

File

M I D C O

MEDITERRANEAN INDUSTRIAL DEVELOPMENT CORPORATION

*—to develop cooperatively the
human and material resources
of economies in transition*

The World in which MIDCO works

An increasing number of companies are seeking investment opportunities in overseas projects of a type that they understand, and that promise returns significantly greater than at home.

American private investment abroad amounts to about \$4,000,000,000 annually. U. S. Government economic assistance adds about \$2,000,000,000. Total U. S. private investment abroad is estimated at \$35,000,000,000. U. S. Government investment and loans come to \$15,000,000,000 more. The profit margins of many of America's most important industries depend upon export sales. The United Nations, several international agencies, such as the World Bank, and of course many other nations, also contribute resources and skills to industry and agriculture throughout the world, and especially in the poorer regions. Nevertheless, the economically underdeveloped areas are starved for capital and industrial investment.

Especially because people everywhere are no longer resigned to barest subsistence, the worldwide drive to strengthen weak economies will require much time. Fortunately there are many signs that an active industrial leadership is developing in the nonindustrialized world. In many places, particularly in the countries of the Mediterranean basin, this new leadership can cooperate on an equal basis with private American groups seeking to do business internationally.

Until now, international business conditions have restricted these opportunities in favor of large-scale projects organized by governments or between governments and large corporations. A pressing need exists for means of bringing modest-sized material and capital interests in the U. S. into cooperative relations with their counterparts abroad. This problem requires new types of market analysis, organization, and earnings guarantees. However, in the end, considerable advantage will accrue to persons who are prepared to devote resources and skill to middle-sized, private operations in the developing economies.

The Ways in which MIDCO works

The Mediterranean Industrial Development Corporation is chartered with broad powers to engage in financial and industrial development overseas, and in foreign trade.

MIDCO's projects work on three principles:

- They must be urgently needed by the people of the country concerned
- They must be profitable
- They must have a helpful relation to American foreign policy

In addition, MIDCO ordinarily prefers to contribute to the private, rather than the public, sector of the overseas economy.

MIDCO uncovers overseas situations capable of economic development. It enlists the cooperation of American and overseas investors in a project. It plans a form of operation suited to the needs of both countries and to the resources and skills of the investing parties. It then organizes, together with other parties involved, a company that is jointly owned by overseas and American interests, to construct, own and manage the new facilities.

The active exploring function of MIDCO warrants emphasis. The many steps followed by American finance and industry in discovering and developing a project are largely unknown in countries that are beginning to modernize their economies. Therefore, projects come to the attention of American businessmen and government officials in a premature and sketchy form. Often the few people who might establish and sustain a modern project do not themselves know that they have this ability or can obtain American cooperation. MIDCO makes a special effort to find foreign talents and capital through "grass roots" study; it does not wait for them to show up in a full-scale, well-drawn prospectus.

Although MIDCO prefers to engage in the actual development and operation of an enterprise, it also represents interests overseas in investment, trade, and technical and managerial consultation.

The Mediterranean Industrial Development Corporation (MIDCO) is a private company, centered in New York City and incorporated under the laws of the State of Delaware, USA.

Among the officers of MIDCO:

Patrick B. McGinnis, Chairman of the Board.

Mr. McGinnis is President of the Boston and Maine Railroad. Formerly President of the New Haven and other Railroads, he brings to MIDCO a wide range of experience in management and financing. He is a nationally known authority on railroad bonds and various types of investment procedures. He has directed the development of several industrial areas.

Dr. Alfred de Grazia, President.

Dr. de Grazia is a political scientist, active in foundation management and research publishing. He has taught at Columbia and Stanford Universities and is Adjunct Professor at Rutgers University. He is known for his several books and numerous articles on research and government affairs, and for his consulting work with government agencies and corporations in America and overseas.

General Edward F. Sinclair, Vice President and Secretary.

General Sinclair is an authority on transportation planning and operations. He was chief of railroad reconstruction in Western Germany after World War II. He has also been a consultant to the Turkish Government for railroad operations, and advisor to the government of Arabia for highways, airways, and railroad planning. Long service with the engineering, traffic, and operations divisions of the New Haven Railroad and other Railroads preceded his present work.

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