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Folder ID: 1516768

Project ID: P037354

Dates: 10/04/1957 - 12/04/1968

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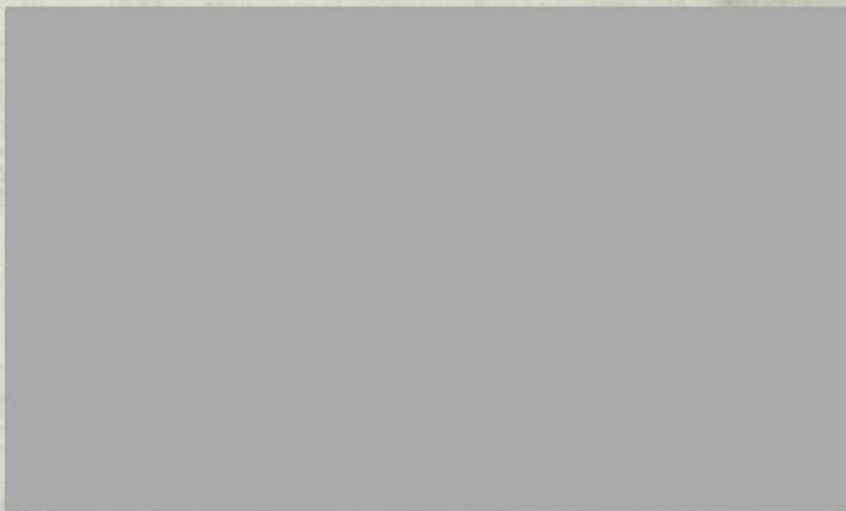
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THE WORLD BANK
Washington, D.C.

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The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org



1516768

A1995-199 Other #: 12 Box # 193709B
Electric Power Project - Austria - Loan 0179 - P037354 - Administration -
Volume 1



USA PATENT No. 1484611
MADE IN U S A

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THIS FILE IS CLOSED AS OF
DECEMBER 1968.
FOR FURTHER CORRESPONDENCE SEE:
1969 - 1971.

RECORDS MANAGEMENT SECTION
February 1969

December 4, 1968.

Mr. G. Wyatt

Robert Knothe

Austria - Loans 118 and 179-AUA
Vorarlberger Illwerke AG (VIW)
Annual Report 1967/1968

1. The Bank made two loans totalling US\$13.6 million to Vorarlberger Illwerke AG (VIW), all of which have been fully disbursed.
2. The following comments are offered on the annual report covering the period April 1, 1967 - March 31, 1968.
3. The company did not encounter any difficulties in operations during the year. Generation reached 1,197 Gwh in 1967/68 (1,268 Gwh in 1966/67) of which 1,071 Gwh (1,140 Gwh) were exported to two German power companies.
4. The expansion program is progressing satisfactorily. For the partial financing of this program VIW floated a 12-year 6% bond issue of S300 million (US\$11.5 million) in December 1967.
5. The financial position of VIW is sound. The debt/equity ration was 36/64 as of March 31, 1968 compared to 33/67 at the end of the previous fiscal year. The rate of return on average net fixed assets in operation was 6.2% in 1967/1968 compared to 6.4% in 1966/67 and 6.25% in 1965/66. According to the 1952 "Illwerke Agreement" VIW's customers pay for energy on a pro-rata share of the cost of production which allows VIW a return on share capital equal to the average dividend paid by its two German customers, but at least 4.5% on the share capital which was fixed at S450 million. Return on share capital was about 23% in 1967/68.
6. No action is proposed.

RKnothe:jmca

Cleared with and cc: Mr. Minnig
cc: Messrs. Lorie
Richardson
Op. Files ✓
Div. Files.

Mr. John C. Lithgow

December 29, 1967

R. Knothe

AUSTRIA - Loans 118 and 179 AUA
Vorarlberger Illwerke AG
Annual Report 1966/67

1. The Bank made two loans totalling US\$13.6 million to Vorarlberger Illwerke AG (VIW), all of which have been fully disbursed.
2. The following comments are offered on the annual report covering the period April 1, 1966 - March 31, 1967.
3. With effect of March 31, 1967, the public administration of the company was abolished and VIW was transformed into a stock corporation.
4. Generation reached 1268 GWH in 1966/67 (1245 GWH in 1965/66) of which 1140 GWH (1098 GWH) were exported to two large German power companies. No difficulties in operations were encountered.
5. The expansion program, without Bank financing, is progressing satisfactorily.
6. The financial position of VIW is sound. The debt/equity ratio was 33/67 as of March 31, 1967, compared to 32/68 at the end of the previous fiscal year. The rate of return on average net fixed assets in operation was 6.4% in 1966/67 and 6.25% in 1965/66. According to the 1952 "Illwerke Agreement" VIW's customers pay for their energy not on a kilowatt hour basis, but on a pro rata share of the cost of production which allows VIW a return on share capital equal to the average dividend paid by its two German customers, but at least 4.5% on the share capital which was fixed at \$450 million. Return on share capital exceeded 25% in 1965/66 and 1966/67.
7. No action is proposed.

cc: Mr. Winning
Mr. Richardson
Mr. Clyde
Operational Files
Division Files

RKnothe:and
IBRD

INCOMING MAIL ROUTING SLIP		Date NOV 12 1965	
Mr. Alter	510	Mr. Loftus	578
Mr. Avramovic	1033	Mr. Lutolf	547
Mr. Bart	640	Mr. Mason	622
Mr. Benjenk	560	Mr. McIvor	606
Mr. Broches	810	Mr. Melmoth	674
Mr. Calika	541	Mr. Michaels	1217
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Mr. Cavanaugh	700	Mr. Nurick	805
Mr. Chaufourmier	510	Information Dept.	461
Mr. Cheek	645	Secretary's Dept.	1205
Mr. Clark	805	Office Services	107
Mr. Collier	646	Personnel Division	267
Mr. Consolo	839	Projects	
Mr. Cone	651	Mr. Reamy	722
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Mr. El Emary	552	Mr. Street	600
Mr. Fontein	651	Mr. Tolbert	625
Mr. Friedman	1223	Travel Office	224
Mr. Ghoshal	670	Treasurer's	717
Mr. Goodman	600	Mr. Twining	1210
Mr. Goor	G-1065	Mr. Vignes	500
Mr. Gordon	845	Mr. Votaw	611
Mr. Hartwich	650	Mr. Wiese	570
Mr. Hoffman	845	Mr. Williams	552
Mr. Kamarck	800	Mr. Wilson	1220
Mr. Knapp	1220	Mr. Woods	1220
Mr. Knox	584	Mr. Worthington	446
Mr. Kruihof	546	E. D. I.	
jeune	1210	<i>2 Mr. Schaad</i> 698	
From: Communications Unit, Room 244, Extension 2023			

Ausdruck - hu

Vorarlberger Illwerke Aktiengesellschaft

International Bank for
Reconstruction and Development
zu Handen von Herrn
Dr. Douglas J. Fontein

1818 H Street, N.W.
Washington, D.C. 20433

Drahtanschrift: Illwerke Bregenz, Fernsprechk-Sammel-Nr. 3891
Fernschreibanschluß: VIW Bregenz 723
VIW Sprechr. 05-245
Postsparkassa-Konto Nr. 63.047
Bankkonto: Oöterr. Länderbank AG., Filiale Bregenz

Bregenz, am 8. November 1965

Unser Zeichen Pri/Ges Ihr Schreiben vom 4. Nov. 1965

Betrifft: Unsere Anleihe 1965
Loan Agreements 118 u. 179 AUA

Sehr geehrter Herr Doktor!

Wir bestätigen Ihnen hiemit, dass wir Ihnen mit Cable wie folgt geantwortet haben:

"We confirm: Kopsspeicher and Kopswerk are not properties required for completion and continued operation of IBRD financed projects in terms of sections 5.04 (A) Loan Agreements 118 and 179 and therefore not required to be mortgaged in favor of IBRD pursuant to those sections."

Wir verbleiben

mit vorzüglicher Hochachtung

Vorarlberger Illwerke
Aktiengesellschaft

Die öffentlichen Verwalter:

Annunzio *Grimm*

file
no answer required
Ejm.

[Handwritten signature]

RECEIVED
GENERAL FILES

1965 NOV 12 PM 9:31

TO: [Illegible]

FROM: [Illegible]

SUBJECT: [Illegible]

[Illegible body text]

[Illegible footer text]

[Illegible footer text]

INCOMING CABLE

DATE AND TIME
OF CABLE:

NOVEMBER 8, 1965

1355

LOG NO.:

RC 51

TO:

FONTEIN INTBAFRAD

FROM:

BREGENZ

ROUTING

ACTION COPY: MR. FONTEIN
INFORMATION
COPY:
DECODED BY:

TEXT:

WE CONFIRM KOPSSPEICHER AND KOPSWERK ARE NOT PROPERTIES
REQUIRED FOR COMPLETION AND CONTINUED OPERATION OF LBRO
FINANCED PROJECTS IN TERMS OF SECTIONS 5.04 (A) LOAN AGREE-
MENTS 118 AND 179 AND THEREFORE NOT REQUIRED TO BE MORTGAGED
IN FAVOR OF IBRD PURSUANT TO THOSE SECTIONS

ILLWERKE AMMANN WIRNSCHIMMEL

___ AS RECEIVED

NOV 8 8 24 AM 1965

Original in M118

MT

TYPED
GENERAL FILES
COMMUNICATIONS

NOV 8 9 57 AM 1965

SECRET

COMMUNICATIONS SECTION

IN VIEW OF THE FACTS AND CIRCUMSTANCES
WHICH ARE SET FORTH IN THE ATTACHED DOCUMENTS TO BE REVIEWED
ADVISED THAT IT IS THE POLICY OF THE DEPARTMENT OF DEFENSE
THAT ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN OTHERWISE BY THE RECORDS OF THE DEPARTMENT

(U)

TO :

SECRET

BY :

ADJUTANT GENERAL

DATE :

NOV 27

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AND CONTROL

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DECLASSIFIED BY:	DATE:
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Rn 179

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: ILLWERKE BREGENZ

DATE: NOVEMBER 4, 1965

CLASS OF
SERVICE: LT

COUNTRY: AUSTRIA

TEXT:
Cable No.:

C

YOUR LETTER OCTOBER 12 PRESUME KOPSSPEICHER AND KIPSWERK ARE NOT
PROPERTIES REQUIRED FOR COMPLETION AND CONTINUED OPERATION OF IBRD
FINANCED PROJECTS IN TERMS OF SECTIONS 5.04(a) LOAN AGREEMENTS 118
AND 179 AND THEREFORE NOT REQUIRED TO BE MORTGAGED IN FAVOR OF IBRD
PURSUANT TO THOSE SECTIONS STOP PLEASE CONFIRM

O

P

FORTEIN
INTBAFRAD

Y

- Original in Rn 118

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME DOUGLAS J. FONTEIN
DEPUTY DIRECTOR
DEPT. EUROPE AND MIDDLE EAST

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

EFSchaad:gw
ORIGINAL (File Copy)

(IMPORTANT: See guide for preparing form)

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Mr. de Beaufort

For Use by Archives Division

Checked for Dispatch: _____

Dorarlberger Illwerke Aktiengesellschaft

International Bank
for Reconstruction
and Development

TRANSLATED

NOV 2 1965

I.B.R.D.

1818 H Street N.W.
Washington 25 D.C.

Drahtanschrift: Illwerke Bregenz, Fernsprech-Sammel-Nr. 3891
Fernschreibanschluß: VIW Bregenz 723
VIW Schrems 05-245

Postsparkassa-Konto Nr. 63.047
Bankkonto: Oester. Länderbank AG., Sillale Bregenz

Bregenz, am 12. Oktober 1965

Unser Zeichen Pri/Ges Ihr Schreiben vom

Betrifft:

"Programm 1960",
Anleihe 1965

Sehr geehrte Herren!

Wie wir Sie schon seinerzeit unterrichten konnten, haben wir im Anschluss an den Bau des Lünerseewerkes einen weiteren Ausbau der bestehenden Werksgruppe "Obere Ill - Lünersee" in Angriff genommen.

Dieses Bauvorhaben "Programm 1960" umfasst die Errichtung des Speichers Kops, die Überleitung von Illzubringern in den Vermuntstausee, die Erweiterung des in Tirol erfassten Einzugsgebietes durch Überleitung der Rosanna mit dem Fasulbach, des Kleinvermuntbaches und Beileitung des Idbaches in den Speicher Kops und als letzten Abschnitt den Bau einer Kraftzentrale in einer Kaverne - Kopswerk - in Partenen.

Die Gesamtkosten dieses Bauprogrammes betragen rund 2 400 Mill. Schilling, die durch Eigenmittel und Anleihen finanziert werden.

Die Sperre Kops, im Hauptteil eine Betongewölbesperre (Höhe 125 m, Länge 615 m), hat ein Gesamtvolumen von 650 000 m³. Der Speicher Kops hat einen nutzbaren Inhalt von 44 Millionen m³, was einem Arbeitsvermögen von 107 Millionen kWh Winter-Spitzenenergie entspricht.

Das Kopswerk wird baulich für drei Maschinengruppen von je 82 MW ausgeführt, von denen zunächst zwei in Auftrag gegeben sind. Der Leistungszuwachs erreicht 237 MW.

Durch den Speicher Kops und das Kopswerk wird eine Veredelung von Sommer- auf Winterenergie sowie von Schwachlast- auf Starklastenergie erzielt. Für die Werksgruppe beträgt der Zuwachs

ad Nov 4/65

Translation in Ru 118

RECEIVED
GENERAL FILES
COMMUNICATIONS

1965 OCT 18 AM 11:32

[Faint, mostly illegible text, possibly a teletype or a very faded document. Some words like "COMMUNICATIONS" and "RECEIVED" are visible at the top.]

COMMUNICATIONS SECTION
U.S. AIR FORCE
WASHINGTON, D.C.

TO: SAC, [illegible]
FROM: [illegible]
SUBJECT: [illegible]

DO NOT WRITE IN THESE SPACES

im Regeljahr durch diesen Ausbau 343 Millionen Kilowattstunden Tagesenergie, hievon 153 Millionen Kilowattstunden im Winter und 190 Millionen Kilowattstunden im Sommer.

Die Illwerke werden damit voraussichtlich bis Ende des Jahres 1968 über eine Erzeugungsleistung von rund 800 000 Kilowatt mit 1.5 Milliarden Kilowattstunden und eine Leistungsspanne von über 1 Million Kilowatt verfügen.

Zur Teilfinanzierung dieser Investition begeben wir in der Zeit vom 8. - 12. November 1965 auf dem österreichischen Kapitalmarkt eine hypothekarisch gesicherte Anleihe im Nominale von 300 Millionen Schilling zu folgenden Hauptbedingungen:

Begebungskurs: Liegt noch nicht endgültig fest, voraussichtlich 98 bzw. 97 1/2 %.

Stückelung: Nominale S 5 000.-- und Nominale S 1 000.--.

Verzinsung: 6 % p.a.

Laufzeit: 20 Jahre

Tilgung: Die Anleihe wird ausschliesslich durch Verlosung zum Nennwert ab 1969 getilgt.

Kündigung: Seitens der Anleihegläubiger sind die Teilschuldverschreibungen unkündbar. Gesamt- oder Teilkündigung durch die Anleiheschuldnerin ab 1975.

Sicherstellung: Die Anleihe wird durch eine erstrangige Hypothek auf die bisher unbelasteten Liegenschaften Kopsspeicher und Kopswerk sichergestellt.

Wir bitten Sie, von der beabsichtigten Anleiheaufnahme Kenntnis zu nehmen.

Mit dem Ausdrucke

vorzüglicher Hochachtung

Vorarlberger Illwerke
Aktiengesellschaft

Die öffentlichen Verwalter:

Annunzio Girscher

[Handwritten mark]

January 7, 1964


AIR MAIL

Gentlemen:

We beg to acknowledge your letter of November 28, 1963. ✓

We have taken note that Mr. Pius Fink is no longer authorized to take action on behalf of the borrower under Loans 118 AUA and 179 AUA.

Yours sincerely,



J. H. Collier
 Department of Operations
 Europe

Vorarlberger Illwerke
 Aktiengesellschaft
 Bregenz, Austria

JHCollier:msc

IBRD

Ln 179

Pius Fink.

Vorarlberger Illwerke Aktiengesellschaft

International Bank
for Reconstruction and
Development
1818 H Street, N.W.

Washington 25, D.C.

Druckanschrift: Illwerke Bregenz, Fernsprech-Sammel-Nr. 3891
Fernschreibanschl. : VIW Bregenz 723
VIW Adresse 05-245
Postsparkassa-Konto Nr. 63.047
Bankkonto: Oester. Länderbank AG., Filiale Bregenz

Bregenz, am 28. November 1963

Unter Zeichen: Na/Ka Ihr Schreiben vom
Betreff: Zeichnungsbefugnis.

*See also letter of October 28, 1957
for authentication*

Sehr geehrte Herren !

Mit unseren Schreiben Pri/Fü vom 12.9.1955 und Pri/Bm vom
28.10.1957 haben wir Ihnen ein Verzeichnis über die Hand-
zeichnungsproben unserer Bevollmächtigten, im Zusammenhang
mit den Anleihen IB 118 AUA und 179 AUA, übermittelt.

Da Herr Direktor Pius Fink mit 30.9.1963 in den Ruhestand
getreten ist, bitten wir, den Genannten in den angeführten
Unterschriftenlisten zu löschen.

Wir danken für Ihre Bemühungen und zeichnen

mit vorzüglicher Hochachtung

Vorarlberger Illwerke
Aktiengesellschaft

Die öffentlichen Verwalter:

Günther Fink *H. Fink*

ADJ. Jan. 7/64
Copy in Rn 118

h 179

April 4, 1963

Voralberger Illwerke Aktiengesellschaft
Bregenz
Austria

Attention: Dr. Ammann

Dear Dr. Ammann,

March 12/63

It was very thoughtful of you to send me a copy of your quarterly report on the Upper III construction program. I have examined the photographs with great interest and it brings back the memory of the time that I went up to the site of this project with you in 1961.

