STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee, Held on Friday, January 28, 1949, at 11/15 a.m. in Room 1005.

1. There were present:

   Mr. J. J. McGlo
   Mr. R. L. Garner
   Mr. O. A. Schmidt
   Mr. D. Sommers
   Mr. H. W. Riley
   Mr. L. B. Rist
   Mr. A. J. Rosenthal (Secretary)

   In attendance:

   Mr. S. R. Cope
   Mr. F. A. Consolo
   Mr. G. L. Sendelin
   Mr. L. Svoboda
   Mr. F. W. Rosenstein-Rodan
   Mr. H. M. Rosen
   Mr. H. V. Robinson
   Mr. W. G. Wolk
   Mr. F. G. Bechenski
   Mr. W. G. Forbes

2. FINLAND

   The Committee considered the Operational Report on Finland, together with the Economic Reports and the Assessment of the Loan Proposals, and

   RECOMMENDED:

   (i) that the conclusions of the mission be accepted and that the questions for decision posed by the Operational Report be answered in the affirmative;

   (ii) that the Finnish representatives be informed of the willingness of the Bank to proceed with negotiations of a loan to Finland on the basis recommended;

   (iii) that the Economic Report and Assessment of the Loan Proposals, with such changes as discretion would dictate, be distributed to the Executive Directors.
3. **LEBANON**

The Committee considered the Operational, Economic and Technical Reports on Lebanon, and

**RECOMMENDED:**

(i) that the conclusions and recommendations of the mission that Lebanon's economic prospects were not sufficiently favorable to justify financing by the Bank at the present time be accepted;

(ii) that, after having discussed the financial and monetary aspects of the Lebanese situation with the International Monetary Fund, the Bank inform the Lebanese Government of its decision and also offer its services in assisting Lebanon to formulate and execute a program of economic reform.

4. The meeting adjourned at 12:55 p.m.

**DISTRIBUTION:**

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. P. Crema de Togni
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Demuth
Minutes of Meeting of Staff Loan Committee, Held on Tuesday, February 1, 1949, at 2:30 p.m., in Room 1005.

1. There were present:
   
   Mr. R. L. Garner
   Mr. J. A. Schmidt
   Mr. D. Sommers
   Mr. H. W. Riley
   Mr. L. B. Rist
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   
   Mr. R. H. Demuth
   Mr. G. H. Clee
   Mr. H. W. Larsen
   Mr. V. L. Urquidi
   Mr. S. Lipkowitz

2. VENEZUELA

   The Committee considered the Operational Report on Venezuela and its Annexes (Economic Report and Report on Foreign Direct Investments in Venezuela), and

   **RECOMMENDED:**

   (i) that the Economic Report be submitted to the International Basic Economy Corporation for its comments or suggestions;

   (ii) that the Economic Report be distributed to the Executive Directors;

   (iii) that the Venezuelan Ambassador be asked whether the new Government is interested in the Bank's Report and opinions;

   (iv) that, if the Venezuelan Ambassador responds affirmatively, the Economic Report be given to him, together with a brief summary of the Bank's views on Venezuela, which, after indicating the desire of the Bank to remain in close touch with the situation in that country and its willingness, on request, to discuss with Venezuelan representatives the country's problems and developmental policies, would stress the desirability of Venezuela bringing its program within limits set by manpower and equipment availabilities and of setting aside for future use savings which could not be effectively used currently in the development program.

3. The meeting adjourned at 3:30 p.m.

**DISTRIBUTION:**

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Crema de Jong
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Demuth
Minutes of Meeting of Staff Loan Committee, Held at 11:30 a.m. on Monday, January 31, 1949, in Room 1002.

1. There were present:

Mr. R. L. Garner
Mr. O. A. Schmidt
Mr. H. W. Riley
Mr. A. F. Luxford
Mr. L. B. Hirt
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. R. H. Demuth
Mr. W. G. Forbes
Mr. E. G. Burland
Mr. J. M. Fenton
Mr. J. Fabian-Fajana
Mr. E. W. Hambert
Mr. A. Stevenson
Mr. A. Brookes

2. BELGIAN LOAN

The Committee considered the Economic Report and the Project Appraisal, and

RECOMMENDED:

(i) that a letter be sent to the Belgians giving advance authorization, to be valid so long as present conditions continue, for operations of the National Bank of Belgium involving pledging of assets, where such operations were in the nature of normal, short-term, central-banking activities and where the amount involved did not exceed a moderate amount, of the order of $25 million, which would be specified;

(ii) that the Project Appraisal be approved in its present form, and the Economic Report approved subject to such modifications as were agreed upon at the meeting;

(iii) that the President's Report on the proposed loan be completed in accordance with the views agreed upon at the meeting;

(iv) that the material on the financing of the loan and the sale of the Belgian bonds be embodied in a separate report and made the subject of a separate resolution to the Executive Directors;
(v) that all papers on the loan be distributed to the Executive Directors on February 2nd or 3rd, for consideration at the meeting of the Board on February 9th.

3. The meeting adjourned at 1:10 p.m.

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. E. Crena de Longh
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. E. H. Demuth
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Staff Loan Committee Meeting, Held on Friday, February 29, 1949, at 10:30 a.m., in Room 1005.

1. There were present:

Mr. J. J. McCloy
Mr. W. A. B. Iliff
Mr. R. W. Riley
Mr. C. A. McLain
Mr. L. E. Hirt
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. E. H. Desmuth
Mr. G. A. Schmidt
Mr. J. N. Fenton
Mr. J. Fabian-Fajans
Mr. M. H. Rosen
Mr. E. W. Rembert
Mr. A. Stevenson

2. Belgian Local Currency Loan Application

The Committee considered SLC/0/77 and recommended:

(i) that the draft memorandum for the Executive Directors, "Kingdom of Belgium: Application for a Loan to Finance Internal Investment Program", be revised in accordance with the recommendations made at this meeting;

(ii) that the aforesaid memorandum, as revised, be resubmitted to the Staff Loan Committee for further consideration.

3. The meeting adjourned at 12:10 p.m.

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Crema de Longh

5. Mr. C. A. McLain
6. Mr. L. E. Hirt
7. Mr. E. H. Desmuth
Minutes of Meeting of Staff Loan Committee, Held on Monday, February 23, 1949, at 9:15 p.m., in Room 1005

1. There were present:
   Mr. J. J. McCloy
   Mr. W. A. B. Iliff
   Mr. D. Crene de Longh
   Mr. C. A. McLain
   Mr. L. E. Rist
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   Mr. J. N. Fenton
   Mr. F. D. Stephens
   Mr. J. Fabian-Fajens
   Mr. E. H. Clark
   Mr. H. M. Rosen
   Mr. E. W. Rembert
   Mr. A. Stevenson

2. Netherlands: Herstelbank Loan Application

   The Committee considered SLC/0/78 and SLC/0/79, and

   RECOMMENDED:
   (i) That a cablegram be sent to Dr. Posthuma suggesting that he postpone his projected visit to the Bank until the Bank had satisfied itself further as to Dutch economic prospects;
   (ii) that in this connection the Bank seek an invitation for its representatives to attend, as observers, the forthcoming discussion at the OEEC of the Benelux long-term program.

3. The meeting adjourned at 4:30 p.m.

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Crene de Longh
5. Mr. C. A. McLain
6. Mr. L. E. Rist
7. Mr. R. H. Demuth
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee, Held on Tuesday, March 1, 1949, at 4:35 p.m., in Room 1009.

1. There were present:

Mr. J. J. McCloy
Mr. W. A. B. Iliff
Mr. C. A. McLain
Mr. D. Crema de Iongh
Mr. H. M. Rosen
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. R. A. Wheeler
Mr. J. H. Fenton
Mr. F. B. Stephens
Mr. J. Fabian-Fajans
Mr. C. A. Schmidt
Mr. A. Stevenson

2. Belgium: Application for a Loan to Finance Internal Investment Program

The Committee considered SLC/0/80, and

(i) RECOMMENDED:

that the draft memorandum to the Executive Directors be amended in accordance with the changes agreed upon at the meeting; and

(ii) AGREED:

to defer final approval of the memorandum and its submission to the Executive Directors until it had been discussed further.

3. The meeting adjourned at 5:35 p.m.

DISTRIBUTION:
1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Crema de Iongh
5. Mr. C. A. McLain
6. Mr. L. B. Hirst
7. Mr. R. H. Demuth
Minutes of Meeting of Staff Loan Committee, Held on Friday, March 4, 1949, at 11:45 a.m., in Room 1003.

1. There were present:

   Mr. J. J. McCloy
   Mr. W. A. B. Iliff
   Mr. D. Crema de Iongh
   Mr. C. A. McLain
   Mr. L. E. Rist
   Mr. A. J. Rosenthal (Secretary)

   In attendance:

   Mr. R. H. DeMuth
   Mr. O. A. Schmidt
   Gen. R. A. Wheeler
   Mr. J. M. Fenton
   Mr. F. D. Stephens
   Mr. J. Fabian-Pajans
   Mr. M. M. Rosen
   Mr. A. Stevenson

2. Belgium: Investment Program Loan Application

The Committee considered SLC/0/81, and

RECOMMENDED:

(i) that no written memorandum be submitted to the Executive Directors before it a meeting on March 8th, at which this loan application is to be discussed;

(ii) that there be prepared a memorandum for the use of the President in connection with his oral presentation at the aforementioned meeting of the problems raised by this loan application.

3. The meeting adjourned at 12:25 p.m.

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Crema de Iongh
5. Mr. C. A. McLain
6. Mr. L. E. Rist
7. Mr. R. H. DeMuth
STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting, Held on Thursday, March 19, 1949, at 3:15 p.m. in Room 1005.

1. There were present:
   Mr. J. J. McCloy
   Mr. W. A. B. Illiff
   Mr. R. Crewe de Longch
   Mr. C. A. McLaing
   Mr. E. B. Rist
   Mr. A. J. Rosenzal (Secretary)

In attendance:
   Mr. R. H. Denouth
   Mr. R. A. Wheeler
   Mr. E. Burland
   Mr. P. E. Rosenzal-Reden
   Mr. H. W. Larsen
   Mr. F. Lopez-Herrarte

2. The Bank and "Point IV"

   The Committee considered Mr. Denouth's Memorandum, "The International Bank and "Point Four", and

   AGREED:

   to discuss the matter further at additional meetings in the near future.

3. The meeting adjourned at 5:15 p.m.

DISTRIBUTION:
1. Mr. J. J. McCloy
2. Mr. E. A. Wheeler
3. Mr. W. A. B. Illiff
4. Mr. R. Crewe de Longch
5. Mr. C. A. McLaing
6. Mr. E. B. Rist
7. Mr. R. H. Denouth
STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting, held on Wednesday, March 9, 1949, at 4:10 p.m. in Room 1024.

1. There were present:

Mr. John J. McCloy
Mr. W. A. B. Iliff
Mr. D. Crane de Trench
Mr. C. A. McLean
Mr. L. B. Nist
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. E. H. Besant
Mr. N. A. Wheeler
Mr. P. H. Rosenstein-Roden
Mr. J. M. Fenton
Mr. R. V. Busbert
Mr. R. K. Rosen
Mr. F. D. Stephens

2. International Bank for Reconstruc tion and Development

The Committee considered SLC/3/32, and

RECOMMEND:

(i) that the draft letter be amended in conformance with the changes agreed upon in the discussion;

(ii) that Mr. Steacy May, of I.B.R.C., be invited to visit the Bank, and the draft letter, as so amended, be shown to him so that his comments might be obtained.

3. Italy

The Committee considered recent developments with respect to Italy, and

RECOMMEND:

that the Economic Department make a study of the Italian situation and prepare recommendations as to the Bank's lending policy with respect to Italy.

4. The meeting adjourned at 5:05 p.m.

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. W. A. B. Iliff
3. Mr. D. Crane de Trench
4. Mr. C. A. McLean
5. Mr. L. B. Nist
6. Mr. E. H. Besant
7. Mr. F. D. Stephens
8. Mr. A. J. Rosenthal

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STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee, Held on Monday, March 11, 1949, at 4:00 p.m., in Room 1005.

1. There were present:

   Mr. J. J. McCloy
   Mr. W. A. B. Diff
   Mr. D. Cerna de Iongh
   Mr. P. N. Rosenstein-Rodan
   Mr. A. F. Luxford
   Mr. A. J. Rosenthal (Secretary)

2. Colombia

The Committee considered SLC/0/83 (Loan Director's Memorandum); the Operational Report; Annexes I and II thereeto; and the Report on Colombian External Credit; and

   RECOMMENDED:

   That the recommendations of the Mission and of the Loan Director be approved, with the following modifications:

   (i) that, as to the La Insula Hydro-electric Project, the Bank consider reimbursing the Company only for such dollar expenditures as had been incurred after December 31, 1947;

   (ii) that, as to the Agricultural Machinery Project, the Bank consider the possibility of supervising the use of local currency which would be obtained through the sale of machinery obtained by virtue of the loan, so that such funds would be reapplied to additional projects of a productive nature; where such projects were agreed upon, the loan could be renegotiated and its term appropriately extended;

   (iii) that, as to the Soda Ash Project, the proposed letter from the President to the Colombian Ambassador be drafted so as to avoid giving the impression that when necessary data had been received the Bank would probably give favorable consideration to financing it.

3. The meeting adjourned at 5:45 p.m.

A. J. Rosenthal/dea
4/5/49
STAFF LOAN COMMITTEE

Minutes of Meeting of Staff Loan Committee, Held on Wednesday, March 16, 1949, at 4:30 p.m., in Room 1005

1. There were present:
   Mr. J. J. McCoy
   Mr. W.A.B. Illiff
   Mr. D. Crena de Iongh
   Mr. L. B. Rift
   Mr. D. Scmara
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   Mr. R. A. Wheeler
   Mr. F. D. Stephens
   Mr. P. Acheson
   Mr. F. G. Bochenski
   Mr. W. G. Welk

2/ Egypt: Proposed Mission

The Committee considered SLC/9/34 (Memorandum on Current Egyptian Economic Conditions) and SLC/0/65 (Memorandum of Loan Director and Proposed Terms of Reference), and

RECOMMENDED:

(i) that the Memorandum on Current Egyptian Economic Conditions be approved;

(ii) that the Memorandum of Loan Director and Proposed Terms of Reference be approved, with such modifications in the latter as were agreed upon at the meeting.

