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THE WHITE HOUSE
WASHINGTON

September 29, 1975

MEMORANDUM FOR THE HONORABLE WILLIAM E. SIMON

The President reviewed your letter of September 18th concerning the International Finance Corporation and approved the National Advisory Council's recommendation to support a major IFC replenishment and proceed with the necessary international negotiations.

Please follow-up with appropriate action.

A handwritten signature in black ink, appearing to be "J. Lynn", written in a cursive style.

cc: Jim Lynn
Don Rumsfeld
Brent Scowcroft

THE WHITE HOUSE
WASHINGTON

September 26, 1975

MR PRESIDENT -

The attached letter was
staffed to Messrs. Seidman,
Scowcroft, Marsh and Lynn. All
concur in Secretary Simon's
recommendation.

Jim Connor

A handwritten signature in black ink, appearing to read "Jim Connor", written over the typed name. The signature is stylized and cursive.



THE PRESIDENT HAS SEEN . . .

THE SECRETARY OF THE TREASURY

WASHINGTON 20220

SEP 18 1975

Dear Mr. President:

The International Finance Corporation -- a part of the World Bank Group -- is the only multilateral agency that focuses exclusively on assisting the private sector in developing countries. Since its establishment with a capital of \$100 million in 1956, the member governments -- of which the U.S. is the largest -- have provided no additional resources.

The Economic Policy Board, in its review of our commodity policy, strongly endorsed an expanded IFC role in helping arrange the financing of major mineral production projects in developing countries. Within the National Advisory Council we have reviewed carefully a proposal for a major IFC replenishment. There is unanimous support from the NAC voting agencies -- State, Commerce, Export-Import Bank, Federal Reserve in addition to Treasury -- for a U.S. contribution of about \$100 million to an IFC replenishment of about \$400 million. We would seek authorization of these funds in early 1976 with appropriations in the FY-77-79 budgets and actual budget outlays spread well into the 1980's. Only OMB opposed an immediate decision to support an IFC replenishment.

I believe a decision in principle now on IFC replenishment -- which I need to proceed with international negotiations -- does not prejudice your FY-77 budget decisions. Support for the IFC and the private sector should have very high priority among foreign assistance programs, most of which support LDC public sectors. Thus in any case the small amount for IFC would come well above whatever bottom line you may draw on FY-77 foreign assistance requests.

With these resources, the IFC would be able to:

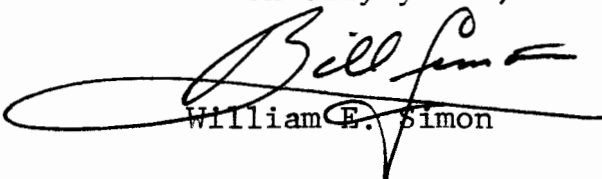
- redress, in part, the imbalance between multinational support of the public and private sectors;

- play an intermediate role between government and private investors in major projects, especially those related to mineral development;
- improve LDC access to the international capital markets

In the atmosphere of growing LDC rhetoric concerned with "new economic orders", this is a positive initiative which will both promote development and our own interests in supporting the private sector.

I therefore request your approval for the unanimous NAC recommendation that we support a major IFC replenishment and proceed with the necessary international negotiations.

Faithfully yours,


William E. Simon

The President

The White House