I would not like to burden you with the requirement of sending these reports to the Bank quarterly since the Bank is not financing the project. However, we would like to continue to receive from you copies of your Annual Report and any other material that gives us information about your construction program.

You may receive from us in the near future a request to supply financial information in somewhat more detail than is given in your Annual Report. This is a request we are making of most of our Borrowers in order to keep abreast of their operations.

Sincerely yours,

A. D. Spottswood
Assistant Director
Department of Technical Operations

✓
cc: Mr. Butcher (with incoming correspondence)

ADS:mc

Vorarlberger Illwerke Aktiengesellschaft

Preussner
AS

Mr. A. D. Spottswood
Chief, Public Utilities Division
Department of Technical Operations
International Bank for
Reconstruction and Development
1818 H Street N.W.
Washington 25, D.C.
USA

Drahtanschrift: Illwerke Bregenz, Fernsprechnr. 3891
Fernschreibanschluß: VIW Bregenz 723
VIW Schreine 05-245

Postsparkassa/Ronto Nr. 63.047
Bankkonto: Oöterr. Länderbank AG, Filiale Bregenz

Bregenz, am 12. März 1963

Unser Zeichen: Pri/Geshr Schreiben vom

Betrifft: Ausbau Oberste Ill
Programm 1960

*ack'd - ADS
4/4/63*

Sehr geehrter Mr. Spottswood!

Anlässlich Ihres lieben Besuches im Juli 1961 konnten wir Sie über unser neues Bauvorhaben "Ausbau Oberste Ill - Programm 1960" unterrichten und Ihnen eine Reihe von Unterlagen zur Verfügung stellen.

Wir dürfen Ihnen nunmehr, nachdem die Arbeiten für den Bauabschnitt I angelaufen sind und gleichzeitig eine Reihe von Vorarbeiten für den Bauabschnitt II durchgeführt wird, eine weitere Information mit der Bitte um gefällige Kenntnisnahme zur Verfügung stellen.

Wir übermitteln Ihnen hiezu unsere Berichte Nr. 1 und 2, die auch zur Information unserer Aufsichtsbehörde, des Bundesministeriums für Verkehr und Elektrizitätswirtschaft, Sektion IV, dienen.

Dazu dürfen wir noch ergänzend berichten, dass die effektiven Baukosten für den Bauabschnitt I auf 667.15 Millionen Schilling auf Preisbasis 1. 1. 1963 veranschlagt werden, und zwar:

Attachments held by J. Butcher.

RECEIVED
GENERAL FILES
CORRESPONDENCE

1963 MAR 18 PM 12:18

[Faint, mostly illegible text, likely a letter or document body]

[Faint text, possibly a signature or reference]

[Faint text on the left side of the page]

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[Faint text at the bottom of the page, possibly a footer or stamp]

Vorarlberger Illwerke Aktiengesellschaft, Bregenz

Blatt Nr. 2

	Mill. S
für Konzessionen und Grunderwerb	17.24
Überleitung der Illbäche nach Vermunt	124.70
Idbachbeileitung	8.85
Speicher Kops	490.03
und Unvorhergesehenes	<u>26.33</u>
insgesamt	667.15 =====

Für das Jahr 1963 rechnen wir mit einem Investitionsaufwand von rund 200 Millionen Schilling. Unter der Voraussetzung eines normalen Baufortschrittes und der erwarteten Verlängerung des Elektrizitätsförderungsgesetzes wird die Aufnahme von Fremdmitteln zur Weiterfinanzierung in diesem Jahre noch nicht erforderlich sein.

Wir hoffen, dass unsere Unterlagen Ihr Interesse finden und werden uns erlauben, Ihnen auch künftig regelmässig diese Quartalsberichte zu senden.

Wir verbleiben mit dem Ausdrucke

vorzüglichster Hochachtung

Vorarlberger Illwerke
Aktiengesellschaft

Die öffentlichen Verwalter:

Annamay G. ...

Anlagen

(Berichte Nr. 1 und 2)

Luftpost!

W. ...

Direktor Dipl.Ing.Dr.h.c.Anton AMMANN
Vorarlberger Illwerke

Aktiengesellschaft

Bregenz, den October 25, 1961

FERNSPRECHNUMMER 3891
Drahtanschrift: Illwerke Bregenz

179AUB
cc
can

Mr. A.D. S p o t t s w o o d
Chief, Public Utilities Division
Department of Technical Operations
International Bank for
Reconstruction and Development

1818 H Street N.W.

W a s h i n g t o n 25, D.C.

USA

Dear Mr.Spottswood,

Many thanks for your letter of September 29. Above all we sincerely hope that you have completely recovered from your illnesses. We also hope that your wife and daughter are well, and we are thankful that there is nothing to the contrary to report about ourselves. We were very glad indeed to see you here again with us and hope very much that on your next European trip you will again visit us.

We have started construction this summer on the Reservoir Kops and on the diversions of the left-hand tributaries of the River Ill into the Reservoir Vermunt. Thus work on all essential parts of section I of the 1960-programm is now really under execution. Thanks to the wonderful autumn weather which we have been enjoying since the end of August, good progress has been made. Thereby the Illwerke have again entered upon a new stage of development, which to all of us naturally means a great deal of work, but interesting work, too.

With kindest regards, also to your wife and daughter and ob behalf of my wife and my colleagues,

I am

yours sincerely



120 OCT 26 1961

RECEIVED
1961 OCT 30 AM 11:23

[Handwritten signature]

Λοντα εγινερεγλ

I am

op persjft of my wife and my colleagues,
with kindest regards, also to your wife and daughter and
best best of work, not interesting work, too.
stage of development, much to say of us naturally means a
been made. Preserly the IJwerke have again entered upon a new
phase been enjoying since the end of August, good progress has
execution. Thanks to the wonderful autumn weather much we
parts of section I of the IJoo-plant is now really under
IJJ into the reservoir. Vermin. This work on all essential
and on the diversions of the left-hand tributaries of the River
we have started construction this summer on the reservoir kobs
with you will again visit us.
again with us and hope very much that on your next European
tour you will visit us. We were very glad indeed to see you here
and we are thanking you for the information to the contrary to
illnesses. We also hope that your wife and daughter are well,
sincerely hope that you have completely recovered from your
many thanks for your letter of September 28. Above all we
Dear Mr. Hoffmann,

NSA

Washington 22, D.C.

1818 H Street N.W.

Reconstruction and Development
International Bank for
Department of Technical Operations
Chief, Public Utilities Division
Mr. A. D. Hoffmann

Manuskript: IJwerke Bredenz
РЕГИСТРАЦИОННЫЙ № 3801

Bredenz, den 22. Oktober 1961

Aktiengesellschaft

Vorsitzender IJwerke
Direktor Dr. Ing. Dr. h. c. Anton AMMANN

[Handwritten notes and signatures]

September 29, 1961

Dipl. Ing. Dr. h.c. Anton Ammann
Direktor
Vorarlberger Illwerke Aktiengesellschaft
Bregenz, Austria

Dear Dr. Ammann:

The documents mentioned in your letter of July 21, 1961 arrived shortly after I returned from Europe. I regret my long delay in writing you to acknowledge these documents but unfortunately, before I returned to my desk I was beset by a series of illnesses. While they were not serious they did keep me away from the office and as a consequence correspondence piled up.

I am glad to have the volume of pictures showing the various parts of the Lunersee Project and also the "Oberste III" - Program 1960, giving details of the Kops Project. We shall keep these documents in our files for reference if and when needed.

I would like to take this opportunity to thank you most sincerely for the many courtesies which you extended to me and my family during our visit to Bregenz. My daughter is still talking about seeing snow in the middle of July and my wife continues to tell her friends about the beauties of Austria in the vicinity of Bregenz. I am sure we will all never forget your many kindnesses to us.

Sincerely yours,

A. D. Spottswood
Chief, Public Utilities Division
Department of Technical Operations

Pictures on Lunersee to Geo.Young, Info.
Report on Kops - to Op.Files doc. V1W #36

Mr Butcher

Vorarlberger Illwerke Aktiengesellschaft

Mr. A. D. Spottswood
 Chief Public Utilities Division
 Department of Technical Operations
 International Bank for
 Reconstruction and Development
 1818 H. Street, N. W.
Washington 25, D.C.
 U. S. A.

Drahtanschrift: Illwerke Bregenz, Fernsprech-Sammel-Nr. 3891
 Fernschreibbanfschluß: VIW Bregenz 723
 VIW Schrems 05-245
 Postsparkassa-Konto Nr. 63.047
 Bankkonto: Oester. Länderbank AG., Sillgale Bregenz

Bregenz, am 21. Juli 1961

Unser Zeichen: Pri/Hz Ihr Schreiben vom

Betrifft: Besuch 17./18. Juli 1961

*ack
9/28
routed,
M. Piccagli
og file*

Sehr geehrter Mr. Spottswood!

Im Anschluß an die Besprechung mit Ihnen am 18. Juli dieses Jahres in unserem Hause erlauben wir uns, Ihnen anliegend noch die Unterlagen

Ausbau "Oberste Ill" - Programm 1960, Projektsübersicht 15. November 1960, sowie

*recd
Aug 22/61*

eine Fotomappe

mit der Bitte um Kenntnisnahme zu übermitteln.

Wir danken Ihnen nochmals für Ihren lieben Besuch und verbleiben mit dem Ausdrucke

vorzüglichster Hochachtung

Vorarlberger Illwerke
Aktiengesellschaft

Die öffentlichen Verwalter:

Anlagen *Am 118 #36*
mit getrennter Post

Ammann

Gimzewski

W. G.

*Ammersee
17900*

22. Sept 29/61

RECEIVED
BANK MAIL ROOM

1961 JUL 28 AM 9:20

Handwritten text at the bottom of the page, possibly a signature or address, which is mirrored.

X 11840A
X Ghana - Volta

(Copied from handwritten letter rec'd July 24/61)

Bregenz, Austria

July 18, 1961

11840A
17900A

Dear Mario:

Enclosed is a draft of my report on the Lunersee project. Please ask Hans Hittmair to condense the balance sheet and P&L statement attached and add the figures to the report, I inspected the project (and also the proposed Kops project) yesterday, discussed the financial aspects this morning and wrote the report this afternoon (after a big lunch).

We shall leave by car in the morning for Zurich where I shall mail this. I talked with Mr. Frey by telephone this morning and will meet him in Zurich tomorrow. I hope he is still interested in the Volta job because I have been unsuccessful here in Austria in finding anybody I could recommend.

Tomorrow afternoon I expect to go to Baden to have a look at the offices of Motor-Columbus and to meet the principals.

We are all find and a bit overstuffed - Austrian food is fine, but they give you too much.

Regards to all

/s/ Spotty

P.S. Enclosed is a copy of Joe Filippi's detailed report on the LRA accounting procedures which he mailed to me here. Please have it copied and distributed.

ADS

118
✓ 179AU

179AU

May 19, 1961

Dipl. Ing. Dr. h.c. Anton Ammann
Direktor, Vorarlberger Illwerke
Aktiengesellschaft
Bregenz, Austria

Dear Doctor Ammann:

I am planning to attend the meeting of the International Committee on Large Dams in Rome June 25-30 and after the meeting, will visit some of the projects which the Bank has assisted in financing. I shall be in Vienna the week of July 9 and would like to plan to visit the Lunersee Project the following week.

I shall get in touch with you while I am in Vienna to arrange the details of the visit. I shall, of course, have discussions with the Verbundgesellschaft and can be reached through them or at the Bristol Hotel. Please let me know if these plans will be convenient for you.

Sincerely yours,

A. D. Spottswood
Chief, Public Utilities Division
Department of Technical Operations

cc: Messrs. Lefort
Marshall

ADS:bli

X Austria to 118

Ln 179

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: August 27, 1959

TO: VIW, Bregenz, Austria.

FROM: Peter G. Ramm

FILED UNDER: Austria - Loan 118

SUMMARY: Re bills for services rendered by Dr. Ernst Wagner for Loans 118
and 179 AUA.

Austria - 118

CROSS REFERENCE SHEET

COMMUNICATION: Memorandum

DATED: August 24, 1959

TO: Mr. Joseph Reamy

FROM: Ellsworth E. Clark

FILED UNDER: Austria - Loan 118

SUMMARY: Austria - Loans 118 and 179 AUA.

Attaching bill from our lawyer in Vienna, Dr. Ernst Wagner.

August 19, 1959

Dr. Ernst Wagner
Wien I
Kärntnerring 10
Austria

Dear Ernst:

I wish to acknowledge in haste your letter of August 1, transmitting your fee for services in connection with the Gleichrangseinräumung in favor of the Länderbank credit to the Illwerke.

I have passed your statement on to the appropriate quarters and you should receive payment in a few days.

In the next few days I hope to write you in more detail.

As always,

Yours,

Douglas J. Fontein

July 11, 1959

Dr. Ernst Wagner
 Wien I
 Kärntnerring 10
 Austria

Dear Ernst:

^{FonTein} / Thank you very much for your letters of June 2, June 20 and July 1. I apologize for being silent for such a long time but I have been hectically busy. A few days ago I also received the postcard from the Trummel Bar which made me quite nostalgic; I wish there had been an excuse for me to be there too.

We are all curious about the outcome of the Cabinet crisis in Austria but I would not be surprised if a satisfactory solution of the difficulties would take quite some time.

As far as your letter of June 20 is concerned, we would be content to receive an annual report from the Draukraftwerke concerning any change in the mortgaged properties. I hope this will be satisfactory to you and the Draukraftwerke.

^(first)
 As regards your letter of July 10, it will be quite in order for you to send us your bill in respect of the registration of the Gleichrang for the Laenderbank loan to the Illwerke. In accordance with our usual practice we will then ask for reimbursement from the Illwerke.

In reply to your letter of June 2, 1959 concerning the turnover tax on your fees, I cabled you on June 10 that we would prefer you not to appeal the matter to the Verwaltungsgerichtshof at this time. Instead, we propose to write the Minister of Finance along the lines we discussed earlier in the year. Such a letter will, of course, have to wait until the Cabinet crisis has been resolved. I will send you a new draft of the letter early in August upon return from my vacation. If this letter also fails to produce results the Bank would then be prepared to take further steps.

We had the pleasure of having Miss Hoepler stay with us for two separate weeks recently. I believe that she enjoyed herself and it certainly was a great treat for our Carol. I think that her stay in the United States has done a lot for her personality. I understand that she will be returning to Austria by the end of the month. We hope that we may have another opportunity of seeing her before she leaves.

I am going on vacation today for about three weeks and expect to be back in the office at the beginning of August.

Please give my kindest regards to Greta and Barbara. As always.

Yours,

Douglas J. Fontein

DJFontein:ea

Austria - fm 170

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION

INCOMING WIRE

WU 6

DATE OF WIRE: **JUNE 9, 1959**

TO: **IBRD MR SPOTTSWOOD**

FROM: **BREGENZ**

TEXT:

ROUTING	
ACTION COPY TO	TECH.OP
INFORMATION COPY TO	
Decoded By	

PROPOSED TIME FOR VISIT MR FILIPPI CONVENIENT

YOURS

ILLWERKE

Mr. J. Filippi

June 3, 1959

A. D. Spottswood

Terms of Reference - Mission to Austria

You will go to Austria on August 3 to review the financial situation of the beneficiaries of the power loans.

You will visit the head offices of Verarlberger Illwerke in Bregenz and of the Verbundgesellschaft and its operating companies in Vienna.

Upon your return, you will prepare Progress Reports based on your findings in the field. They should cover in particular the revised Forecast of Capital Expenditures and Sources of Funds of the two companies, and a comparison of their recent operating results with the forecasts given in the appraisal reports.

It is expected that your mission to Austria will last approximately 2 weeks.

Mr. P. J. Squire

May 1, 1959

C. Finne

Austria Power Projects

1. Vorarlberger Illwerke (Loan No. 118/179 AUA)

Two loans, \$10 million in 1955 and \$3.6 million in 1957 were made to the Illwerke to finance the Lunersee project, which is a 190 MW peaking plant equipped with pumps to supplement the natural inflow of the Lunersee reservoir. A major part of the power is delivered to two German utilities. The project was inaugurated in March 1958 and has since been in full commercial operation. The last progress report (December 1958) mentions a leakage in the pressure tunnel and that repair work is under way. Total cost of the project amounts to Sch.1,400 million (\$54 million). The estimate in 1957 amounted to Sch.1,300 million. Both loans have been fully disbursed.

2. Verbundgesellschaft (V.G.)

a. Draukraftwerke

Loan No. 102 AUA - Reisseck Kreuzeck Project

The loan of \$12 million was made in 1954. At that time the first stage of the project on the Reisseck section had already been completed. They included a weekly regulating basin with intakes and two 20,000 kw (Nos. 1 and 2) generating units installed in the Kolbnitz power house.

The Bank project on the Reisseck section included the construction of six high mountain reservoirs with interconnecting tunnels, penstocks and the installation of further two 20,000 kw (Nos. 3 and 4) generating units in the Kolbnitz power house. The turbines operate under a head of 1,771 meters, the highest in the world. In addition, a separate pumping station at Hattelberg, at an elevation 500 meters above the power house was provided to permit the transfer of water to the high level reservoirs during the summer months. Not included in the project was the installation of an additional generating unit (No. 5) which was ordered in 1958.

On the Kreuzeck section the project included intake works on eight smaller streams with two connecting tunnels terminating in the Rosswiese regulating reservoir. The intermediate Niklai power plant (7,000 kw) was also included. A penstock connects the Rosswiese reservoir with the Kolbnitz power house where the two 20,000 kw generating units (Nos. 6 and 7) belonging to this section also are installed.

Most of the work on the project had been completed by the end of 1958. Still outstanding were grouting and finishing work on the dams, completion of the installation of the No. 7 generating unit (Kreuzeck Section) and the Niklai generating unit and various smaller works. All parts of the project were to be in full operation in April 1959, only a few months later than originally scheduled.

Copies in Austria - 118
✓ 102
✓ 148
✓ 149
✓ 213

May 1, 1959

Total costs are presently estimated at Sch.1,096.7 million (\$42.1 million) or roughly 40% higher than the original estimate. The increase is largely caused by steadily increasing wages and prices during the construction period. The Bank loan has been fully disbursed.