3. The meeting adjourned at 5:15 p.m.

Distribution
1. Mr. J.J. McCoy
2. Mr. R. L. Garner
3. Mr. W.A.B. Illiff
4. Mr. D. Crena de Iongh
5. Mr. G.A. McLain
6. Mr. L. B. Rift
7. Mr. R. H. Demuth

DECLASSIFIED
JUN 13 2014
WBG ARCHIVES
Minutes of Staff Loan Committee Meeting, Held on Tuesday, March 22, 1949, at 2:15 p.m. in Room 1005.

1. There were present:

   Mr. J. J. McCloy
   Mr. W. A. B. Iliff
   Mr. D. Crome de Iongh
   Mr. A. F. Luxford
   Mr. L. B. Rist
   Mr. A. J. Rosenthal (Secretary)

   In attendance:

   Mr. M. M. Hendels
   Mr. R. A. Wheeler
   Mr. O. A. Schmidt
   Mr. J. M. Fenton
   Mr. M. M. Rosen
   Mr. H. W. Robinson

2. The Committee considered SLG/0/36 (Portugal: Memorandum of Loan Director) and the Economic Department Report, "Portugal's Economic Eligibility for IBRD Loans", and

   RECOMMENDED:

   that an informal letter to Mr. Harriman for Mr. McCloy's signature be drafted by the Loan Department and cleared with the Legal Department, which would indicate:

   (i) that the management of the Bank and of the Fund would welcome the membership of Portugal;

   (ii) that the admission of new members, however, was a matter solely for the determination of the Board of Governors;

   (iii) that the management was not aware of any reason for rejection by the Board of Governors of a Portuguese application for membership;

   (iv) that it might be worthwhile for Mr. Harriman, in this connection, to determine whether any issue would be raised over unsettled claims of the Inter-Allied Reparations Agency against Portugal.
(v) that the management could not commit the Bank to make a loan without having examined the projects for which it would be used and without having obtained the approval of the Board of Executive Directors;

(vi) that the management, however, was not aware of any obvious reason that would preclude Portugal from obtaining a loan of moderate size for a sound project should Portugal become a member of the Bank.

3. The meeting adjourned at 2:35 p.m.

3/25/49.

Distribution

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Grena de Longh
5. Mr. C. A. McLain
6. Mr. L. H. Rist
7. Mr. R. L. Bemuth
STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting, Held on Wednesday, April 6, 1949, at 4:00 p.m., in Room 1005

1. There were present:

   Mr. J. J. McCloy
   Mr. W. A. B. Iliff
   Mr. D. Crema de Longh
   Mr. L. E. Rist
   Mr. E. E. Clark
   Mr. A. J. Rosenthal (Secretary)

   In attendance:

   Mr. R. H. Demuth
   Mr. A. S. G. Hoar
   Mr. S. R. Cope
   Mr. J. Fabian-Fajans
   Mr. F. M. Rosenstein-Rodan
   Mr. A. Stevenson
   Mr. E. W. Rembert

2. Italy

   The Committee considered the Memorandum, "The Creditworthiness of Italy," and SLC/0/87 ("Proposals for Action by the Bank"), and

   RECOMMENDED:

   (i) that the view be accepted that a further loan of $30-40 million would be within Italy's capacity to service.

   (ii) that no further consideration be given to the Italian projects previously considered by the Bank, unless the Italian Government indicated that it still wished the Bank to finance them.

   (iii) that the Bank should not make subordination of E. G. A. loans to any Bank lending a prior condition to discussions with the Italian Government of the possibility of Bank investment in Italy.
(iv) that, if the Italian Government requested the Bank to participate in a program for the development of Southern Italy, the Bank should consider making an initial loan for a small amount for appropriate projects in this area.

(v) that, although no commitments could be made, the Bank would be prepared from time to time subsequently to consider requests for loans to finance later stages of the development program, in the light of

(a) the availability of the Bank's resources, and

(b) Italian creditworthiness

(vi) that the Loan Director should informally discuss the Bank's attitude with respect to these matters with the Italian Alternate Executive Director, and later, with appropriate officials of E. C. A.

3. The meeting adjourned at 4:55 p.m.

DISTRIBUTION:
1. Mr. J. J. McCoy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Crena de Jongh
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Demuth
Minutes of Meeting of Staff Loan Committee, Held on Wednesday, April 13, 1969, at 3:00 p.m. in Room 1005.

1. There were present:
   Mr. R. L. Garner
   Mr. W. A. B. Hiff
   Mr. D. Crenn de Iongh
   Mr. L. B. Hiss
   Mr. A. F. Luxford
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   Mr. R. H. Deutch
   Mr. G. A. Schmidt
   Mr. G. H. Cleve
   Mr. D. W. Sayser
   Mr. H. W. Larson
   Mr. J. Torfs

2. Chile

   The Committee considered the report, "External Credit of Chile," and SLC/0/88 (Loan Director's Memorandum), and

   RECOMMENDED:

   (i) that a letter be sent to Mr. Vergara, in which the following points would be made:

   (a) that the Bank had observed with satisfaction Chile's recent economic and financial progress;

   (b) that the Bank felt that it might be able to lend an additional moderate amount# to Chile, but would first want to make an on-the-spot appraisal of Chile's economic and financial situation and of the projects under consideration;

   (c) that the Bank was disturbed by the lack of reports concerning progress on the Endesa projects, and before extending any additional loan to Chile would want to assure itself that these projects were progressing satisfactorily and that Chile would cooperate with the Bank in transmitting such information;

# The Committee regarded such amount as about $10 million, but recommended that no specific sum be referred to in the letter to Mr. Vergara.
(d) that the Bank approved in principle Mr. Vergara's suggestion that short-term projects be combined with a long-term project so that the local currency counterpart of the former could be used in financing the local currency costs of the latter;

(e) that the Bank would be willing to consult and cooperate with Chile in the planning of a program along these lines;

(f) that the Bank would be willing to confer with Chile in the selection of an engineering firm as consultant on the irrigation program, but that the Bank would reserve the right to make such independent checks as seemed advisable.

(ii) that in deciding on the term of a loan, the Bank should take into account all relevant factors including the time it would take for the project to earn in local currency the equivalent of the sum lent, the life expectancy of the equipment to be purchased, the purposes of the loan and the use to which the equipment was put, and the capacity of the economy of the country to make payments in the currencies lent.

(iii) that the principle of supervision of the local currency counterpart might appropriately be favored by the Bank.

3. The meeting adjourned at 5:00 p.m.

If, as appeared probable, Chile would ask whether the Bank had any doubts as to the competence of Frederick Snare Corporation for such work, the Bank would reply in the negative.

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. A. L. Garner
3. Mr. W. A. E. Iliff
4. Mr. D. Crena de Longha
5. Mr. G. A. McLain
6. Mr. L. W. Rist
7. Mr. W. H. DeMuth
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee, Held on Thursday, April 11, 1949, at 2:30 p.m. in Room 1005.

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. L. B. Bist
Mr. H. W. Riley
Mr. A. F. Leafo
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. R. H. Demuth
Mr. A. S. C. Hear
Mr. S. Aldenweirld
Mr. S. R. Cope
Mr. G. L. Sandelin
Mr. H. W. Robinson
Mr. J. Kucinski
Mr. M. F. Ryan
Mr. A. Basch
Mr. A. Wubnig

2. Finland: Loan and Guarantee Agreements

The Committee considered SLC/11/39 (Loan Director's Memorandum) and draft Loan and Guarantee Agreements dated March 25, 1949, and

RECOMMENDED:

(i) that where the Bank entered into a firm commitment, either to the borrower or to a third party, to pay amounts from the Loan Account for the purchase of designated goods, the Bank charge, over and above the normal commitment charge, an additional one per cent per annum on the amount of such commitment;

(ii) that the provisions as to delivery of bonds in the draft Finnish Loan Agreement be approved;

(iii) that drafts of the Loan and Guarantee Agreements, amended so as to conform to the recommendation stated in (i) above, be given to the Finnish representatives;
(iv) that drafts of the Loan and Guarantee Agreements be submitted to the Executive Directors for their information, with a covering memorandum pointing out the principal differences between these drafts and the previous practice of the Bank;

(v) that in appropriate cases the Bank could agree to vary the amounts provisionally allocated to woodworking industries, electric power and limestone grinding respectively, provided that the total amount of the loan not exceed $12.5 million.

3. **India: Railroad Projects**

   The Committee considered the Report by the Railway Consultant, and

   **EXPRESSED:**

   to Mr. Ryan its appreciation of the excellence of this Report.

4. The meeting adjourned at 1:35 p.m.

**DISTRIBUTION:**

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Crena de Ionagh
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Demuth
STAFF LOAN COMMITTEE

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SUMMARY OF ARGUMENTS

of Staff Loan Committee Meeting Held on Thursday, April 14, 1949, on Commitments Given or Approved by the Bank with respect to the Purchase of Goods

1. The Committee was apprised of the following facts:

(a) In addition to the general commitment made by the Bank when it entered into a Loan Agreement, there were two other principal types of commitments or obligations which the Bank, in the usual type of loan, might enter into with respect to payment of undisbursed amounts from the Loan Account:

(i) An obligation from the Bank to the Borrower to pay amounts from the Loan Account arising from written approval by the Bank of the Borrower's commitment to purchase goods.

Such obligation under the terms of the Bank's loan agreements was binding on the Bank regardless of whether the loan might be suspended or cancelled by the Bank.

(ii) A commitment by the Bank to a party other than the Borrower to apply part of the loan proceeds to the purchase of specific goods.

(b) It had been the policy of the Bank to make a distinction between the first and the second type of commitment, to the extent that
the Bank charged neither interest nor commission on the first, but charged both the full rate of interest and commission on the second.

2. It was agreed that this distinction was illogical, as the practical financial consequences to the Bank of both types of commitment were substantially the same, and that, accordingly, the charges received by the Bank in both instances should also be the same.

3. It was also agreed that inasmuch as the Bank would continue, until actual disbursement, to have the use of the sum so committed, it was unreasonable to charge full interest and commission, as was the Bank's practice in regard to commitments given by the Bank to third parties.

4. The Committee then considered whether any charge, in addition to the general commitment charge, should be made on the two types of commitment under consideration and if so whether it would be appropriate to charge the statutory commission of 1½% provided for by Article IV, Section 4, of the Articles of Agreement.

5. In favor of such charge, it was contended that:

(a) The statutory commission was intended as compensation for risk, which was equally present when this type of commitment was made as when the funds were actually disbursed;

(b) The right of cancellation or suspension was more limited after such commitment had been made than at the time the loan became effective;

(c) Until a purchase commitment was made, there was always the chance that the amount of the loan might be reduced
through purchases at lower prices than anticipated;

(d) Although in some circumstances it might be possible to attach the goods ordered or otherwise reduce the Bank's commitment, such possibilities were both limited and uncertain.

6. On the other hand, it was contended that:

(a) The likelihood that the Bank would want to exercise its rights of cancellation or suspension was so remote that limitation of such rights did not warrant the imposition of an additional charge. The Bank was already substantially committed at the time its Loan Agreements became effective, because the right of cancellation or suspension was very circumscribed. It would be equally logical to charge the additional amount from the Effective Date of the loan;

(b) Such a charge would induce the borrower to arrange collateral financing or to pay cash in advance;

(c) In the event of a default, the Bank might in certain circumstances be able to attach equipment purchased but not yet delivered.

(d) Imposition of an additional charge would conflict with the Bank's policy of lightening the burden on its borrowers at the earlier stages of its loans;

(e) Such a commitment did not fall within the provisions of Article IV, Section 4, which required that the commission be charged on the "outstanding portion of any such loan." Hence, even if an additional charge should be made it should not be regarded as the statutory commission.
7. It was agreed that a charge of 1% in addition to the "general" commitment charge should be made, but that it should not be expressed as the statutory commission but designated as a "confirmation commission" or words to that effect. (Note: It was subsequently decided that the 1% was to be treated as an addition to the commitment charge and was not to be credited to the special reserve.)
STAFF LOAN COMMITTEE

Minutes of Meeting of Staff Loan Committee, Held on Wednesday, April 27th, at 2:30 p.m, in Room 1005

1. There were present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. D. Crema de Iongh
Mr. A. F. Luxford
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. R. H. Demuth
Gen. R. A. Wheeler
Mr. G. S. Mason
Mr. E. A. Bayne
Mr. W. Diamond
Mr. J. A. Villeschaise
Mr. E. H. Clark
Mr. S. Lipkowitz

2. Turkey

The Committee considered the Memorandum of the Assistant Loan Director (SLC/0/90), the Report of the Mission to Turkey, and the Economic Report on Turkey, and

RECOMMENDED:

(i) that the Economic Report be approved, with such modifications as were agreed upon at the meeting, but that circulation to the Board of Executive Directors be deferred;

(ii) that the Economic Report, when modified, be discussed with the Executive Director for Turkey;

(iii) that further discussions should take place with ECA, with a view to inducing ECA to give aid to Turkey in the future in the form of grants rather than loans.
(iv) that, subject to the result of the discussions with ECA, the Bank might appropriately undertake the risks involved in a moderate-sized loan to Turkey, but that the matter should be discussed further by the Committee in a short time;

(v) that the Working Party formulate a list of those measures deemed advisable for the Turkish Government to take in order to improve its economic and financial prospects, with respect to some of which it might be considered desirable that the Turkish Government state its intentions before any loan was granted by the Bank;

(vi) that the Working Party, in consultation with the Engineering Adviser, prepare specific recommendations as to the steps to be taken with respect to each suggested project.

