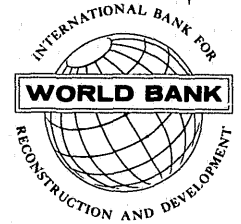


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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

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Public Disclosure Authorized

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Bank Press Release No. 66/30/Rev.
June 13, 1966

Subject: World Bank Bond Issue Planned

The following news release is being issued in New York today by The First Boston Corporation and Morgan Stanley & Co.:

"George D. Woods, President of the International Bank for Reconstruction and Development, announced today that the Bank is planning to offer in the United States during the week beginning June 27, 1966, a new issue of \$175,000,000 principal amount of Twenty-Five Year Bonds due July 1, 1991. The Bonds, which are non-callable for a period of ten years, will be offered through a nationwide group of underwriters headed by The First Boston Corporation and Morgan Stanley & Co. The coupon and price of the Bonds will be determined just prior to the offering. This is the first World Bank Bond issue in the United States since January, 1965.

"In order to enter any capital market, the Bank, under its Articles of Agreement, must have the approval of the government concerned. In a letter granting the United States Government's approval of the forthcoming issue, Secretary of the Treasury Fowler stated that the Bank has made an outstanding contribution to the sound economic advance of the less developed countries. The Secretary said further that he approves of the proposed borrowing because the activities of the Bank coincide with the national interests of the United States in this area.

"The Bonds to be offered are not subject to the Interest Equalization Tax. Furthermore, the 1966 'Guidelines for Non-Bank Financial Institutions,' issued by the Federal Reserve System in December, 1965, place no restraint on purchases of World Bank Bonds. Thus no guideline restrictions affect purchases by non-bank financial institutions, including trust companies or trust departments of commercial banks.

"In order to cooperate with the President's balance of payments program, the World Bank intends to invest in the United States the proceeds from the sale of these Bonds to U.S. investors, so as to eliminate any effect on the U.S. balance of payments until the end of 1967.

"The Bonds will not be callable prior to July 1, 1976, ten years from the date of issue. A sinking fund beginning in 1977 will retire 50 percent of the issue prior to maturity. The Bonds will be in fully registered form without coupons.

"In addition to the initial delivery of the Bonds, which is expected on July 13, 1966, Bonds will also be offered for sale on a delayed delivery basis, through the underwriters, to certain institutional purchasers. Delayed delivery sales will be made under contracts between the World Bank and the purchasers for settlement on October 5, 1966, January 4, 1967, July 5, 1967 and January 3, 1968.

"The First Boston Corporation and Morgan Stanley & Co. are reserving a portion of the proposed issue for sale to new United States and Canadian institutional investors in the Bank's Bonds. Qualified institutional purchasers who have not purchased World Bank Bonds since April, 1952, will be allotted Bonds from this special reserve.

"The International Bank for Reconstruction and Development is an international institution, the members of which are governments now numbering 103. The Bank officially began operations on June 25, 1946 and has its main office in Washington, D.C.

"Its principal purpose is to assist the economic development of its member countries by facilitating the investment of capital for productive purposes, thereby promoting the long-range growth of international trade and the improvement of standards of living. When private capital is not available on reasonable terms, the Bank supplements private investment by making loans out of its own resources or funds borrowed by it."