Loan No. 148 AUA St. Andrae and Voitsberg Thermal Plants

The \$10 million loan was made in 1956. Both projects consisted of an expansion of existing plants. The installation of the 65,000 kw unit in the Voitsberg plant has been completed and the unit went into operation early in 1957. Total costs amount to Sch.213.2 million (\$8.2 million) or 17.5% higher than originally estimated.

The installation of the 100,000 kw unit in the St. Andrae plant is well advanced and the unit was to be ready for operation in April 1959, some 3 months later than scheduled. Late deliveries caused the delay. Total costs are now estimated at Sch. 332.1 million (\$12.7 million), or about 15% lower than originally estimated. The reduction stems from unused contingencies and lower interest charges than anticipated. The loan has been fully disbursed.

b. Donaukraftwerke

Loan No. 149 AUA Ybbs-Parsenbeug Project

The \$21 million loan was made in 1956. The project consists of a 192,000 kw run-of-the-river plant on the Danube. The main structure includes the south powerhouse, the spillway section, the north powerhouse and the double navigation lock. Average waterflow is 2,100 cu.meter/second and the average head 11 meters.

The project has been practically completed, some six months ahead of schedule. The three units in the south powerhouse have been in operation since the beginning of 1958. Two of the units in the north powerhouse came into operation in September and December 1958 respectively and the last unit was expected to be ready in April 1959. The navigation lock was put in full operation already in May 1957.

Total cost of the project is now estimated at Sch.2,485 million (\$95 million) or about 5% higher than originally estimated. The loan has been fully disbursed.

Loan No. 213 AUA - Aschach Project

The \$25 million loan was made in 1958. The project consists of a run-of-the-river plant on the Danube further upstream from the Ybbs plant and about midway between Linz and the German border. The main structure will include a double navigation lock, a powerhouse and a spillway section. At the time the loan was signed (December 1958) it was not yet decided whether the plant capacity of 264,000 kw would be divided between 4 or 5 units. No reports have yet been received by the Bank on this project and

To: Mr. P.J. Squire

- 3 -

May 1, 1959

we are interested in obtaining details on the final plans and present status of construction work which now should have been started. Total cost of the project is estimated at Sch.3,000 million (\$115 million).

c. V.G. Construction Program

In addition to the Bank financed projects, V.G. is also carrying out other major construction:

<u>Plant</u>	<u>Capacity MW</u>	<u>Estimated Completion</u>
Edling hydro	70	1961/62
Fohnsdorf Thermal	130	1962/63
Losenstein Hydro	32.4	1962
Korneuburg Thermal	150	1962/63
Schaerding Hydro	47.5	1961
	(Austrian part only)	
Dorfertal Huben Hydro	120	1963/64

Total construction costs for the period 1959-1963, including transmission lines and various minor works, are estimated at Sch.7,561 million (\$290 million). Total capital requirements during this period, including repayments of loans, are estimated at Sch.11,261 million (\$433 million). These will be covered from the following sources:

Receipts from Operations	Sch. 4,739 million
Share capital	1,250 "
IBRD Loan	650 "
Other foreign loans	1,059 "
Domestic loans	3,768 "
	<hr/>
Total	Sch.11,466 million

CFinne:ab
cc: Mr. Jago

Lm 179

NLT

December 16, 1958

WAGNER
KARNTERRING 10
VIENNA

AUSTRIA)

BANK AGREES GLEICHRAEG FOR HUNDRED FIFTY MILLION LAENDERBANK LOAN
TO ILLMERKE AND WILL TAKE NECESSARY STEPS TO EFFECT SAME.

LEJEUNE

J. H. Collier
of Operations, FAA

Cleared with and copy
for Mr. Broches

JECollier:fgs

Original in Lm 118

Answer to 179

INCOMING WIRE

DATE OF WIRE: **DECEMBER 15, 1958**

TO: **IBRD**

FROM: **SGRAVENHAGE**

ROUTING	
ACTION COPY TO	MR. BROCHES
	MR. COLLIER
INFORMATION COPY TO	MR. COPE
Decoded By	

TEXT:

FOR BROCHES COLLIER FIRST ARRIVED HOLLAND ARRIVING NEW YORK
 FRIDAY FLIGHT LH402 SECOND LAENDERBANK RESIRES LIST ONEHUNDRED
 FIFTYMILLION SHILLING LOAN TO ILLWERKE VIENNA EXCHANGE DECEMBER
 EIGHTEEN STOP FOR THIS PURPOSE REQUIRES BANKS AGREEMENT TO GLEICHRANG
 RE SECURITY FOR LOANS KE 118 AND 179 STOP IF YOU AGREE PLEASE CABLE WAGNER
 ALONG FOLLOWING LINES "BANK AGREES GLEICHRANG FOR HUNDREDFIFTYMILLION
 LAENDERBANK LOAN TO ILLWERKE AND WILL TAKE NECESSARY STEPS TO EFFECT SAME"
 FONTEIN

NOTIFICATION BEING MADE

Mr. W. Diamond

August 15, 1958

J. H. Collier *JH*

Austria - Länzersee

W. Diamond

The attached letter from the Vorarlberger Illwerke informs us that they are planning to make an issue of Sch. 75 million, the proceeds of which would be used to repay part of a Sch. 200 million loan which they received from the Länderbank in order to help construct the Länzersee project. The new issue would be secured by a mortgage on the Länzersee properties ranking pari passu with the mortgage securing the Bank's loan. This procedure was envisaged at the time the Bank's loan was made and we agreed in June, 1955 to permit the creation of such a mortgage (see letter dated June 14, 1955 to the Illwerke). I suggest that a reply be made along the lines of the attached draft. ?

Encl.

JHCollier:fgs



Record Removal Notice



File Title Electric Power Project - Austria - Loan 0179 - P037354 - Administration - Volume 1		Barcode No. 1516768		
Document Date May 7, 1958	Document Type Letter			
Correspondents / Participants To: karl Pridun From: Peter G. Ramm				
Subject / Title Dr. Wagner's bill				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
		<table border="1"><tr><td>Withdrawn by Vlada Alekankina</td><td>Date April 25, 2018</td></tr></table>	Withdrawn by Vlada Alekankina	Date April 25, 2018
Withdrawn by Vlada Alekankina	Date April 25, 2018			

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: April 30, 1958

TO: Dr. Ernst Wagner, Karntnerring 10, Vienna, Austria.

FROM: Douglas J. Fontein

FILED UNDER: Austria - Loan 192 negotiations.

SUMMARY: Paras. 2, 3 and 4 refer to Fee for Lunersee.

Austria - Am 179



REPUBLIK ÖSTERREICH
Bundesministerium für Verkehr
und Elektrizitätswirtschaft
I., Schwarzenbergplatz 1
Min.Rat Dr. E. PAURNFEIND

Wien, am 19. April 1958

Herrn

Technical Expert Intern. ^{W h e e l e r} Bank for Reconstruction and Development


W a s h i n g t o n D.C.
1818/ H-Street N.W.

Sehr geehrter Herr Direktor!

In der Beilage erlaube ich mir, ein kleines Elaborat
des Bundesministeriums für Verkehr und Elektrizitätswirtschaft
mit dem Ausdruck meiner besten Ergebenheit zu übermitteln.

Dr. Edmund Paurnfeind

copy sent to Mr. Collier June 5/58

ROUTING SLIP		Date March 31 5P	
NAME		ROOM NO.	
M. Sommer			
New tape			
Filed		208	
<input type="checkbox"/>	Action	<input type="checkbox"/>	Note and File
<input type="checkbox"/>	Approval	<input type="checkbox"/>	Note and Return
<input type="checkbox"/>	Comment	<input type="checkbox"/>	Prepare Reply
<input type="checkbox"/>	Full Report	<input type="checkbox"/>	Previous Papers
<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>	Recommendation
<input type="checkbox"/>	Initial	<input type="checkbox"/>	Signature
Remarks			
From 			

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Mr. Cofer.
Australia Ln 179

INCOMING WIRE

DATE OF WIRE: MARCH 31, 1958 1850

TO: INTERNATIONAL BANK FOR RECONSTRUCTION
& DEVELOPMENT

FROM: VIENNA

TEXT:

ROUTING
ACTION COPY TO MR. COLLIER <i>W</i>
INFORMATION COPY TO
Decoded By

FUER IHRE FREUNDLICHEN WUENSCHEN ZUR FERTIGSTELLUNG DES LUENERSEEWERKES
 ICH
 DANKE ICH HERZLICHSTICH DARF SIE GLEICHZEITIG UNSERES GEMEINSAMEN DANKES
 FUEH IHRE TATKRAEFTIGE UNTERSTUETZUNG VERSICHERN DIE SIE DER FINANZIERUNG
 DIESES KRAFTWERKSPROJEKTES GEWAEHRT HABEN

BUNDESMINISTER DIPL ING KARL WALDBRUNNER

ORIGINAL

OUTGOING WIRE

CLASS OF SERVICE: NIGHT LETTER

DATE: MARCH 27, 1958

TO: BUNDESMINISTER WALDBRUNNER
ILLWERKE
BREGENZ

MR

COUNTRY (AUSTRIA)

EXT:

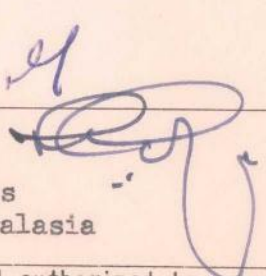
Cable No.

CONGRATULATIONS TO YOU AND ALL CONCERNED ON SUCCESSFUL COMPLETION OF LUNERSEE. REGRET UNABLE TO ARRANGE PERSONAL REPRESENTATION AT OPENING CEREMONIES BUT WOULD LIKE TO EXPRESS BEST WISHES FOR FUTURE OF ILLWERKE.

SOMMERS

AUTHORIZED BY:

NAME: S. R. Cope
Director of Operations
DEPT: Europe, Africa and Australasia



SIGNATURE: JH Collier: fgs (Signature of individual authorized to approve cable).

For Use by Archives Division
Checked for Dispatch

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

GUIDE FOR PREPARING OUTGOING WIRES

1. Class of Service

Type in class of service desired. Each class is described as follows:

Letter Telegram Letter telegrams are normally delivered the morning after day of despatch. The cost is half the cost of full rate messages with a minimum charge for 22 words including address and text.

Full Rate Full rate messages are normally transmitted and delivered immediately. There is a minimum charge for 5 words, including address and text.

IBF Govt. This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

Bolivia	Cuba	Guatemala	* Peru
Brazil	Dominican Republic	Honduras	* Syria
Burma	Ecuador	Jordan	Uruguay
Chile	El Salvador	* Lebanon	Venezuela
* China	* Ethiopia	Nicaragua	Yugoslavia
Colombia	* France	Pakistan	
Costa Rica	Greece	Panama	

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

Code Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.

Day Letter Day letters are delivered during the day of transmission and should be used only for messages in the United States and to Mexico and Canada. There is a minimum charge for 50 words in text.

Teletype To be used only for messages to the New York Office, United Nations, and certain commercial firms. For information, call Cable Post (Ext. 3008).

2. Address

Use only last name of addressee and cable address whenever possible. The Bank cable address "INTBAFRAD" is registered in Paris, Bogota, Canal Zone, Karachi, Lima, London, New York, Quito, Tegucigalpa and Tehran. The International Finance Corporation cable address "CORINTFIN" is registered in New York, Paris and London. The name of the country of destination must always be added. (No charge is made for the name of a country.)

3. Text

Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Ext. 3008.

Type text in capital letters and double space between lines. The text should be edited to eliminate unnecessary words and unnecessary punctuation. If punctuation is needed, spell out the words "Comma," "Stop," etc.

Use common abbreviations whenever possible, i.e. *reourlet*, *reurfive*, etc. Write as one word hyphenated words, hyphenated names, and certain two-word groups, e.g. Airmail, Newyork, enduse.

4. Signature

Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

5. Authorization

Type in name and department of staff member authorizing message and have authorizing staff member sign the original (pink copy). A list of authorized signatures is kept in the cable office.

Forward messages in triplicate in a cable envelope to Room 211 for despatch. The cable service is open from 9:00 a.m. to 5:45 p.m. on working days. Special arrangements should be made for the despatch of cables outside of these hours.

ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 3008.

Austria - 6179

OUTGOING WIRE

MR

CLASS OF SERVICE: LETTER TELEGRAM

DATE: MARCH 25, 1958

TO: ANTON AMMANN
VORARLBERGER ILLWERKE A.G.
BREGENZ

COUNTRY (AUSTRIA)

EXT:

Cable No.

REGRET IMPOSSIBLE FOR ME TO ATTEND DEDICATION OF LUNERSEEWERKES STOP
REGARDS

Signed: SPOTTSWOOD, INTBAFRAD
(Type in last name of sender)

AUTHORIZED BY: A.D.SPOTTSWOOD

NAME: A.D. Spottswood:peg

DEPT: TECHNICAL OPERATIONS

SIGNATURE: *A.D. Spottswood*
(Signature of individual authorized to approve cable)

For Use by Archives Division
Checked for Dispatch

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

GUIDE FOR PREPARING OUTGOING WIRES

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Burma	Ecuador	Jordan	Uruguay
Chile	El Salvador	* Lebanon	Venezuela
* China	* Ethiopia	Nicaragua	Yugoslavia
Colombia	* France	Pakistan	
Costa Rica	Greece	Panama	

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

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5. Authorization

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ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 3008.

MAR 25 11 01 AM 1958

MAR 25 2 14 PM 1958

MAR 25 2 14 PM 1958

RECEIVED

DISPATCHED

fm 179

AIRMAIL

March 18, 1959

Dr. Ernst Wagner
Wien 1,
Karntnerring 10
Vienna, Austria

Dear Dr. Wagner:

Enclosed please find two copies of the Certificate of the Bank's Secretary (duly acknowledged by the Austrian Consulate) regarding the authority of Mr. Michael L. Lejeune to execute your Power of Attorney in respect of Gleichrangerklärung for the Illwerke borrowing. I have kept two copies for our files.

I believe this Certificate will serve our purpose. If not, please let me know. Mr. Fontein is presently in Europe and in his absence I am taking care of legal matters concerning Austrian loans.

Sincerely yours,

Leopoldo Cancio
Attorney

Enclosures

Cancio

LCancio/mep

11e-28
AUSTRIA - LUNERSEE (Supplement)

1. Borrower Verarlberger Illwerke A.G. *Feb. 30, 59*
Guarantor Republic of Austria
22. Loan Number 179-AUA
3. Loan Amount D.M. 15 million (equiv. to \$3.6 million)
4. Date Loan Signed October 10, 1957
5. Effective Date January 18, 1958
6. Closing Date July 1, 1959
7. Period of grace 3 years
8. Term of Loan 22 years
9. Exchange Rate 1 US \$ = D.M. 4.16 = A.S. 26
10. TOD Report "Memorandum on Supplementary Loan"
11. TOD Report Date September 15, 1957
12. Interest Rate 5-3/4%
13. Commitment Charge 3/4%
14. Amortization First Payment - May 1, 1960
D.M. 205,000
Last Payment - November 1, 1979
D.M. 618,000

15. Objective and Justification

In June 1955 the Bank made a loan equivalent to \$10 million (118-AUA) for the Lunersee Project. Due to a considerable increase in cost estimates, this supplementary loan became necessary to help the Illwerke complete the project.

16. Project Description

See "Basic Data" Loan 118-AUA. The only change in the project description is the provision of space for a future sixth unit in the power house.

17. Construction Schedule

The project as a whole is expected to be completed about 6 months ahead of the original schedule. The power plant will be put in operation in March 1958, instead of December 1958 as originally expected.

19. Estimated Cost

The original estimate of cost of the project based on 1954 prices and wages was Sch. 1,004 million (\$38.6 million), of which only 18.6% (\$7.2 million) was for imported equipment and 81.4% for equipment to be purchased in Austria and other local construction costs. Since the time the original estimates were made increases in estimated costs have amounted to Sch 296 million (\$11.4 million) bringing the total estimate to Sch 1,300 million (\$50 million), of which the equivalent of about \$37 million had been spent as of May 31, 1957. The increase of Sch. 296 million represents an increase of 29.5% over the original estimates. Most of the increase was due to unforeseen geological conditions, and increases of 20 to 30% in wages and prices of materials and supplies.

19. Sources of Funds

As of September 1957, the following sources of financing were considered as available for the Lunersee project:

	(in millions of Schillings)	
	<u>Latest Figures</u>	<u>Original Financing plan</u>
a) <u>Borrowing</u>		
1. IBRD Loan \$10 million	260	260
2. Construction loans from power consumers	219	220
3. Lander Bank credit	200	200
4. Credit from Swiss Banks	77	-
5. Other short-term financing	<u>15</u>	<u>-</u>
	<u>771</u>	<u>680</u>
b) Company Resources, (net profits, tax savings, depreciation allowances, cash reserves)	<u>439</u>	<u>324</u>
Total Financing available	1,210	1,004
Estimated cost of project	<u>1,300</u>	1,004
Additional funds required to complete project	<u>90</u>	

The deficit of A.S. 90 million will be covered by the supplementary IBRD loan of \$3.6 million. The supplementary loan is expected to be drawn down entirely by March 1958.

List of Goods

Not applicable.

Borrowers Organization

See Basic Data, Loan No. 118-AUA

Loan documents and side letters

The loan documents and side letters include substantially the same provisions as were embodied in the loan documents and side letters of Loan 118-AUA.

A.D. Spottswood
C. Finne
J. Filippi

*Auslöser - Km 179
Walther*



DRESDNER BANK
AKTIENGESELLSCHAFT

Frankfurt a. M. 1, February 10, 1958
Gallusanlage 7, Postschließfach 3344

Dr. Gö/Rt.

*André
Walther*

A I R M A I L

International Bank for
Reconstruction and Development
Attention: Mr. Robert W. Cavanaugh
Chief, Finance Division
1818 H Street, N.W.
Washington 25, D.C.

Ref.: Additional Loan for Vorarlberger Illwerke Aktiengesellschaft

Gentlemen:

This is to acknowledge receipt of your letter dated January 31, 1958, from which we have learned that Loan No. 179 AUA to Vorarlberger Illwerke Aktiengesellschaft became effective on January 18, 1958.