3. The Meeting adjourned at 4:30 p.m.

DISTRIBUTION:

1. Mr. J.J. McCloy
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Crema de Iongh
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Demuth
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee, Held on Tuesday, April 26, 1949 at 2.30 p.m. in Room 1005

1. There were present:

   Mr. R.L. Garner
   Mr. A.S.G. Hoar
   Mr. D. Crena de Iongh
   Mr. A.F. Luxford
   Mr. P.N. Rosenstein-Rodan
   Mr. A.J. Rosenthal (Secretary)

   In attendance:
   Mr. R.N. Deamuth
   Gen.R.A. Wheeler
   Mr. G.H. Clee
   Mr. D.W. Smyser
   Mr. J.T. Lund
   Mr. A.D. Spottswood
   Mr. H.W. Larson

2. Uruguay

   The Committee considered "Uruguayan Loan Application," Report on the Economy of Uruguay" and "The United States Market for Uruguayan Wool", and

   RECOMMENDED:

   (1) that a letter be sent to the Uruguayan Minister of Finance, in which the following points would be made:

    (a) that the Bank would be willing, in principle, to proceed with the negotiation of a loan for the foreign exchange costs of the modified program, but that, inasmuch as it was in the interest of both the Bank and Uruguay to minimize the amount of dollar indebtedness incurred, the Bank would expect Uruguay to utilize available foreign currency holdings wherever and to the maximum extent practicable;

    (b) whether the Western Transmission Circuit would be included in the program would depend on the outcome of engineering studies now being made;

    (c) the Bank would wish the Government of Uruguay to be the obligor of such bonds as would be issued, and both the Government of Uruguay and U.T.E. to be parties to the Loan Agreement;

    (d) the Government of Uruguay should submit to Congress, as soon as possible, the legislation necessary to authorize the Government

   (DECLASSIFIED JUN 13 2014)

   WBG ARCHIVES
to incur external public debt and to enter into an appropriate loan contract with the International Bank, and, in order to obviate delay, the Government should submit a draft of this legislation for comment by the Legal Department of the Bank before it is presented to Congress;

(e) the Bank would be prepared to reimburse Uruguay, out of the proceeds of the loan, for foreign exchange commitments for such specific items as were agreed upon during negotiations and were incurred in connection with the modified program subsequent to December 31, 1943, and prior to the Effective Date of the Loan;

(f) the Bank would hope to see relations between Uruguay and the International Monetary Fund regulated on some satisfactory basis;

(g) the Bank would welcome the presence of a representative of the Uruguayan Government, authorized to carry on the next stages of the negotiations with the Bank in Washington.

(ii) that the Bank not offer to refund commitment fees already due or paid at such time as the loan was reduced in amount through use of Uruguayan currency reserves to finance purchase of items under the Loan Agreement;

(iii) that, in the course of negotiations, it be indicated to the Uruguayans that such reduction in the amount of its dollar obligations under the loan as it would be able to achieve, through its choice of countries in which contracts would be let, would necessarily reflect on its capacity to borrow further in the future, and thus ultimately on the likelihood of its obtaining additional loans from the Bank in the future;

(iv) that the Bank would expect the Uruguayan authorities to supply it semi-annually, with data as to its current balances in various currencies,

(v) that it would be a condition of the loan becoming effective that the Government provide U.T.E. with sufficient funds to extinguish its existing floating debt;

(vi) that it would be a condition of the loan becoming effective that U.T.E. be assured sufficient supplies of pesos during the period of construction to meet the local currency costs of the program;

(vii) that it would be a condition of the loan becoming effective that satisfactory assurances were received, in writing, from the Uruguayan authorities, that the solvency of U.T.E.'s current financial position would be maintained, either through the fixing of adequate rates for power and telephone services, or otherwise, similar to the assurances received from Chile with respect to Endesa;

(viii) that the Legal Department of the Bank would proceed forthwith to draw up an amended Loan Contract;

(ix) that, if, for any reason, the loan should not become effective within 60 days after signature of the Loan Agreement, the Bank would reserve the right to cancel the Loan Agreement or to modify the contract with reference to rate of interest or otherwise.
(x) that the "Report on the Economy of Uruguay" and "The United States Market for Uruguayan Wool" be transmitted to the Uruguayan representatives and distributed to the Board of Executive Directors.

3. Colombia: Agricultural Equipment Loan

The Committee considered the Memorandum of the Assistant Loan Director (SLC/0/91); the draft Loan Agreement dated April 22, 1949; the draft Guarantee Agreement dated April 13, 1949; the Loan Director’s Memorandum (SLC/0/83); and the Operational Report and Annex I thereto, and

RECOMMENDED:

(i) that the recommendations of the Assistant Loan Director with respect to the amount of the loan to the Caja de Credito Agrario Industrial y Minero be approved;

(ii) that the draft Loan Agreement be revised to provide that the Bank be entitled to supervise all elements in the cost to the ultimate consumer of the equipment purchased under the loan, including the distributors’ and the borrower’s mark-ups;

(iii) that the draft Loan Agreement be revised to make even more clear the intention that the equipment purchased must be used for agricultural purposes, but that no provision of supervisory power to prevent resale to non-agricultural consumers be inserted;

(iv) that no change be made in the decision previously made that 18% of the loan account be devoted to the purchase of spare parts;

(v) that the draft Guarantee Agreement be approved.

4. The meeting adjourned at 5:00 p.m.
Minutes of Meeting of Staff Loan Committee, Held on Friday, April 29, 1949
at 3:00 p.m. in Room 1005

1. There were present:

Mr. J. J. McCloy
Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. D. Crena de Tongh
Mr. L. E. Rist
Mr. D. Sommers
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. R. H. Demuth
Gen. R. A. Wheeler
Mr. J. Rucinski
Mr. E. A. Beecroft
Mr. P. N. Rosenstein-Rodan
Mr. A. Basch
Mr. W. M. Gilmartin
Mr. E. E. Clark
Mr. L. Butcher

2. India.

The Committee considered the Report and Recommendations of the Assistant
Loan Director and Annexes I, II and III thereto, and

(a) **RECOMMENDED:**

(i) that Annex III (India's Creditworthiness) be approved
with such modification as was agreed upon at the meeting;

(ii) that the fertilizer, fisheries, Mihijam Locomotive Works,
and ship purchase projects not be regarded as suited for
Bank financing.

(b) **AGREED:**

to discuss further the remainder of the Recommendations of the
Assistant Loan Director at a meeting to be held early next week.
3. The meeting adjourned at 6:10 p.m.

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Tiff
4. Mr. D. Grena de Iongh
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Domuth
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee, Held on Wednesday, March 15, 1945, at 10:00 a.m., in Room 1005.

1. There were present:

Mr. R. L. Garner
Mr. W. A. E. Hiff
Mr. L. E. Hirst
Mr. D. Grena de Longh
Mr. D. Summers
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. R. H. Demuth
Mr. A. J. G. Hoar
Gen. R. A. Wheeler
Mr. J. Rucinski
Mr. E. A. Becroft
Er. I. Butcher
Mr. P. N. Rosenstein-Rodan
Mr. A. Basch
Mr. A. B. Spottswood
Mr. J. T. Lund
Mr. W. N. Gilmartin
Mr. H. W. Riley

2. India

The Committee considered the Report and Recommendations of the Assistant Loan Director and Annexes I to III thereto, and information that revised data just received from India had indicated that the total hard currency costs of the railway projects recommended for financing by the Assistant Loan Director would amount to $74 million, if incidental costs were included, and

A. AGREED

(i) that the question of whether the Bank should lend to India, and on what scale of magnitude, would be discussed at a meeting at which the President would be present;

(ii) that the question of what portion of dollar expenditures made in connection with the railway project before signature of the loan agreement would be financed by the Bank, would be discussed at a meeting at which the President would be present;
that if it should be agreed that a loan might be made to India of the order of magnitude suggested in the Report and Recommendations of the Assistant Loan Director, the following considerations should govern:

(a) as to the tube well project:

(1) that the Recommendations of the Assistant Loan Director be accepted;

(2) that the Bank not offer to finance the costs of experimentation in connection with this project;

(b) as to the Damodar Valley Project:

(1) that the Recommendations of the Assistant Loan Director, as to both the Bokaro thermal station and the entire Damodar Valley proposal be accepted;

(2) that the Bank require, as a condition of any loan that might be made, that the present management of the Damodar Valley Corporation be replaced by competent and efficient management;

(c) as to the Bhakra-Nangal project:

(1) that the Recommendations of the Assistant Loan Director be accepted;

(2) that data which could be obtained from the International Engineering Company, Denver, Colorado, be studied before the project was discussed with the Indian Government;

(d) as to the jungle reclamation project:

(1) that the Recommendations of the Assistant Loan Director be accepted;

(e) as to the project for reclamation of weed-infested land:

(1) that the Recommendations of the Assistant Loan Director be accepted, but that there be further investigation of possible alternative methods of weed eradication requiring somewhat different equipment;

(f) as to the project for the purchase of locomotives and other railway equipment:

(1) that the Recommendations of the Assistant Loan Director be accepted;
that it be suggested to the Export-Import Bank that a survey and report on India's expected capacity to service dollar debt be prepared jointly by representatives of the I.B.R.D. and the Export-Import Bank, in the same manner as was recently done in the case of Mexico.

3. The meeting adjourned at 12:30 p.m.

Distribution
1. Mr. J.J. McCloy
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Crean de Iough
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. L. Demuth
Minutes of Meeting of Staff Loan Committee, Held on Wednesday, May 11, 1949, at 3:00 p.m. in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. D. Crena-de Jongh
Mr. A.F. Luxford
Mr. P.N. Rosenstein-Rodan
Mr. A.J. Rosenthal (Secretary)

In attendance:

Mr. A.S.G. Hoar
Gen. R.A. Wheeler
Mr. D.W. Smyser
Mr. H.W. Larsen
Mr. A.D. Spottswood
Mr. H.W. Riley

2. Colombia (La Insula) Project

The Committee considered SLC/0/92 (Loan Director's Memorandum, "La Insula Project (Manizales) - Colombia"); SLC/0/93 (General Counsel's Memorandum, "Colombian Loan and Guarantee Agreements (Caldas Project)"); draft Loan Agreement dated May 9, 1949, draft Guarantee Agreement dated May 11, 1949; SLC/0/83 (Loan Director's Memorandum dated March 11, 1949); the Operational Report of the Mission to Colombia; and Annex II thereto ("Report on Specific Projects of Colombian Loan Application - La Insula Hydro Project, Manizales"), and

RECOMMENDED:

(i) that the Bank require, as a condition of the loan, that all debt incurred by Central Hidroelectrica de Caldas Ltda. by reason of the failure of its stockholders to pay cash for their stock subscriptions be taken up by the stockholders;

(ii) that where payments for such stock subscriptions were not yet due, the Bank accept a covenant along the lines of that contained in Article VII, Section 10, of the draft Loan Agreement;

(iii) that the borrower be reimbursed for payments of foreign exchange for purposes of the project made after July 31, 1948, whether or not the obligation to make such payments had been incurred before that date, but that the Bank's willingness to include such items not be communicated
(iii) immediately to the Borrower or the Guarantor but withheld in order to strengthen the hand of the Bank in negotiating with respect to the internal financing of the Borrower;

3. Colombia (General)

The Committee considered reports with respect to possible lending activity by the Export-Import Bank in Colombia, and

RECOMMENDED:

that discussions be held with the Export-Import Bank, for the purposes:

(a) of avoiding a situation in which both banks would lend to Colombia for agricultural equipment;

(b) of dissuading the Export-Import Bank from making loans of such magnitude as to exhaust Colombia's creditworthiness and thereby frustrate the purpose of the Bank's contemplated long-range mission to Colombia.

4. The meeting adjourned at 4.25 p.m.

Distribution:
1. Mr. J.J. McCloy
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Crema de Iongh
5. Mr. C.A. McLain
6. Mr. L.B. Rist
7. Mr. R.L. Demuth
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee. Held on Monday, May 16, 1949, at 3:20 p.m. in Room 1005.

1. There were present:

   Mr. J. J. McCloy
   Mr. W. A. B. Iliff
   Mr. L. B. Rist
   Mr. C. A. McClain
   Mr. H. W. Riley
   Mr. A. J. Rosenthal (Secretary)

   In attendance:

   Mr. A. S. G. Hoar
   Mr. G. A. Schmidt
   Mr. D. V. Smyser
   Mr. C. H. Davies
   Mr. P. H. Rosenstein-Rodan
   Mr. E. W. Rembert
   Mr. G. de Fleurieu
   Mr. H. W. Larsen

2. Mexico

   The Committee considered SLC/0/96 (Loan Director's Memorandum, "Modification of Comision Project") and

   RECOMMENDED:

   that the proposals of the Loan Director be adopted, but that this decision not be communicated to the Mexican representatives until the economic and financial data concerning the country, which Mexico was obliged to send to the Bank, had been received;

3. Timber Equipment Project

   The Committee considered SLC/0/98 (Loan Director's Memorandum), and

   RECOMMENDED:

   (i) that all of the proposals of the Loan Director be adopted;

   (ii) that, if practicable, the Loan Agreements with Czechoslovakia, Finland and Yugoslavia be signed simultaneously;

4. Brazil

   The Committee considered SLC/0/94 (Loan Director's Memorandum, "Brazil") and the Economic Department report, "External Credit of Brazil", and

   a. RECOMMENDED:
that a mission be sent to Brazil for the study, in situ, of the country's prospects, plans and trends;

b. AGREED:

to defer decision on the Bank's lending policy towards Brazil until such mission had reported its conclusions.

