedient to insert between the first and the second paragraphs, some reference to the role of government agencies along the lines of par. 3 on page 4 of my previous draft; as the text stands now, the word "private" in the second paragraph might be misunderstood to refer to the "private individual" mentioned in the first.

Page 3, line 5: add "and international contacts" behind "appraisal". On this page I would also appreciate some reference to "learning from clients" as indicated in the second paragraph of page 6 of my first draft.

Page 5: the first marked sentence of paragraph two on page 9 of my first draft should, I think, precede the first sentence of the second paragraph.

Page 7: The second sentence should, I think, be reinstated.

Page 8, line 7: the wording could be improved.

Page 10: The first sentence under "DFC's in the Entrepreneurial Role" is too condensed and a little elaboration should make the meaning more clear.

Page 16, paragraph 5, second sentence: "may be" i.e.o. "is".

Page 17, line 8 add "and some" before "have".

I will be working on the other essay-"Management"-next week.

How was Beyrouth? They have had ample opportunity there to remember our warnings against commercial banks playing with long term development projects and committing short term deposits for long term ventures!!

Best regards,

Sincerely yours,
Mr. Robert Skillings

Julian Grenfell

Development Finance Companies

Please find attached the following:

1. A one-and-a-half page resume of the paper.

2. An example of IFC/DFC joint operations to replace the reference to Forjas.

3. An insert covering "promotion".

Attachments

JG:esp
March 28, 1967

Mrs. Edith Marget
Anthony House
1823 L Street N.W.
Washington, D.C. 20006

Dear Mrs. Marget:

As promised in Mr. Diamond's letter to you of yesterday, I enclose herewith a copy of the sixth essay, which he discussed with you last week.

Sincerely yours,

(Ursula Shepheard, Secretary to Mr. Diamond)

Enclosure

(Joint Financing: D.F.C. Conference Oct. 1965) - 10 Mr. Diamond 4-6-6

Mrs. Marget is editing essays being prepared on DFC Conference held in Washington in Oct. 1965.
(TO BE EXECUTED BY D. O'GRADY 3/18/67)

[Signature]

[Note]

[Address]

[Date]

[Location]
Attched are edited versions of your two essays. I have not read them yet. They were prepared by someone who has no knowledge of development banks. Would you be good enough to look through them and see whether they continue to reflect your thinking and your views. May I have your amendments at your earliest convenience.

Attachments
Enclosures:
DPCs Aspects of Financial Policy
Promoting the Expanded Ownership of Securities
March 24, 1967

Mr. P. M Mathew  
3 Falomo Close  
Ikoyi  
Lagos, Nigeria

Dear Mathew:

I have fallen hopelessly behind on the schedule I had made out for our volume of essays on development banks. I am very sorry about this. We recently had someone do a job of editing on them, and you will find enclosed the "edited" version of yours. I have not yet read it. Would you be good enough to look through it to see whether it continues to reflect your thinking and your views and whether there are any emendations and changes that you would like to make.

I leave tomorrow for Lebanon and will be back in two weeks' time. At that time, I will write to you at some length about the Department. For the moment, let me only thank you for your letter of March 8.

With best wishes.

Sincerely yours,

Bill

William Diamond  
Director  
Development Finance Companies

Enclosure
March 24, 1967

Mr. E. T. Kuiper
Wierdtijkje 8
Bergen, N.H.
Netherlands

Dear Eago:

You must think that I have forgotten about the essays you wrote for us. I have not, but I fear that I have fallen hopelessly behind schedule.

We have recently had someone who knows nothing about the subject trying to edit the MSS. Attached are the texts of your two essays which have emerged from that editing process. I confess I have not yet read these versions. Before we do any further work on them, I should like to know whether you feel that they continue to reflect your thinking and your views. Incidentally, I have the feeling that the one you did on "Management", you did not consider to be complete. I think it was only the beginning, and that you intended to continue and to elaborate. Am I right? If so, would you please be good enough to complete the text.

I am off tomorrow for Lebanon. I wish it had been possible to look in on you in Amsterdam. I shall be back in two weeks' time.

With best wishes.

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures *

WDiamond:us

* Promotional Activity of DFCs.
   and The Relationship of DFCs with the Management of Client Enterprises.
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FOR INFORMATION REGARDING CABLES, PLEASE CALL THE COMMUNICATIONS UNIT EXT. 2021