We have duly taken note also of the other contents of your letter and wish to thank you for your information.

Yours very truly

DRESDNER BANK AG.
Walther

EEB IV 8 32 14 1958

Vorsitzer des Aufsichtsrats: Carl Goetz
Vorstand: Fritz André, Max Bardroff, Ernst Mathiensen, Hans Rinn, Fritz Rudolf, Dr. Adolf Schäfer, Carl Schleipen, Erich Vierhub, Dr. Franz Witt
stellv.: Dr. Walther Blanke, Herbert Henzel, Leonhard Frhr. von Richter
Telefon: 3 00 61, 3 02 21, 3 02 31 / Telegrammadresse: dresdbank / Fernschreiber: Sammel-Nr. Allg. Verkehr 041 230, Börsenverkehr 041 220, Devisenhandel 041 231
Postscheckkonto: Frankfurt a. M. 639 / Girokonto: Landeszentralbank Frankfurt a. M. 4/8

123 190 Labormittel...
Frankfurt a. M. 1958
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

RECEIVED
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
FEB 14 9 35 AM 1958

[Handwritten signature]
DEUTSCHE BANK AG
DEUTSCHE BANK AG
DEUTSCHE BANK AG

letter and wish to thank you for your information.
We have duly taken note also of the other contents of your
letter of 12/18/57.

Further, the Aktiengesellschaft became effective on 1/1/58,
from which we have learned that you no longer
wish to acknowledge receipt of your letter dated January 21,
1958.

RE: Aktiengesellschaft für den Betrieb der Deutschen Aktiengesellschaft

MARTIN KRON, ESQ., D.C.
1818 H Street, N.W.

Chief, Finance Division
Attention: Mr. Robert M. Schaeffer
Reconstruction and Development
International Bank for

W I B W I T

[Large handwritten signature]

DR. SCHAEFFER

Frankfurt a. M. 1, February 10, 1958



AKTIENGESELLSCHAFT
DEUTSCHE BANK

[Handwritten note]
M...
...

Austria-Loan 179

AIR MAIL

January 31, 1958

Dresdner Bank AG
Frankfurt am Main
Germany

Gentlemen:

This is to advise you that Loan No. 179 AUA to Voralberger Illwerke Aktiengesellschaft became effective on January 18, 1958. Accordingly, the commitment charge payable to you under the terms of the Participation Agreement dated October 10, 1957 will accrue from December 9, 1957. This charge, together with any other charges which may accrue in the meantime, will be paid to you on each May 1 and November 1 in accordance with the provisions of the Participation Agreement and after receipt of the necessary funds from the Borrower.

Sincerely yours,



Robert W. Cavanaugh
Chief, Finance Division

REDeely/lS/emk

cc: Mr. Ramm
Mr. Cavanaugh
Mr. Prins
Mr. Rutland (2)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **JANUARY 28, 1958 2320**

TO: **BROCHES INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT**

FROM: **VIENNA**

TEXT:

ROUTING	
ACTION COPY TO	MR BROCHES
INFORMATION COPY TO	
Decoded By	

4

✓
 YOUR 8 COLLIER MAILED TRANSLATION MEMO COPE SATURDAY. ADDITIONAL COPY
 TRANSLATION MEMO PLUS ORIGINAL GERMAN PLUS TRANSLATION RELEVANT CONTRACT
 PROVISIONS MAILED YOU TODAY TUESDAY. TEUFENSTEIN LIKELY POSTPONE ARRIVAL
 WASHINGTON TILL OUR RETURN REGARDS

FONTEIN

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 29 9 58 AM 1958

UNRECORDED COPY OF ORIGINAL MESSAGE

UNRECORDED COPY OF ORIGINAL MESSAGE - INTERNATIONAL FINANCE CORPORATION

UNRECORDED COPY OF ORIGINAL MESSAGE - INTERNATIONAL FINANCE CORPORATION

UNRECORDED COPY OF ORIGINAL MESSAGE - INTERNATIONAL FINANCE CORPORATION

TYPE

FROM

TO

DATE OF WIRE

UNRECORDED COPY OF ORIGINAL MESSAGE

UNRECORDED COPY

UNRECORDED COPY

UNRECORDED COPY

UNRECORDED COPY

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Austria - Ln 179

OUTGOING WIRE

CLASS OF SERVICE: FULL RATE

DATE: JANUARY 28, 1958

TO: FONTEIN
HOTEL SACHER
VIENNA

COUNTRY (AUSTRIA)

EXT:

Cable No. *8*

*Jan 22/58
Legal*

JUST RECEIVED YOUR ONE STOP VERY IMPORTANT FOR US TO GET STAHL
MEMORANDUM IN GERMAN OR ENGLISH SOONEST TO BE PREPARED FOR MEETING
STOP PLEASE CABLE WHEN MAILED REGARDS

Signed: BROCHES
(Type in last name of sender)

AUTHORIZED BY:

NAME: A. Broches

DEPT: Legal

SIGNATURE: *A. Broches*
(Signature of individual authorized to approve cable).

For Use by Archives Division
Checked for Dispatch

AB/amk
cc. Mr. Lejeune

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

GUIDE FOR PREPARING OUTGOING WIRES

1. Class of Service

Type in class of service desired. Each class is described as follows:

Letter Telegram Letter telegrams are normally delivered the morning after day of despatch. The cost is half the cost of full rate messages with a minimum charge for 22 words including address and text.

Full Rate Full rate messages are normally transmitted and delivered immediately. There is a minimum charge for 5 words, including address and text.

IBF Govt. This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

* Peru	Guatemala	Cuba	Bolivia
* Syria	Honduras	Dominican Republic	Brazil
Uruguay	Jordan	Ecuador	Burma
Venezuela	* Lebanon	El Salvador	Chile
Yugoslavia	Nicaragua	* Ethiopia	* China
	Pakistan	* France	Colombia
	Panama	Greece	Costa Rica

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

Code Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.

Day Letter Day letters are delivered during the day of transmission and should be used only for messages in the United States and to Mexico and Canada. There is a minimum charge for 50 words in text.

Teletype To be used only for messages to the New York Office, United Nations, and certain commercial firms. For information, call Cable Post (Ext. 3008).

2. Address Use only last name of addressee and cable address whenever possible. The Bank cable address "INTBAFRAD" is registered in Paris, Bogota, Bangkok, Karachi, Lima, Quito and Tegucigalpa. The International Finance Corporation cable address "CORINTFIN" is registered in New York, Paris and Washington. The name of the country of destination must always be added. (No charge is made for the name of a country).

3. Text Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Ext. 3008.

4. Signature Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

5. Authorization Type in name and department of staff member authorizing message and have authorizing staff member sign the original (pink copy). A list of authorized signatories is kept in the cable office.

Forward messages in triplicate in a cable envelope to Room 211 for despatch. The cable service is open from 9:00 a.m. to 5:45 p.m. on working days. Special arrangements should be made for the despatch of cables outside of these hours.

ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 3008.

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 28 1 10 PM 1958

DISPATCHED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 28 1 05 PM 1958

FILE COPY

Messrs. Street and Prins

January 23, 1958.

Walter C.P. Rutland

Effective Date - Loan No. 179 AUA - Austria

Subject Loan became effective January 18, 1958 (Refer memorandum dated January 22, from the Legal Department).

Please note your records accordingly.

Mr. Street (3)

cc: Mr. Perez
Mr. Deely
Miss Charalambous
Mr. Rutland (2)

WCPRutland/er

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

*Austria 117
File 209*

INCOMING WIRE

[Signature]
#13

DATE OF WIRE: **JANUARY 22, 1958** 1345

TO: **SOMMERS INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT**
FROM: **VIENNA**

ROUTING	
ACTION COPY TO	MR CLARK
INFORMATION COPY TO	MR COPE
Decoded By	

TEXT:

REFERRING YOUR CABLE EFFECTIVENESS AGREEMENTS JANUARY 18TH 1958

CONFIRMED

TEUFENSTEIN

[Faint circular stamp]

DUPLICATE

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 22 9 57 AM 1958

RECEIVED

COMMUNICATIONS SECTION

RECEIVED FROM THE DIRECTOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1958

TEXT:

FROM:

ADMIN

TO:

RECONSTRUCTION & DEVELOPMENT
COMMUNICATIONS SECTION

DATE OF AIRTEL:

JAN 22 1958

RECORDED BY	
INFORMATION COPY TO	MR. [unclear]
ACTION COPY TO	MR. [unclear]
[unclear]	

INCOMING AIRTEL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Mr. Henry W. Riley

January 22, 1958

Hugh N. Scott *HS*

Effective Date - Austria - Loan No. 179 AUA

The Loan Agreement between the Bank and Vorarlberger Illwerke Aktiengesellschaft, dated October 10, 1957, and the Guarantee Agreement between the Republic of Austria and the Bank, dated October 10, 1957, became effective January 18, 1958.

cc: Messrs. Spottswood, Wheelock, Collier, Street/Jones, Cavanaugh,
Cope, Legal Files, General Files

Austria - Im 79

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **JANUARY 22, 1958** 1345

TO: **SOMMERS INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT**
FROM: **VIENNA**

ROUTING	
ACTION COPY TO	MR CLARK
INFORMATION COPY TO	MR COPE
Decoded By	

TEXT:

Jan. 18/58

REFERRING YOUR CABLE EFFECTIVENESS AGREEMENTS JANUARY 18TH 1958

CONFIRMED

TEUFENSTEIN

DUPLICATE

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 22 9 57 AM 1958

MEMORANDUM

TO :

FROM :

DATE:

SUBJECT:

RE:

RECEIVED BY	DATE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	
SECTION	
DATE	

INTERNATIONAL BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Austria - Jan 179

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **JANUARY 18, 1958** **1210**

TO: **INTERNATIONAL BANK FOR RECONSTRUCTION
& DEVELOPMENT FOR MR. SOMMERS**

FROM: **BREGENZ**

ROUTING	
ACTION COPY TO	MR. CLARK
INFORMATION COPY TO	MR. COPE
Decoded By	

TEXT:

Jan-18/58

THANKS YOUR CABLE. WE CONFIRM EFFECTIVE DATE JANUARY 18, 1958

ILLWERKE

DUPLICATE

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 20 10 39 AM 1958

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

TEXT

FROM

SECRET

TO

SECRETARY GENERAL AND MEMBERS OF THE BOARD OF DIRECTORS

DATE OF ISSUE

JANUARY 1958

1958

RECORDED BY

INFORMATION COPY TO MR. CASE

ACTION COPY TO MR. CASE

DATE

INCOMING MAIL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

CLASS OF SERVICE: NIGHT LETTER

DATE: January 17, 1958

TO: FONTEIN
HOTEL SACHER
VIENNA

MRT

COUNTRY (AUSTRIA

EXT:

Cable No. *4*

SUPPLEMENTARY LOAN LUNERSEE PROJECT MADE EFFECTIVE JANUARY EIGHTEEN
REGARDS

CLARK

Signed: Clark
(Type in last name of sender)

AUTHORIZED BY:

E.E. Clark

NAME: E.E. Clark

DEPT: Legal

SIGNATURE: _____
(Signature of individual authorized to approve cable).

For Use by Archives Division
<i>Checked for Dispatch</i>

HScott:ea

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

JAN 17 6 05 PM 1958

GUIDE FOR PREPARING OUTGOING WIRES

1. Class of Service
Type in class of service desired. Each class is described as follows:
Letter Telegram Letter telegrams are normally delivered the morning after day of despatch. The cost is half the cost of full rate messages with a minimum charge for 22 words including address and text.
Full Rate Full rate messages are normally transmitted and delivered immediately. There is a minimum charge for 5 words, including address and text.
IBF Govt. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:
Bolivia
Brazil
Cuba
Dominican Republic
Ecuador
El Salvador
Ethiopia
France
Guatemala
Honduras
Jordan
Lebanon
Nicaragua
Pakistan
Panama
Peru
* Syria
Uruguay
Venezuela
Yugoslavia
* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.
Code Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.
Day Letter Day letters are delivered during the day of transmission and should be used only for messages in the United States and to Mexico and Canada. There is a minimum charge for 50 words in text.
Teletype To be used only for messages to the New York Office, United Nations, and certain commercial firms. For information, call Cable Post (Exr. 3008).
2. Address
Use only last name of addressee and cable address whenever possible. The Bank cable address "INTBAFRAD" is registered in Paris, Bogota, Bangkok, Karachi, Lima, Quito and Tegucigalpa. The International Finance Corporation cable address "CORINTFIN" is registered in New York, Paris and Washington. The name of the country of destination must always be added. (No charge is made for the name of a country).
3. Text
Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Exr. 3008.
Type text in capital letters and double space between lines. The text should be edited to eliminate unnecessary words and unnecessary punctuation. If punctuation is needed, spell out the words "Comma," "Stop," etc.
Use common abbreviations whenever possible, i.e. recourtel, reurville, etc. Write as one word hyphenated words, hyphenated names, and certain two-word groups, e.g. Airmail, New York, enduse.
4. Signature
Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.
5. Authorization
Type in name and department of staff member authorizing message and have authorizing staff member sign the original (pink copy). A list of authorized signatures is kept in the cable office.
Forward messages in a cable envelope to Room 211 for despatch. The cable service is open from 9:00 a.m. to 5:45 p.m. on working days. Special arrangements should be made for the despatch of cables outside of these hours.
ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 3008.

Effective date cable.

OUTGOING WIRE

COPY

To be transmitted at 12:01 a.m. E.S.T. January 18, 1958

CLASS OF SERVICE: FULL RATE

DATE: JANUARY 18, 1958

TO: FINANZMINISTERIUM
WIEN

COUNTRY (AUSTRIA

EXT:

Cable No.

AM PLEASED NOTIFY YOU BANK ACCEPTS EVIDENCE SUBMITTED IN FULFILLMENT
CONDITIONS PRECEDENT TO EFFECTIVENESS OF LOAN AGREEMENT SUPPLEMENTARY
LOAN LUNERSEE PROJECT DATED OCTOBER TEN, 1957 BETWEEN BANK AND
VORARLBERGER ILLWERKE AKTIENGESELLSCHAFT AND GUARANTEE AGREEMENT OF
SAME DATE BETWEEN REPUBLIC OF AUSTRIA AND BANK STOP CONSEQUENTLY LOAN
AND GUARANTEE AGREEMENTS BECOME EFFECTIVE TODAY JANUARY EIGHTEEN, 1958
STOP PLEASE CABLE CONFIRMATION RECEIPT THIS CABLE

SOMMERS

INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT

Signed: Sommers
(Type in last name of sender)

AUTHORIZED BY:

NAME: E.E.Clark

DEPT: Legal

SIGNATURE: _____
(Signature of individual authorized to approve cable).

HScott:ea

For Use by Archives Division
Checked for Dispatch

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
OUTGOING WIRES
GUIDE FOR PREPARING OUTGOING WIRES

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IBF Govt. This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

Bolivia	Cuba	Guatemala	* Peru
Brazil	Dominican Republic	Honduras	* Syria
Burma	Ecuador	Jordan	Uruguay
Chile	El Salvador	* Lebanon	Venezuela
* China	* Ethiopia	Nicaragua	Yugoslavia
Colombia	* France	Pakistan	
Costa Rica	Greece	Panama	

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

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Use common abbreviations whenever possible, i.e. reourlet, reurfive, etc. Write as one word hyphenated words, hyphenated names, and certain two-word groups, e.g. Airmail, Newyork, enduse.

4. Signature

Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

5. Authorization

Type in name and department of staff member authorizing message and have authorizing staff member sign the original (pink copy). A list of authorized signatures is kept in the cable office.

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OUTGOING WIRE

COPY

To be transmitted at 12:01 a.m. January 18, 1958

CLASS OF SERVICE: FULL RATE

DATE: JANUARY 18, 1958

TO: ILLWERKE
BREGENZ

COUNTRY (AUSTRIA

EXT:

Cable No.

AM PLEASED NOTIFY YOU BANK ACCEPTS EVIDENCE SUBMITTED IN FULFILLMENT
CONDITIONS PRECEDENT TO EFFECTIVENESS OF LOAN AGREEMENT SUPPLEMENTARY
LOAN LUNERSEE PROJECT DATED OCTOBER TEN, 1957 BETWEEN US AND GUARANTEE
AGREEMENT OF SAME DATE BETWEEN REPUBLIC OF AUSTRIA AND BANK STOP
CONSEQUENTLY LOAN AND GUARANTEE AGREEMENTS BECOME EFFECTIVE TODAY
JANUARY EIGHTEEN, 1958 STOP PLEASE CABLE CONFIRMATION RECEIPT THIS
CABLE

SOMMERS
INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Signed: Sommers
(Type in last name of sender)

AUTHORIZED BY:

NAME: E.E.Clark

DEPT: Legal

SIGNATURE: _____
(Signature of individual authorized to approve cable).