5. The meeting adjourned at 4:25 p.m.

A.J. Rosenthal/bt
5/19/49
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee, held on Wednesday, May 15, 1949, at 10:30 a.m., in Room 615.

1. There were present:
   
   Mr. H. F. Garner
   
   Mr. W. A. B. Iliff
   
   Mr. L. H. Mears
   
   Mr. A. Bruches
   
   Mr. H. W. Riley
   
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   
   Mr. H. A. Bayne
   
   Gen. H. W. Wheeler
   
   Mr. W. G. Durand
   
   Mr. E. H. Rosenstein-Hodan
   
   Mr. W. G. Walk
   
   Mr. F. G. Bochenski

2. Iraq

   The Committee considered SLC/0/99 (Loan Director's Memorandum, "Iraq") and Appendix ("Iraq Development Board"); and

   a. RECOMMENDED:

   (i) that a mission, composed of Messrs. Bayne and Walk and an outside engineer be nominated by General Wheeler, be sent to Iraq in June 1949 for the purposes set forth in the Loan Director's Memorandum, provided, however, that advice of only a general nature with respect to the composition and scope of a development board be given to the Iraqi at this stage;

   (ii) that the mission seek to dissuade the Iraqi from enacting legislation establishing such a development board until definitive recommendations, based on its economic survey, had been received from the Bank;

   (iii) that Messrs. Bayne and Walk seek to obtain additional information concerning Iraq in Cairo and London on their way back to Washington;

   b. AGREE:

   to give further consideration to the question of what advice the mission might give the Iraqi concerning their development board at another meeting, to be held shortly.

3. The meeting adjourned at 11:15 a.m.

A.J. Rosenthal/ht
5/19/49
Minutes of Meeting of Staff Loan Committee, Held on Friday, May 13th, 1949, at 3:00 p.m., in Room 1009.

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. D. Crona de Longh
Mr. L. E. Hilt
Mr. D. Summers
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. R. G. Burian
Mr. F. W. Conoco
Mr. E. W. Riley
Mr. E. E. Buchanan

2. El Salvador

The Committee considered SLC/0/95 (Draft Terms of Reference for the Mission to El Salvador), and

RECOMMENDED:

that the Draft Terms of Reference be approved, with the understanding that the phrase "development plan" in paragraph 1(b) included not only an integrated plan but also any ideas, proposals, or projects with respect to development which the government might entertain.

3. Proposed Hexlight Loan

a. The Committee considered SLC/0/95 (Loan Director's Memorandum, "Proposed Hexlight Loan") and Schedule A, and

RECOMMENDED:

that the proposals of the Loan Director be accepted.

b. The Committee considered a summary of the salient provisions of the Draft Loan Agreement, dated May 12, 1949, and of the Draft Mortgage Indenture, dated May 2, 1949, as set forth by Mr. Summers, and

RECOMMENDED:

(i) that the Working Party proceed on the basis of the Draft Loan Agreement, as described, and advise the Borrower of the Bank's tentative approval of the draft Mortgage Indenture;

(ii) that copies of the Draft Loan Agreement and Mortgage Indenture be given to representatives of the Borrower before their departure for Mexico;
c. The Committee considered Mexico's current financial situation, and

RECOMMENDED:

(i) that studies of the Mexican situation be undertaken immediately, in order that, by the first of June, the Bank might be able to tell Mehlert either:

(a) that if the situation became no worse it would not prevent the loan from going through, or

(b) that the loan would not go through;

(ii) that, for the same purpose, discussions be instituted immediately to clarify the attitude of the Export-Import Bank with respect to its future lending to Mexico.

4. The meeting adjourned at 3:45 p.m.

Distribution
1. Mr. J.J. McClay
2. Mr. R.L. Garner
3. Mr. W.A.B. Illiff
4. Mr. C.A. McLean
5. Mr. L.B. Rist
6. Mr. D. Crean de Longh
7. Mr. R.H. Demuth
STAFF LOAN COMMITTEE

Minutes of Meeting of Staff Loan Committee, Held on Friday, May 20, 1949, at 3:15 p.m., in Room 1005.

1. There were present:

Mr. W. A. E. Iliff
Mr. C. A. McLain
Mr. H. W. Riley
Mr. P. N. Rosenstein-Rodan
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. R. H. Desuth
Gen. R. A. Wheeler
Mr. C. A. Schmidt
Mr. H. A. Hayne
Mr. E. G. Burland
Mr. C. H. Folk
Mr. W. G. Wolk
Mr. E. B. King

2. The Committee considered SLC/0/100 (Loan Director's Memorandum, "Colonial Development Corporation"); SLC/0/101 (General Counsel's Memorandum, "U.K. Colonial Loan and Guarantee Agreements (Engineering Project)"); and draft Loan and Guarantee Agreements dated May 17, 1949, and

RECOMMENDED:

(i) that Mr. Schmidt be sent to London immediately for the purposes set forth in the Loan Director's Memorandum, with instructions to pay particular attention to the calibre of the management and operations of the Colonial Development Corporation;

(ii) that the draft Loan and Guarantee Agreements be modified to provide:

(a) that Colonial Development Corporation (Engineering) Ltd. be made a co-obligor;

(b) that the term "external debt" means, for the purposes of the Loan Agreement, any debt payable in any currency other
than either sterling or the currency of a dependency, but, for purposes of the Guarantee Agreement, means any debt payable in any currency other than sterling;

and in other respects approved;

(iii) that the recommendations of the Loan Director with respect to the term and the amortization provisions of the loan be accepted;

(iv) that it be sought to induce Lord Trefgarne to consent to inclusion of the negative pledge clause covering both internal and external borrowing of C.D.C. as well as of Engineering contained in the draft Loan Agreement, and that if such consent were not received the point be reserved;

(v) that the question of how far end-use supervision should follow materials purchased from the proceeds of the loan be left open until more is known about the management and operations of C.D.C. ;

(vi) that redemption provisions similar to those contained in the Bank’s recent loans be retained, but that, if the Borrower or Guarantor desired, a preca-
tory provision as to the redemption of bonds without premium, similar to that con-
tained in Article VI, Section 5, of the Loan to Credit National, be included;

(vii) that right of the Bank to sell the bonds, publicly or privately, not be made conditional on the consent of the Borrower, but that, if desired by the Borrower, a provision for consultation concerning such sale be included;

(viii) that Mr. Schmidt obtain information with respect to all projects planned by C.D.C., but that he probe only those expected to make use either of the equipment pool or of a substantial amount of the fixed assets to be purchased out of the proceeds of the loan.

3. The meeting adjourned at 4:15 p.m.

Distribution:

1. Mr. J. J. McGloy  5. Mr. L. B. Rist (2)
2. Mr. R. L. Garner    6. Mr. H. W. Eiley
3. Mr. W. A. B. Iliff   7. Mr. R. H. Demuth
4. Mr. C. A. McLain
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Staff Loan Committee Meeting Held at 2:15 p.m., Wednesday, May 25, 1949, in Room 1005

1. There were present:
   Mr. R. L. Garner
   Mr. C. A. McLain
   Mr. L. B. Rist
   Mr. A.S.G. Hoar
   Mr. H.W. Riley
   Mr. A.J. Rosenthal, Secretary

   Also in attendance:
   General E.A. Wheeler
   Mr. William Diamond
   Mr. G. S. Mason
   Mr. C. H. Folk
   Mr. Martin Rosen
   Mr. W. H. Gilmartin

2. Turkey

   The Committee considered SLC/0/102 ("Turkey: Loan Director's Memorandum") and Appendices I and II thereto, and

   RECOMMENDED:

   (1) that the recommendations of the Working Party contained in Appendix II be adopted, with the following modifications:

   (a) Section 1(d) be expanded to stress, affirmatively, the importance of stimulation of private enterprise;

   (b) The attitude of the Turkish representatives to the suggestion of a long-range planning mission to Turkey, of the type being organized for Colombia, be ascertained;

   (c) The recommendations be expanded to include the reasons for each and drafted in a form suitable for transmission to Turkish representatives.

   (d) The recommendations regarding exchange control be discussed with the Fund prior to transmission to the Turkish representatives.
(ii) that the Bank accept the Working Party's recommendations as to projects with the qualification that consideration be given to the financing of only the earlier portion of the sile project at present;

(iii) that the Bank indicate to the Turkish representatives that, subject to further discussions with E.C.A., it would be willing to make a small initial loan, without prejudice to the possibility of making additional loans subsequently.

3. The meeting adjourned at 3:00 p.m.

Distribution
1. Mr. J. J. McCloy
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. C.A. McLain
5. Mr. H. W. Riley
6. Mr. L.B. Rist
7. Mr. L.E. Rist
8. Mr. R.H. Demuth
9. Mr. A.S.G. Hear
10. Mr. O.A. Schmidt
11. General R.A. Wheeler
12. Mr. E.G. Burland
13. Mr. G. S. Mason
14. Mr. O.H. Folk
15. File
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Staff Loan Committee Meeting Held at 2:30 p.m., Wednesday, June 1, 1949, in Room 425

1. Those present:
   Mr. R. L. Garner
   Mr. W. A. E. Illiff
   Mr. A. F. Laxford
   Mr. F. N. Rosenstein-Roden
   Mr. H. W. Riley
   Mr. A. J. Rosenthal, Secretary

   Also in attendance:
   Mr. F. N. Stephens
   Mr. W. Diamond
   Mr. G. H. Folk
   Mr. F. G. Bochenski

2. Lebanon

   The Committee considered SLC/0/103 (The Loan Director's May 23, 1949 Memorandum on Lebanon) and

   RECOMMENDED:

   that the recommendations of the Loan Director's Memorandum on Lebanon be adopted subject to presentation for comment to the Board of Executive Directors.

3. The meeting adjourned at 3:45 p.m.

Distribution
1. Mr. McCloy
2. Mr. R.L. Garner
3. Mr. W.A.E. Illiff
4. Mr. G.A. Melain
5. Mr. H.W. Riley
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Bemuth
9. Mr. A.S.G. Hoar
10. Mr. G.A. Schmidt
11. General Wheeler
12. Mr. E.C. Rurland
13. Mr. W. Diamond
14. Mr. H.Folk
15. Files
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Staff Loan Committee Meeting Held at 2:45 p.m., Tuesday, May 31, 1949, in Room 1005

1. There were present:
   Mr. R. L. Garner
   Mr. A.S.G. Hear
   Mr. A.J. Luxford
   Mr. H.W. Riley
   Mr. P.H. Rosenstein-Rowan
   Mr. A.J. Rosenthal, Secretary

   Also in attendance:
   General R.A. Wheeler
   Mr. G.S. Mason
   Mr. William Diamond
   Mr. O.H. Folk
   Mr. E.H. Clark

2. Turkey

   The Committee again considered SLC/0/102 ("Turkey: Loan Director's Memorandum") and Appendices I and II thereto, and

   RECOMMENDED:

   (i) that the Working Party prepare a draft memorandum to the
       Turkish Government, indicating that the Bank would be willing to consider
       financing the foreign exchange costs of the first stage of the silo project,
       the Sayhan Dam, and port construction and improvement;

   (ii) that such memorandum contain discussions of the foregoing
        projects and of the projects which the Bank would not be prepared to consider
        at the present time, together with the reasons for such deferment;

   (iii) that the contents of such memorandum be discussed with E.C.A.
         to indicate what the Bank could do for Turkey would be strictly limited unless
         Turkey were placed on a grant basis;

   (iv) that the Executive Directors be informed of the status of
        the Turkish application.

3. The meeting adjourned at 3:30 p.m.

DISTRIBUTION
1. Mr. J. J. McCloy
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. C.A. McNair
5. Mr. H.W. Riley
6. Mr. L.B. Rat
7. Mr. L.B. Rat
8. Mr. E.H. Demuth
9. Mr. A.S.G. Hear
10. Mr. G.A. Schmidt
11. General R.A. Wheeler
12. Mr. E.G. Burland
13. Mr. G.S. Mason
14. Mr. Folk
15. File
Minutes of Staff Loan Committee Meeting Held at 2:30 p.m., Wednesday, June 8, 1949, in Room 1005

1. Those present:
   Mr. R. L. Garner
   Mr. A. S. G. Hoar
   Mr. P. N. Rosenstein-Roden
   Mr. N. W. Riley
   Mr. A. F. Luxford
   Mr. O. H. Folk, Secretary

   Also in attendance
   Mr. S. R. Cope
   Mr. M. M. Rosen
   Mrs. C. A. Nyshpan

2. Yugoslavia

   The Committee considered SLC/0/104, "Acting Loan Director's Memorandum - Yugoslavia" and F 43, "Yugoslavia - Preliminary Economic Manual," and

   RECOMMENDED:

   that the Bank ascertain informally the views of the U. S. Department of State on the proposal for a loan to Yugoslavia and that if such views were favorable the Bank send a mission to Yugoslavia as soon as practicable.

3. The meeting adjourned at 3:25 p.m.
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee, Held 10:30 a.m., Thursday, June 16, 1949, in Room 1005

1. There were present:

   Mr. R. L. Garner
   Mr. A.S.G. Hoar
   Mr. P. N. Rosenstein-Rodan
   Mr. H. W. Riley
   Mr. B. Sommers
   Mr. O.H. Folk, Secretary

   Also in attendance

   Mr. E. G. Burland
   Mr. C. H. Davies
   Mr. G. deFleurieu
   Mr. S. Lipkowitz

2. Mexico: Mexlight Reorganization

   The Committee considered SLC/0/105, Assistant Loan Director's Memorandum on "Mexico: Mexlight Reorganization," June 11, 1949, and

   RECOMMEND:

   (i) that E h2 "Mexico's Ability to Incur Additional Debt," May 31, 1949, and the draft Loan, Guarantee and Novation Agreements be transmitted to the Board of Executive Directors; and

   (ii) that the American Executive Director be asked to express to the U. S. Government the Bank's views on the possible dangers of a loan to Pemex and seek a clarification of the intentions of the U. S. Government in this respect.

