

# Rotberg's Approach Is One of Flexibility

By ROBERT A. BENNETT

WASHINGTON. — Flexibility will be the hallmark of Eugene H. Rotberg's career as treasurer of the World Bank if his first nine months in that job are any indication of what is to come.

Not only has the 39-year-old lawyer managed to sell almost \$1 billion in bonds in hard-pressed world capital markets since January, but he also has opened up important new sources of funds for the development institution.

Under Mr. Rotberg's administration, the Bank for the first time raised long-term funds in the oil-rich lands of Saudi Arabia and Kuwait. New sources of funds were found also in Germany, where for the first time World Bank bonds were underwritten directly by the Westdeutsche Landesbank Girozentrale and Deutsche Girozentrale-Deutsche Kommunalbank.

Mr. Rotberg, in a recent interview, said he is willing, even eager, to tailor the Bank's borrowings to meet the needs of potential lenders.

"My job is to try to predict the Bank's cash needs and arrange a flexible borrowing policy," Mr. Rotberg explained.

This will involve raising funds in different currencies and geographic areas, arranging for a broad range of maturities and borrowing publicly and privately.

"There are more different kinds of borrowing ahead," he added.

A similar emphasis on flexibility is taken in investing the Bank's substantial liquid funds. These amount to \$1.8 billion, including about \$620 million invested in bank time deposits. The bulk of these are in U. S. banks and, as World Bank deposits are exempt from Regulation Q ceilings, Mr. Rotberg

sought for the best rates available. Most of the remaining \$1 billion in liquid funds is invested in short-term government securities.

Determining how much the Bank needs to raise any one year in private capital markets depends on the level of cash and liquid funds the Bank wants to maintain. By borrowing heavily in fiscal 1969, which ended June 30, the Bank's liquidity rose about \$450 million above the 1968 level, Mr. Rotberg noted.

He pointed out that because of the Bank's income, mainly from interest on its investments, this level of liquidity can be maintained and \$200 million in annual net earnings achieved by borrowing an amount equal to only one-half of its disbursements.

In fiscal 1969, loan repayments amounted to \$290 million, Mr. Rotberg said, but "will be

(Continued on page 11A)



Cachi Dam, Costa Rica's largest hydroelectric project, is being built with aid of World Bank funds.

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(Continued from page 1A)

substantially larger over the next few years."

At the same time, however, Mr. Rotberg expects disbursement to increase sharply, with the rise this fiscal year estimated to be about 20%.

The World Bank treasurer asserted that the Bank is in an extremely solid financial position, with its liquid assets equivalent to 43% of its outstanding debt and its cash 36 times its annual sinking fund requirement.

Mr. Rotberg served 11 years with the U. S. Securities and Exchange Commission before joining the Bank last December. At that time, he was associate director of the division of trading and markets.

His associates claim Mr. Rotberg was offered highly lucrative jobs on Wall St. before he

decided to accept the post at the World Bank.

"I looked upon the World Bank offer as complex and challenging and highly productive," Mr. Rotberg stated. Sitting in his large office, handsomely furnished with contemporary paintings and sculpture that he and his wife have collected from around the world, Mr. Rotberg said he also was attracted by the high caliber of the Bank's staff.

Mr. Rotberg believes the "crucial factor in any complex problem is to ask the answerable question." Perhaps he is helped in this by the books on the shelf behind his desk, which include the Letters of Sigmund Freud and Finnegans Wake.

"We have to avoid labels. We must break out of our own environment and see things that haven't been seen before," he said.