HScott:ea

For Use by Archives Division
Checked for Dispatch

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

GUIDE FOR PREPARING OUTGOING WIRES

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Burma	Ecuador	Jordan	Uruguay
Chile	El Salvador	* Lebanon	Venezuela
* China	* Ethiopia	Nicaragua	Yugoslavia
Colombia	* France	Pakistan	
Costa Rica	Greece	Panama	

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Austria - Im 179

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **JANUARY 16, 1958** 1020

TO: **BROCHES INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT**
FROM: **VIENNA**

ROUTING	
ACTION COPY TO	MR BROCHES
INFORMATION COPY TO	
Decoded By	

TEXT:

2

**LUENERSEE GUARANTEE AGREEMENT PUBLISHED IN BUNDESGESETZBLATT TODAY
JANUARY 6. PLEASE ADVISE WHEN LOAN MADE EFFECTIVE**

PONTBIN

JAN 18 8 34 AM '58

RECEIVED
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

DUPLICATE

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 16 9 34 AM 1958

AMOUNT

US\$ 100,000.00

DATE

TO:
BY:
DATE OF ISSUE:
AMOUNT

INFORMATION COPY TO
ACTION COPY TO
DATE

INCOME TAX

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

DUPLICATE

INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT

JAN 13 9 33 AM 1958

MONTEIN

YOUR 3 ALPHA HAVE EXAMINED COPIES LEGAL OPINIONS REFERRED TO AS WELL AS REMAINING DOCUMENTS REQUIRED FOR EFFECTIVENESS INCLUDING RATIFICATION INSTRUMENT AND GOVERNMENT LEGAL OPINION WHICH HAVE ALSO BEEN SENT TO WASHINGTON. ALL THESE SATISFACTORY. ONLY ITEM OUTSTANDING IS PUBLICATION RATED GUARANTEE AGREEMENT IN BUNDESREGIERUNG WHICH EXPECT WEDNESDAY OR THURSDAY NEXT. SUGGEST EFFECTIVE DATE CABLES BE SENT TO BORROWER AND GOVERNMENT UPON RECEIPT MY CABLE ADVISING OF SUCH PUBLICATION BECAUSE WILL COMMUNICATE LATER ON TAX WAGNERS FEE

ONE

TEXT:

Decoded By
INFORMATION COPY TO
ACTION COPY TO MR BROCHES
ROUTING

TO: BROCHES INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT
 FROM: VIENNA

DATE OF WIRE: JANUARY 11, 1958 1335

INCOMING WIRE

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

JAN 13 9 59 AM 1958

SECRET

THE BOARD OF DIRECTORS HAS APPROVED THE PROPOSAL FOR THE
ISSUE OF BONDS TO FINANCE THE CONSTRUCTION OF THE
NEW YORK STATE TOLL FREEWAY. THE PROPOSAL IS
SUBMITTED TO YOU FOR YOUR INFORMATION AND FOR YOUR
REPLY TO THE BOARD OF DIRECTORS. THE BOARD OF
DIRECTORS HAS APPROVED THE PROPOSAL AND HAS
REQUESTED THAT YOU ADVISE THE BOARD OF DIRECTORS
OF YOUR REPLY TO THE PROPOSAL. THE BOARD OF
DIRECTORS HAS APPROVED THE PROPOSAL AND HAS
REQUESTED THAT YOU ADVISE THE BOARD OF DIRECTORS
OF YOUR REPLY TO THE PROPOSAL.

INFO:

FROM:

TO:

TYPE OF AID:

ADMINISTRATIVE
FINANCIAL ASSISTANCE
TECHNICAL ASSISTANCE

AMOUNT \$ 100,000,000

RECORDED IN
INFORMATION COPY TO
ACTION COPY TO
DATE
INITIALS

INCOMING MAIL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

CLASS OF SERVICE: NIGHT LETTER

DATE: JANUARY 10, 1958

TO: FONTEIN
HOTEL SACHER
VIENNA

COUNTRY (AUSTRIA)

MRT

3

TEXT: ALPHA LUNERSEE WE HAVE RECEIVED FROM BORROWER TWO SIGNED LEGAL OPINIONS
Cable No. DATED DECEMBER 30 COVERING LOAN AGREEMENT ETCETERA AND PFANDBESTELLUNG
STOP SUGGEST YOU GET COPIES FOR EXAMINATION BY YOU THERE IF NECESSARY
STOP BETA TAX IMMUNITIES SUGGEST YOU DISCUSS WITH WAGNER QUESTION OF
TAX ON HIS FEE AND IF YOU CONSIDER FEASIBLE MAKE APPROPRIATE REPRESENTA-
TIONS TO GOVERNMENT THAT SUCH TAX CONSTITUTES VIOLATION OF IMMUNITY OF
BANK'S OPERATIONS AND TRANSACTIONS

BROCHES

Signed: BROCHES
(Type in last name of sender)

AUTHORIZED BY:

NAME: A. Broches

DEPT: Legal

SIGNATURE: *A. Broches*
(Signature of individual authorized to approve cable).
eeclark/amr/1/10/58

For Use by Archives Division
Checked for Dispatch

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

JAN 10 5 55 PM 1950

Forward messages in triplicate in a cable envelope to Room 211 for despatch. The cable service is open from 9:00 a.m. to 5:45 p.m. on working days. Special arrangements should be made for the despatch of cables outside of these hours.

ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 3008.

Type in name and department of staff member authorizing message and have authorizing staff member sign the original (pink copy). A list of authorized signatures is kept in the cable office.

4. Signature
Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

5. Authorization
Use common abbreviations whenever possible, i.e. reouter, reurfive, etc. Write as one word hyphenated words, hyphenated names, and certain two-word groups, e.g. Airmail, Newyork, enduse.

3. Text
Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Ext. 3008.

Type text in capital letters and double space between lines. The text should be edited to eliminate unnecessary words and punctuation. If punctuation is needed, spell out the words "Comma," "Stop," etc.

4. Signature
Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

2. Address
Use only last name of addressee and cable address whenever possible. The Bank cable address "INTBAFRAD" is registered in Paris, Bogota, Bangkok, Karachi, Lima, Quito and Tegucigalpa. The International Finance Corporation cable address "CORINTFIN" is registered in New York, Paris and Washington. The name of the country of destination must always be added. (No charge is made for the name of a country).

3. Text
Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Ext. 3008.

1. Class of Service
Type in class of service desired. Each class is described as follows:

Letter Telegram
Letter telegrams are normally delivered the morning after day of despatch. The cost is half the cost of full rate messages with a minimum charge for 22 words including address and text.

Full Rate
Full rate messages are normally transmitted and delivered immediately. There is a minimum charge for 5 words, including address and text.

IBF Govt.
This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

Bolivia	Cuba	Guatemala	* Peru
Brazil	Dominican Republic	Honduras	* Syria
Burma	Ecuador	Jordan	Uruguay
Chile	El Salvador	* Lebanon	Venezuela
* China	* Ethiopia	Nicaragua	Yugoslavia
Colombia	* France	Pakistan	
Costa Rica	Greece	Panama	

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

Code
Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.

Day Letter
Day letters are delivered during the day of transmission and should be used only for messages in the United States and to Mexico and Canada. There is a minimum charge for 50 words in text.

Teletype
To be used only for messages to the New York Office, United Nations, and certain commercial firms. For information, call Cable Post (Ext. 3008).

Gen. files

January 3, 1958

Vorarlberger Illwerke
Aktiengesellschaft
Josef-Huterstrasse 35
Bregenz, Austria

Gentlemen:

I wish to acknowledge receipt of your letter of December 30, 1957 (your reference: Pri/Hz) addressed to Mr. Cope, enclosing the original and one photocopy of a letter from RWE and EVS in which they consent to the Bank's second loan for the L  nersee and express their agreement to the assignment.

Very truly yours,



Michael L. Lejeune
Assistant Director of Operations
Europe, Africa and Australasia



DJFonteih:ea



January 3, 1958

Vorarlberger Illwerke
Aktiengesellschaft
Josef-Huterstrasse 35
Bregenz, Austria

Gentlemen:

I wish to acknowledge receipt of your letter, with enclosures,
of December 6, 1957 (your reference: Pri/SB), concerning the can-
cellation of the mortgage for the 6% First Mortgage Loan of 1929.

Very truly yours,

Douglas J. Fontein

DJFontein:ea



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Attached to letter of
December 30, 1957, being
held by Mr. Fonten,
Legal Department.

Adm. Jan. 3/57

RHEINISCH-WESTFÄLISCHES ELEKTRIZITÄTSWERK
AKTIENGESELLSCHAFT

HAUPTVERWALTUNG: ESSEN, Rellinghauser Str. 53

International Bank for
Reconstruction and Development
1818 H Street N.W.

Washington 25. D.C.
USA

Telegraphadresse: Kraftlicht
Fernsprech-Sammel-Nr.: 3371
Fernschreiber: 0857851
Landeszentralbank-Giro-Konto: 33/86
Postscheckkonto: Essen 696

Ihre Zeichen

Ihre Nachricht vom

Unsere Nachricht vom

Unser Zeichen

ESSEN, 21. Dezember 1957

Postfach 77

Direktion/J K/U1

BETRIFFT: Ihr Anleiheabkommen vom 10. Oktober 1957 mit
der Vorarlberger Illwerke Aktiengesellschaft

Die Vorarlberger Illwerke Aktiengesellschaft (Illwerke)
hat uns davon in Kenntnis gesetzt, dass durch das Anleihe-
abkommen vom 10. Oktober 1957 mit Ihnen die Aufnahme einer
Anleihe in verschiedenen Währungen im Gegenwert von
DM 15 000 000,— vereinbart worden ist.

Wir bestätigen hiermit, dass wir unser Einverständnis zur
Aufnahme dieser Anleihe erteilt haben.

Die Illwerke haben uns ferner mit Schreiben vom 19. Novem-
ber 1957 von der Ihnen gegenüber abgegebenen Abtretungser-
klärung vom 30. Oktober 1957, die uns in Fotokopie vorliegt,
in Kenntnis gesetzt.

Wir erklären hiermit, von dieser Abtretung verbindlich
Kenntnis genommen zu haben.

Hochachtungsvoll

Rheinisch-Westfälisches Elektrizitätswerk
Aktiengesellschaft



Energie-Versorgung Schwaben

AKTIENGESELLSCHAFT

HAUPTVERWALTUNG

Energie-Versorgung Schwaben AG, Stuttgart-N, Goethestr. 12

POSTFACH: 158 FERNRUF: Nr. 91248/49 TELEGRAMME: Schwabenwerk POSTSCHECK: Stuttgart Nr. 7926

International Bank for
Reconstruction and Development
1818 H Street N.W.,
Washington 25, D.C.
USA.

Fernschreiber
072-3715

Ihre Zeichen

Ihre Nachricht vom

Unsere Zeichen

Tag

Hh/Schw.

19.12.1957.

Betreff: Ihr Anleiheabkommen vom 10. Oktober 1957 mit
der Vorarlberger Illwerke Aktiengesellschaft
in Bregenz / Oesterreich.

Die Vorarlberger Illwerke Aktiengesellschaft (Illwerke)
in Bregenz / Oesterreich hat uns davon in Kenntnis gesetzt,
daß durch das Anleiheabkommen vom 10. Oktober 1957 mit Ihnen
die Aufnahme einer Anleihe in verschiedenen Währungen im
Gegenwert von DM 15 000 000.-- vereinbart worden ist.

Wir bestätigen hiemit, daß wir unser Einverständnis zur
Aufnahme dieser Anleihe erteilt haben.

Die Vorarlberger Illwerke Aktiengesellschaft hat uns ferner
mit Schreiben vom 19. November 1957 von der Ihnen gegenüber
abgegebenen Abtretungserklärung vom 30. Oktober 1957, die uns
in Fotokopie vorliegt, in Kenntnis gesetzt.

Wir erklären hiemit, von dieser Abtretung verbindlich
Kenntnis genommen zu haben.

Hochachtungsvoll

Energie-Versorgung Schwaben A.G. Hh.

December 13, 1957

Dr. Ernst Wagner
Kärntnerring 10
Vienna I, Austria

Dear Ernst:

1. Lünersee Project

Thank you very much for your letters of December 2 enclosing a copy of the Pfandbestellung as executed and for your letter of December 6 enclosing a clipping from the Wiener Zeitung about the approval of the Guarantee Agreement. - Legal

With respect to the Pfandbestellung you were quite right in not pressing the point about the difference between "Lünerseewerk" and "Lünerseeprojekt".

Now that the Guarantee Agreement has been approved by the Nationalrat I have telephoned the Austrian Embassy and suggested to them that they get in touch with the appropriate authorities in Vienna and ask that we are furnished, as soon as possible, with a draft of the Instrument of Ratification and thereafter with certified copies of the executed Instrument of Ratification, and a copy of the appropriate Bundesgesetzblatt. In this way I hope to avoid the difficulties which arose over the ratification of the Guarantee Agreement for Loans 148 and 149 AUA.

I have received from Dr. Feuerstein a draft of his legal opinion on the validity of the Loan Agreement, of the Abtretung and of the Bonds to be issued under the Loan Agreement. I have no comments on this and have so informed Dr. Feuerstein. Assuming that you also received a copy of this draft, I would be grateful if you could also let Dr. Feuerstein know of any comments you may have. A copy of my letter to Dr. Feuerstein is enclosed.

Going over the list of things to be done in order to make the Loan effective, I find that the following items are still outstanding:

1. Acknowledgment of the Abtretung on the part of RWE and EVS and insertion of the dates of such acknowledgment in the final legal opinion of Dr. Feuerstein.
2. Final legal opinion of Dr. Feuerstein on the validity of the Loan Agreement, the Abtretung and the Bonds to be issued under the Loan Agreement.
3. Agreement from the Deutsche Bundesbank to the Abtretung.
4. Agreement to the Abtretung on the part of the German Bundeswirtschaftsminister or Landeswirtschaftsminister pursuant to paragraph 10 of the Energiewirtschaftsgesetz.
5. Legal opinion of Dr. Mann.
6. Registration of the Pfandbestellungsurkunde which I gather from your letter might already have taken place on November 9.
7. Legal opinion concerning the Pfandbestellung from Dr. Feuerstein.
8. Ratification of the Guarantee Agreement and submission of the draft Instrument of Ratification to the Bank.
9. Legal opinion concerning the Guarantee Agreement from Verfassungsdienst des Bundeskanzleramtes and Finance Ministry.

I would be grateful for your confirmation that this is correct.

2. Investitionskredit

Messrs. Walstedt and Fuchs of our Technical Operations Department have now returned from Vienna and we are now discussing the various projects which they have examined. We have also received from Investitionskredit a draft of their subsidiary loan agreement with the beneficiary enterprises and I understand that a copy of this draft has also been made available to you. We are preparing a letter to Investitionskredit with a number of questions and comments and I will send you a copy thereof in the next few days.

Our Vice President, Mr. Burke Knapp, and the Director of the Department of Technical Assistance and Liaison, Mr. Richard Demuth, are coming to Vienna on January 7 for a three-day visit. Mr. Knapp is on his way to India and Mr. Demuth is going to Ethiopia. It is likely that Hugh Collier and I will arrive in Vienna at about the same time for our discussions with Investitionskredit on the subsidiary agreements, the projects and the principal features of the Bank's proposed loan agreement with Investitionskredit. I will let you know our definite date of arrival in the next few days.

I look forward to seeing you then. With kindest regards,

Yours,

December 11, 1957

Herrn Dr. Josef Feuerstein
Kirchstrasse 2/1
Bregenz, Austria

Dear Dr. Feuerstein:

Thank you very much for your letter of December 4, 1957 (Reference: Dr.F/Bö.) enclosing a draft of your legal opinion. I have read it carefully and come to the conclusion that it is most satisfactory in all respects. I have requested Dr. Wagner in Vienna to let you know whether he has any comments.

I look forward to receiving from you in due course a draft opinion on the "Pfandbestellung".

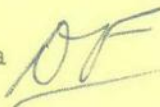
It was a great pleasure for us to see you here and I hope we may have an opportunity of meeting you again before too long.

With kindest regards,

Yours sincerely,

Douglas J. Fontein

DJFontein:ea



Austria - Lm179

December 10, 1957

Vorarlberger Illwerke
Aktiengesellschaft
Josef-Huterstrasse 35
Bregenz, Austria

Gentlemen:

I wish to acknowledge receipt of your letter of November 28, 1957


(Reference Pri/Hz) enclosing copies of:

1. Decision of the Ministry for Transportation and Electricity
Industry of October 3, 1957;
2. Consent of the Austrian Nationalbank of November 9, 1957; and
3. Decision of the Ministry of Finance of November 12, 1957.

Very truly yours,



S.R. Cope
Director of Operations
Europe, Africa and Australasia

DJFontein:ea 

Austria - Ln 179

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: November 26, 1957

TO: VIW, Bregenz, Austria.

FROM: S. R. Cope

FILED UNDER: Austria - Loan 118

SUMMARY: Acknowledging October 30, 1957 letter confirming agreement to amendment of the amortization schedules for Loans 118 and 179 AUA also letter of November 21, 1957 enclosing copy of your letter dated November 19th. to RWE and EVS and of draft acknowledgement by these companies of the assignment.

November 12, 1957

Dear Dr. Ammann:

I am returning herewith copies of your letter of October 29, 1957 concerning the disbursement of the supplementary loan for the Lünensee project and of the "Abtretungserklärung" dated October 30, 1957 duly confirmed as you requested.

Yours sincerely,



S. R. Cope
Director of Operations
Europe, Africa and Australasia

Enclosure

Dr. A. Ammann
Vorarlberger Illwerke A.G.
Bregenz, Austria

JHCollier:fgs

Abtretungserklärung

- (1) Die Vorarlberger Illwerke Aktiengesellschaft, eine nach österreichischem Recht errichtete Aktiengesellschaft, mit dem Sitz in Bregenz, im folgenden kurz "Illwerke" genannt, vertreten durch die öffentlichen Verwalter Dipl.Ing.Dr.techn.h.c. Anton Ammann und Dipl.Ing. Otto Wirnschimmel, gibt hiermit gegenüber der International Bank for Reconstruction and Development, mit dem Sitz in Washington, im folgenden kurz "die Bank" genannt, folgende Erklärung ab:
- (2) Laut einer von den Illwerken und der Bank in Washington am 10. Oktober 1957 errichteten Urkunde - Anleihe-Abkommen - nehmen die Illwerke bei der Bank eine Anleihe in verschiedenen Währungen im Gegenwert von 15 Millionen DMark auf, für die im Sinne der Anleihebedingungen Schuldverschreibungen in verschiedenen Währungen ausgegeben werden können.
- (3) Die Anleihe ist gemäß dem in der Anlage zum Anleihe-Abkommen beigefügten Zinsen- und Tilgungsplan zu verzinsen und zurückzuzahlen. Die Verzinsung und Rückzahlung erfolgt in halbjährlichen Zinsen- und Tilgungsraten.
- (4) Auf Grund des Illwerke-Vertrages 1952, Punkt VI, haben die Illwerke gegenüber den deutschen Stromabnehmern Energie-Versorgung Schwaben Aktiengesellschaft in Stuttgart, im folgenden kurz "EVS" genannt, und Rheinisch-Westfälisches Elektrizitätswerk Aktiengesellschaft in Essen, im folgenden kurz "RWE"

genannt, Anspruch auf Erstattung der Jahreskosten, wie sie in Beilage I zum Illwerke-Vertrag 1952 umschrieben sind.