3. The meeting adjourned at 11:00 a.m.

Distribution
1. Mr. E. R. Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Hiff
4. Mr. C. A. McLain
5. Mr. H. W. Riley
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. O. A. Schmidt
11. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Mr. C. H. Davies
15. Files
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee, Held on Monday, June 20, 1949
at 2:30 p.m., in Room 1005

1. There were present:

Mr. R. L. Garner
Mr. A.S.G. Hoar
Mr. P.N. Rosenstein-Roden
Mr. A.F. Lusford
Mr. H. V. Riley
Mr. R. E. Demuth
Mr. O. H. Folk, Secretary

Also in attendance:

Mr. J. E. Penton
Mr. E. H. Rosen
Mr. A. Stevenson


The Committee considered SLC/0/106, Assistant Loan Director's Memorandum on "Netherlands: Herzelbank," June 17, 1949, and E 47, "The Netherlands Economy: Present Position and Future Prospects," June 17, 1949, and

RECOMMENDED:

that the President inform the Executive Directors of the status of the Herzelbank loan application and if there is not a negative reaction in the discussion that follows, that the Loan Department proceed with negotiations for a loan of $15 Million on projects put up by Finance Corporation for National Reconstruction.

Distribution
1. Mr. E.R. Black
2. Mr. R.L.Garner
3. Mr. W.A.B. Iliff
4. Mr. C.A. Halsein
5. Mr. L. B. Rist
6. Mr. L. B. Rist
7. Mr. H. V. Riley
8. Mr. R. H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. C.A. Schmidt
12. Mr. E. C. Burland
13. Mr. J. M. Penton
14. Mr. O. H. Folk
15. Files
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee Held at 2:15 p.m., Tuesday, June 21, 1949 in Room 1005

1. There were present:

   Mr. R. R. Black
   Mr. R. L. Germer
   Mr. A.S.G. Hoar
   Mr. C.A. McLean
   Mr. F. H. Rosenstein-Roden
   Mr. H. W. Riley
   Mr. O. H. Folk, Secretary

   Also in attendance:

   Mr. R. H. Demuth
   Mr. E. G. Burland
   Mr. F. A. Concele
   Mr. H. Lopez-Herrarte

2. Cuba

   The Committee considered SLC/0/197, "Report on Discussions with Representatives of the Cuban Government," and

   RECOMMENDED:

   that the proposed letter to the Governor of the Bank for Cuba be revised by (a) deleting the paragraph numbered 1; (b) revising the paragraph numbered 2 to say that we will consider projects after they have been soundly developed and there is evidence to indicate that they will improve the economic and financial condition of the country, pointing out also that in addition to the soundness of the projects, the Bank must be satisfied with the financial and economic condition of the country; and (c) indicating in the paragraph numbered 3 that we will not send a mission until they are ready to talk business.

3. The meeting adjourned at 3:20 p.m.

Distribution

1. Mr. R. R. Black
2. Mr. R. L. Germer
3. Mr. W.A.B. Iliff
4. Mr. C.A. McLean
5. Mr. L. B. Rist
6. Mr. L. B. Rist
7. Mr. H. W. Riley
8. Mr. O. H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. C.A. Schmidt
12. Mr. E. G. Burland
13. Mr. F. A. Concele
14. Mr. O. H. Folk
15. Files
MINUTES OF MEETING OF STAFF LOAN COMMITTEE

1. There were present:

   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. A. S. G. Hoar
   Mr. D. Sommers
   Mr. A. Basch
   Mr. E. W. Riley
   Mr. C. H. Folk, Secretary

   Also in attendance

   Mr. E. G. Burland
   Mr. J. Rucinski

2. India

   The Committee considered the draft loan agreement for the Railroad Project
   and

   AGreed:

   that the Loan Department should negotiate with representatives
   of the Indian Government on the basis of the draft loan agree-
   ment as circulated.

3. The meeting adjourned at 2:40 p.m.

Distribution

1. Mr. E. R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. C. A. McLeay
5. Mr. D. Crema de Iongh
6. Mr. L. B. Hins
7. Mr. L. B. Hins
8. Mr. R. H. Desmuth
9. Mr. A. S. G. Hoar
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. J. Rucinski
14. Mr. C. H. Folk
15. Files
STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting, Held Wednesday, June 29, 1949 at 10:30 a.m., in Room 1005

1. There were present

   Mr. R. L. Garner
   Mr. A.S.G. Hoar
   Mr. H. W. Riley
   Mr. P. N. Rosenstein-Roden
   Mr. A.F. Luxford
   Mr. G. H. Folk, Secretary

Also in attendance

   Mr. O. A. Schmidt
   Mr. A. Achasson
   Mr. A. Rausch
   Mr. B. B. King

2. Colonial Development Corporation

   The Committee considered SLG/0/108, Memorandum of the Assistant Loan Director, dated June 23, 1949, and

   CONCURRED:

   in the recommendations contained in Part III of this memorandum, and

   AGREED:

   that it would not be necessary to re-appraise the financial and economic position of the United Kingdom before proceeding with this loan.

3. The meeting adjourned at 11:45 a.m.

Distribution
1. Mr. R. R. Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Niiff
4. Mr. G. A. McLean
5. Mr. H. W. Riley
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. O. A. Schmidt
11. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Files
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Staff Loan Committee Held 10:30 a.m., June 30, 1949, in Room 1005

1. There were present:
   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. A.S.G. Heor
   Mr. A. F. Luxford
   Mr. H. W. Riley
   Mr. P. N. Rosenstein-Rodan
   Mr. O. H. Folk

   Also in attendance:
   Mr. R. H. Demuth
   General R.A. Wheeler
   Mr. M. J. Madigan
   Mr. M.M. Rosen
   Mr. J. M. Penton
   Mr. A. Stevenson
   Mr. A. Wubig

2. Belgium

   The Committee considered SLC/0/109, Memorandum from the Assistant Loan Director dated June 28, 1949; F 51, Economic and Financial Aspects of the Belgian Loan Application, dated June 28, 1949; and E 50, Preliminary Report on Belgian Transport Projects dated June 28, 1949, and

   AGREED:

   that in view of the rather unsettled situation, the Vice President discuss the matter with the President and, unless he foresees difficulties, advise the Executive Director for Belgium that the Bank proposes to await a further clarification in the European situation before proceeding with the Belgian Loan Application.

3. The meeting adjourned at 11:55 a.m.

Distribution:
1. Mr. E.R. Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Eiff
4. Mr. G.A. McLain
5. Mr. L.B. Rist
6. Mr. L.B. Rist
7. Mr. H.W. Riley
8. Mr. R.H. Demuth
9. Mr. A.S.G. Heor
10. Mr. O.A. Schmidt
11. General R.A. Wheeler
12. Mr. E.G. Durland
13. Mr. O.H. Folk
14. Mr. J.M. Penton
15. Files
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee, Held at 10:30 a.m., Friday July 8, 1949

1. There were present:
   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. O. A. Schmidt
   Mr. A. F. Luxford
   Mr. E. W. Riley
   Mr. F. N. Rosenstein-Roden
   Mr. C. H. Folk, Secretary

   Also in attendance:
   Mr. E. A. Beecroft
   Mr. A. Basch
   Mr. W. M. Gilmartin

2. Philippines

   The Committee considered SLC/0/110, Assistant Loan Director's Memorandum on the Philippines, dated July 5, 1949 and E 52, Recent Economic and Financial Developments in the Philippines, dated July 6, 1949 and

   AGREED

   that the letter proposed by the Assistant Loan Director be transmitted to the President of the Philippine Republic after

   (a) amending it to make clear that the Bank's consideration of a loan to the Philippines is conditional upon their taking the necessary steps to improve their economic and financial situation, and

   (b) after acquainting the U.S. Department of State with the amended letter, E 52 and previous developments.

3. The meeting adjourned at 11:15 a.m.

Distribution
1. Mr. E. R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Liff
4. Mr. C. A. McLain
5. Mr. L. B. Rist
6. Mr. L. B. Rist
7. Mr. R. H. Desmit
8. Mr. F. N. Rosenstein-Roden
9. Mr. A. S. C. Hoar
10. Mr. O. A. Schmidt
11. Mr. E. G. Burland
12. General R. A. Wheeler
13. Mr. E. A. Beecroft
14. Mr. C. H. Folk
15. Files
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held July 12, 1949, at 4:30 p.m.,
in Room 1005

1. There were present:

   Mr. E. G. Black
   Mr. G. A. Schmidt
   Mr. D. Somers
   Mr. H. W. Riley
   Mr. P. H. Rosenstein-Rodan
   Mr. R. H. Demuth
   Mr. C. H. Folk, Secretary

   Also in attendance

   Mr. F. A. Console
   Mr. A. B. Spottwood
   Mr. G. DeFleurieu
   Mr. A. Waterston

2. El Salvador

   The Committee considered (a) Loan 73, The Operational Report on El Salvador;
   (b) E 53, A Report on the Economy of El Salvador; (c) C-4, A Report on the
   Proposed Hydro-Electric Power Development of the Rio Lempa at Chorreras Del
   Guayabo, by Mr. H.R. Faison, Consultant to the Bank; (d) SLC/0/113, Dr. Rembert's
   memorandum on The Rio Lempa Hydroelectric Project; and (e) SLC/0/114, General
   Wheeler's memorandum on the Rio Lempa Hydroelectric Project, and

   CONCURRED

   in the recommendations of the Assistant Loan Director, and

   AGREED

   to the circulation of E 53 to the Executive Directors and the El
   Salvadoran Government.

3. Guatemala

   The Committee considered SLC/0/111, Report on the Visit to Guatemala, and

   RECOMMENDED

   that the Bank (1) advise the Guatemalan Government of its
   willingness to send a Mission to survey the various sectors
of their economy to assist in determining projects of highest priority and (2) request the Guatemalan Government to send copies of any economic studies and surveys already made so that the members of the Mission could review them before undertaking their work.

4. The meeting adjourned at 6:00 p.m.

Distribution

1. Mr. E. G. Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Illiff
4. Mr. C.A. McLain
5. Mr. L. B. Rist
6. Mr. L. B. Rist
7. Mr. H. W. Riley
8. Mr. R. H. Demuth
9. Mr. A.S.G. Hear
10. Mr. O.A. Schmidt
11. Mr. K. G. Burland
13. Mr. F. A. Console
14. Mr. O. H. Folk
15. Files
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held Thursday, July 21, 1949 at 2:30 p.m. in Room 1005.

1. There were present:
   
   Mr. E. G. Black
   Mr. W. A. B. Iliff
   Mr. D. Creagh de Iongh
   Mr. L. D. Rest
   Mr. D. Summers
   Mr. C. Harold Folk, Secretary

   Also in attendance:
   
   Mr. R. H. Drink
   Mr. J. N. Fenton
   Mr. E. R. Copper
   Mr. H. N. Riley
   Mr. N. M. Rosen
   Mr. H. W. Robinson

2. Grand Duchy of Luxembourg
   
   The Committee considered SLC/0/118, the Loan Director's Memorandum to the Staff Loan Committee, dated July 20, 1949, and

   CONCURRED:

   in the Loan Director's recommendation.

3. Netherlands - Herstelbank
   
   The Committee considered SLC/0/119, the Loan Director's Memorandum to the Staff Loan Committee on the Herstelbank, dated July 20, 1949, and

   CONCURRED:

   in the Loan Director's recommendation that the proposed report of the President to the Board and the attached documents be circulated to the Board for approval at its next meeting, Tuesday, July 26, after having revised the draft Statutory Loan Committee's Report by omitting Paragraph 3 and adding at the end of Paragraph 2 substantially the following: "and, accordingly, for these reasons, the Committee finds these projects merit financial assistance from the Bank, and hereby recommends said projects for such assistance.
4. **Finland**

The Committee considered SLG/0/117, the Loan Director's Memorandum to the Staff Loan committee, dated July 19, 1949, and

**CONCLUDED:**

in the Loan Director's recommendation that the proposed report of the President to the Board and the attached supporting documents be circulated to the Board for approval at its next meeting, Tuesday, July 26, after amending Paragraph 24 of the President's Report to the Board to (1) indicate that the $450 Million foreign debt suggested as the peak which would be reached by 1952 is merely an estimate based on the plans contemplated by the Finnish Government and in no way indicates that the Bank is contemplating any further loan to Finland, and (2) add a statement showing the amount of the present Finnish foreign debt.

5. **Yugoslavia**

The Committee considered SLG/0/120, the Loan Director's Memorandum to the Staff Loan Committee on Yugoslavia, dated July 20, 1949, and

**AGREED:**

to the composition and terms of reference of the mission, with the addendum that Mr. A. S. G. Hoar, the Assistant Loan Director, should accompany the mission for the first one or two weeks and launch it on its work.

6. The meeting adjourned at 4:10 p.m., reconvened at 9:15 a.m., Friday, July 22, and adjourned at 10:30 a.m.

**Distribution**

STAFF LOAN COMMITTEE

MINUTES OF STAFF LOAN COMMITTEE MEETING HELD AT 2:15 P.M., WEDNESDAY, JULY 27, 1949, IN ROOM 1005

1. There were present:

Mr. R. L. Garner
Mr. D. Crena de Iongh
Mr. L. B. Rist
Mr. O. A. Schmidt
Mr. D. Sommers
Mr. O. H. Folk, Secretary

Also in attendance:

Mr. E. N. Desmuth
Mr. B. W. Smyser
Mr. H. W. Larsen
Mr. S. Lipkowitz

2. Brazilian Amapa Manganese Project

The Committee considered SLC/0/122, Memorandum on the Brazilian Amapa Manganese Project, dated July 25, 1949, and

RECOMMENDED:

(1) that the Bank advise the Bethlehem Steel Company that, on condition of a commitment for a firm market for manganese ore in sufficient quantity and at a price that will assure the repayment of the loan, the Bank is prepared to give consideration to the financing of the Brazilian Amapa Manganese Project when the Brazilian Government indicates its willingness to guarantee the loan, although it has certain reservations regarding the dollar financing of local currency expenditures; and

(2) that after Brasil indicates its willingness to guarantee the loan, the Bank seek approval for the use of Brazilian 15% subscription for financing all or part of the local currency expenditures.

3. The meeting adjourned at 3:30 p.m.

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. C. A. McLain
5. Mr. D. Crena de Iongh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. E. N. Desmuth

9. Mr. A.S.G. Hear
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15.
16.
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee Meeting held at 2:30 p.m.
Monday, August 1, 1949, in Room 1005

1. Those present:

Mr. E. R. Black
Mr. R. L. Garner
Mr. W. A. D. Iliff
Mr. D. Crena de Longh
Mr. L. B. Rist
Mr. D. Sommers
Mr. G. H. Folk, Secretary

Also in attendance:

General Edgerton
Mr. H. H. Desmith
Mr. C. A. Schmidt
Mr. F. D. Stephens
Mr. E. W. Rembert
Mr. F. A. Consolo
Mr. E. A. Bayne
Mr. E. A. Beecroft

Mr. L. Svoboda
Mr. A. Basch
Mr. W. G. Welk
Mr. C. de Flaurieu
Mr. F. G. Bochenski
Mr. M. F. Perkins
Mr. E. B. Buchanan

2. El Salvador

The Committee

AGREED:

to circulate to the Executive Directors (1) E-51, Report on the Economy of El Salvador; (2) C-4, A Report on Proposed Hydro-Electric Power Development of the Rio Lempa at Chorrera del Guayabo, and (3) SLC/0/126, The President’s July 19, 1949 Letter to the Comision Ejecutiva Hidroelectrica del Rio Lempa, and

RECOMMENDED:

that in this case, and in all future cases, the Economic Director, before releasing copies of an economic report for circulation to the Executive Directors, should show a copy to the Executive Director for the country concerned, so that he may have a reasonable opportunity to comment before its general circulation.
3. The Philippines

The Committee considered SLC/0/125, Memorandum for the Committee on the Philippines, dated July 28, 1949, and

AGREED:

to transmit to the President of the Philippines the letter proposed by the Loan Department after having amended the last paragraph on Page 2 by inserting "therefore" after "Bank" in the first sentence and by substituting "is taking" for "will take" in the second sentence, the original to be sent to Manila and a copy to the Philippine Embassy to await the arrival of the President in Washington.

4. Iraq

The Committee considered (1) SLC/0/123, Operational Report and Recommendations on Financing the Railway Program in Iraq, dated July 27, 1949; (2) SLC/0/124, Preliminary Engineering Report on Iraqi Railways, dated July 27, 1949; and (3) P-57, Iraq’s Creditworthiness, dated July 25, 1949, and

RECOMMENDED:

(1) that the Bank be prepared to consider financing the foreign exchange costs of the railroad and irrigation projects, provided arrangements satisfactory to the Bank can be made for funding the current railway indebtedness and the financing/local currency requirements;

(2) that the Bank explore the possibility of Bank standby participation in an Iraqi issue on the London Market.

5. Egypt

The Committee considered (1) SLC/0/121, Mr. Stephen’s Memorandum on Egypt, dated July 21, 1949; (2) Loan 72, Report and Recommendations of the Mission to Egypt, dated May 5, 1949; (3) C-3, Report of the Consultant to the Mission to Egypt, dated May 31, 1949; (4) SLC/0/112, Dr. Rembert’s Memorandum on the Qena Irrigation Project, (5) SLC/0/115, Mr. Stephen’s Memorandum on the Question of the Non-Self-Liquidating Character of the Qena Project, and (6) B-55, Report on the Economy of Egypt, dated July 26, 1949, and

CONCLUDED:

in the recommendations of the Loan Department, and that the next step should be for the Egyptian authorities to draw up a list of dollar goods.

6. The meeting adjourned at 5:35 p.m.

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. C. A. McLain
5. Mr. D. Crena de Lough
6. Mr. L. E. Rist
7. Mr. L. E. Rist
8. Mr. R. H. Desmuth
9. Mr. A. C. Hoar
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. F. A. Consolo
16. Mr. E. A. Beacroft
17. Mr. E. A. Bayne
18. Mr. F. D. Stephens
STAFF LOAN COMMITTEE

This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.

Minutes of Meeting of the Staff Loan Committee, Held at 9:30 a.m., Thursday, August 4, 1949, in Room 1005.

1. Those present:

   Mr. E. R. Black
   Mr. W.A.B. Iliff
   Mr. D. Grena de Iongh
   Mr. L. B. Rist
   Mr. D. Sommers
   Mr. C. H. Folk, Secretary

   In attendance:

   Mr. R. H. Demuth
   General R.A. Wheeler
   Mr. J. Rucinski
   Mr. C. S. Mason
   Mr. E. W. Rembert
   Mr. A. Basch
   Mr. M. M. Rosen
   Mr. E. Harrison Clark

2. Turkey

   The Committee considered SLC/0/127, Loan Department Memorandum - Turkey, dated August 1, 1949, and E 59, Turkish Creditworthiness, dated August 3, 1949, and

   AGREED:

   that a paper should be prepared on the Turkish debt situation as a basis for a possible discussion with the U.S. and U.K. Governments as to the possibility of the extension of period of repayment of dollar and sterling indebtedness.

3. India

   The Committee considered SLC/0/128, Loan Department Memorandum - India, dated August 2, 1949, and Annex thereto, dated August 3, 1949 and

   CONCURRED:

   in the Loan Department recommendations concerning representation (Section B, SLC/0/128), and redemption premiums, which are the same as the redemption premiums in the Chile Endesa loan, (Section D, SLC/0/128); and
AGREED:

(1) that the interest rate for the railway project would be 4% for a 20-year loan with a 5-year grace period, and

(2) that, if agreeable to representatives of the Indian Government, the proposed press release be issued at the time the railway loan agreement is signed and otherwise be revised to indicate that the total amount for the three projects under consideration is $75 million; and if not agreeable to the representatives of the Indian Government, issue as an interim press release after amending to indicate a total of $75 million for the three projects under consideration.

The Treasurer pointed out that if loans to India were to be made on the scale, and for the projects, contemplated, he thought it desirable that a Field Office should be established in India. He did not think it necessary that this office should be established immediately, or for the sole purpose of the Railway Loan. The Committee expressed no dissent from these views.

4. Netherlands

The Committee considered SLC/0/129 and

CONCURRED:

in the recommendations of the Loan Director.

5. The meeting adjourned at 11:35 a.m.

Distribution
1. Mr. E. R. Black
2. Mr. W. A. B. Iliff
3. Mr. D. Crena de Longh
4. Mr. L. B. Rist
5. Mr. D. Sommers
6. Mr. C. H. Folk
7. Mr. R. H. Demuth
8. General R. A. Wheeler
9. Mr. J. Rucinski
10. Mr. G. S. Mason
11. Mr. E. W. Rembert
12. Mr. A. Basset
13. Mr. M. M. Rosen
14. Mr. E. Harrison Clark
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee, Held at 10:30 a.m., Friday, August 5, 1949, in Room 1005

1. Those present:
   Mr. E. R. Black
   Mr. W. A. B. Iliff
   Mr. L. B. Rist
   Mr. D. Sommers
   Mr. H. W. Riley
   Mr. C. H. Folk, Secretary

   In attendance:
   Mr. R. H. Damuth
   Gen. R. A. Wheeler
   Mr. E. W. Rembert
   Mr. C. H. Davis
   Mr. G. deFleurieu
   Mr. H. B. Ripman

2. Mexico

   The Committee discussed SLC/0/130, Loan Department Memorandum on Mexico: Modifications of Comision Project, dated August 4, 1949 and RECOMMENDED:

   that Dr. Rembert of the Engineering Staff of the Loan Department go to Mexico to make a detailed study and report on the problems raised in SLC/0/130.

3. The meeting adjourned at 11:35 a.m.
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee, Held Thursday, August 11, 1949
at 10:00 a.m., in Room 1005

1. There were present:
   Mr. W. A. B. Iliff
   Mr. D. Crema de Iongh
   Mr. L. E. Rist
   Mr. D. Sommers
   Mr. C. H. Folk, Secretary

   Also in Attendance:
   Mr. R. H. Demuth
   General R. A. Wheeler
   Mr. O. A. Schmidt
   Mr. D. W. Sayser
   Mr. F. D. Stephens
   Mr. F. A. Concelo
   Mr. E. A. Payne
   Mr. H. W. Larson
   Mr. G. DeFleurieu
   Mr. A. Broches

2. Colombia

   The Committee considered SLC/0/131, Loan Director's Memorandum on the
   Colombian Agricultural Machinery Project, dated August 9, 1949, and

   AGREED

   (1) that the Loan Working Party should review the proposed Report
       and Recommendations of the President to the Executive Directors
       and attachments, before further consideration of the Committee, and

   (2) that R 56, Loan 74 and the Draft Loan and Guarantee Agreements
       should be circulated to the Executive Directors immediately.

3. Nicaragua

   The Committee considered SLC/0/132, Loan Department Memorandum on
   Nicaraguan Request for Bank Mission, dated August 9, 1949, and
RECOMMENDED:

that the Bank, after discussing with the Fund the results of its Mission to Nicaragua, advise the Government of Nicaragua that the Bank considers a detailed investigation of the specific sections of their economy as premature and proposes that Bank Representatives should first make a preliminary survey of the development possibilities of Nicaragua.

4. Equatorial Nile Scheme

The Committee considered SLC/6/133, Loan Department Memorandum on the Equatorial Nile Scheme, dated August 9, 1949, and

RECOMMENDED:

that the President might informally discuss with the British Government the extent to which the good offices of the Bank might be utilized in carrying forward the planning phase of the project.

5. The meeting adjourned at 11:35 a.m.

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. E. Iliff
4. Mr. D. C. McLain
5. Mr. D. Grena de Longha
6. Mr. L. E. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Demuth
9. Mr. A. S. G. Roar
10. Mr. G. A. Schmidt
12. Mr. H. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. D. N. Smyser
16. Mr. F. A. Consolo
17. Mr. F. D. Stephens
18. Mr. D. A. Hayne
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held 10:30 a.m., Monday, August 15, 1949, in Room 1005

1. Those present:

Mr. E. L. Garner
Mr. W. A. E. Iliff
Mr. D. Crema de Longh
Mr. Mr. L. E. Rist
Mr. A. F. Luxford
Mr. O. H. Folk, Secretary

Also in attendance:

General R. A. Wheeler
Mr. J. Rudinski
Mr. D. W. Sayser
Mr. H. W. Larsen
Mr. W. H. Gilhart

2. India

The Committee considered SL 0/0/134, Report and Recommendations of the President to the Executive Directors concerning the proposed loan to India, dated August 12, 1949; the Indian Railway Project loan agreement; and SL 0/0/135, Press Release in connection with the Indian Railway Project, dated August 12, 1949; and

RECOMMENDED:

(1) that the Indian Government make representation that it will submit a resolution to the Indian Congress in terms acceptable to the Bank which endorses the Bank's Railway loan and recommends that the Government proceed with negotiations with the Bank for further loans to finance India's development program.

(2) that according to the desire of the Government of India, the Bank should be willing to make the loan on a basis of either (i) 15 years at 4% or (ii) 20 years at 4½%.

(3) that the question of whether the redemption premiums should be the same as in the Heratbank and Bank of Finland loans be discussed with the President.

(4) that the proposed Report and Recommendations of the President to the Executive Directors be circulated to the Directors after having been amended in accordance with the suggestions of the Committee and with the understanding that, if the Government of India wishes to proceed on a 20 year 4½% basis, the loan Agreement should be appropriately altered.
3. **Colombia**

The Committee considered SLC/0/136, Report and Recommendations of the President to the Executive Directors concerning the proposed Colombian loan, dated August 15, 1949, and

**RECOMMENDED:**

that the Report and Recommendations of the President to the Executive Directors, after having been amended in accordance with the suggestions of the Committee, be circulated to the Directors on the basis that the legal opinion expected momentarily from Colombia will be satisfactory. If the legal opinion is not received before the Board meets to consider the loan, that the Board be requested to approve the loan with the understanding that, if the legal opinion is not satisfactory the loan agreement will be amended so as to make the effective date depend on the enactment of amending guarantee legislation by Colombia in terms satisfactory to the Bank.

4. The Meeting adjourned at 12:30 p.m.

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**Distribution**

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. C. A. McLain
5. Mr. D. Crema de Longh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Deynuth

9. Mr. A. S. G. Hoar
10. Mr. C. A. Schmidt
12. Mr. E. G. Durland
13. Mr. H. Folk
14. Mr. D. W. Sayer
15. Mr. J. Rucinski
SLC/M/93 - Mr. Hill's memo re the Paris Mission

(see Mr. Hill's file)
STAFF LOAN COMMITTEE

Minutes of Meeting of Staff Loan Committee Meeting Held at 10:30 a.m., Thursday, September 1, 1949, in Room No. 1005.

1. Those present:
   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. D. Grena de Longh
   Mr. L. B. Rist
   Mr. A. F. Luxford
   Mr. C. H. Folk, Secretary

   Also in attendance:
   Mr. E. Lopez-Herrarte
   Mr. G. L. Sandelin
   Mr. C. H. Davies
   Mr. Wm. Diamond
   Mr. R. W. Larsen
   Mr. A. Waterston
   Mr. R. E. Buchanan

2. Mexico - Mexlight

   The Committee

   AGREED:

   to circulate to the Executive Directors the Report and Recommendations of the President to the Executive Directors on the Status of the Loan Application of the Mexican Light and Power Company, Limited.