(5) Die Illwerke treten hiermit gemäß Punkt 5.03 (b) des Anleihe-Abkommens an die Bank einen solchen Anteil der aus dem Illwerke-Vertrag 1952, Art. VI, den Illwerken gegenüber EVS und RWE zustehenden Forderungen auf Bezahlung der Jahreskosten ab, als der Bank auf Grund des Anleihe-Abkommens für den jeweils fälligen halbjährlichen Zinsen- und Tilgungsdienst der Anleihe und der Schuldverschreibungen und zugehöriger Unkosten zustehen, oder zustehen werden. Die Illwerke haften für die Richtigkeit und Einbringlichkeit dieser hiermit abgetretenen Forderungen.

(6) Die Abtretung ist eine Abtretung zahlungshalber und seitens der Illwerke unwiderruflich. Sie wird gegenüber EVS und RWE mit der unmittelbar nach erfolgter Abtretung durchzuführenden Verständigung der EVS und RWE auch diesen gegenüber rechtswirksam. EVS und RWE haben jedoch erst dann aus der erfolgten Abtretung Zahlung zur unmittelbaren Verfügung der Bank in der Deutschen Bundesrepublik zu leisten, wenn die Bank eine solche unmittelbare Zahlung verlangt. Bis dahin erfolgt die Erfüllung seitens EVS und RWE im Wege der Zahlung an die Illwerke.

(7) EVS und RWE werden von der Abtretung in Kenntnis gesetzt und gebeten werden, die Kenntnisnahme der Bank zu bestätigen.

(8) Für den Fall des Zahlungsverzuges der Illwerke ist die Bank wohl berechtigt, aber nicht verpflichtet, die ihr seitens den Illwerken abgetretenen Forderungen bei EVS und RWE unmittelbar einzuziehen. Die Bank ist und bleibt berechtigt, weiterhin unmittelbar Zahlung von den Illwerken zu begehren. Eine Aufhebung, Einschränkung oder Verminderung der Zahlungsverpflichtungen der Illwerke gegenüber der Bank wegen unterlassener, nicht rechtzeitiger, nicht gehöriger oder sonst irgendwie zu kritisierender Schritte der Bank gegenüber EVS und RWE zur

Einziehung der Forderung wird ausgeschlossen. Für den Fall des Zahlungsverzuges von EVS und RWE ist die Bank nicht zu Beitreibungsmaßnahmen gegen diese verpflichtet. Die Bank nimmt, falls sie nicht selbst beabsichtigt, unmittelbar gegen EVS und RWE vorzugehen, in Aussicht, die entsprechenden überfälligen Forderungen und nur diese an die Illwerke treuhändig zum Inkasso und nur zum Inkasso rückzuzedieren.

(9) Ausdrücklich wird festgestellt, daß durch diese Abtretungserklärung keinerlei Zahlungsverpflichtungen der Illwerke gegenüber der Bank auf Grund des Anleihe-Abkommens vom 10. Oktober 1957 eingeschränkt werden. Die Illwerke werden von diesen Verpflichtungen nur in dem Ausmaß entlastet, als tatsächlich Zahlungen zur Verzinsung und Rückzahlung der Anleihe gemäß des Anleihe-Abkommens bei der Bank einfließen.

(10) Sollten von der Abtretungserklärung, ihrer Annahme und aller sonstigen in diesem Zusammenhang gewechselten Korrespondenz und abgegebenen Erklärungen Gebühren zur Vorschreibung kommen, so haften für diese Gebühren ausschließlich und allein die Illwerke.

Bregenz, am 30. Oktober 1957.

Vorarlberger Illwerke
Aktiengesellschaft

Die öffentlichen Verwalter:

Annauer *Grimm*

Mit der Mitfertigung dieser Abtretungserklärung erklärt die International Bank for Reconstruction and Development die Vertragsannahme.

Washington, D.C., November 8 , 1957

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

by




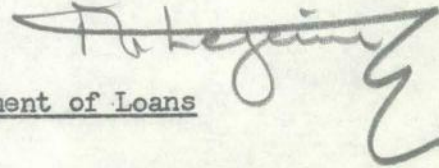
S.R. Cope
Director of Operations
Europe, Africa and Australasia

OFFICE MEMORANDUM

TO: Mr. S.R. Cope

DATE: November 4, 1957.

FROM: Peter G. Ramm 



SUBJECT: Description of Loans 178 SA and 179 AUA in Statement of Loans

We propose describing the programs on projects of subject loans as follows:

178 SA "Railway Improvements"

179 AUA "Electric Power Development"

If you do not approve please advise us regarding the preferred descriptions.

Mr. S.R. Cope

November 4, 1957

Peter G. Ramm

Description of Loans 178 SA and 179 AUA in Statement of Loans

We propose describing the programs on projects of subject loans as follows:

178 SA "Railway Improvement"

179 AUA "Electric Power Development"

If you do not approve please advise us regarding the preferred descriptions.

cc: Mr. Cavanaugh
Mr. Rutland
Mr. Perram

APerram/er

copy in S A ln 178

November 1, 1957

Dear Mr. Minister:

I am returning herewith your letter of October 21, 1957 referring to Section 3.01 of the Guarantee Agreement dated October 10, 1957 between your Government and this Bank, duly confirmed as you requested.

Yours sincerely,



S. R. Cope
Director of Operations
Europe, Africa and Australasia

Enclosure

Dr. R. Kamitz
Minister of Finance
Himmelfortgasse
Vienna, Austria

JHCo~~l~~ier:fgs

ROUTING SLIP		Date
NAME		ROOM NO.
Mr. J. Collier		425
FILES		208
Action		Note and File
Approval		Note and Return
Comment		Prepare Reply
Full Report		Previous Papers
Information		Recommendation
Initial		Signature
Remarks		
From		

Vorarlberger Illwerke Aktiengesellschaft

International Bank for
Reconstruction and Development
1818 H Street N.W.

Washington 25, D.C.
USA

Drahtanschrift: Illwerke Bregenz Fernsprech-Sammel-Nr. 3891
Fernschreibanschluß: VIW Bregenz 723
VIW Schruns 728

Postsparkassa-Konto Nr. 63.047
Bankkonto: Oester. Länderbank AG., Filiale Bregenz

Bregenz, am 30. Oktober 1957

Unser Zeichen: Thu/Fä Ihr Schreiben vom

Betrifft:

Wir beziehen uns auf Ihren Brief vom 14. ds. Mts. und geben Ihnen
beiliegend die von uns unterfertigte Bestätigung zu den geänderten
Tilgungsplänen für unsere Anleihen 179 AUA und 118 AUA zurück.

1 Beilage

Hochachtungsvoll
Vorarlberger Illwerke
Aktiengesellschaft

TRANSLATED

NOV 13 1957

I.B.R.D.

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

NOV 11 1 46 PM 1957

Vorarlberger Illwerke Aktiengesellschaft

International Bank for
Reconstruction and Development
1818 H Street N. W.

Washington 25, D.C.
U. S. A.

Drahtanschrift: Illwerke Bregenz Fernsprech/Sammel-Nr. 3891
Fernschreibanschluß: VIW Bregenz 723
VIW Ödgers 728

Postsparkassen-Konto Nr. 63.047
Bankkonto: Österr. Länderbank AG., Filiale Bregenz

Bregenz, am 30. Oktober 1957

Unser Zeichen: Pri/Hz Ihr Schreiben vom

Betrifft:

Lünerseewerk,
Loan No. IB 179 AUA
Abtretungserklärung

Unter Bezugnahme auf Section 5.03 (b) des Loan Agreement (Supplementary Loan - Lünersee Project) vom 10. Oktober 1957 erlauben wir uns, Ihnen zwei von uns unterschriebene Originalausfertigungen der Abtretungserklärung vom 30. Oktober 1957 mit der Bitte um Kenntnisnahme zu übermitteln.

Wir bitten Sie diese Abtretungserklärung ebenfalls mitzufertigen und ein mit Ihrer Unterschrift versehenes Original uns zur weiteren Veranlassung zurückzusenden.

Durchschlag dieses Schreibens mit Anlage erhält Herr Rechtsanwalt Dr. Ernst Wagner, Wien.

Wir verbleiben

mit vorzüglicher Hochachtung

Vorarlberger Illwerke
Aktiengesellschaft

Die öffentlichen Verwalter:

Anlagen

Luftpost!

Einschreiben!

annemann *Girard*

MSH

Vorarlberger Illwerke
Aktiengesellschaft

20179
COPY

29. Oktober 1957

Bregenz, den

Pri/SB

FERNSPRECHNUMMER 3891

Drahtanschrift: Illwerke Bregenz

International Bank for
Reconstruction and Development
1818 H Street N.W.

Washington 25, D.C.

Gentlemen,

We refer to Section 3.01 of the Loan Agreement (Supplementary Loan - Lünensee Project) dated October 10, 1957 between us. Pursuant to Section 4.01 of Loan Regulations No. 4, we request your agreement that, subject to the provisions of said Loan Agreement, withdrawals may be made from the Loan Account provided for in said Loan Agreement on account of expenditures made by us before the Effective Date but subsequent to January 1, 1957. Such expenditures will cover construction contracts and purchase of high pressure pipe, mechanical equipment, electrical equipment including generators, transformers, circuit breakers, disconnecting switches and accessories, transmission line equipment and auxiliary pumps with accessories.

We also request your agreement that an amount up to the equivalent of DM 10 million may be withdrawn in the last calendar quarter of 1957 and the balance of the loan in the first calendar quarter of 1958. Please confirm your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very sincerely yours,

Vorarlberger Illwerke
Aktiengesellschaft
Die öffentlichen Verwalter:

Confirmed:

International Bank for Reconstruction
and Development

[Signature]
[Signature]
Director of Operations
Europe, Africa and Australasia

Date: November 6, 1957

MSK
ack. Nov. 12/57

Vorarlberger Illwerke Aktiengesellschaft

Mr. Peter G. RAMM
Assistant Treasurer
c/o International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington 25, D.C.

Drahtanschrift: Illwerke Bregenz / Fernsprech-Sammel-Nr. 3891
Fernschreibanschluß: VIW Bregenz 723
VIW Schrems 728
Postsparkassa-Konto Nr. 63.047
Bankkonto: Österr. Länderbank AG, Filiale Bregenz

Bregenz, am 28. Oktober 1957

Unser Zeichen: Pri/Bm Ihr Schreiben vom 22.10.1957

Betrifft: Lünnerseewerk.
Loan No. I B 179 AUA.

Sehr geehrter Mr Ramm,

Unter Bezugnahme auf Ihr Schreiben vom 22. Oktober 1957, dessen Empfang wir hiermit bestens dankend bestätigen, teilen wir Ihnen hinsichtlich der Bevollmächtigung mit, daß gemäß Section 8.02 der Anleiherichtlinien No. 4 vom 15. Juni 1956 die Unterzeichneten gemeinsam oder unsere Herren Direktor Pius Fink, Generalsekretär Karl Pridun und Albert Nagel jeweils zwei dieser Herren gemeinsam ermächtigt sind, die Abhebungsanträge zu unterschreiben oder die für unsere Gesellschaft als Anleihenehmerin auf Grund des Anleiheabkommens notwendigen Veranlassungen zu treffen.

Die Handzeichnungsproben der Bevollmächtigten übermitteln wir Ihnen gleichzeitig mit der Bitte um Kenntnisnahme.

Wir werden uns erlauben, Ihnen den Entwurf einer Application demnächst gesondert vorzulegen.

Mit vorzüglicher Hochachtung

Vorarlberger Illwerke
Aktiengesellschaft
Die öffentlichen Verwalter:


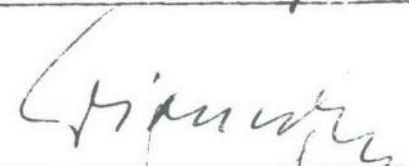
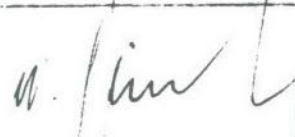


Anlage
Einschreiben

M. Fink *K. Pridun*

AT

Handzeichnungsproben

der Bevollmächtigten gemäß Section 8.02
der Anleiherichtlinien No. 4 vom 15. Juni 1956
für das Anleiheabkommen Loan No. I B 179 AUA
vom 10. Oktober 1957

N e m e n	Zeich- nungs- Befug- nis	Handzeichnungen
Direktor Dipl.Ing.Dr.h.c. Anton AMMANN	gemein- sam	
Direktor Dipl.Ing. Otto WILNSCHIL EL		
Direktor Pius FINK	je zwei ge- mein- sam	
Generalsekretär Karl PRIDUN		
Albert Nagel		

10.10.57

85

Austria 7179

October 23, 1957

Dr. Karl Pridun
Generalsekretär der Vorarlberger
Illwerke Aktiengesellschaft
Josef-Huterstrasse 35
Bregenz, Austria

Dear Secretary Pridun:

Thank you very much for your kind letter of October 16. We were very pleased to hear about the successful operation of Dr. Ammann and we trust that he will be back at work before too long. Please convey our best wishes to him for a speedy recovery.

Mr. Gordon Street of our Treasurer's Department told me he sent out the letter on procedures for withdrawals from the Loan Account yesterday. You should receive it in the next few days.

As to the letter on the utilization of the proceeds of the Loan and the amounts to be withdrawn during 1957 and 1958 which is to be signed on behalf of the Illwerke, I see no reason why you and Dr. Fink should not sign the letter if, as I assume, he and you together have the necessary authority to sign documents on behalf of the Illwerke. In this connection, I may refer you to Section 8.02 of Loan Regulations No. 4 which provides in part that the Borrower shall furnish to the Bank sufficient evidence of the authority of the person or persons who will sign the applications provided for in Article IV (Withdrawal Applications) and the Bonds or who will on behalf of the Borrower take any other action or execute any other documents required or permitted to be taken or executed by the Borrower under the Loan Agreement and the authenticated specimen signature of each such person. Accordingly, I request that in order to complete our files you furnish us with the evidence of the authority for you, Dr. Fink and the other gentlemen to sign documents or take action under the Loan Agreement on behalf of the Illwerke, together with specimen signatures. This could be done in the form of the letter dated September 12, 1955, addressed to Mr. Riley in which you set forth the persons who are authorized to sign withdrawal applications under Loan No. 118, together with their specimen signatures. A photostat copy of this letter is enclosed. The new letter could be drafted so as to cover not only the authority to sign withdrawal applications but also the authority to take any action or execute any other

Legal

✓ X Ln 179 disbursement

documents required or permitted to be taken or executed under the new Loan Agreement. The authority to sign the Bonds is already covered in Section 4.03 of the Loan Agreement and need, therefore, not be covered in this letter.

I also wish to acknowledge receipt of your cable of October 22 advising us of the receipt of the Loan and Guarantee Agreements and the side letters, and requesting one hundred copies of the Loan and Guarantee Agreements and the Loan Regulations. These will be sent to you as soon as the conformed copies of the Loan and Guarantee Agreements have been printed.

With kindest regards to you and your colleagues, I remain

Very truly yours,

Douglas J. Fontein

Enclosure

DJFontein:ea

A handwritten signature in dark ink, appearing to be 'DJF', is written over a horizontal line. The signature is stylized and cursive.

AIR MAIL

October 22, 1957

Mr. Karl Fridun
General Secretary
Vorarlberger Illwerke Aktiengesellschaft
Bregenz, Austria

Re: Loan No. IB 179 AUA

Dear Mr. Fridun:

Now that the Loan Agreement has been signed, I am writing to confirm the arrangements made with Mr. Street for disbursements under the above loan, and to enclose a memorandum describing the disbursement procedure, together with a sample Application for Reimbursement form, prepared specifically for this loan. As I understand that all disbursements will be made as reimbursement for payments to Austrian suppliers, only one form of application is enclosed herewith.

It is my further understanding that you will submit immediately one or more applications in draft form covering the full amount of the loan, with full documentation attached. This will enable us to study the applications and to raise our questions, if any, before the loan becomes effective. When the loan does become effective, you should submit signed and dated applications to which we will attach the documentation previously received. Having completed our processing of your draft applications, we should be in a position to effect disbursements immediately after receipt of the signed applications. In accordance with the arrangements made during negotiations, we will disburse the equivalent of D.M. 10,000,000 immediately after the effective date and disburse the balance of the applications after the first of the new year.

Before disbursements commence, we must, of course, receive evidence of the authority of the person or persons who will sign withdrawal applications, together with an authenticated specimen of his or their signature or signatures.

We believe the material enclosed to be self-explanatory, but if you have any questions, please do not hesitate to call upon us. We look forward to a continuation of our pleasant association with your company.

Very truly yours,


Peter G. Rasm
Assistant Treasurer

GMStreet:jg
Cleared with and copies to:
Mr. Fontein
Mr. Collier

Enclosures

✓ x Ln 179.D

NOTES ON THE PREPARATION OF AN APPLICATION FOR REIMBURSEMENT

A Borrower wishing to withdraw funds from the Loan Account as reimbursement for a payment or payments already made should submit to the I.B.R.D. an application for reimbursement using Case I.

1. The application for reimbursement under Case I consists of:-
 - (a) The formal application on Form AI (a sample form of application is attached hereto). This application should be submitted in the English language.
 - (b) One or more summary sheets on which individual items are to be listed.
 - (c) Documentation.
2. The formal application and summary sheets should be submitted in duplicate; and both copies of the application and of each summary sheet should be signed by the authorized representative (or representatives) of the Borrower. One copy only of each supporting document is required.
3. Preparation of Grouping of Summary Sheets.
 - (a) Not more than ten items should be listed on one summary sheet.
 - (b) The total of all the items listed on each summary sheet should be shown.
 - (c) Where there is more than one item from the same supplier to be listed, all such items should be grouped and listed consecutively.
4. The documentation required for reimbursement under Case I would consist of:-
 - (a) Supplier's Invoice (the original or legible copy). If reimbursement is being requested for a down or progress payment on a contract or purchase order, a copy of the contract or purchase order should be furnished to the Bank. If the payment represents a progress payment on a contract on the basis of work performed, in addition to a copy of the contract, the Borrower should furnish the Bank with the contractor's statement of work performed for a specified period and amount due. A single cumulative statement may be submitted for each contract.
 - (b) Evidence of Payment -- this should be in the form of:
 - (1) Receipted invoice or formal receipt of the supplier, or
 - (2) Cancelled bank check or draft or photostat copy thereof, or
 - (3) Other evidence satisfactory to the Bank.