3. Greece

   The Committee considered SLR/0/139, Loan Director’s Memorandum on Greece, dated August 26, 1949 and

   RECOMMENDED:

   that the Bank not give consideration to financing within Greece at this time.

4. Chile

   The Committee considered SLR/0/141, Loan Director’s Memorandum on Chile, dated August 30, 1949 and
CONCURRED:

in the recommendations of the Loan Director including the recommendation that the Bank withhold the release of further funds under the loan unless the desired 1950 budgetary information is received within a period acceptable to the Bank.

5. The Meeting adjourned at 11:30 a.m.

Distribution:

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. E. Iliff
4. Mr. B. Summers
5. Mr. B. Crema de Iongh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Dasmith
9. Mr. A. S. G. Hoar
10. Mr. G. A. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. C. H. Davies
16. Mr. W. Diamond
17. Mr. G. L. Sandelin
Minutes of Meeting of Staff Loan Committee Meeting Held at 10:00 a.m. on Wednesday, September 7, 1949, in Room 1005.

1. Those present:
   Mr. E. Black
   Mr. R. L. Carner
   Mr. W. A. E. Iliff
   Mr. D. Sommers
   Mr. D. Grena de Longh
   Mr. L. E. Rist
   Mr. O. H. Folk, Secretary

2. BELGIUM

   The President advised the Committee of his conversations with M. Frere, Governor of the Bank of Belgium, and obtained the views of the individual members of the Committee with regard to granting a loan to Belgium.

3. The meeting adjourned at 11:30 a.m.

Distribution
1. Mr. E. Black
2. Mr. R. L. Carner
3. Mr. W. A. E. Iliff
4. Mr. D. Sommers
5. Mr. D. Grena de Longh
6. Mr. L. E. Rist
7. Mr. O. H. Demuth
8. Mr. L. E. Rist
9. Mr. A. S. G. Hoar
10. Mr. O. A. Schmidt
11. General R. A. Wheeler
12. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Mr. J. N. Fenton
15. File
STAFF LOAN COMMITTEE

Minutes of Meeting of Staff Loan Committee Meeting Held at 2:30 p.m., on Wednesday, September 7, 1949, in Room 1005

1. Those present:

   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. W.A.B. Illiff
   Mr. D. Craen de Jongh
   Mr. A. F. Luxford
   Mr. L. B. Rist
   Mr. O. H. Folk, Secretary

   Also in attendance:

   Mr. H. F. Johnson
   Mr. R. H. Demuth
   Mr. W. Diamond
   Mr. A. Stevenson

   Turkey

2. The Committee considered SLC/0/112, Loan Director's Memorandum on Turkey, dated September 6, 1949, individually expressed their views for Mr. Johnson's background information and requested Mr. Johnson to prepare a statement on (1) the objectives of his mission and (2) the questions that are likely to arise.

3. The meeting adjourned at 4:40 p.m.

Distribution

1. Mr. E. R. Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Illiff
4. Mr. D. Sommers
5. Mr. L. B. Rist
6. Mr. L. B. Rist
7. Mr. D. Craen de Jongh
8. Mr. R. H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. O. A. Schmidt
11. General R. A. Wheeler
12. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Mr. W. Diamond
15. File
Minutes of Meeting of the Staff Loan Committee, Held at 2:30 p.m., Monday September 12, 1949, in Room 1005

1. Those present:
   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. W.A.B. Iliff
   Mr. D. Crena de Iongh
   Mr. D. Sommers
   Mr. L. B. Rist
   Mr. O. H. Folk, Secretary

   Also in attendance:
   General R. A. Wheeler
   Mr. W. Diamond
   Mr. A. Stevenson

   Turkey

2. The Committee considered SLC/0/14, Loan Director's Memorandum on Turkey dated September 9, 1949 and

   CONCURRED:
   in the recommendations of the Loan Director.

3. The meeting adjourned at 2:50 p.m.

Distribution
1. Mr. E. R. Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Crena de Iongh
5. Mr. D. Sommers
6. Mr. L. B. Rist
7. Mr. L. E. Rist
8. Mr. R. H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. O. A. Schmidt
11. General R. A. Wheeler
12. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Mr. W. Diamond
15. File
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee, Held September 19, 1949 at 4:30 p.m., in Room 1003

1. There were present:
   
   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. A.S.G. Hoar
   Mr. D. Grena de Iongh
   Mr. L. B. Rist
   Mr. D. Sommers
   Mr. O. H. Folk, Secretary

   Also in attendance:
   Mr. R. H. Demuth
   Mr. E. G. Burland
   Mr. J. Rucinski
   Mr. J. T. Lund
   Mr. W. M. Gilmartin

2. India

   The Committee considered (a) SIC/0/146, Loan Department Memorandum on the Indian Agricultural Machinery Loan dated September 15, 1949; (b) Loan 76, Report of the Appraisal of the Indian Agricultural Machinery Project dated September 14, 1949; and (c) Draft Loan Agreement (Agricultural Machinery Project), and

   CONCURRED:

   in the recommendations of the Loan Department after having been advised that the amount of the loan had been reduced from $10.5 million to $10.0 million because the Indian Government can now secure $0.5 million more of the needed equipment from the U.K.

3. The meeting adjourned at 5:15 p.m.

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Grena de Iongh
6. Mr. L. B. Rist
7. Mr. R. H. Demuth
8. 9. Mr. A.S.G. Hoar
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Mr. J. Rucinski
15. Files
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee, Held at 4:30 p.m., Tuesday
September 20, 1949, in Room 1005

1. There were present:

Mr. E. R. Black
Mr. R. L. Garner
Mr. W.A.B. Illiff
Mr. D. Cronin de Iongh
Mr. L. B. Rist
Mr. D. Sommers
Mr. O. H. Folk, Secretary

Also in attendance:

Mr. R. H. Desmut
Mr. E. G. Burland
General R. A. Wheeler
Mr. D. W. Slyser
Mr. F. A. Consolo
Mr. E. W. Bambert
Mr. A. Waterston

2. El Salvador

The Committee considered SLC/0/147, Loan Director's Memorandum on El Salvador dated September 15, 1949 and draft Loan and Guarantee Agreements on the El Salvadoran Rio Lempa Hydroelectric Project, dated September 7, 1949, and

RECOMMENDED:

(a) that the term of the loan be 25 years with 4 years' grace, followed by 6 years' gradually increasing amortization, then 15 years' level payments;

(b) that the interest rate be 4-1/2%;

(c) that a member of the Bank's Marketing Department assist the borrower in preparing a bond issue for local currency financing; and

(d) that the provision of the Loan Agreement regarding local currency be amended to provide that the bonds shall be sold at a price and rate agreeable to the Bank;
STAFF LOAN COMMITTEE

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and otherwise

CONCURRED:

in the recommendations of the Loan Director

3. International Telephone and Telegraph Company

The Committee considered SLC/0/145, the Loan Director's Memorandum on Peru, Chile and Brazil dated September 14, 1959, and

RECOMMENDED:

that the International Telephone and Telegraph Company be advised that their proposed telephone expansion project in Peru, Chile and Brazil is not of sufficiently high priority to the economy of these countries to warrant Bank financing at this time.

4. The meeting adjourned at 5:30 p.m.

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crema de Iongh
6. Mr. L. B. Risit
7. Mr. L. B. Risit
8. Mr. R. H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Files
15. Mr. D. W. Smyser
16. Mr. F. A. Consolo
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held at 11:00 a.m., Friday, September 23, 1949, in Room 1005

1. There were present:
   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. A.S.G. Hoar
   Mr. D. Crene de Iongh
   Mr. L. B. Rist
   Mr. A.F. Luxford
   Mr. O.H. Folk, Secretary

   Also in attendance:
   Mr. R. H. Demuth
   Mr. O. A. Schmidt
   Mr. T. D. Stephens
   Mr. M. M. Rosen
   Mr. L. Murick

2. Timber Equipment Project

   The Committee considered SLC/0/148, the Assistant Loan Director's Memorandum concerning the Finnish and Yugoslav Timber Equipment Loans, dated September 22, 1949. It

   RECOMMENDED:

   that Table A be omitted from the President's Report and, subject to that omission,

   CONCURRED:

   in the recommendations of the Assistant Loan Director that the President's Report and Recommendations and the exchange of letters between the President and the Minister Counselor of the Yugoslav Embassy be circulated to the Executive Directors for consideration.

3. The meeting adjourned at 11:35 a.m.

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. C.A. McLean
5. Mr. D. Crene de Iongh
6. Mr. L. B. Rist
7. Mr. L. H. Demuth
8. Mr. A.S.G. Hoar
9. Mr. O. A. Schmidt
10. Gen. R. A. Wheeler
11. Mr. E. G. Burland
12. Mr. O. H. Folk
13. Files
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held at 10:30 a.m., Monday, October 3, 1949, in Room 1005

1. There were present:
   - Mr. R. L. Garner
   - Mr. W. A. B. Iliff
   - Mr. D. Sommers
   - Mr. D. Crema de Longh
   - Mr. L. E. Rist
   - Mr. O. H. Folk, Secretary

   Also in attendance:
   - General R. A. Wheeler
   - Mr. E. G. Burland
   - Mr. E. W. Rembert
   - Mr. S. W. Anderson
   - Mr. C. H. Davies
   - Mr. G. deFleurieu

2. Mexico

   The Committee considered SLC/0/149, Loan Director's Memorandum on the Revised List of Goods for the Mexican Comision Project, dated September 29, 1949, and

   CONCURRED:
   in the dispatch to the borrowers of a letter in the terms of Appendix I to SLC/0/149, and

   RECOMMENDED:
   that before further action were taken on the local currency problem, the matter should be discussed with Mr. Paez, Director General of Comision Federal de Electricidad, during his forthcoming visit.

Distribution

1. Mr. E. R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crema de Longh
6. Mr. L. E. Rist
7. Mr. O. H. Folk
8. Mr. R. H. Beazeth

9. Mr. A. S. G. Hoer
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. C. H. Folk
14. Mr. C. H. Davies
15. Files
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held on Monday, October 17, 1949, at 2:30 p.m., in Room 1005

1. There were present:
   Mr. E. G. Black
   Mr. E. L. Garner
   Mr. W. A. H. Eliff
   Mr. D. Sayers
   Mr. D. Crema de Long
   Mr. L. E. Brist
   Mr. C. H. Folk, Secretary

   Also in attendance:
   Mr. A. S. B. Roar
   Mr. E. G. Burland
   Mr. S. W. Anderson
   Mr. G. L. Sandelin
   Mr. C. N. Davies
   Mr. A. Luxford
   Mr. E. Lopez-Herrarte
   Mr. S. Lipkowitz
   Mr. V. Marrone

2. Chile

   The Committee considered SLC/0/150, Loan Director's Memorandum on Chile, dated October 13, 1949, and

   AGREED:

   That before the Bank could come to any conclusions as to its future investment policy in Chile, a complete review should be undertaken of the present and prospective financial and economic situation of Chile, special reference to the following:

   (1) A long-range study should be undertaken by the Economic Department of the world outlook for copper consumption and specifically for the consumption of Chilean copper. This should be done in consultation with the Loan Department as to the various hypotheses on which such a forecast might be made up. The same should be undertaken with respect to nitrates. In this connection, it was agreed that conversations with Anaconda and Anglo-Chilean Nitrate would be fruitful and constructive.
2. A further study is needed on actual internal budget performance for the year 1949 and the probable internal budget for 1950. This should include an examination of the extraordinary budget which has never been furnished to us. This work must obviously be done in Chile with the cooperation of the Minister of Finance.

3. A further study should be made of the foreign exchange balance of payments, actual performance for the year 1949 to date, taking into account the new Eximbank loan of $25 million. This should also encompass study of the policies and practice of issuing import licenses and foreign exchange licenses. The forecast balance of payments calculations for the year 1950 which presumably are at least made up informally, should also be studied. This work will also have to be done in Chile.

4. The policies and operations of the Central Bank and of the private banking system should also be the subject of an inquiry in order to develop a considered view of the possibilities of further checking the inflation. Our information on this subject is not presently adequate nor sufficiently up to date.

5. The Chilenos should be advised, presumably both the Ambassador and probably Fonsanto here, as well as the high level ministers in Santiago, that we are dissatisfied with the manner in which the Endeas Loan has been handled as far as the reporting is concerned. In this connection Mr. Crone de Young is preparing a specific memorandum stating the evidence from which our dissatisfaction flows.

6. It was concluded that Mr. Black should discuss the whole matter with the Chilean Ambassador, voicing the views of the Bank and stating that Mr. Anderson and perhaps one or two other members of the Bank's staff would pay a visit to Chile in November, to coincide with the meeting of the central bankers on December 2, to go over these points with the appropriate ministers. The Bank's policy with respect to future loans could then be formulated in the light of more accurate information.

3. **Ecuador**

The Committee considered SLG/0/151, Loan Director's Memorandum on Ecuador's Debt Default, dated October 12, 1949, and SLG/0/152, Loan Director's Memorandum on a Revised Approach to Ecuador, dated October 12, 1949 and

**RECOMMENDED:**

that the Bank (1) obtain the thinking of the Council of the British Corporation of Foreign Bondholders concerning the settlement of the defaulted Ecuadorian debt; and (2) discuss with the Eximbank the relation of Eximbank lending to any possible Bank lending in Ecuador.
4. The meeting adjourned at 4:30 p.m.

Distribution:

1. Mr. E. C. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. B. Somers
5. Mr. B. Grein de Jongh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. A. S. G. Hoar
9. Mr. R. H. Demuth
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Bolk
14. Files
15. Mr. S. Anderson
16. Mr. G. L. Sandelin
17. Mr. C. H. Davies
Minutes of Meeting of Staff Loan Committee held Thursday, October 20, 1949,
_at 2:30 p.m., in Room 1005_

1. **Those present:**
   
   Mr. E. G. Black
   Mr. W.A.B. Iliff
   Mr. A. Luxford
   Mr. D. Crema de Lough
   Mr. P. N. Rosenstein-Rodan
   Mr. G. H. Folk, Secretary

   **Also in attendance:**
   
   General R.A. Wheeler
   Gen. G. E. Edgerton
   Mr. E.G. B Burland
   Mr. F. D. Stephens
   Mr. F. A. Consolo
   Mr. E. A. Bayne
   Mr. W. G. Walk
   Mr. A. Waterston

2. **Nicaragua**
   
   The Committee considered SLC/0/153, Loan Department Memorandum on *Iraq*
dated October 14, 1949, and

   **CONCLUDED:**

   in the recommendations of the Loan Director

3. **Iraq**
   
   The Committee considered SLC/0/154, Loan Department Memorandum on *Nicaragua*
dated October 14, 1949, and

   **CONCLUDED:**

   in the recommendations of the Loan Department, and further
RECOMMENDED:

that the Bank obtain as security for its loans a direct pledge of Iraq's oil royalties for the service on the loan and for internal and sterling expenditures on the projects.

4. The meeting adjourned at 5:40 p.m.

Distribution
1. Mr. E. B. Black
2. Mr. R. E. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crewe de Iongh
6. Mr. L. R. Rist
7. Mr. R. H. Demuth
8. Mr. A.S.G. Hoer
9. Mr. G. A. Schmidt
10. Gen. R. A. Wheeler
11. Mr. H. G. Burland
12. Mr. C. E. Folk
13. Mr. W. A. Anderson
14. Mr. T. A. Conoco
15. Mr. E. A. Bayne
STAFF LOAN COMMITTEE

(THis document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

Minutes of Meeting of Staff Loan Committee Held at 10:30 a.m., October 28, 1949, in Room 1005

1. There were present

Mr. E. H. Black
Mr. R. L. Garner
Mr. A.S.G. Hoar
Mr. A.F. Laxford
Mr. D. Crema de Tognh
Mr. L. B. Rist
Mr. C. H. Folk, Secretary

In attendance

General R. A. Wheeler
Mr. M. M. Rosen
Mr. S. Lipkowitz
Mr. E. H. Clark

2. Yugoslavia

The Committee considered Loan 77, Preliminary Report on Yugoslavia dated October 19, 1949 and

RECOMMENDED:

(a) that a loan to Yugoslavia be conditioned on:

(1) reasonable assurance that Yugoslavia will be able to meet its foreign exchange requirements for essential imports during the crucial next six months;

(2) evidence that Yugoslavia is seriously attempting to reach an agreement with the bondholders on its defaulted bonds; and

(3) the ability of the Bank to secure a substantial part of the necessary funds for the loan from appropriate member countries' 10% subscriptions.

(b) that the Bank now:

(1) ascertain the status of Yugoslav negotiations for an agreement on their defaulted dollar bonds;

(2) attempt to secure a firm indication from the U.S. authorities
concerned as to whether the U.S. Government will assist Yugoslavia in meeting its short-term financial difficulties; and

(3) held, for the present, requests to the appropriate member countries for the use of 10% currency in connection with this loan.

(c) that a further meeting of the Committee be held in the course of the next week to consider the result of the inquiries made in accordance with (b)(1) and (2) above, and that in the meantime no communication be made to the Yugoslav Government as to the prospects of a Bank loan.

3. The meeting adjourned at 11:50 a.m.

Distribution

Mr. E.R. Black
Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. D. Sommers
Mr. D. Crena de Longh
Mr. L. B. Rist

Mr. A.S.G. Roar
Mr. O.A. Schmidt
General R.A. Wheeler
Mr. O.H. Folk
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held at 4:00 p.m., Tuesday, October 25, 1949, in Room 1005

1. There were present:
   Mr. R. L. Garner
   Mr. A.S.G. Hear
   Mr. D. Somers
   Mr. D. Crema de Icough
   Mr. L.E. Rist
   Mr. O. H. Folk, Secretary

   In attendance:
   Mr. E. G. Burland
   Mr. S. W. Anderson
   Mr. G. L. Sendelin
   Miss V. Merrey
   Mr. V. Marrans

2. Uruguay

   The Committee considered SLC/0/157, Assistant Loan Director’s Memorandum on Uruguay, dated 21 October 1949 and

   RECOMMENDED:

   (a) that the Bank should not require the inclusion in its loan agreements of such provisions as referred to in Paragraph 1 of the Assistant Loan Director’s Memorandum but that where equipment to be purchased under the loan agreement is to be obtained from several of the Bank’s member countries, a provision should be included in the loan agreement specifically adapted to the particular circumstances;

   (b) that the provisions referred to in Paragraphs 2(a) and 2(b) of the Assistant Loan Director’s Memorandum be omitted from the Uruguayan loan agreement;

   (c) that, in view of the situation referred to in Paragraph 3 of the Assistant Loan Director’s Memorandum, the Bank advise the Fund in writing of its contemplated action with respect to the Uruguayan loan application; and
STAFF LOAN COMMITTEE

(This document is for the use of the President, Vice President and members of the Staff Loan Committee only. Its contents should not be communicated to other persons except in the course of duty.)

- 2 -

(a) that the Bank again discuss with the Uruguayans its interest in their utilizing to the maximum extent practicable their available foreign currency holdings in order to minimize their dollar indebtedness.

3. The meeting adjourned at 5:00 p.m.

Distribution:

1. Mr. R. B. Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Summers
5. Mr. D. Creme de Yongh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. A.W. Hoad
9. Mr. A.S.C. Hoar
10. Mr. G.A. Schmidt
12. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Files
15. Mr. S. W. Anderson
16. Mr. G. L. Sandelin

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held at 10:30 a.m., Wednesday, November 2, 1949, in Room No. 1005

1. Those present:

Mr. R. R. Black
Mr. W. A. B. Iliff
Mr. I. B. Rist
Mr. D. Sommers
Mr. H. W. Biley
Mr. A. J. Rosenthal, Secretary

Also in attendance:

Gen. R. A. Wheeler
Mr. R. G. Barland
Mr. C. H. Davie
Mr. W. W. Hembert
Mr. R. E. Buchanan
Mr. G. de Fleurieu

2. Mexico - Commission Project  The Committee considered SLG/2/158 (Loan Director's Memorandum, "Mexico - Federal Electricity Commission Project - Local Currency") and Memorandum by Mr. G. de Fleurieu, "Mexico's Borrowings from the Bank of America," and

RECOMMENDED:

(1) that the Bank indicate to Mr. Faas:

(a) that it would view with disfavor any short-term external borrowings by Mexico to finance part of the local currency costs of the Commission's projects;

(b) that if such a long-term external loan could be obtained, which was doubtful, the Bank would want to know the details of its terms before expressing a view as to its advisability;

(11) that the views expressed by the Bank to Mr. Faas be conveyed to the Bank of America; and

(111) that Dr. Hembert make a study of the probable effects of a cutback of one-third in the Commission's program for 1950 upon the efficiency of the remainder of the program, the Commission's revenues and the projects of the Mexican Light & Power Co.

3. The meeting adjourned at 11:30 a.m.
Distribution:

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Sammers
5. Mr. D. Cane de Young
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Demuth
9. Mr. A. G. Hoar
10. Mr. A. A. Schmidt
11. Col. R. A. Wheeler
12. Mr. E. C. Barland
13. Mr. E. Folk
14. Files
15. Mr. C. E. Davies
16. Mr. E. W. Rumbert
Minutes of Meeting of Staff Loan Committee Meeting Held at 4:00 p.m., Thursday, November 17, 1949 in Room 1023

1. There were present:
   Mr. E. B. Black
   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. L. B. Rist
   Mr. D. Crean de Longh
   Mr. D. Sommers
   Mr. A. J. Rosenthal, Secretary

   Also in attendance:
   Mr. A. F. Luxford
   Mr. B. B. King
   Mr. O. A. Schmidt
   Mr. F. D. Stephens
   Mr. M. M. Rosen
   Mr. A. Stevenson

2. Colonial Development Corporation
   The Committee considered SLC/0/159, Loan Director's Memorandum on Colonial Development Corporation, with attachments, and
   APPROVED:
   same with such modifications of the "Statement concerning U.K. credit position and prospects of repayment for inclusion in President's Report on prospective loan to the Colonial Development Corporation" as were agreed upon at the meeting.

3. The meeting adjourned at 4:55 p.m.

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. C. A. McIain
5. Mr. D. Crean de Longh
6. Mr. L. B. Rist
7. Mr. L. E. Rist
8. Mr. R. H. Demuth
9. Mr. A. S. G. Hoar
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. 
16. Mr. F. D. Stephens
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held on Monday, November 21, 1949 in Room 1005, at 10:30 a.m.

1. There were present:
   Mr. E. H. Black
   Mr. R. L. Garner
   Mr. A.S.G. Hoar
   Mr. A. F. Luxford
   Mr. D. Crean de Iongh
   Mr. L. E. Rist
   Mr. O. H. Folk, Secretary

   Others in attendance:
   Gen. R. A. Wheeler
   Mr. D. W. Smyser
   Mr. G. L. Sandelin
   Mr. T. Lopez-Herrarte
   Mr. J. Torfs
   Mr. Lachlan Currie

2. Colombia

   The Committee considered the Bank's position in light of the current political situation and
   RECOMMENDED:
   that until the political situation in Colombia had become more stable, the Bank should
   (1) withhold approval of the procedure for handling agricultural machinery required by the loan agreement, which will automatically withhold disbursements under the loan, and
   (2) suspend negotiations on the La Insula hydroelectric project and consideration of the other two hydroelectric projects.

3. The meeting adjourned at 12:00.

Distribution
1. Mr. E. H. Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Cliff
4. Mr. D. Sommers
5. Mr. Crean de Iongh
6. Mr. L. E. Rist
7. Mr. L. E. Rist
8. Mr. C. A. Shmidt
9. Mr. C. A. Shmidt
10. Gen. R. A. Wheeler
11. Mr. E. G. Burland
12. Mr. O. H. Folk
13. Files
14. Mr. Smyser
15. Mr. Sandelin
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held at 2:30 p.m., Wednesday, November 30, 1949

1. There were present:
   
   Mr. R. L. Garner  
   Mr. A.S.G. Hoad  
   Mr. D. Scammon  
   Mr. D. Creme de Iongh  
   Mr. L. B. Rist  
   Mr. C. H. Folk, Secretary

   In attendance:  
   Gen. R. A. Wheeler  
   Mr. C. A. Schmidt  
   Mr. J. Rucinski  
   Mr. E. W. Rembert  
   Mr. E. A. Bascroft  
   Mr. J. T. Lund  
   Mr. A. Bask  
   Mr. W. M. Gilmartin

2. Mission to the Philippines, Thailand, India and Pakistan

   The Committee considered SLC/0/160, the Assistant Loan Director's Memorandum on the Terms of Reference for the Bank's Mission to the Philippines, Thailand, India and Pakistan, dated November 25, 1949 and

   CONCURRED

   in the Terms of Reference as presented.

3. The meeting adjourned at 3:50 p.m.

Distribution

1. Mr. E. R. Black  
2. Mr. R. L. Garner  
3. Mr. W.A.B. Hill  
4. Mr. D. Scammon  
5. Mr. C.A. McLean  
6. Mr. L.B. Rist  
7. Mr. L.B. Rist  
8. Mr. A.S.G. Hoad  
9. Mr. C.A. Schmidt  
10. Gen. R.A.Wheeler  
11. Mr. E.G. Burland  
12. Mr. C.H. Folk  
13. Files  
14. Mr. Rucinski
MINUTES OF MEETING OF STAFF LOAN COMMITTEE HELD AT 10:30 A.M., WEDNESDAY, DECEMBER 7, 1949, IN ROOM 1005

1. There were present:
   - Mr. R. L. Garner
   - Mr. A.S.G. Hoar
   - Mr. D. Sommers
   - Mr. Crema de Iongh
   - Mr. L. E. Rist
   - Mr. O. H. Folk

   Also in attendance:
   - Mr. R. H. Demuth
   - Mr. G. A. Schmidt
   - Mr. F. A. Console
   - Mr. G. deflaurieu
   - Mr. Leopoldo Consolo

2. El Salvador
   The Committee considered SLC/8/161, Draft Report and Recommendations of the President to the Executive Directors concerning the proposed loan to Comision Ejecutivo Hidroelectra del Río Lempa and

   AGREED:
   to the report as amended by the Committee.

3. The meeting adjourned at 11:00 a.m.

Distribution
1. Mr. R. G. Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crema de Iongh
6. Mr. L. E. Rist
7. Mr. L. E. Rist
8. Mr. R. H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. G.A. Schmidt
11. Mr. E. G. Burland
13. Mr. O.H. Folk
14. Files
15. Mr. F.A. Console
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held at 10:30 a.m., Tuesday, December 27, 1949, in Room 1005

1. There were present:

Mr. R. L. Garner
Mr. W.A.B. Iliff
Mr. D. Sommers
Mr. D. Crema de Iongh
Mr. L. B. Rist
Mr. O. H. Folk, Secretary

Others in Attendance:

Mr. R. H. Demuth
Mr. A.S.G. Hoar
General R.A. Wheeler
Mr. S.W. Anderson
Mr. A. F. Luxford
Mr. J. B. Knapp

2. Uruguay

The Committee considered SLC/0/162 largely on the basis of the specific Uruguayan request and

CONCLUDED:

that the Loan Department should (1) discuss the details of the request with the Uruguayan Ambassador, (2) determine the availability of assistance to fulfill the request from other international organizations, the U.S. Government under the Point-Four Program, and other sources, and (3) then refer the question to the Committee for further consideration.

Distribution
1. Mr. E.R. Block
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crema de Iongh
6. Mr. L. B. Rist
7. Mr. R.H. Demuth
8. Mr. A.S.G. Hoar
9. Mr. O.H. Folk
10. General Wheeler
11. Mr. S.W. Anderson
12. Files