5. Numbering System.

- (a) Each application for the withdrawal of funds from the Loan Account should be numbered consecutively, commencing with the number one.
- (b) Each summary sheet in an application should be numbered consecutively; the first sheet in each application should be number one.
- (c) The items listed on each summary sheet should be numbered consecutively; the first item on each summary sheet should be number one.
- (d) The voucher numbering system in use in the Bank is based on these three factors. Each voucher number has three components:

<u>Application</u>	<u>Summary Sheet</u>	<u>Item Number</u>
1	1	1
3	10	5

These are written 1-1-1; 3-10-5 etc.

- 6. After approval of the application the I.B.R.D. makes disbursement to the Borrower or to the Borrower's order and notifies the Borrower of each disbursement made, giving details of the amount, currency and value date. If for any reason an application is not approved by the I.B.R.D., the Borrower is notified by letter of the disapproval and the reasons for such disapproval.

APPLICATION FOR REIMBURSEMENT OF EXPENDITURES IN AUSTRIAN SCHILLINGS

Pursuant to the Loan Agreement dated _____ between the International Bank for Reconstruction and Development and the undersigned Vorarlberger Illwerke Aktiengesellschaft, the undersigned hereby certifies and agrees as follows:

1. The undersigned has made expenditures in Austrian schillings as set forth in the attached summary sheet(s) and desires to withdraw from the Loan Account opened under said Loan Agreement the equivalent, as determined by the International Bank for Reconstruction and Development, in U.S. dollars, Canadian dollars, Netherlands guilders, Swiss francs, Deutsche marks, Belgian francs, or any combinations thereof, of said amount of Austrian schillings.
2. The undersigned has not heretofore withdrawn from said Loan Account or applied for the withdrawal from said Loan Account of any amounts for the purpose of reimbursing the undersigned for or meeting such expenditures.
3. Such expenditures in Austrian schillings were made for the purposes specified in Section 3.01 of said Loan Agreement; the goods and services purchased by means of such expenditures are appropriate for such purposes; and the cost and terms of purchase thereof are reasonable.
4. At the date of this application there is no existing default in the performance of any of the obligations of the undersigned under said Loan Agreement; and, to the best of the undersigned's knowledge and belief, of the Guarantor under the Guarantee Agreement referred to therein.

Please make payment to the order of the undersigned by deposit for the account of the Oesterreichische Laenderbank of U.S. dollars with the First National City Bank of New York, of Canadian dollars with the Bank of Montreal, of Netherlands guilders with the Nederlandsche Handel-Maatschappij, N.V., of Swiss francs with the Schweizerischer Bankverein, of Deutsche marks with the Dresdner Bank (Frankfurt a/Main), and of Belgian francs with the Banque de Bruxelles, S.A., Bruxelles.

This applications consists of this page and _____ signed and numbered summary sheet(s).

VORARLBERGER ILLWERKE AKTIENGESELLSCHAFT

By: _____
(Authorized Representative)

FORM A1a
(Case 1)

Date _____

Loan No. IB AUA

Application Serial No. _____

Summary Sheet No. _____

1.	2	3	4	5		6	7	8	9	10	11
	Date or Estimated Date of Delivery	Sub-Project Identification	Goods or Service Description	Contract or Purchase Order Date	Contract or Purchase Order Number	Name and Address of Supplier	Date of Payment	Payment Made by*	Amount Re-quested	REMARKS	

* If payment made by commercial bank under letter of credit, state its letter of credit number. If other credits availed of, indicate in this column.

VORANBERGER ILLWERKE AKTIENGESELLSCHAFT

By: _____
(Authorized Representative)

Austria bn 179

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **OCTOBER 22, 1957 1940**

TO: **FONTEIN INTERNATIONAL BANK FOR
RECONSTRUCTION & DEVELOPMENT**
FROM: **VIENNA**

ROUTING	
ACTION COPY TO	MR FONTEIN
INFORMATION COPY TO	
Decoded By	

TEXT:

RE INVESTMENT CREDIT AIRMAILED SAMPLES OF CONTRACTS WITH CONCRETE
RECOMMENDATION. RE ILLWERKE APPROBATION BY AUSTRIAN EMBASSY OF
BANK SIGNATURE ON SECOND POWER OF ATTORNEY SUFFICIENT. APPROBATION
BY STATE DEPARTMENT NOT NECESSARY

WAGNER

10 22 57

DUPLICATE

Copy in Austria - Industry

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

OCT 23 10 39 AM 1957

TO: DIRECTOR GENERAL
FROM: DIRECTOR GENERAL
SUBJECT: [Illegible]

RECEIVED BY
DATE
INITIALS

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

October 22, 1957

Dr. Edgar Plan
Financial Counselor
Austrian Embassy
2343 Massachusetts Avenue, N.W.
Washington, D.C.

Dear Dr. Plan:

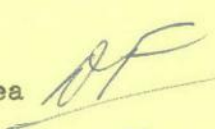
Thank you for your letter of October 15 (Ref. No. 6561-A/57) enclosing the authorization for Dr. Zedtwitz to sign the Guarantee Agreement for the Supplementary Loan for the Lünensee Project. I am returning herewith for your files a photostat copy of this authorization. We have not yet received the letter to be signed by Minister Kamitz on the application of the negative pledge clause (Section 3.01 of the Guarantee Agreement) to nationalized industries. I wonder if you could perhaps be good enough to remind the Ministry of Finance.

With kindest regards.

Sincerely yours,

Douglas J. Fontein

Enclosure

DJFontein:ea 

Austria - fm 179

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **OCTOBER 22, 1957** 1449

TO: **FONTEIN INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

FROM: **BREGENZ**

ROUTING	
ACTION COPY TO	MR FONTEIN
INFORMATION COPY TO	
Decoded By	

TEXT:

HABEN JE 2 EXEMPLARE LOAN AGREEMENT, GUARANTEE AGREEMENT, LOAN REGULATIONS
 NO. 4 UND DIE BEIDEN BRIEFE DER BANK BETREFFEND GLEICHFRANG UND BETREFFEND
 SECTION 3.01 DER LOAN REGULATIONS NO. 4 ERHALTEN.

BITTEN WENN MOEGLICH UM UEBERSENDUNG VON JE 100 EXEMPLAREN DER
 VORERWAEHNTEN ANLEIHE-DOKUMENTE PAREN OHNE BRIEFE PAREN, BESTEN DANK

ILLWERKE

10 OCT 23 1957

DUPLICATE

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

OCT 22 1 02 PM 1957

MEMORANDUM

ADMINISTRATIVE MATTERS - PERSONNEL
RECOMMENDATION FOR THE REVISION OF THE
SCHEDULE OF THE BOARD OF DIRECTORS
AND THE BOARD OF EXECUTIVE DIRECTORS
AND THE BOARD OF ADVISORS

1957

MEMORANDUM

FOR THE BOARD OF DIRECTORS
RECOMMENDATION FOR THE REVISION OF THE
SCHEDULE OF THE BOARD OF DIRECTORS
AND THE BOARD OF EXECUTIVE DIRECTORS
AND THE BOARD OF ADVISORS

INCOMING MAIL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Z1.132.802-15B/57

Wien, am 21. Oktober 1957

International Bank for
Reconstruction and Development

1818 H Street, N.W.
Washington 25, D.C.

Gentlemen:

I refer to Section 3.01 of Article III of the Guarantee Agreement dated October 10, 1957 between the Republic of Austria and International Bank for Reconstruction and Development.

In view of the broad scope of the term "agency" as used in this Section, I fear that the Section may interfere with the business of nationalized enterprises in Austria. These enterprises are organized as commercial corporations under the Austrian Corporation Law, are not included in the government budget, and conduct their business along the lines of private companies.

My government therefore requests your agreement under said Section 3.01 that said Section shall not apply to such enterprises which have been nationalized pursuant to the Nationalization Law No. 168 of July 26, 1946 (published in the Bundesgesetzblatt of September 16, 1946) and pursuant to the Second Nationalization Law No. 81 of March 26, 1947 (published in the Bundesgesetzblatt of May 10, 1947). It would be understood that in the unlikely contingency that the central gold and foreign exchange reserves of Austria were held by any such nationalized enterprise then the said Section would apply to that enterprise notwithstanding the foregoing agreement.

If you can give your agreement pursuant to this request, please do so by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Sincerely yours,

REPUBLIC OF AUSTRIA

by 

Confirmed:

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

by 

Dated October 29, 1957

Dr. Max A. Thurn

October 15, 1957

J. H. Collier *JH*

Loan 179 AUA - Supplementary Loan for L unersee Project

Oct. 14/57

The attached letter has been sent to the Vorarlberger Illwerke A.G. in order to adjust the amortization schedules of the two loans for the L unersee project to facilitate the participation by the Dresdner Bank in the new loan. The Dresdner Bank has arranged to purchase the first three maturities which will amount to DM 1,900,200.

I am enclosing two copies of the letter in case you wish to forward one to Vienna.

Enclosures

JHCollier:fgs

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: 15 OCTOBER 1957 1415

TO: COPE INTERNATIONAL BANK FOR RECONSTRUCTION
& DEVELOPMENT

FROM: BREGENZ

TEXT:

ROUTING	
ACTION COPY TO	MR COPE
INFORMATION COPY TO	<i>[Signature]</i>
Decoded By	

[Handwritten signature]

HABEN MIT FREUDE KENNTNIS VON DER UNTERZEICHNUNG DER ANLEITHE-
DOKUMENTE AM 10. OKTOBER 1957 GENOMMEN, DANKEN BESTENS FUER DIE
GROSSE UNTERSTUETZUNG UND HOFFEN AUF WEITERE GEDEIHLICHE ZUSAM-
MENARBEIT.

IILWERKE

OCT 12 10 33 AM 1957

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ORIGINAL

ORIGINAL

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

OCT 15 10 59 AM 1957

ATTENTION

MEMORANDUM

GRASSE ANLEHNSANLEHENSUNG UND HOFFEN VON WEITERE OBERSTÄNDLICHE ZUSAMMEN-
KOMMENDE AM 10. OKTOBER 1957 GENOMMEN. DWARIN BEZUGS RAUF DIE
HUBEN MIT BREITE KENNARTIS AOM DEN ANLEHNSANLEHENSUNG DER VEREINIGTE-

Handwritten signature

TEXT:

FROM: DIRECTOR

& DEPARTMENT

TO: COPY INTERNATIONAL BANK FOR RECONSTRUCTION

DATE OF ISSUE: 10 OKTOBER 1957

Decoded by	
INFORMATION COPY TO	<i>Handwritten initials</i>
ACTION COPY TO	MR. COBE
HOLLING	

INCOMING MAIL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Handwritten notes at bottom right

Dok. no. 817	
Datum: 18. OKT. 1957	
Erledigt durch: _____ am _____	

October 14, 1957

Gentlemen:

We refer to Sections 2.07 and 3.01 (a) of the Loan Agreement (Lunerssee Project - Supplementary Loan) dated October 10, 1957 (Loan 179 AUA) between us, which permit us, by mutual agreement, to vary the amortization schedule of this loan and that of Loan 118 AUA.

In accordance with our telegram of October 1, 1957, we propose that upon the Effective Date of the new loan the amortization schedules of the two loans be revised in respect of the first nine maturities as follows:

<u>Date</u>	<u>Loan 179 AUA</u>	
	<u>Original Schedule</u>	<u>Revised Schedule</u>
May 1, 1960	Df 205,000	Df 205,000
Nov. 1, 1960	211,000	860,200
May 1, 1961	217,000	889,000
Nov. 1, 1961	223,000	811
May 1, 1962	229,000	811
Nov. 1, 1962	236,000	811
May 1, 1963	243,000	811
Nov. 1, 1963	250,000	811
May 1, 1964	256,000	109,800

Vorsilberger Hiltwerke
Aktiengesellschaft
Bregenz
Austria

Handwritten notes: 10/15/57 (1957)


Loan 118 AIA

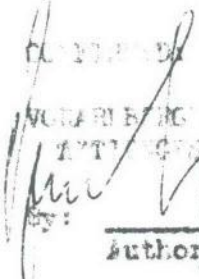
<u>Date</u>	<u>Original Schedule</u>	<u>Revised Schedule</u>
May 1, 1960	\$ 153,000	\$ 153,000
ov. 1, 1960	156,000	151
May 1, 1961	160,000	151
ov. 1, 1961	164,000	217,000
May 1, 1962	167,000	222,000
ov. 1, 1962	172,000	228,000
May 1, 1963	176,000	234,000
ov. 1, 1963	180,000	239,000
May 1, 1964	184,000	219,000

Please confirm your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

By: 
S.H. Cope
Authorized Representative


 VERBODEN TOEGANG TOT DE
 ARCHIEF
 By: _____
 Authorized Representative
 Date: 30. Oktober 1957

October 14, 1957

Gentlemen:

We refer to Sections 2.07 and 8.01 (a) of the Loan Agreement (Lünersee Project - Supplementary Loan) dated October 10, 1957 (Loan 179 AUA) between us, which permit us, by mutual agreement, to vary the amortization schedule of this loan and that of Loan 118 AUA.

In accordance with our telegram of October 1, 1957, we propose that upon the Effective Date of the new loan the amortization schedules of the two loans be revised in respect of the first nine maturities as follows:

<u>Loan 179 AUA</u>		
<u>Date</u>	<u>Original Schedule</u>	<u>Revised Schedule</u>
May 1, 1960	DM 205,000	DM 205,000
Nov.1, 1960	211,000	866,200
May 1, 1961	217,000	889,000
Nov.1, 1961	223,000	Nil
May 1, 1962	229,000	Nil
Nov.1, 1962	236,000	Nil
May 1, 1963	243,000	Nil
Nov.1, 1963	250,000	Nil
May 1, 1964	256,000	109,800

Vorarlberger Illwerke
Aktiengesellschaft
Bregenz
Austria

Loan 118 AUA

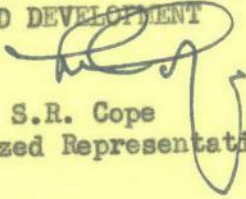
<u>Date</u>	<u>Original Schedule</u>	<u>Revised Schedule</u>
May 1, 1960	\$ 153,000	\$ 153,000
Nov. 1, 1960	156,000	Nil
May 1, 1961	160,000	Nil
Nov. 1, 1961	164,000	217,000
May 1, 1962	167,000	222,000
Nov. 1, 1962	172,000	228,000
May 1, 1963	176,000	234,000
Nov. 1, 1963	180,000	239,000
May 1, 1964	184,000	219,000

Please confirm your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

By:


S.R. Cope
Authorized Representative

CONFIRMED:

VORARLBERGER ILLWERKE
AKTIENGESELLSCHAFT

By: _____
Authorized Representative

Date: _____

October 11, 1957

Dr. Ernst Wagner
Kärntnerring 10
Vienna I, Austria

Dear Ernst:

Thank you very much indeed for your letter of October 2, 1957. I imagine that you will by now have received my letter of September 30 enclosing the new draft of the Loan Agreement. I hope that the changes made therein meet with your approval. *Legal*

The Loan and Guarantee Agreements were signed on October 10, upon receipt of a cable from the Ministry of Finance advising us that the Full Power authorizing the Ambassador or the Chargé d'Affaires to sign the Guarantee Agreement had been signed by the President. I enclose a copy of the Loan and Guarantee Agreements as signed. The letters from the Austrian Government concerning the nationalized industries and the agreement in principle by the Austrian Government concerning the settlement of the Illwerke's RM. issues will be signed by Dr. Kamitz himself. I will send you a copy of these as soon as we receive them. At that time I shall also send you a copy of our letters to the Illwerke and of the Illwerke's letter to us.

I am also most grateful for your redraft of the Power of Attorney. I return it herewith duly signed and certified and trust it meets your requirements. While the various steps necessary to make the Loan effective seem to be fairly well in hand, there are one or two points on which I would like to consult you but I believe this can wait until my arrival in Vienna.

We are now busy on the proposed loan to the Investitionskreditgesellschaft. I am engaged in drafting a set of standard regulations which the Kreditgesellschaft could use in its loans to its borrowers. This draft would, of course, have to be reviewed in the light of Austrian conditions and requirements of Austrian law. The schedule is that we shall discuss this draft internally in the Bank and obtain approval from our management on a number of questions of principle raised in our discussions at the working level. Thereafter, Mr. Hugh Collier of the European Area Department and myself would come to Vienna to discuss the

✓ Austria - Industry project

draft regulations and other problems with the Kreditgesellschaft and others, and I trust that we may rely on you for your help. I expect that we shall arrive in Vienna towards the end of October but I shall let you know definitely as soon as our schedule becomes more clear.

I also want to acknowledge receipt of the various books which I had asked you to send to me at the Bank. They arrived in good condition. You will be pleased to know that the pictures which I took at Rauris have come out very well indeed and I shall take them with me when I come to Vienna.

I look forward to seeing you and your family in the near future. In the meantime, I remain

Yours sincerely,

Douglas J. Fontein

October 11, 1957

Dr. Pius Fink
Vorarlberger Illwerke
Aktiengesellschaft
Bregenz, Austria

Dear Dr. Fink:

Thank you very much for your letter of October 3. I was not aware that a copy of the annual reports of RWE and EVS had been made available to Mr. Kanters. In view of the fact that Mr. Kanters has a copy it will not be necessary for you to send me an additional one. Thank you very much for your trouble.

With kindest regards,

Yours sincerely,

Douglas J. Fontein

DJFontein:ea

DF

October 10, 1957

Dr. A. Ammann
Vorarlberger Illwerke
Aktiengesellschaft
Bregenz, Austria

Dear Dr. Ammann:

I am pleased to confirm my cable of today reading as follows:

"Pleased inform you Loan and Guarantee Agreements were signed today October ten stop since first sentence of your letter of October one concerning expenditures of proceeds of Loan refers to Loan Agreement quote of even date unquote request you send us new letter referring to such Loan Agreement as quote dated October ten nineteen hundred and fiftyseven unquote letter follows
Regards Fontein"

Signed copies of the loan documents were handed to Dr. Plan of the Austrian Embassy for transmission to you. Letters to be signed on behalf of the Austrian Government concerning the negative pledge clause and concerning the agreement in principle by the Government to your proposals for the settlement of the Reichsmark issues now held by the Austrian Government will be signed by Minister Kamitz and sent to us directly from Vienna. We will make a copy available to you as soon as we receive them.

I enclose your letter of October 1 relating to the expenditures of the proceeds of the Loan and the amounts to be withdrawn in 1957 and 1958. You will note that the first sentence of this letter refers to "the Loan Agreement (Supplementary Loan - Lünensee Project) of even date between us". Since the Loan Agreement was only signed today, October 10, I would be grateful if you would send us a new letter in which the above reference would be changed to read "the Loan Agreement (Supplementary Loan - Lünensee Project) dated October 10, 1957, between us".

Upon receipt of this new letter we would sign the form of confirmation on the copy thereof and return it to you.

I expect to be in Austria around the end of this month and look forward to getting in touch with you then.

Very truly yours,

Douglas J. Fontein

DJFontein:ea

A handwritten signature in dark ink, appearing to be 'DJF', written over a horizontal line.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

OFFICE OF THE PRESIDENT

October 10, 1957

Vorarlberger Illwerke
Aktiengesellschaft
Bregenz, Austria

Loan No. 179 AUA

Gentlemen:

I refer to the Loan Agreement (Supplementary Loan - Lünensee Project) of even date between us.

You have informed us that the Österreichische Länderbank has placed at your disposal a line of credit up to an amount of 200,000,000 Austrian schillings to cover the balance of financing required for the Lünensee project, which line of credit may, if circumstances should make it desirable, be converted into a publicly held loan; and that the Länderbank wishes such credits to be secured by a mortgage on the Lünensee properties ranking pari passu with both the mortgage securing the RM loan of 1944 and the mortgage provided for in Section 5.04 (a) of the said Loan Agreement. You have therefore requested us pursuant to Section 5.06 of said Loan Agreement to agree to the creation of such a mortgage for this purpose securing amounts up to a total of 200,000,000 schillings. We are glad to confirm our agreement to this request.

You have also informed us that you are contemplating a reorganization of your funded secured debts with a view to securing all such indebtedness equally and ratably by one open-end mortgage covering all suitable properties of your company. In principle, we favor such a reorganization which would greatly simplify the security arrangements for your outstanding debt and we therefore wish to confirm hereby that we will be glad to cooperate wholeheartedly with you in any negotiations to this end.

Sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

By: 

Vice President

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

OFFICE OF THE PRESIDENT

October 10, 1957

Vorarlberger Illwerke
Aktiengesellschaft
Bregenz, Austria

Loan No. 179 AUA

Gentlemen:

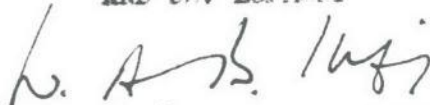
We refer to the Loan Agreement (Supplementary Loan - Lünensee Project) of even date between us and to Section 3.01 of Loan Regulations No. 4 as modified therein. This Section provides in part that withdrawals from the Loan Account with respect to goods paid for in the currency of the Guarantor or acquired from sources within the territories of the Guarantor, shall be made in any currency selected by the Bank.

The purpose of Section 3.01 of the Loan Regulations is to enable the Bank to utilize for loans the various currencies which are from time to time available to the Bank. In practice there are few cases in which it is possible for the Bank to determine in advance the currencies to be used for a particular loan and the Bank must therefore reserve the right to select these currencies at the time of disbursement and, at the same time, to limit its obligation in that respect to the currency in which the loan is denominated. The denomination of a loan in a particular currency does not, therefore, preclude the use of other currencies by the Bank. If the Bank expects to disburse dollars, or if a number of currencies are likely to be disbursed, it is usual to denominate the loan in dollars. If, however, the greater part of the loan is expected to be disbursed in a currency other than dollars and if the Bank has available for the purposes of the loan the full amount of the loan in that currency, the Bank may denominate the loan in that currency. Since both these conditions are fulfilled in the case of the present loan it has been denominated in German marks.

The modification of Section 3.01 of the Loan Regulations which is provided for in Schedule 2 of the Loan Agreement merely adapts the Bank's general practice to allow for purchases paid for in the currency of the Guarantor. However, while reserving its formal rights to disburse other currencies, the Bank intends that, for this loan, a preponderant part of the total amount shall be withdrawn from the Loan Account in German marks.

Sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT


By: _____
Vice President

DER BUNDESMINISTER FÜR FINANZEN

Vienna, October 10th, 1957

Zl. 130.375-15B/57

A. Collier
425

Sirs,

The Vorarlberger Illwerke A.G. have presented on July 5th, 1957, to the Federal Ministry of Finance a proposal for the settlement of certain bonded debt of the above company denominated in Reichsmark which is now held by the Austrian Government. The proposal has been studied by the appropriate offices of my Ministry and negotiated with the debtor in all details.

I have taken note of your desire in connection with the Supplementary Loan for the Lünensee Project of the Vorarlberger Illwerke for a clarification of the debt record of the Vorarlberger Illwerke.

With regard to this request I herewith state that the above proposal of the Vorarlberger Illwerke for a settlement of the aforementioned Reichsmark debt to the Austrian Government is agreeable to the Austrian Government.

Sincerely yours



To the
International Bank for Reconstruction
and Development
1818 ~~High~~ ¹⁹ ~~Street~~ St ~~N.W.~~ ¹⁹ ~~Washington~~ ¹⁹ ~~25~~, D.C.

RECEIVED
OCT 11 1957

V o l l m a c h t

Die Bundesregierung der Republik Österreich hat beschlossen, mit der Internationalen Bank für Wiederaufbau und Wirtschaftsförderung ein Garantieabkommen zum zweiten Anleiheabkommen dieser Bank mit der Vorarlberger Illwerke AG. abzuschliessen.

Zu diesem Zwecke hat der Bundespräsident

Herrn Legationsrat Dr. Paul ZEDTWITZ
Geschäftsträger ad interim,

zum Bevollmächtigten ernannt und ihn ermächtigt, namens der Republik Österreich das gegenständliche Abkommen unter Vorbehalt der Ratifikation zu unterzeichnen.

Zu Urkund dessen hat der Bundespräsident die vorliegende Vollmacht unterzeichnet und mit dem Staatsiegel der Republik Österreich versehen lassen.

Geschehen zu Wien, den 9. Oktober 1957

Der Bundespräsident:



Der Bundeskanzler:



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

MR

DATE: OCTOBER 10, 1957

TO: AMMANN
ILLWERKE
BREGENZ
AUSTRIA

CLASS OF SERVICE DESIRED			
NIGHT LETTER	<input checked="" type="checkbox"/>	CODE	<input type="checkbox"/>
FULL RATE	<input type="checkbox"/>	TELETYPE	<input type="checkbox"/>

TEXT:

LOAN SIGNED TODAY STOP WARMEST REGARDS AND BEST WISHES FOR FUTURE
OF LUNERSEE PROJECT.

COPE

AUTHORIZED BY:

[Handwritten Signature]

NAME S. R. Cope
Director of Operations
DEPT. Europe, Africa and Australasia

For Use by Archives Division
Checked for Dispatch

JHCollier:fgs

FILE COPY

Austria - dn 179

OUTGOING WIRE

CLASS OF SERVICE: LETTER TELEGRAM

PK

DATE: OCTOBER 10, 1957

TO: KAMITZ
MINISTER OF FINANCE
VIENNA

COUNTRY (AUSTRIA)

TEXT:

Cable No.

ILLWERKE LOAN SIGNED TODAY CONGRATULATIONS AND BEST REGARDS

M. L. Lejeune

Signed: COPE

AUTHORIZED BY:

NAME: M. L. Lejeune
DEPT: Assistant Director of Operations
Europe, Africa and Australasia
SIGNATURE:

MLejeune:ms

cc: Mr. Collier

For Use by Archives Division
Checked for Dispatch

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

GUIDE FOR PREPARING OUTGOING WIRES

1. Class of Service

Type in class of service desired. Each class is described as follows:

Letter Telegram Letter telegrams are normally delivered the morning after day of despatch. The cost is half the cost of full rate messages with a minimum charge for 22 words including address and text.

Full Rate Full rate messages are normally transmitted and delivered immediately. There is a minimum charge for 5 words, including address and text.

IBF Govt. This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

Bolivia	Cuba	Guatemala	* Peru
Brazil	Dominican Republic	Honduras	* Syria
Burma	Ecuador	Jordan	Uruguay
Chile	El Salvador	* Lebanon	Venezuela
* China	* Ethiopia	Nicaragua	Yugoslavia
Colombia	* France	Pakistan	
Costa Rica	Greece	Panama	

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

Code Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.

Day Letter Day letters are delivered during the day of transmission and should be used only for messages in the United States and to Mexico and Canada. There is a minimum charge for 50 words in text.

Teletype To be used only for messages to the New York Office, United Nations, and certain commercial firms. For information, call Cable Post (Ext. 2008).

2. Address

Use only last name of addressee and cable address whenever possible. The Bank cable address "INTBAFRAD" is registered in Paris, Beirut, Rio de Janeiro, Bogota, and Guatemala City. The name of the country of destination must always be added. (No charge is made for the name of a country).

3. Text

Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Ext. 2008.

Type text in capital letters and double space between lines. The text should be edited to eliminate unnecessary words and unnecessary punctuation. If punctuation is needed, spell out the words "Comma," "Stop," etc.

Use common abbreviations whenever possible, i.e. reourlet, reurfive, etc. Write as one word hyphenated words, hyphenated names, and certain two-word groups, e.g. Airmail, Newyork, enduse.

4. Signature

Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

5. Authorization

Type in name and department of staff member authorizing message and have authorizing staff member sign the original (pink copy). A list of authorized signatures is kept in the cable office.

Forward messages in triplicate in a cable envelope to Room 210 for despatch. The cable service is open from 9:00 a.m. to 5:45 p.m. on working days. Special arrangements should be made for the despatch of cables outside of these hours.

ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 2008.

Austria - fm 179

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **OCTOBER 10, 1957** **2015**

TO: **INTERNATIONAL BANK FOR RECONSTRUCTION
& DEVELOPMENT**

FROM: **VIENNA**

ROUTING	
ACTION COPY TO	MR FONTEIN
INFORMATION COPY TO	
Decoded By	

TEXT:

**ATTENTION DOCTOR FONTAINE. PRESIDENT'S FULL POWER TO
SIGN GUARANTEE AGREEMENT AND MINISTERS OF FINANCE STATEMENT
ON ILLWERKE RM DEBT AIRMAILED OCTOBER 10TH**

TEUFENSTEIN

102 11 11 58 1957

DUPLICATE

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

OCT 11 11 29 AM 1957

MEMORANDUM

ON SUBJECT: THE NEW YORK STATE POWER AUTHORITY
THE STATE POWER AUTHORITY HAS REQUESTED THE ASSISTANCE OF THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

TO:

FROM: ASSISTANT SECRETARY
TO: DIRECTOR
SUBJECT: REQUEST FOR ASSISTANCE

INCOMING MAIL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

MRT

CLASS OF SERVICE: NIGHT LETTER

DATE: OCTOBER 10, 1957

TO: ILLWERKE
BREGENZ

COUNTRY (AUSTRIA

TEXT:

Cable No.

PLEASED INFORM YOU LOAN AND GUARANTEE AGREEMENTS WERE SIGNED TODAY
OCTOBER TEN STOP SINCE FIRST SENTENCE OF YOUR LETTER OF OCTOBER ONE
CONCERNING EXPENDITURES OF PROCEEDS OF LOAN REFERS TO LOAN AGREEMENT
QUOTE OF EVEN DATE UNQUOTE REQUEST YOU SEND US NEW LETTER REFERRING
TO SUCH LOAN AGREEMENT AS QUOTE DATED OCTOBER TEN NINETEEN HUNDRED
AND FIFTYSEVEN UNQUOTE LETTER FOLLOWS REGARDS

Fontein

Signed: Fontein
(Type in last name of sender)

AUTHORIZED BY:

NAME: Douglas J. Fontein

DEPT: Legal *DF*

SIGNATURE: _____
(Signature of individual authorized to approve cable).

For Use by Archives Division
Checked for Dispatch <i>RH</i>

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

OUTGOING WIRE

MRT

CLASS OF SERVICE: NIGHT LETTER

DATE: OCTOBER 10, 1957

TO: TEUFENSTEIN
FINANZMINISTERIUM
WIEN

COUNTRY (AUSTRIA

TEXT:

Cable No.

PLEASED INFORM YOU LOAN AND GUARANTEE AGREEMENTS FOR LUNERSEE
PROJECT WERE SIGNED TODAY OCTOBER TEN NINETEEN HUNDRED AND
FIFTYSEVEN STOP IN LETTER CONCERNING NATIONALIZED INDUSTRIES
TO BE SIGNED BY MINISTER KAMITZ PLEASE CHANGE PHRASE IN FIRST
SENTENCE QUOTE GUARANTEE AGREEMENT OF EVEN DATE UNQUOTE TO
QUOTE GUARANTEE AGREEMENT DATED OCTOBER TEN NINETEEN HUNDRED
AND FIFTYSEVEN UNQUOTE REGARDS

Fontein

Signed: Fontein
(Type in last name of sender)

AUTHORIZED BY:

NAME: Douglas J. Fontein

DEPT: Legal *DF*

SIGNATURE: _____
(Signature of individual authorized to approve cable).

For Use by Archives Division

Checked for Dispatch

PK

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

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IBF Govt. This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

- | | | | |
|------------|--------------------|-------------|------------|
| Bolivia | Cuba | Guatemala | Pern |
| Brazil | Dominican Republic | Honduras | Syria |
| Burma | Ecuador | Jordan | Uruguay |
| Chile | El Salvador | Lebanon | Venezuela |
| * China | * Ethiopia | * Nicaragua | Yugoslavia |
| Colombia | * France | Pakistan | |
| Costa Rica | Greece | Panama | |

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

Code Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.

Day Letter Day letters are delivered during the day of transmission and should be used only for messages in the United States and to Mexico and Canada. There is a minimum charge for 50 words in text.

Teletype To be used only for messages to the New York Office, United Nations, and certain commercial firms. For information, call Cable Post (Ext. 3008).

2. **Address** Use only last name of addressee and cable address whenever possible. The Bank cable address "INTBAFRAD" is registered in Paris, Bogota, Bangkok, Karachi, Lima, Quito and Tegucigalpa. The International Finance Corporation cable address "CORINTIN" is registered in New York, Paris and Washington. The name of the country of destination must always be added. (No charge is made for the name of a country).

3. **Text** Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Ext. 3008.

Type text in capital letters and double space between lines. The text should be edited to eliminate unnecessary words and unnecessary punctuation. If punctuation is needed, spell out the words "Comma," "Stop," etc.

4. **Signature** Use common abbreviations whenever possible, i.e. *recouter*, *reurtive*, etc. Write as one word hyphenated words, hyphenated names, and certain two-word groups, e.g. *Airmail*, *New York*, *enduse*.

5. **Authorization** Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

Forward messages in triplicate in a cable envelope to Room 211 for despatch. The cable service is open from 9:00 a.m. to 5:45 p.m. on working days. Special arrangements should be made for the despatch of cables outside of these hours.

ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 3008.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

RECEIVED
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OCT 10 5 45 PM 1957

OCT 10 5 29 PM 1957



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H STREET, N.W., WASHINGTON 25, D. C. TELEPHONE: EXECUTIVE 3-6360

PRESS RELEASE NO. 506

SUBJECT: DML5,000,000 Loan to Austria

Friday, October 4, 1957

The World Bank has approved a loan of 15 million Deutsche Marks (equivalent to about \$3.6 million), to help complete a 190,000-kilowatt hydroelectric project being built near the Lunersee (Luner Lake) in western Austria. Most of the power from Lunersee will be exported to the Ruhr and southwest Germany, and the remainder will be consumed in the Austrian provinces of Vorarlberg and Tyrol.

The loan was made to the Vorarlberger Illwerke, a public power company with headquarters at Bregenz in Vorarlberg. This is the first World Bank loan in German marks; the marks to be used for the loan will be provided from the German capital subscription to the Bank.

The Dresdner Bank of Frankfurt-am-Main, West Germany, is participating in the loan, without the Bank's guarantee, to the extent of DML960,200, made up of the first three maturities, which fall due on May 1 and November 1, 1960 and May 1, 1961. This is the first participation by a West German commercial bank in a World Bank loan.

The main purpose of the Lunersee project is to supply power for export at periods of peak demand. The Lunersee is being used as a reservoir; a dam is being built across the lower end of the lake to raise its capacity. Storage of water will be further increased by diverting the run-off of a glacier into the lake and by pumping water up from a basin located below the new power station. Six miles of tunnels, syphons and penstocks are being built to bring water down to the power plant and to return pumped water to the lake.

Five generating and five pumping units are being installed in the new powerhouse. The pumps, driven by the generators in the powerhouse acting as motors and using cheap power imported from Germany during hours of slack demand, will pump annually about 60 million cubic meters of the 76 million cubic meters of water required to fill the lake to its maximum capacity.

Work began at Lunersee in 1954. In June 1955 the Bank made a loan equivalent to \$10 million for the project, the total cost of which is now expected to be equivalent to \$50 million, compared with the original estimate of \$38.6 million. The present loan therefore brings the Bank's total investment in the project to \$13.6 million. The plant is expected to go into commercial operation in April 1958, a year earlier than was originally scheduled.

The Bank loan is for a term of 22 years and bears interest of 5-3/4% including the 1% commission which is allocated to the Bank's Special Reserve. Amortization will begin May 1, 1960. The loan is guaranteed by the Government of Austria.

The Loan and Guarantee Agreements will be signed in Washington in the course of the next week.